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**Technical Review of the Project on Jua Kali Women Training
and Manufacturing in Textile and Related Products
(DP/KEN/90/019)**

REPUBLIC OF KENYA

REPORT OF THE TECHNICAL REVIEW MISSION

Contract No. 92/218P

Prepared by OEKOTOP LTD. acting as a sub-contractor
for the
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

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TABLE OF CONTENTS

TABLE OF CONTENTS	2
INTRODUCTION AND BACKGROUND	4
I. SOCIO-ECONOMIC SETTING OF THE PROJECT AND PROBLEM ADDRESSED	7
A. <u>Socio-economic and institutional setting of the project</u>	7
1. <u>Description of the (sub-)sector</u>	7
2. <u>Government policy for the (sub-)sector</u>	8
3. <u>Institutional framework for the (sub-)sector</u>	9
B. <u>Problems encountered in the sector</u>	11
C. <u>The project document</u>	12
II. IMPLEMENTATION OF THE PROJECT AND APPROACH ADOPTED	13
A. <u>Institutional set-up</u>	13
B. <u>Delivery of inputs</u>	13
1. <u>UNDP/UNIDO</u>	13
2. <u>Government inputs</u>	14
C. <u>Approach adopted: The training programme</u>	15
1. <u>Target group</u>	15
2. <u>Selection criteria and process</u>	16
3. <u>Schedule of the training programme</u>	17
4. <u>Approach of the training programme</u>	17
5. <u>Areas of training</u>	18
6. <u>Incentive scheme</u>	19
7. <u>Marketing strategy</u>	19
8. <u>Follow-up and services provided to ex-trainees/graduates</u>	21
9. <u>Management and planning procedures</u>	22
10. <u>Coverage of rural sites</u>	23
11. <u>Jua Kali Textile and Related Products Association</u>	24

III. ACHIEVEMENTS AND CONTRIBUTION TO OUTPUTS, IMMEDIATE OBJECTIVE AND DEVELOPMENT OBJECTIVE	25
1. <u>Overall impact and success</u>	25
2. <u>Achievement of outputs contained in the project document</u>	25
3. <u>Achievement of immediate objective</u>	29
4. <u>Contribution to the development objective</u>	29
IV. CONCLUSIONS AND RECOMMENDATIONS FOR AN EXTENSION OF THE PROJECT WITHIN KENYA	31
V. REPLICABILITY OF THE CONCEPT AND OPTIONS FOR ITS TRANSFER TO OTHER COUNTRIES WITHIN THE REGION	37
VI. LESSONS LEARNT	39
REFERENCES	43
ANNEX I: SCHEDULE OF THE TECHNICAL REVIEW MISSION	44
ANNEX II: EXPERTS RECRUITED UNDER THE PROJECT	49
ANNEX III: CONTENTS OF THE DRAFT CURRICULUM	50

INTRODUCTION AND BACKGROUND

The present report summarizes the results of a technical review of the project DP/KEN/90/019 "Assistance to enhance the product design, range and quality and the entrepreneurial skills of Jua Kali women manufacturing textile and related products". The technical review was carried out by OEKOTOP Ltd., Berlin, Germany, under a sub-contract awarded in October 1992, and was conducted by Ms. Borges-Altvater, economist/entrepreneurship specialist, and Ms. Corinna Küsel, socio-economist, women-in-industry expert. For further details on the technical review mission, see below.

The project DP/KEN/90/019 - generally referred to as Jua Kali Women's Textile Project - was formulated in early 1990. It was based on a mission undertaken from 30 November 1989 through 14 January 1990 by Ms. Doris C. Petersham, UNIDO consultant for the Unit for the Integration of Women in Industrial Development, Ms. Violet Mbugua, counterpart, and Mr. John Muthee Muiruri, both representing the Ministry of Technical Training and Applied Technology, Government of Kenya. The mission responded to a request by the Ministry of Technical Training and Applied Technology, formulated in collaboration with the then UNIDO Country Director, Mr. Antoni Pagani.

The project was approved in the course of 1990 by the Government of Kenya and the United Nations Development Programme. Implementation started in February 1991 with the arrival of the Chief Technical Adviser, Ms. Doris C. Petersham.

The project closely corresponds to the national development priorities formulated by the Government of Kenya in key Sessional Papers and the Five-year National Development Plans. Creation of employment is one of the major development objectives of the Government, and the promotion of the small-scale and informal sector assumes an essential role in this context.

The project, that is now approaching the end of its two-years duration, is widely considered to be a success. It has set up a training centre for women informal sector producers in the textile sector (that is operating within the Kenya Textile Training Institute), and has already implemented three six-month training courses for the above target group; the fourth course has just started in late October. The women participants consider these courses to be highly effective, due to a well-designed approach (that will be described in detail below) and the high quality of the trainers who are recruited on UNDP/UNIDO budget as national experts. The project is currently in the process of extending its reach to cover other regions within Kenya. At the same time, it has aroused interest from other countries within Eastern and Southern Africa where various institutions have expressed their wish to set up similar facilities and initiate corresponding activities.

Because of the success of the training programme, a strong interest has been expressed by the Government of Kenya to extend the present project with a view to continuing its services to the target group, to consolidating its achievements and to supporting its transfer to other regions within Kenya. The Government is also interested in using the project as a basis for training staff from other institutions involved in informal sector promotion.

In addition, the success of the approach adopted and the achievements it has so far produced suggest a review of the feasibility and possible procedures for a replication of the project in other countries in the region.

The above considerations have prompted UNIDO to mount the present technical review mission: its main task has been to review the approach adopted by the project, to analyze the reasons for its success and its achievements as well as to look into measures to be taken to sustain the results reached so far. At the same time, the mission should review the potential of the approach for replication in other countries - using the experience of the project as well as the existing training modules - and should discuss modalities for adaptation and transfer. The mission would also look into the possibility of preparing a generic training programme/package during the second phase based on the experience and materials of the first phase.

The technical review of DP/KEN/90/019 was carried out by OEKOTOP Ltd., Berlin, Germany, Ms. Borges-Altwater, economist/entrepreneurship specialist, and Ms. Corinna Küsel, socio-economist/women-in-industry expert. The duration of Ms. Borges-Altwater's stay in the country was one week (18 to 24 October 1992); Ms. Corinna Küsel stayed in the country for two weeks, from 18 to 31 October 1992. In addition, Ms. Küsel visited UNIDO Headquarters for briefing and debriefing prior and subsequent to the field work. While the conclusions drawn were jointly arrived at by the evaluation team, the present report was prepared by Ms. Küsel. It is based on in-depth discussions with the CTA, the project staff and the Government counterpart, see below.

The first week of the mission coincided with a one-week break in training between two sessions. This was used to hold in-depth discussions with the CTA and all national experts involved in the project, with a view to capturing and analyzing the approach adopted. At the same time, the mission visited the businesses of several ex-trainees of the project as well as of two future trainees. Relevant officials within the Government were contacted. The main counterpart of the project, Prof. Karega Mutahi, Permanent Secretary of the Ministry of Technical Training and Applied Technology, MTTAT, unfortunately was on leave during the entire duration of the mission, but kindly offered to meet the mission team on Saturday, 24 October. During the second week, the fourth training course started, and the mission took advantage of participating in the orientation day for the new trainees, as well as to attend a number of training sessions. Meetings were held with UNDP and UNIDO, and a number of informal sector credit programmes were visited.

The mission would like to take this opportunity to express its sincere thanks to all those who were instrumental in coming to a balanced perspective on the project and formulating the conclusions below. It would like to particularly thank Ms. Doris Petersham, CTA, and Ms. Isabella Wandaka, NPC, who both accompanied the mission throughout its stay and were extremely helpful in providing all the necessary information and documentation available on the project. The mission would also like to express its deep gratitude to all other project staff, who generously spent their time to discuss with the team and share their observations and sentiments, and made this assignment a real pleasure. Thanks are also due to all women entrepreneurs for liberally sharing their views on the programme.

The mission was, inter alia, briefed by a representative of the Evaluation Staff, Mr. Hans Heep, and was recommended to follow the guidelines for the preparation of the final report on the in-depth evaluation of a project. While this was in principle adhered to, changes in the structure and presentation of the report were introduced where it appeared necessary to reflect differences in emphasis of a technical review, and in order to follow the Terms of Reference prepared by the responsible section within UNIDO, the Unit for the Integration of Women in Industrial Development.

I. SOCIO-ECONOMIC SETTING OF THE PROJECT AND PROBLEM ADDRESSED

The project under review is addressed to the "Jua Kali" or informal sector. It provides assistance specifically to Jua Kali women entrepreneurs manufacturing textile and related products with a view to enhancing product design, range and quality as well as entrepreneurial skills.

A closer look will be taken below at the definition and the key characteristics of this sector, at Government priorities for its development, and at the existing institutional infrastructure. On this basis, the main problem addressed by the project (as reflected in the project document and the mode of implementation followed), will be analyzed. This will set the ground for the subsequent review of the approach adopted by the project and the results so far achieved.

A. Socio-economic and institutional setting of the project

1. Description of the (sub-)sector

"Jua Kali" literally means "hot sun" - referring to an open market operation. According to the official Government definition, the Jua Kali sector includes informal sector/micro-enterprises in the manufacturing sector that employ up to nine workers. In distinction to this, the definition of the small-scale sector (that together with the Jua Kali sector is part of Government priorities) is broader and includes all enterprises engaged in the production of goods or services employing between 1 to 50 workers.

Jua Kali production can thus be equated with the informal sector. While no clear-cut definition of the informal sector exists, it may be characterized as below (this description of its operation has been prepared within the Kenyan context):

"... the core feature which sets the informal sector apart from the formal is the informality of the activities of the enterprises grouped under it. There is no book keeping, for instance, and therefore no auditing. Expenditure is not guided by any strict budgeting or planning principles. The work organization is an ad hoc arrangement "rearranged" as one goes along. There are no letters of appointment, no job-cards, no pay slips and no warning letters. There are not employee files, and often no clear-cut-job-titles. There may even be no business name, no "permanent" business premises, no reliable address and no bank account for the business. Last but not least, the business may not be licensed to operate." (Yambo, 1988, p.5 1 quoted in Yambo, n.d., p.4).

Nonetheless, the Jua Kali sector covers different levels of operation and sophistication, ranging from a truly "open air" or home-based operation to small enterprises in transition to the formal sector (these have been termed "formalized"; Muiruri, 1992). Most typical production trades include metalwork, carpentry, textile and leather work.

A study undertaken in 1990 (Yambo, n.d.) found that in the textile sector the share of women was particularly high: 40.5 per cent of entrepreneurs

1 Yambo, Mauri, 1988: Reconnaissance of Jua Kali Support Activities in Kenya. Nairobi, Kenya.

interviewed within this sector are female. It may, however, be assumed that this percentage figure under-reflects women's role in this sector, as a much larger number of women than men operate their business as a part-time activity from their homes, producing mainly for friends and acquaintances.

Most of women's textile enterprises are involved in dressmaking and tailoring, partly also machine-knitting of garments; few entrepreneurs also produce some household items, such as bed covers or table mats. Most women purchase raw materials from local stores; if they produce on a custom order basis, fabrics are usually supplied by the customer.

Women's textile enterprises usually employ between 1 to 5 workers; some of them employ also a few apprentices. A couple of women even operate their own training schools, taking in a couple of trainees, either on an hourly or daily basis. Fees are usually charged for this type of training. The informal sector in general plays a key role as a source of training (through apprenticeships). Informal sector training appears to be more important and effective - at least for the promotion of self-employment - than formal sector vocational training, e.g., through Youth Polytechnics (Yambo, n.d.). A detailed study of 25 women entrepreneurs in the textile sector (Muiruri, 1992) found that most of these entrepreneurs had received their training in informal sector textile enterprises, only comparatively few had undergone training on the job in big companies. Most of them had primary level education, about a fourth also secondary level education.

2. Government policy for the (sub-)sector

Creation of employment stands out among the key development objectives of the Kenyan Government, and a major thrust in this context is given to the development of the small-scale and informal sector. This reflects a growing recognition of the low potential of the formal sector for growth and employment creation.

Already the Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth identified the employment problem as the leading socio-economic issue facing the country, and stated the need to create over 6.4 million jobs by the year 2000. It emphasized on a dynamic rural sector promotion of small-scale enterprises and the encouragement of the informal sector (United Nations Development Programme, 1992a, Evaluation Mission Report on UNDP - Kenya Fourth Country Programme).

In line with this policy, the Sixth National Development Plan for Kenya (1989-1993) gives high priority to employment creation through the development of the small-scale and Jua Kali enterprise sector. Almost 600,000 jobs should be created within the Jua Kali and small-scale sector over the five-year period 2 (see Republic of Kenya, Sessional Paper No. 2 of 1992). The Seventh National Development Plan that is currently under preparation, is likely to

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- 2 According to the Sixth Development Plan 1989 - 1993, the urban informal sector employed 393,000 persons, compared to 1,263,300 in modern sector wage employment, and 6,252,400 in rural employment. By 1993, employment in the urban informal sector should have increased by 10.6 per cent to 730,200, while modern sector wage employment is expected to increase only by 4.1 per cent to 1,620,900, and rural employment by 3.8 per cent to 7,703,000.

reflect a similar thrust and is expected to focus on an improved performance and competitiveness of small enterprises and Jua Kali production (see United Nations Development Programme, 1992b, Advisory Note on the Fifth Country Programme (1993 - 1996), Draft).

The policy of the Government for the informal and small-scale sector is outlined, inter alia, in the Sessional Paper No. 2 of 1992 on Small Enterprise and Jua Kali Development in Kenya (Republic of Kenya, 1991), and in the Jua Kali Development Programme. The Sessional Paper No. 2 particularly stresses the need of creating an enabling environment and puts a major emphasis on the role of private sector enterprise and initiative - with the Government acting mainly as a facilitator. It particularly underlines the need of ensuring adequate access to credit for the Jua Kali and small-scale enterprise sector; a number of institutions have been created to this effect. The conducive policy environment and the provision of credit are to be complemented by various non-financial promotional programmes: these include managerial and technical training, counselling, consulting, marketing, extension, etc., which aim at the creation of an enterprise culture. Overall, the Sessional Paper No. 2 has been instrumental in creating an enhanced national awareness on the role of small enterprises in employment creation and development (United Nations Development Programme, 1992a).

There is a separate chapter (Chapter 3) within the Sessional Paper No. 2 on gender-specific issues that outlines major constraints faced by women entrepreneurs as well as major priorities for action with a view to integrating women in small-scale enterprise development. The paper stresses the need to concentrate on a business-oriented approach and market-driven concepts for the development of women's entrepreneurial potential. At the same time, it emphasizes the limitations of women's organizations in the creation of viable entrepreneurial activities and strongly advises against applying principles of social welfare.

3. Institutional framework for the (sub-)sector

The Government body directly responsible for the promotion of the sector is the Ministry of Technical Training and Applied Technology, MTTAT, with the Direction of Industrial Training, DIT, and the Direction of Applied Technology, DAT, that is immediately in charge of the Jua Kali sector.

The Government has created a wide range of bodies and programmes to deal with support to the small-scale and informal sector. Training is provided, inter alia, by about 600 Youth Polytechnics, that are spread all over the country, and about 18 Technical Training Institutes that are mainly addressed to technicians. The Kenya Textile Training Institute, inter alia, is providing short-term courses to Jua Kali entrepreneurs. Small Business Centres have been introduced and offer consultancy services entrepreneurship education.

Lending to the informal and small-scale sector is particularly developed in Kenya. An increasing number of credit institutions have initiated special credit schemes for this sector; at the same time, a growing number of NGOs provide an additional source of small-scale loans. Among the institutions specifically designed for lending to the small-scale sector, the Sessional Paper No. 2 mentions Kenya Industrial Estates, KIE, the Joint Loan Board Scheme, JLBS, and the Small Enterprise Finance Company, SEFCO. Other institutions that have initiated special programmes for this sector are the Industrial and Commercial Development Corporation, IDCD, Kenya Commercial Bank

Ltd., Barclays Bank of Kenya Ltd. and National Bank of Kenya Ltd. Within the context of the present mission, only few of these programmes could be reviewed more closely:

Barclays Bank: A significant number of mostly donor-assisted loan programmes for the small-scale and informal sector are channelled through Barclays Bank. These include, e.g., the Kenya Youth Training and Employment Creation (KYTEC) Loan Guarantee Scheme: under this ILO-assisted programme, loans between Ksh. 10,000 to 60,000 are provided to Youth Polytechnic graduates and women's groups. Loans are not directly appraised by the bank, but provided in line with a list established by the small business consultants of the project. The Kenya Women's Finance Trust (KWFT) Loan Guarantee Scheme has been initiated with the support of Women's World Banking, and will become operational again from 1993 onwards. For the formal small-scale sector, the USAID Loan Guarantee Scheme provides credit between Ksh. 150,000 and Ksh. 4,000,000 to entrepreneurs. Preconditions are a solid track record (through a bank account) of at least 6 months with the bank. 50 per cent of the security required are to be met by the entrepreneur.

Kenya Commercial Bank: The Kenya Commercial Bank, KCB, has, *inter alia*, established a programme specifically targeting women entrepreneurs, as well as a programme addressed to the informal sector. The Jua Kali Women's Textile Project has already initiated a working relationship with KCB (a KCB representative has visited the project), and the first trainees have received loans.

Small Enterprise Finance Company. SEFCO: SEFCO, that is supported by Kenyan, German and Dutch agencies provides three different types of credit programmes. (1) Fully Secured Loans, (2) Individually Guaranteed Loans as well as (3) loans to groups that are provided based on the principle of group collateral. The Individually Guaranteed Loan (IGL) scheme appears to be particularly appropriate to the investment capital needs of project trainees. The focus of the programme is on production-oriented enterprises, and on financing expansion, not new business creation. Loans are provided both for investment and for working capital, though preferably for the former. Loans typically oscillate between Ksh. 100,000 to 150,000, with a maximum level of Ksh. 250,000. An important criterion for loan approval is the character/the integrity of a person. 50 per cent of the loan need to be secured in already existing machines. At the same time, an equity of 10 per cent is required for investment capital, and of 25 per cent for working capital.

Kenya Industrial Estates. Informal Sector Loans Programme: This programme that is assisted by the German Agency for Technical Co-operation, GTZ, addresses a comparatively lower level target group than most of the programmes above. This programme operates in a number of locations in the country, but not in Nairobi. 3 Loans for first time borrowers range up to Ksh. 50,000, for second time borrowers, up to Ksh. 100,000. Application to this scheme involves a somewhat lengthy process of introduction to procedures and of screening the business, in order to familiarize small-scale producers who have so far remained outside the banking system with related principles. 100 per cent of the loan is disbursed, i.e. no equity is needed, and two guarantors as well

3 It does operate in Nyeri, the second site of the project, as well as in Eldoret, considered as third site.

as equipment chattels are required. At present about 350, or 25 per cent of the clients of the KIE informal sector loan programme, are women.

B. Problems encountered in the sector

Despite the surprising capacity of the Jua Kali production sector for innovation and expansion, it is nonetheless affected by a number of constraints typical to the informal sector. There is a general lack of technical and particularly business skills (most informal sector entrepreneurs do not keep records), lack of adequate tools and equipment as well as of operating capital. The training provided in vocational training institutes generally is not adequate to meet the entrepreneurs' needs, and informal sector training (through apprenticeships) is typically not a source of innovation and access to new markets. Training for existing entrepreneurs is mainly offered by Government institutions and is not always attuned to the needs of the private sector. Also, existing entrepreneurs generally find it difficult to find the time to attend training on top of running an enterprise. This is even more difficult for women who face specific problems due to their dual role as entrepreneurs and wives and mothers.

Within the Jua Kali textile sector, women constitute a particularly large part of producers. Most female entrepreneurs are, however, involved in a very limited range of production activities, primarily the manufacture of children's and ladies' dresses, mainly on custom order. Other potential market segments such as household items and accessories are not sufficiently exploited. The range of products offered by the Jua Kali garment producers is generally very similar, as copying is the most frequent source of design. This is aggravated by the fact that these products are often of inferior quality, and lack in design and finishing.

As a result of the concentration of most female garments producers on a very limited range of products and an altogether restricted market, competition in this sector is extremely high, and profit margins tend to be low. This is even more so, as informal sector garment producers do not only compete among themselves, but also with large-scale producers and the massive import of used clothes to Kenya.

Problems faced by women garment producers are aggravated by the lack of entrepreneurial and marketing skills, and general constraints faced by women entrepreneurs, such as limited access to credit. Many of these women run their business as a sideline activity in order to reconcile their family duties with an income-generating activity, and possess neither the technical nor the entrepreneurial and marketing skills to successfully compete in this competitive market.

This situation is even more difficult for women outside Nairobi, in the rural parts of the country, where the support structure and the access to markets are more restricted.

C. The project document

The project document clearly reflects the problems outlined above. On the basis of a detailed analysis of the situation of informal sector textile producers, it summarizes the greatest needs of the proposed beneficiaries:

- Improved design and quality and wider range of the products they sell;
- Improved business and marketing skills;
- Improved access to credit;
- Improved access to higher market levels.

Reflecting the assessment of the pre-project situation, the project focuses on enhancing the product design, range and quality and the entrepreneurial skills of Jua Kali women manufacturing textile and related products, which is defined as the immediate objective.

The approach of the project in principle very well reflects the problems to be addressed, i.e. the assistance requirements of female informal sector producers. The function of the project, as stated in the immediate objective, is clearly a direct support function. However, the PPER prepared for the project states the main function of the project to be institution-building. At the same time, outputs 1, 2 and 4 rather indicate an institution-building function. On the other hand, all outputs of the project heavily rely on national project personnel. The fact that the trainers are experts recruited under BL 17 does not coincide with the UNDP approach for institution-building when the project is exclusively manned with project-funded staff.

Therefore, the main outputs of the project are of a direct support nature of the kind aimed at in the immediate objective of the project. Nonetheless, the project implicitly contains institution-building objectives: it intends to establish and consolidate the training centre in a way, that it can be sustained beyond the duration of the project. It would then operate as a private sector training institute (if possible, funded through three sources, i.e. the Government, fees generated, and donor-supported scholarships) and keep the staff currently hired as national experts.

II. IMPLEMENTATION OF THE PROJECT AND APPROACH ADOPTED

A. Institutional set-up

The Government implementing agency of the project is the Ministry of Technical Training and Applied Technology, MTTAT. The project operates within the Kenya Textile Training Institute, KTTI, which falls under the auspices of MTTAT.

KTTI is mainly financed through an industrial training levy of Ksh. 250 per employee that is charged from all large-scale industries in the country. It is, however, practically defunct and operates training courses only on an occasional basis. It offers evening training classes for Jua Kali entrepreneurs which run between 5 to 8 p.m., plus a half-day on Saturdays, over a period of six weeks. A fee of Ksh. 480 is charged.

Apart from using its premises, not much working relations exist with the KTTI. However, the project occasionally provides on-the-job training for trainers of other national institutions.

The project has so far been operating only in Nairobi; however, preparations for an expansion to a first rural site (in Kimathi district) are almost completed, a second site (in Kilifi district) is under preparation, see below. In Kimathi, training facilities will be provided by the community, which appears to have been very supportive of a transfer of the training programme.

In the absence of a counterpart body in the sense of an institution-building project, the project operates only with national experts who are recruited under the project budget (see under I.C above). At present, the project has 9 national experts at the Nairobi site (1 national co-ordinator, 7 trainers and 1 retail shop manager and practical marketing trainer), and 5 national experts (1 site co-ordinator and 4 trainers) who have been recruited for the Kimathi site. There are, at present, altogether 4 general service staff working under the project (the Kimathi general service staff are not yet recruited).

B. Delivery of inputs

The mission that was to focus on a review of the technical modalities of project implementation has not looked into the details of input delivery. Nonetheless, there are a number of areas of importance to the implementation of the project that are worth mentioning.

1. UNDP/UNIDO

In general, delivery of inputs from UNDP/UNIDO has been more or less smooth. Nonetheless, a major problem has come up in relation to the payment of salaries to the national experts who are all recruited by UNIDO under the scheme of national project personnel. Over the 19 months of the duration of their contract, no adjustment of the salary level was made: neither as an increment reflecting the increase in the cost of living nor as an annual step increase.

This clearly contradicts the contract issued by UNIDO that stipulates that "The salary in local currency will be subject to revision whenever the salary scale of locally recruited UNDP Staff changes, and the same percentage of increase will apply." It also states that "...the step system is utilized mainly for annual increments based on satisfactory performance." None of these regulations have been adhered to, and in fact, the national experts' salaries have over the one and a half years of contract duration slumped to about two thirds of their value in US-dollars (the rate of the Kenyan Shilling to the Dollar has gone up from 24.30 in March 1991 when the salaries were negotiated to 34.40 in October 1992). Also, despite the high level of dedication and professional performance, no increase in steps has occurred. While in the meantime, UNIDO has officially requested the UNDP office to retroactively adjust the salaries of national staff, this was not followed by UNDP Nairobi.

This problem, if not immediately resolved, is likely to seriously affect the future performance of the project. All the national staff are extremely hardworking and committed to the project's goals, and obviously cannot understand that this is not at all honoured. The mission has the impression that - despite their high level of identification with their work - the concern about the decrease in their living standard is so high that in the not too far future, most staff would look for alternative employment, or go back to their previous employers. 4 This would put all efforts to ensure sustainability of the project into question.

A further problem in this context is that the project's professional staff has been overburdened with typing work due to lack of clerical staff. One additional secretary and a data base clerk would be instrumental in streamlining the substantive work of the national experts.

2. Government inputs

According to the project document, the Ministry of Technical Training and Applied Technology was to provide: (1) at least one part-time person to act as direct liaison with the National Project Co-ordinator and the Chief Technical Adviser, (2) the use of the premises, i.e., the physical facility, for the Product Design and Development Unit and the child care facility within the compounds of KTTI, (3) certain equipment at the premises of the Kenya Textile Training Institute, KTTI, and (4) access to equipment for photography, visual aids, printing and tailoring department equipment.

These commitments have been partly fulfilled, in so far as the project has been operating on the premises of KTTI using its facilities and having access to all utilities. This has implied access to a few large workshops and several classrooms. This has by and large proved to be sufficient; only the number of sewing machines was to be complemented by the project and an embroidery machine to be acquired.

4 It has repeatedly been argued that the salaries of national experts are too high in relation to Government pay scales. In undertaking this comparison it must, however, be taken into account, that most Government employees complement their pay by free lance work (this has become an acquired perk), while this is not possible for the staff of this project who dedicate already large parts of their free time to project work.

The project also has at its disposal one office (used by the CTA, some national staff and the secretary) and one conference room used by the rest of the national experts. This space allocation has, on the one hand, proved to impose some restriction on the staff, as all activities are to take place in one large room, on the other, an opportunity to be aware of all ongoing activities. Nevertheless, it may be useful to have at least one more office on the same floor close to the conference room for the National Project Co-ordinator. Also, when activities are to be expanded in terms of training of trainers, further room allocation may be necessary.

The originally planned child care facility has not become operational, due to an initial reluctance on the side of KTTI to allocate the necessary space. During the implementation of the project, this has, however, proved to be less important than originally anticipated.

KTTI is not involved in the running of the training programme.

C. Approach adopted: The training programme

The programme and concept that have been developed under the present project were found to be impressive both in terms of the approach adopted to training existing small-scale entrepreneurs and in terms of its achievements. The success of the approach can be attributed to the experience and qualifications of the CTA - her outstanding organizational capabilities, her understanding of the target group's needs and her response to them - coupled with an excellent national team. In view of its high potential for replication, this approach and its key elements will be described in detail below. Some issues that need to be mentioned in this context, are immediately highlighted. They need to be addressed carefully in the next phase of the project or when replicating the concept elsewhere.

1. Target group

The project has assessed and addressed the needs of the target group which appear to be facing the typical problems of most informal sector producers. The key problems are access to only a limited market; the narrow range of products sold, their poor quality and design, and a lack of technical and business skills.

"Copying the neighbour" generally constitutes the most common product design and marketing strategy. This problem is dealt with by a highly effective approach to training existing Jua Kali women female entrepreneurs to enhance design, range and quality of products and the entrepreneurial skills of these producers.

The training programme is offered to women entrepreneurs within the textile and garments sector who have a strong potential for growth and employment generation. Thus, the selection of participants is based on the assessment of their entrepreneurial potential

The groups of participants have been quite heterogeneous in composition: many of the women have - prior to the training programme - operated from their homes without any employee, and have seen their business rather as sideline, complementary activities. Others had already several workers, or have even run their own sewing schools, and are thus at the verge of becoming part of a "formalized" small production sector. 5

2. Selection criteria and process

The precondition for participation in the training programme is to have started a small textiles business and to have basic sewing skills.

Applicants hand in an application form, and, on this basis, are invited for interview (all applicants are interviewed). The interview takes place in a group situation, in which the programme is introduced to a group of around five women, who are then separately interviewed by a panel of several staff members. The key criterion is the entrepreneurial potential of the applicants, their experience in the textile field and how they present themselves to the interviewing panel. 6 Applicants with a determined minimum score are visited by project staff at their own business.

Selection of beneficiaries appears to have been quite successful, as hardly any drop-outs have occurred (with the exception of the second course, where 5 trainees discontinued and 2 dropped out).

Problems may, however, occur when the number of applicants increases further (at present there are four applicants per vacancy). Thus, possibilities were suggested by the mission to introduce a pre-screening process based on the written applications received, or to introduce principles of a "self-selection" process, in which tasks are given to trainees that make them realize that they cannot cope with the demands of the training.

5 All interviewed judged the heterogeneous group composition as an asset and a factor for success and not as a drawback. Trainees usually learn from each other, and the more advanced students assist in coaching the slow learners. In general, this heterogeneity was found to constitute an incentive and a source of inspiration for smaller producers.

6 Application Interview Guidelines: These include the following criteria with 4 categories ranging from 0 to 3:

- Originality and independence of mind;
- Persistence;
- Clear goals;
- Optimistic;
- Influencing and using other people;
- Support from husband;
- Has enough time;
- Has own or family money;
- Aware of need to raise funds;
- Aware of banking system;
- Has thought hard about her business idea;
- Has already taken some practical steps for her business.

3. Schedule of the training programme

In general, it has been a standard assumption that training programmes for existing entrepreneurs, particularly over several weeks, were bound to fail just because this target group could not leave their business for any longer period of time. This has appeared to be even more true for women, who on top of their businesses, have to attend to their families.

Based on a needs assessment, the project was able to develop a viable approach to address this problem: training hours are only three days a week (Tuesday to Thursday), from 9.30 a.m. to 4.30 p.m. (though most women tend to voluntarily spend much longer hours at the training site, to come in on Mondays and Fridays, and even over the week-ends). Thus entrepreneurs can attend to their business on Mondays and Fridays (mostly also on Saturdays), and even before and after training hours. Monday and Friday are used for individual consultancy at the trainees' businesses (see below). Before admittance to the training programme, trainees must also indicate, how they will keep their business running. This normally implies having at least one employee.

An important aspect that has ultimately convinced participants on investing time and effort in the programme, is the high quality of the training provided and its immediate utility in their businesses.

The project also had intended to address the problem of child-care through the setting up of a child-care facility at the premises of KTTI. Due to initial difficulties, this was not possible. Now, when women have difficulties finding somebody to look after their children, they can bring their child to a day-care facility and submit the bill to the project. It seems, however, that most of these urban businesswomen do manage to find domestic help for childcare while they are attending the courses.

4. Approach of the training programme

The approach chosen by the training programme deserves special emphasis, as it is not only innovative, but has also proved to be highly effective.

In summary, the approach chosen may be characterized as wholistic: one of the key elements is an effective integration of training in both technical and business skills. Technical skills taught are very broad and integrate, e.g., principles of design, colour theory, new product development, quality control, down to various individual technical disciplines: tie and dye, batik, printing, weaving, use of leather in textile products, as well as machine maintenance and repair. In the business field, aspects covered include entrepreneurial development, business management, time management, record keeping, marketing, presentation of products, packaging, costing and pricing, etc.

A close linkage is built into the treatment of these various subjects: it is one specialty of the programme that training focuses on a number of selected product lines, such as "bathroom products" or "dining room accessories". All the trainers use the same product range for their lessons: e.g., the business and marketing trainers will use the products prepared in the technical exercises as examples in their lessons (for techniques of coordination and monitoring, see below). Themes are changed from one course to the next, in order to ensure variation and avoid any market saturation.

Nonetheless, there is no risk that all trainees venture into the same field, as market research and new product development are paramount among the topics covered.

Another key principle of the programme is the close linkage between actual teaching (in the classroom and the workshop) and practical consultancy in the trainees' own businesses. This permits an immediate practical application of the skills imparted and is critical for addressing their individual problems and difficulties. Difficulties can thus be addressed before they become major problems. Practical problems encountered are used by the trainers as a basis for case studies, thus permitting other trainees to learn from their colleagues' experiences.

Even after the end of the training, this practice of individual consultancy is continued, as well as other services (see below). This has permitted the project to follow the progress of trainees beyond the end of the programme and to facilitate the effective application of newly acquired skills.

5. Areas of training

As has been highlighted above, training covers a wide range of both technical and business-related aspects. Six main areas can be distinguished in this context (for a complete list of elements of the curriculum, see Annex III):

- (1) New product development, surface design and finishing, principles of design and colour theory, and problem solving techniques. This covers:
 - Batik work;
 - Tie and dye;
 - Printing techniques;
 - Weaving.
- (2) Leather design and skills (in the course, leather is generally used only in combination with other materials, with the aim of creating a unique product).⁷
- (3) Sewing machine repair and maintenance, and stitching techniques.
- (4) Product construction and quality control (from design stage to packaging), including pattern drafting.
- (5) Entrepreneurial development and business management; including record keeping, time management and business plan preparation.
- (6) Marketing and promotional skills, covering the preparation of market surveys.

⁷ In Kenya, production of leather items is usually a domain of men. Producing bags and accessories that combine leather and textiles prevents the women from entering into direct competition with men, and gives their products a distinct comparative advantage.

During the first six weeks, the trainees are, through lectures and practical exercises, introduced into all areas of the training programme. After that, they are given a chance to select specific areas in the technical domain in which they want to specialize. It seems, however, that the trainees are keenly interested in attending all areas of the training programme offered. At present, specific hours (half a day at a time) are devoted to specific areas, to give the trainees the opportunity to attend all areas, without forcing their attendance (only the entrepreneurial and marketing parts are mandatory).

6. Incentive scheme

During the training, trainees obtain a grant of Ksh. 3,000 (Ksh. 500 per month) that covers training materials, such as fabrics and dyes. This is operated in the form of an incentive programme which, at the same time, works as a practical teaching tool: the Ksh. 3,000 are issued in "Jua Kali Shillings" (an artificial currency created by the project only for learning purposes) that can be used for purchasing training materials and materials for the production of prototypes. The trainee must present a form that states the type and quantity of products ordered, as well as the quantities of fabrics and dyes required, and make a costing and profit analysis. Each material provided to the trainee must be repaid within a period of 30 days, either in Jua Kali Shillings or in Kenyan Shillings.

These Ksh. 3,000 are, inter alia, intended to help compensating for a potential drop in sales during training as well as to ensure access of trainees to training materials on an equal basis. It is also useful to familiarize trainees with accounting procedures and making them understand cash flow.

It is also assumed that this grant constitutes a basis for building up working capital, with the possibility of tripling (in terms of sales) the Jua Kali Shillings invested. In case a trainee manages to triple her investment, she will receive each time/month an additional 100 Jua Kali Shillings as an incentive. No information could be obtained on the extent to which this has actually been applied.

Also beyond the duration of the training programme, graduates have access to the material loan scheme. Principles and problems will be discussed below.

7. Marketing strategy

A marketing concept targeting both national and international markets constitutes an integral component of the training programme. While, in the first place, it constitutes a training tool that ensures exposure of trainees to different markets, it also gives producers a possibility of realizing substantive sales. It is addressed to both present and former trainees.

A precondition for participation in marketing missions and fairs is regular attendance in training and the absence of any outstanding loan. The goods are subject to quality control by the corresponding trainer/expert. The marketing concept encompasses the following elements:

- Participation in fairs and exhibitions within Kenya: From the third month of training and until the sixth month after training, trainees are given an opportunity to participate in trade shows and exhibitions within Kenya. Additional marketing missions are undertaken to hotel gift shops, hotel suppliers, and other retail outlets.
- Up-market retail store in Nairobi: An up-market retail store is about to be opened in Nairobi for products manufactured by present and former trainees. It will either be located in a five-star hotel or a newly built shopping area, with tourists, conference participants and well-off Kenyans as the target group. The retail shop not only provides a marketing outlet to trainees which they could not address on an individual basis, but also serves as an incentive to produce goods of high quality. It is planned that trainees will partly be involved in the running of the shop, thus ensuring a feedback mechanism in terms of product quality delivered as well as marketing strategies to be adopted for the target clientele.

During the first year of operations, this activity will be fully subsidized by the project, in the second year, it should generate income to cover 50 per cent of its costs, in the third year, it is anticipated to break even. From the fourth year onwards, it is expected that it will generate income for the then self-sustainable training centre.

- Participation in trade fairs within the PTA region: 8 Market exposure is also promoted at the regional level. Participation in PTA trade fairs observes the following principles: for the first time of participation, 100 per cent of the trainees' expenses are borne by the project; the second time, the project covers only 50 per cent, as well as the show booth rent and the cost of forwarding and clearing the goods. From the third time onwards, the project will pay only for the stand rental and reasonable forwarding and clearing, while all other costs will be borne by the entrepreneur.
- Overseas marketing missions: The last step in this strategy is to address international markets, i.e. the United States, Europe and Japan. This is planned to follow the same principles (i.e. going down from a 100 per cent subsidy to 50 percent, until only the cost of forwarding and clearing are paid). This has, however, not yet been initiated, although a couple of the project trainees have already participated in overseas fairs on their own initiative. 9

Another option would be to enhance linkages with, and use of, other export promotion programmes that exist: e.g., the Kenyan Trade Authority, KETA, which subsidizes fair participation by covering the rent of the stand and forwarding fees for 50 kg. of goods. 10

8 PTA - Preferential Trade Area, encompassing most countries in Southern and Eastern Africa.

9 In some cases, they have received a loan from the project to cover part of their expenses; due to problems of repayment, discontinuation of this is currently being considered.

10 The mission was also informed that a World Bank export incentive programme covered 50 per cent of the air fare. This could, however, not be verified.

8. Follow-up and services provided to ex-trainees/graduates

After the completion of the training programme, follow-up services are provided to ex-trainees. Main elements are summarized below:

Already during the training programme, trainees have to submit monthly sales figures to the marketing expert. This is continued after the training, when these figures have to be submitted on a two-monthly basis. This is intended to monitor business performance, and to permit timely intervention in case any problems occur. There are, however, indications that figures submitted tend not to give a true picture, but are generally under-estimated.

At the same time, consultancy and advice are provided to former trainees on an unlimited basis. Many trainees also continue to use the workshop facilities for their production. Ex-trainees equally participate in the marketing component of the programme and have full access to the material loan scheme, see below. Participation in fairs in Kenya is even offered without any financial contribution by the ex-trainees.

The approach of unlimited consultancy services provided to ex-trainees has been useful to consolidate and enhance the learning effects of the course and to assist trainees in solving their day-to-day problems. Many of the trainees have made a step from tailoring as a sideline activity to full-fledged entrepreneurship, and thus continue to require some assistance in the new world they have entered.

At the same time, it has brought about a number of problems. First of all, constraints exist in terms of the capacity of both workshop and staff. Ex-trainees who use the workshop facilities as production site or have questions to be immediately resolved tend to disturb the training courses. More importantly, however, demands on the trainers increase as they have not only to prepare and implement their training lessons and consult current trainees, but also to advise an ever growing number of ex-trainees. These demands are likely to considerably augment and may even become unmanageable as the number of ex-trainees rises.

On a general level, this may even jeopardize the sustainability that is aimed at: while the project wants to generate fees for services provided, viability of operation is not likely to be achieved, if services for ex-trainees continue free of charge over an extended period of time.

Apart from the sustainability of the training programme, this approach does not provide a real life economic/business environment: since all business-related services are provided free of charge on an unlimited basis. This situation may lead to an over-dependence of trainees from the project which may make it difficult for them to stand on their own feet.

This particularly applies to the material loan scheme operating along the principles of a revolving fund, to which graduates have easy access. Ordinarily, this is limited to a maximum amount of Ksh. 10,000, exceptions are, however, possible upon the confirmation of a fixed order. Rules stipulate (according to an agreement to be signed by the (ex-)trainee and two project officers) that the loan is to be repaid within 30 days and that in default of this, an interest rate of 19 per cent is charged. (Punctual repayment is one of the preconditions for admittance to fair participation.)

This possibility offers considerable benefits to the ex-trainees: it provides them with access to a flexible working capital loan. Prices for raw materials are significantly lower than in the open market, due to bulk purchases and VAT exemption in the case of imported dyes, and they can buy items in small quantities as required.

Occasionally, this revolving fund has also been used for loans to fund a part of expenses related to the participation of individual trainees in international fairs. In some cases, this has, however, led to repayment problems.

Following such cases would unnecessarily occupy the time of the staff. One reason seems to be that project staff accept exceptions to regulations. At the same time, generally no interest has been charged. This is likely to create a vicious circle if rules are not taken seriously enough by trainees.

The trainers have informal relationships with the trainees and this contributes to the training positively. However, as they are also in charge of the extension of loans, this type of relationship proves to be difficult in convincing the trainees to repay their loans who tend to think that this money has been provided by UNIDO and is thus to be considered a grant. Therefore, they take their liabilities less serious than they would towards a bank.

These difficulties are somewhat reminiscent of the principles of operation of small industry development organizations that offered all those services possibly needed by small enterprises (through "one window"). Numerous problems have occurred leading to a failure of this concept. This has induced a shift to a "minimalist approach", providing only a restricted number of services through one hand (e.g., either credit or training).

These problems need to be carefully addressed during the next phase of the project or when replicating its activities elsewhere, with a view to setting clear limitations on the project services provided, and establishing rules that are adhered to and enforced.

9. Management and planning procedures

Co-ordination and monitoring of the training programme is ensured through an elaborate set of management tools.

Planning follows the principles of "management-by-objectives" (MBO): for each area of the training programme, basic learning objectives have been established. On this basis, each trainer defines objectives to be achieved within one month (monthly MBO-plans). As a next step, weekly time plans are prepared that lay out the teaching/activity programme of each trainer on a daily basis. This facilitates co-ordination between trainers regarding the inter-linkage of training subjects.

The MBO-plans are evaluated by the National Project Co-ordinator on a monthly basis, to review delivery of planned activities as well as the progress achieved (monthly evaluation of MBOs). Further, a monthly progress report on achievements by the programme is prepared.

Co-ordination between the trainers and monitoring of their activities is also ensured through a regular Monday morning meeting in which all activities

of the previous week are discussed by all project staff, e.g., problems encountered with individual trainees and solutions that were suggested. This permits all staff to keep abreast with developments that have occurred and to offer their suggestions on the course of action to be taken.

Monitoring and evaluation also cover trainee performance: the trainees' pattern of attendance is reviewed on a routine basis. Every two months the trainees submit an evaluation report (i.e. altogether three times), in which they can present any observations, criticisms or suggestions they may have both on the performance of the trainers and on their own achievements. 11

10. Coverage of rural sites

At present, the project is in the process of extending its reach to areas outside Nairobi. Activities have already been initiated to establish a branch office of the project in Kimathi district (close to Nyeri town) that is to service women entrepreneurs in that area. Five further national experts have been recruited, i.e. one co-ordinator and four trainers. From mid-September to mid-November, i.e. for approximately two months, they undergo on-the-job training by participating in the day-to-day activities of the Nairobi project. Training activities in Kimathi are to be taken up from mid-November onwards.

A feasibility study has also been conducted by the project staff assessing the need for, and the potential of, a transfer of the programme to a coastal area in Kilifi district. The mission has come to positive results on the possibilities for such a transfer, and activities have been initiated to identify a suitable location and facilities.

In light of the fact that the first transfer to a rural site has not yet fully materialized, it may be desirable to first obtain the results from this experience before steps are taken for a transfer to Kilifi. One particular difficulty in a transfer to rural areas is related to the wider geographical spread of trainees and the possible difficulties of combining training in a central location and the continuation of their business activities.

Beyond these operational modalities, areas that have to be looked into include the possible involvement of any local organization that can operate as counterpart and provide facilities and equipment, as well as staff that can at least partly be drawn upon to facilitate long-term institution-building. It is particularly crucial that possibilities of ensuring the sustainability of the training programme beyond the duration of the project are agreed upon with the local authorities.

11 This report is presented in a non-structured form which in general makes it difficult to solicit information in all areas required. Thus, use of a structured form was suggested by the mission which, however, seems to have been tried out before by project staff. Another possibility would be to use a structured discussion among trainees. Relevant areas can then be introduced and comments invited.

11. Jua Kali Textile and Related Products Association

An association of ex-trainees has been founded and is awaiting official registration. The purpose of this association is to ensure continuity in various activities currently provided under the project, such as raw material bulk purchasing, establishing and operating a revolving fund scheme, and support export marketing by members. According to its constitution, it is expected to act as an interest group and to assist its members in production-related cost-saving measures.

The foundation of this association is included in a general policy by the Government to stimulate the creation of Jua Kali associations. Already about 300 such associations exist, and a Federation of Jua Kali Associations has been formed.

III. ACHIEVEMENTS AND CONTRIBUTION TO OUTPUTS, IMMEDIATE OBJECTIVE AND DEVELOPMENT OBJECTIVE

1. Overall impact and success

Apart from the few concerns outlined above, the project can be judged - with all essential criteria applied - to be highly successful. This judgement is based on (1) a review of the approach adopted by the project, and (2) an assessment of the overall developmental impact, i.e. the actual benefits derived by the target group.

The approach was found to be closely corresponding to the needs of the entrepreneurs targeted. Key elements of its success seem to lie in the restriction of the training to three days a week, the close linkage of training with consultancy services provided in the trainees' own business, the effective inter-linkage of various elements of technical training with business training, as well as the high standard of training provided. The project has thus addressed in a highly successful manner a major unresolved problem, i.e. training entrepreneurs who are already in business.

Equally impressive is the high level of achievement in terms of the project's overall developmental impact, that may be measured based on a number of criteria. High ratings could be recorded on most of them:

- Diversification of production; development of new products;
- Technical improvements; higher quality of production;
- Employment created and new investment undertaken;
- Technology transfer, training of employees and apprentices (and indirect employment creation through staff trained);
- Increased sales;
- Access to export markets;
- Ability to do proper costing and pricing;
- Keeping of books and records;
- Improved access to credit.

Equally worth emphasizing is the fact that the project is in the process of expanding its reach to rural areas within the country. Once the first rural site has been in operation for some time, its success may be analyzed too.

Beyond this overall developmental impact, the results will be discussed in a more structured way, differentiating between outputs, immediate and development objectives.

2. Achievement of outputs contained in the project document

Output 1: An operational training programme and facility for product design and entrepreneurial skill development.

This output has, in principle, been achieved, though partly under different modalities than originally anticipated. Main elements of this output included the development of a training programme for key subjects identified, the preparation of manuals and their translation into Kishuaheli, the preparation of the physical facility and the design of an incentive programme.

Most of these elements have been fully implemented: a training programme together with a draft curriculum has been developed. Translation into Kishuahehi proved not to be necessary, as training is conducted in English. The physical facilities at KTTI are fully operational. In addition, an incentive programme and other training elements have been developed.

While the setting up of a child-care facility was not possible initially, due to difficulties with the management of the Kenya Textile Training Institute, the underlying concern has now been addressed in a different manner. A policy has been established that each trainee who runs into problems with child-care can leave her child/children with a near-by day-care facility, and the expenditure will be reimbursed. However, it seems that child-care does not constitute a major problem for the participating women, as most of them have domestic help at home.

One crucial element of this output, i.e., a finalized curriculum/manual for the training programme could so far not been accomplished and issued due to lack of time. This reflects, to a large extent, prioritization of implementation and delivery of outputs in terms of trained beneficiaries, as against a long conceptualization phase, and thus should not be criticized. This may be partly attributed to the fact that the professional staff has been cluttered up with administrative and typing work. It is also a result of high demands by ex-trainees on staff time.

It should thus be ensured that this aspect is attended to in the next phase, and the curriculum finalized. More emphasis should also be given to a proper documentation of the approach adopted by the programme and its principal elements. This will prove to be of key importance to the replication of the project within Kenya as well as within other countries in the PTA region.

Output 2: 4 national trainers trained in (a) product design and development, (b) entrepreneurial skills, including marketing.

The national experts who have been recruited as trainers, did not require training in the sense it was anticipated: originally, it was foreseen to prepare the training programme as a first step, and then to appoint national trainers who would be trained in the programme prepared. In reality, however, the four trainers as well as the national project co-ordinator reported for duty in April 1991, and were immediately and directly involved in the preparation of the training programme and the draft curriculum.

In September 1991, three additional national experts were recruited (on funds that had originally been earmarked for 8 months of international entrepreneurship and marketing consultant and for a sub-contract for machine maintenance and repair). This made it possible to cover a wider number of subjects, i.e. to introduce leather skills and machine maintenance and repair and to add one trainer in new product development and design. It has also facilitated some change in the training schedule, see below. Apart from familiarization with project activities, these trainers did not require any specific training either.

With the decision to extend the project activities to rural areas of Kenya (first rural site to be covered is a site close to Nyeri town in Kimathi district), five further national experts have been recruited, i.e. one co-ordinator and four trainers. They have been undergoing on-the-job training for

approximately two months, and have participated in the day-to-day activities of the Nairobi project. Also these five national experts meet highest professional standards; this two months in-service training is crucial to familiarize them with the overall approach applied by the project.

In future, training of national experts through fellowships and study tours would be crucial to enable them to keep abreast with new developments particularly in the fields of textile design/new product development and business and marketing. This would help the training programme maintain its level of excellence.

At the same time, a principal concern that may be again mentioned in this context, is the fact that the entire programme is run by UNDP/UNIDG recruited national experts. Thus, no institution-building in the usual sense of this word within UNDP projects has taken place. The question of how the training centre at its present level of performance can be institutionalized and its sustainability be ensured - beyond the duration of the project and the availability of funds - needs to be addressed during the next phase as a priority.

Output 3: 20 - 25 trainee graduates each 4 month period starting from the fifth month creating a total of 100 - 125.

This output has been fully - in fact more than - accomplished. The first training programme started, very timely, on 29 May 1991. (Despite some delay in the recruitment of national experts who reported for duty in April 1991, this was possible as these took up work immediately.) By mid-October 1992, three training courses had been completed and 104 trainees had graduated.

Changes have, however, occurred in the modalities of implementation. During the first training session, four months - at a three days a week schedule - turned out to be too short to cover all areas and aspects required. At the demand of the trainees, the programme was extended to six months. In fact, during the second session, trainees expressed the wish for a one year duration which was, however, turned down by UNDP and UNIDO.

The approach which was adopted from the second session onwards was to accept 40 - in fact even up to 48 - trainees, who are trained in two parallel classes, thus bringing down the number of trainees in one class to a manageable 20 to 25. This was made possible by augmenting the number of trainers from 4 to 7 - while at the same time increasing the subjects covered.

Of the first group of 26 trainees, 24 graduated; in the second group, 40 were admitted, of which 33 finished the course; in the third group, of 48 trainees, 47 showed up and graduated. This gives a total number of 104 graduates by mid-October 1992. ¹² Another 46 trainees have been admitted for participation in the fourth training session, all of which have appeared in the first week of the course.

¹² However, it has not become entirely clear, how successful participation/graduation is defined, and criteria are applied. For example, the mission had the opportunity to visit one ex-trainee from the last lot, who had not been able to attend regularly during the last month of training, and thus was not able to do her business plan. Nonetheless, she is counted among those who completed the course.

Output 4: Data bank to be used for baseline studies for other programmes in the informal sector related to raw material and equipment sourcing, bulk buying, etc.

In synopsis, it must be said that this output is still very much lagging behind due to staff shortage.

From the project document, it is not clear what the actual purpose of this output was intended to be and no description of its elements is given. The PPER No. 2 describes the following pieces of information that were to be covered:

- Information for trainees to assist in bulk buying, material sourcing, loan accessing, availability of materials, etc.;
- Information to evaluate best approaches for modalities to extend the training to the rural areas of Kenya;
- information to assist women in entering markets not formerly available to them;
- Information to assist women to make products new to them;
- Information to assist business women to interact with business women of other cultures;
- Inventory of supplies control;
- Budget control;
- Individual trainee files for evaluation of business growth documentation.

While part of the above information has been compiled as and when it became necessary, very little of this has been systematically put together and been properly documented to make it operational and accessible.

Information on bulk buying and marketing opportunities at the use of trainees has partly been replaced by the project taking care of these arrangements (with potential negative implications in terms of trainees' dependence). In terms of follow-up of performance of ex-trainees, only the sales figures are compiled by the marketing expert on a regular monthly basis. Only for the first group was a systematic assessment done of the actual impact of the training in terms of employment and investment created - and this was done only once, few months after the training programme. This situation does not allow a systematic follow-up of performance of ex-trainees, and can be considered a hindrance to the evaluation of project achievements.

This aspect urgently needs to be addressed in the next project phase. A data base containing (1) information on material sourcing and marketing opportunities and channels is crucial for trainees and ex-trainees; levying a fee for its use may be considered. At the same time, (2) compilation of detailed information on the performance of trainees during and particularly after the training programme is of crucial importance for the monitoring of project implementation. 13

13 The Kimathi co-ordinator has shown a particular interest in compiling this type of information on a systematic basis. It is hoped that in a smaller site, an effort can be made to establish such a system that may then be fed back into the project.

3. Achievement of immediate objective

Immediate objective: To enhance the product design and quality and the entrepreneurial capabilities of the Jua Kali women manufacturing textile and related products.

In principle, the project has made a very sizeable contribution to the immediate objective. Due to the lack of systematic data collection, this judgement cannot be verified in a quantified manner, as required by the terms of reference of the mission. Nonetheless, empirical evidence of visiting a number of enterprises during the mission, very clearly confirms that the above objective has been met to an impressive extent. This seems to be true for basically all trainees.

All trainees interviewed strongly affirmed the considerable benefits they have drawn from the training in terms of entrepreneurial, business and marketing as well as technical skills. Basically all of them have begun to systematically keep records, and have significantly improved their marketing skills. Casual observation confirms the improvement on the technical side and in terms of a whole new range of products developed and produced. The improvements are particularly obvious, when comparing the production of ex-trainees and new trainees. 14

The immediate objective is formulated as a direct support function while the PPER indicates institution-building as the primary function of the project. Actual project implementation has by and large concentrated on direct support, with the work of the national experts recruited on the UNDP/UNIDO payroll being directly addressed to the target group. At the same time, the project is institution-building insofar as it aims at developing the training facility built up in Nairobi (and the ones that are still to be established) into sustainable institutions.

4. Contribution to the development objective

Development objective: To assist the Government of Kenya in the creation of additional productive employment for women in the informal sector.

In fact, the impact of the project in terms of employment creation may be judged to be quite sizeable, particularly taking into account the short time of project operations. The PPER of 6 September 1992 estimates that approximately 200 new jobs have been created, an assumption that seems to be quite reasonable. Most of the 104 women who have finished the training programme have hired between one to three, some even more, additional workers. In addition, some of their employees, to whom they have passed on part of their newly acquired skills, seem to have now started their own businesses, thus leading to an additional indirect employment effect.

14 This could be ascertained in a number of field-visits. It also became obvious upon the introduction of new trainees, which was attended by about 25 trainees from the previous lot. While all ex-trainees described a very wide range of different products now produced by them (and in a very moving manner attested the considerable impact the training has had on them), earlier, hardly any of the new trainees had produced anything other than ladies' and children's clothes.

A systematic follow-up of these figures and their compilation in the data base could have better demonstrated the impact of the training programme to this important overall objective.

In this context, it may be mentioned that not all employees of the women entrepreneurs trained are female - other than suggested by the development objective. Based on casual evidence, it may be estimated that perhaps half of them are male. For statistical purposes, it would be interesting to record this as part of improved data base collection (this would also correspond with general UNIDO policy on gender-specific data collection).¹⁵ Thus, when reformulating the project document, the development objective, at least as far it relates to employment creation, should be formulated in a gender-neutral form. At the same time, the role of the project in contributing to women's increased performance in the informal production sector should be underlined.

¹⁵ In fact, during the introduction of the group of new trainees, one lady asked whether they were expected to hire only women, which was denied by the project. The mission fully agrees with this perspective.

IV. CONCLUSIONS AND RECOMMENDATIONS FOR AN EXTENSION OF THE PROJECT WITHIN KENYA

The tasks of the present technical review mission include a detailed review of the approach adopted by project DP/KEN/90/019 and, based on an assessment of its operation, the provision of recommendations on the course to follow in the context of a follow-up project. Some suggestions are made below that should be observed during a second phase of the project or in replication of its activities elsewhere.

Overall performance and achievements of the project

The project was found to be highly successful both in its approach as well as in the achievements it has so far had (and is most likely to continue producing). The approach to training has been very effective in addressing the problem of training entrepreneurs who are already in business. Key elements of this success are the restriction of the training to three days a week, the close linkage of training with consultancy in the trainees' own business, the effective inter-linkage of various elements of technical training with business training, as well as the high standard of training provided and the high quality of trainers who are recruited on UNDP/UNIDO budget as national experts.

Equally impressive is the high level of achievement in terms of the project's overall developmental impact, that may be measured in the diversification of production that has occurred, increased sales, technical improvements and higher quality of production, access to export markets, improved access to credit, employment created and new investment undertaken; technology transfer, training of employees and apprentices (and indirect employment creation through staff trained). There have been, over a period of slightly more than one and a half years, more than a hundred direct beneficiaries among informal sector producers, and a large number of new jobs (at least 200) have been created.

Extension

For the above reasons, an extension of the project can only be highly recommended. This is even more justifiable, as the first one and a half years of operation have just permitted a full development of this concept and an in-depth field-test of the same. At the same time, as further experience is accumulated, and some of the conditions change due to the steadily increasing number of trainees, minor modifications and adaptations may be required. An extension is thus necessary to bring this successful concept to full fruition, to achieve a high developmental impact in the sense of the project objectives, and at the same time, consolidate the project to ensure full self-sustainability.

Coverage of activities during next phase

The new phase must in any case cover the Nairobi and Kimathi sites, including a marketing component within Kenya and the PTA countries, which can be considered as the core elements.

Activities like expansion to Kilifi as well as an overseas marketing component are desirable to complement the existing activities.

Approach to be adopted during the next phase

While the project has, during its first phase of operation, mainly provided direct support to the Jua Kali entrepreneurs, i.e. the target beneficiaries, a major thrust should now be on an institution-building function of the project. The aim is to institutionalize a training capability for Jua Kali women entrepreneurs manufacturing textile and related products in Nairobi and two further sites in the country on a sustainable basis.

In further sites that will be covered in Kenya, it should be reviewed whether existing training facilities and trainers within these institutions can be upgraded/trained, hiring only a limited number of trainers on the UNDP/UNIDO budget while emphasizing local capacity building.

At the same time, the direct provision of services to the target group will be continued. This is necessary, as there is some indication that the high level of performance witnessed by the project would be difficult to guarantee under the limitations of a public sector institution. In reality, the programme has operated like a private sector training institute and will continue to maintain this approach in order to achieve the highest possible benefit to the target group.

Duration of extension

Ideally - if funding permits - the project should be extended for a three years period to give it sufficient time to build up appropriate structures and sustainability. At the same time, the withdrawal of UNDP support after this time should be considered in planning project activities. Nonetheless, after about two years an in-depth evaluation should be undertaken to decide on UNDP's role after that three year period.

This reflects UNDP/UNIDO policy to set up structures that can operate on a self-sustained basis, but not to provide funding over an extended period of time. This implies that over this defined period steps towards a gradual transfer into national hands needs to be built in, to prepare a takeover of activities by the Kenyan side and ensure sustainability of the institutional structure created.

Sustainability

The aim should thus be, that within three years, the project can be fully run at a national level. This requires, inter alia, the setting up of an appropriate national structure.

To ensure sustainability of operation, a mix of three different funding sources could be attempted: (1) government, (2) donor assistance, (3) fees charged. While the training centre is certainly in a position to generate part of its income through fees charged, it is unlikely that this can cover all operational costs. Thus, some funding of training activities through other donors may be necessary; this requires to identify and build in appropriate support in a timely manner.

At the same time, training centres in other parts of Kenya, which will have been established by then, may even continue to receive funding through UNDP, but should by then be fully managed by national staff.

Fees charged

The results of the review confirm the opinion held by project staff that at its present level and quality of operation, the programme is very well able to demand payment of fees. It has already been established that at the Kimathi site, a registration fee of Ksh. 500 will be charged. The mission supports thus the considerations by project staff to develop and implement, in due course, a modality for charging fees, possibly in the form of repayable loans/scholarships. Donor support may be sought for providing few additional scholarships on a grant basis.

The start of a second phase (and thus the end of a test phase) may constitute a justification to start this practice already during the third session, and thus calls for an early initiation of necessary action.

Fees may also be considered in the context of services provided that go beyond the duration of the training programme.

Gradual transfer to national management

In this context, possibilities for a gradual transfer to national management must be foreseen, also reflecting UNDP policy. In view of the high level of professional performance of the national experts, the project can within a limited perspective be run by the nationals, with a CTA undertaking only split missions.

Within the concept of transfer to further countries within the region, the capabilities of the present CTA could be highly instrumental in the setting up of one of the other project sites in the region, thus ensuring an effective transfer of the project approach.

Salaries of national staff

A severe problem that needs to be addressed on a most urgent basis, relates to the adjustment of salaries of the national staff both in relation to cost of living (and adjustment of salaries of national programme officers) and step increments.

The present practice clearly contradicts the contracts issued by UNIDO. This problem, if not immediately resolved, is likely to seriously affect the future performance of the project. All the national staff are extremely hardworking and committed to the project's goals, and cannot understand that this is not honoured. The mission has the impression that staff may begin to look for alternative employment, or go back to their previous employers. This would put all efforts to ensure sustainability of the project into question.

Provision of staff development

In view of the objectives that are to be addressed by the next project phase (i.e. to continue enhancing the quality of Jua Kali textile production to a level competitive for the export market, and to make structures built up viable and sustainable) staff development plays a most crucial role. The trainers will be able to provide the required high level of up-to-date information on market trends and requirements for new product development, only if they are given a possibility to keep abreast with developments. Staff development through scholarships and study tours thus plays a crucial role in maintaining the high level of project performance. Apart from fellowships and participation in training programmes, ¹⁶ participation of staff in international marketing missions is also of high importance. A further option would be to facilitate study tours of staff to other UNIDO projects that would give them complementary exposure.

Achievement of individual outputs

In terms of developmental impact, the project has clearly achieved more than what was originally foreseen. However, it is still desirable to compile the training materials into a curriculum and to set up a data base to systematically monitor the trainees' performance which the mission thinks would be very useful in the second phase of the project as well as when replicating the project activities elsewhere. These could not be achieved to date due to lack of staff and the high priority given to the start-up of an operation that would make a tangible impact.

These issues still deserve careful consideration, particularly as the approach continues to be disseminated. Appropriate mechanisms should thus be foreseen within the new phase to ensure that these essential outputs are achieved. Their achievement would also facilitate attraction of additional funding, when required.

Division of labour

An essential part of the delays in the achievement of these outputs must be attributed to a lack of clerical support to professional staff that has forced them to spend a considerable amount of their time on administrative/clerical functions. Under the present circumstances, computer entry has become a part of professional activities. Although this cannot be totally eliminated, the amount of typing and administrative work involved urgently calls for one administrative assistant/typist at the disposal of the professional project staff.

Transfer to further rural sites

The expansion of the training programme to sites outside the country can only be highly commended. Further transfer of the programme to sites in other parts of the country is highly desirable in view of the development needs of decentralized locations, and fully corresponds with the development priorities of both the Government and UNDP.

¹⁶ In Kenya, a number of institutions are dealing specifically with entrepreneurship development at a high level of excellence. In this field, existing national training opportunities need to be taken advantage of.

Different approaches are possible in this context. For instance, it may be desirable to follow a gradual process rather than starting operations at different sites all at once. This option would also allow one project site to benefit from the experiences of another site.

If a gradual process approach is adopted, appropriate modalities have to be established to guarantee continued support to project sites that are established at a later stage of the duration of the project.

Establishing clear and understandable limits for project services

An essential element of achieving sustainability of operation, will to a large extent, depend on a clear definition of project services to ex-trainees. The initiation of action by project staff in this context can only be encouraged. The start of a new phase may be a good opportunity to evaluate past experience and agree on defined modalities. The general direction should be towards a move from a "family thinking" to a more "business-oriented relationship".

This requires guidelines that clearly define services that will be provided to ex-trainees, specifying the duration for which they will be accessible. This is also necessary to avoid an over-dependence of ex-trainees on the project, and at the same time to avoid that services provided to present trainees do not suffer.

As already initiated by some trainers, consultancy services should be channeled and offered during specified times (e.g., for each trainer a specified half a day consultation for ex-trainees). A policy of providing these services for e.g., one year after the end of the course may be established (which gives the trainees at least the feeling that services are not provided on an unlimited basis, even if in reality it is not strictly enforced).

Production operations of ex-trainees at the project facility should be limited. Trainees can be given a "trial period", e.g., of 6 months, in which they can test whether they want to continue using specific technologies; after this time, they should be encouraged to build up their own facilities.

In this context, it may be mentioned that there are indications that the follow-up monitoring of sales figures provided by ex-trainees tends not to give a true picture. This component of the programme should be evaluated to assess its usefulness as well as its accuracy. On this basis, it may either be decided to discontinue it, or to identify a more effective assessment.

Material loan scheme

In view of the risk of over-dependence, and equally of a dissipation of staff work into a role of money collector, the possibility given to ex-trainees to continue purchasing raw materials through the project should equally be limited, e.g., to a period of one or two years after the end of the training programme, or if raw materials are required for marketing activities supported by the project. The current limit of a maximum level of Ksh. 10,000 should be strictly adhered to. This makes it less attractive to larger producers, but continues giving some start-up assistance to smaller producers.

The policy of charging a 19% interest rate on any overdue loans needs to be strictly enforced. Any serious default should lead to the immediate exclusion of the ex-trainee from this scheme.

There seems to be a general difficulty in establishing business relations, and particularly in enforcing loan repayment, with people to whom a personal relationship exists. This is even more so, when there are no people available who specifically deal with the enforcement of loan conditions. It would be useful to take it into account when discussing further procedures.

Credit scheme

Both conflicts of interest as well as work load involved are likely to multiply if a larger credit scheme was to be introduced into the project. Particularly under the very good relationship which is being built up between the project and the beneficiaries, empathy would make objective loan appraisal difficult. At the same time, there are indications that complete trust in ex-trainees is not likely to be fully honoured. In particular, the close linkages that have been created between project staff and the trainees seduce trainees to taking their loan commitment not very seriously. Finally, a larger loan scheme cannot be administered within the present set-up and would require recruitment of special loan officers.

Linkages with other ongoing activities

In order to avoid the above conflicts in interests as well as over-dependence of entrepreneurs from one source of assistance, but at the same time to assist trainees in obtaining services needed, provision of information on existing services should receive high priority. This requires stronger emphasis on a systematic review of services available in the country (particularly those in fashion, such as credit and export promotion). In this context, conditions of access should be documented and made available to trainees, and relationships on an institutional basis be established, thus facilitating trainees' access.

V. REPLICABILITY OF THE CONCEPT AND OPTIONS FOR ITS TRANSFER TO OTHER COUNTRIES WITHIN THE REGION

Apart from assisting in planning the next phase of the Kenya project, one of the key tasks of this technical review mission has been to look into the possibility of replication of the training concept and programme developed by this project, i.e. to assess its potential for transfer to other countries. This question is discussed below.

General conclusions/replicability of the concept

In synopsis, it may be said that in the light of the positive evaluation of the approach in general and the results it has shown so far, this concept has a high potential for replication. In fact, a replication in other countries can only be highly recommended. Also, adaptation of this concept to suit the needs of other sectors of economic activity may be considered. Nonetheless, such a replication calls for careful consideration and discussion of requirements and possible modalities to facilitate this transfer.

Options for a transfer of the programme

In transferring the programme, one of the key elements to be kept in mind is to ensure a high level of flexibility (i.e. one of the major principles and strengths of the Kenya programme). In this context, it is recommended not to put too much emphasis on lengthy development of training manuals, which in the end may prove to be too static.

What is essential for a transfer to other countries is the properly documented approach adopted by the Kenya programme. A finalized curriculum/manual is also useful as a basis for adapting training materials to (1) markets, (2) technologies, (3) level of the target group, (4) trainers. While it can constitute a basis for orientation, it should be kept flexible, and be available on computer.

This will require a systematic documentation of the approach adopted by the programme and its principal elements. This should include, e.g., key questions to be reviewed during a needs assessment, main areas to be covered in training, modalities for structuring the training programme, in particular in terms of the inter-linkage of technical and business training, elaboration of tools for management, planning and co-ordination, procedures for the setting up of an incentive scheme, major elements to be included in a data base, mechanisms and regulations for follow-up of ex-trainees.

Of crucial importance is equally a transfer through experts who have been associated with the development of the Kenya programme, e.g. through consultancy services from the Kenya programme to other countries where the project is replicated or training of trainers from those countries by the Kenya programme.

Adaptation within UNIDO's Food Processing Training Programme

UNIDO has developed materials for a training programme for women entrepreneurs in the food processing industry. The training materials are comprised of a training package which includes a trainer's manual which provides the instructors with stepwise guidelines on how to conduct the training, guidelines for recruitment and selection of participants and a

proposal for a follow-up scheme. In addition, it includes a technology manual providing detailed technical information on eleven different food processing technologies.

UNIDO had thus suggested to review the possibility of using the approach developed in Kenya for the development and field-test of a third volume on textiles and related products. This was carefully reviewed. However, for various reasons, this option does not appear to be viable: these two programmes are very different in a number of ways, e.g., target group (potential versus existing entrepreneurs, as well as the level of the target group, the principles of a residential course versus a course held close to the entrepreneurs' business). Therefore, the Kenya programme would not lend itself as a basis for developing and field-testing a newly developed programme.

Modalities suggested

Initiation of a transfer of the Kenya programme to other countries in the region will require in the first place a mission to carry out a needs assessment, planning and project formulation. This should be composed of a UNIDO staff member or consultant and Nairobi CTA or a national expert. The purpose would be to identify the institutional framework available (counterpart institution, ideally an existing textile training institute with entrepreneurship development operations) and facilities available (technical equipment), main areas of assistance needed, depending on (1) markets available and to be captured, (2) technologies to be developed, (3) level and skills of the target group, (4) level and training needed by national staff.

On this basis, a full-fledged project document should be drawn up. It is, however, important, that each project in each country is considered as a project in its own right, and not just as an extension of the Kenyan project. The project in Kenya can certainly be of help in assisting other countries in this respect, but it should not be converted into a regional project.

Since the Kenya project has offered assistance particularly in the training of trainers, assistance needs of each country should be considered from that perspective. If it identifies such a need, it will then outline modalities for training (duration and content according to needs identified) and includes necessary funding provisions. Training in Kenya can then be accommodated according to need, and an expansion of staff required for training funded from these resources.

Action required

Both Uganda and Tanzania appear keen on a transfer of the programme, as both possible national counterpart organizations and the UNDP/UNIDO office have expressed their strong interest in the same. UNIDO should therefore attempt to respond to any requests in a timely manner and mount a needs assessment/project formulation mission without delay.

A larger-scale UNIDO project could be initiated to cover the preparation of proper documentation on the approach; project formulation missions to assess project sites in other countries and to formulate projects at the national level, and possibly also an international marketing strategy to better tap the existing potential.

VI. LESSONS LEARNT

As has been pointed out before, the project reviewed was found to be exemplary in terms of its approach and concepts applied, and highly successful in respect of its achievements and its contribution to the overall development objective. Mention should be made here of the great contribution of the GTA to the success of the approach through her excellent organizational capabilities, her technical and leadership qualifications and her understanding of the target group's needs.

Because of the attainments of the project, considerable interest has been voiced in replicating its approach. A major purpose of the present mission was, therefore, to assess the project's potential for replication, i.e. to identify key elements that have contributed to the project's success. The mission also examined areas with a need for revision or improvement before the concept is transferred to other sites. The achievements of the project also suggest considering the use of some of its key elements in other projects devoted to the training of informal sector entrepreneurs. At the same time, as was stated earlier, a number of potential long-term weaknesses have been identified for improvement with a view to avoiding their repetition.

The present chapter of the technical review report is thus intended to present, in a summary form, those elements that have proved to be most essential for the success of the project, and that are particularly valuable for replication elsewhere, while pointing out areas where potential risks or shortcomings have been identified.

In this context, it may be pointed out that the flexibility and the adaptation of the project activities to the needs of the target group identified have been the most essential element of the project approach. This is an aspect that needs to be particularly emphasized in relation to a possible replication of the project in other countries. The constituent elements of the project strategy are certainly worth transferring. Nonetheless, it is even more critical that the needs of the target group and external conditions are carefully assessed, and the specific activities of the project are planned on this basis.

Upgrading the production process of informal sector operators

Useful lessons can be drawn from the project's approach to training informal sector producers.

The needs of the target group that have been assessed and are addressed by the project, appear to be typical for problems faced by most informal sector producers. Key problems dealt with are the limited market addressed, and the narrow range of products sold, their poor quality and design, and a lack of technical and particularly business skills. This corresponds to general problems among small-scale entrepreneurs, for whom "copying the neighbour" constitutes the most common "product design and marketing" strategy.

This problem is dealt with by a highly effective approach to training existing Jua Kali women entrepreneurs, with a view to enhancing design, range and quality of their products and the entrepreneurial skills of the producers. The strategies for achieving these objectives will be explained in more detail below.

Training existing entrepreneurs

The project has developed an innovative and successful approach to training existing entrepreneurs, i.e. to a problem that so far seems to have remained largely unresolved. Existing entrepreneurs generally face conflicting demands on their time, and are therefore mostly not able or interested to involve in training - particularly when its usefulness is questionable to them. This is even more difficult for women entrepreneurs who, on top of their business obligations, also face various domestic and family responsibilities.

This problem was effectively solved by limiting training activities to a schedule of three days a week, with 6 hours of training daily. During the remaining days of the week, in the mornings and evenings, trainees can check on their businesses and attend to their family responsibilities. (The time outside training is also used for on-the-spot consultancy activities). A precondition for admittance to the course is also that candidates can indicate how they will keep their business running (normally by having at least one employee) and whether they can accommodate the training time within their family and household duties.

A further essential aspect, that has ultimately convinced the participants on investing time and effort in the course participation, is the high standard of the training provided and its immediate utility to the trainees' businesses.

Close inter-linkage of technical and managerial training

Another aspect that seems to have strongly contributed to the success of the training programme is the wholistic approach applied, and particularly the close inter-linkage between the technical and managerial training and their various components.

The combination of technical and entrepreneurial training has permitted to address the complex nature of entrepreneurial production and the various activities involved in it (small-scale production involves various functions that in large companies are dealt with by specialists on the basis of labour division). This approach, that is distinct from common training courses that focus on providing either business or technical skills, should be taken into account in discussing their suitability.

The effectiveness of the combined approach applied is considerably enhanced through the close linkage built into dealing with the different sides of production: one "production theme" or product line is dealt with by all the trainers at one time, thus permitting to cover this type of product from all its various angles - e.g. the business trainer will use for his/her lessons those products that have been manufactured in the various technical courses.

Linkage of training and consultancy

An important element of the programme is the close and effective linkage of training with consultancy and follow-up services. Other than most other programmes, consultancy services are integrated right into the training programme itself, thus permitting the immediate transfer and practical application of subjects taught in the classroom or workshop to the participants' own business.

The services are continued after the end of the training programme. This has permitted to follow the progress of trainees beyond the end of the programme, and to facilitate the application of the newly acquired skills. However, this may imply some risks if provided on an unlimited basis.

Exposure of trainees to new markets and marketing strategies

A further essential element of the project is the marketing strategy that is built into training and follow-up activities: trainees are given a possibility to participate in fairs at the national and regional levels, and are gradually exposed to demands and risks implied. As was explained above, project subsidies for fair participation are reduced on a step by step basis.

This strategy has proved highly effective both in familiarizing trainees with the requirements of marketing at the national and regional level and as an incentive to achieving and maintaining a high quality of production.

Work through national experts

A factor that has certainly contributed to the success of the project has been the use of national experts, i.e. nationals who are hired on the project budget, as national staff/trainers. These experts have proved to be highly professional - all of them have an excellent background in their respective fields of specialization- and have shown to be very committed and hard working. Experience shows that - largely due to low basic salaries and systems of placement and promotion - a similar level of qualification and dedication cannot always be expected from staff on the Government payroll.

At the same time, however, the heavy reliance on staff on the project payroll has implied certain risks, particularly to the institution-building objective of the project: typically, all project inputs should contribute to establishing a capability within the institution assisted to provide certain services after the project assistance is discontinued. In the present case, however, no counterpart exists, and no institution-building properly speaking is taking place. While an effort is made to ensure sustainability of the training centre beyond the project's end, there is no guarantee that these experts can continue to be funded beyond its effective duration.

This indicates a certain conflict or trade-off between two project objectives - i.e. the effective attainment of the direct support objective, and the institution-building function.

Dependence of ex-trainees

A similar trade-off exists in relation to the provision of follow-up services to ex-trainees. While the provision of these services on an unlimited basis certainly has had a number of positive effects and has been perceived by ex-trainees as very useful, it also has implied a number of risks, both to the sustainability of the training programme and to the sustainability of the ex-trainees' businesses.

For the training programme, this openness has implied an increasing number of ex-trainees demanding time and attention of the staff thus inevitably entering into conflict with the aim of the centre trying to teach the trainees to achieve profitability on a market-oriented basis.

This situation is bound to create a somewhat artificial business environment: they can participate in national fairs free of charge, can constantly recur to free consultancy services, and have access to cheap VAT-free raw materials. This implies the risk that trainees adapt the operation of their businesses to these artificially subsidized conditions, and are thus bound to face serious problems once these subsidies or the project as a whole is withdrawn.

This experience seems to reinforce a need for clear limitations and cut-off points in the duration and the extent of services provided to trainees. An alternative solution - provided it can be accommodated within the projects' operating capacity - is to supply such services against a market-rate fee.

Public relations

The staff of the project have been extremely successful in public relations. This has gained them more support from the Government side and the project has become regionally renowned. This will also be helpful in replicating the same approach in other countries in the region.

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ANNEX I: SCHEDULE OF THE TECHNICAL REVIEW MISSION 17

- 16/10/1992** Travel by Corinna Küsel to UNIDO Headquarters, Vienna, for briefing
- 10.00 a.m. Arrival
- 10.30 a.m. Briefing by Mr. Hans Heep, ODG/EVAL, and Ms. Tezer Ulusay de Groot, PPD/SMA/WOMEN
- 12.30 p.m. Lunch break
- 2.00 p.m. Briefing by Ms. Bärbel Chamalu, Co-ordinator, and Ms. Tezer Ulusay de Groot, PPD/SMA/WOMEN
- 3.00 p.m. Continuation with Ms. Ulusay de Groot
- 4.00 p.m. Briefing by Ms. Babette Klais, PPD/SMA/WOMEN, on a possible transfer of the UNIDO Training Programme for Women Entrepreneurs in the Food Processing Industry to Kenya
- 5.00 p.m. Discussion with Ms. Gale Zahniser, PPD/SMA/WOMEN
- 17/10/1992** Saturday: Travel by Corinna Küsel and Uta Borges-Altvater to Nairobi, Kenya
- 18/10/1992** Sunday: Review of literature and preparatory discussions of the technical review team
- 19/10/1992** First visit to the project, co-ordination of further activities, field visit
- 8.30 a.m. Attendance at staff meeting of DP/KEN/90/019; presentation of mission team and objectives of technical review mission
- 10.00 a.m. Video on the project
- 11.00 a.m. Meeting with Mr. L.C. Dena, Deputy Secretary, Ministry of Technical Training and Applied Technology
- 12.00 a.m. Courtesy call to Mr. N. Mureithi, Director of Applied Technology at the Ministry of Technical Training and Applied Technology
- 1.00 p.m. Lunch break
- 3.00 p.m. Field visits to ex-trainees

17 In most meetings, the mission team was accompanied by Ms. Doris Petersham, CTA, and Ms. Isabella Wandaka, NPC, who both facilitated the mission's work in every possible ways. Therefore, their attendance will not be specifically mentioned.

- 20/10/1992 National holiday: discussions with CTA**
- 10.00 a.m. Meeting with CTA to obtain in-depth information on the project approach
- 2.00 a.m. Lunch break
- 21/10/1992 Meetings**
- 8.30 a.m. Meeting with Mr. J.M Mwilidzi, Acting Principal, Kenya Textile Training Institute
- 9.00 a.m. Discussion with Mr. John Muthee Muiruri, National Expert, Entrepreneurial/Business Management Skills
- 11.00 a.m. Meeting with Mr. Sakari Koivula, JPO/Programme Officer, UNIDO; subsequently co-ordination of further meetings at the UNDP/UNIDO office during the coming week
- 1.00 p.m. Continuation of discussion with Mr. Muiruri
This was continued by Ms. Borges-Altwater
- 3.00 p.m. Meeting with National Women's Association KANU- Maendeleo ya Wanawake: Ms. Wilkista K. Onsando, National Chairman, Ms. J.J. Kirui, Executive Officer and other staff (Corinna Küssel)
- 4.00 p.m. Field visits to ex-trainees (Corinna Küssel)
- 22/10/1992 Individual meetings with national staff; field visits**
- 8.30 a.m. Visit of the Friedrich Ebert Foundation, meeting with Dr. Felix P. Schmidt, Resident Director; discussion of activities of the Ebert Foundation targeting the Jua Kali sector
- 10.00 a.m. In-depth small-group discussion with national experts:
- Ms. Isabella Wandaka, National Project Co-ordinator, and Mr. Muriithi Kaimoe, Kimathi Project Co-ordinator;
 - Ms. Beatrice Mulusa, Expert/Trainer, Marketing and Promotional Skills, Mr. Minyu Mugumbi, covering the same area in Kimathi, Ms. Makanda Kioko, Practical Retail Marketing Skills Trainer, Mr. Eliud Katayi, Expert/Trainer, Entrepreneurship and Business Skills, Kimathi
 - Ms. Jane Thang'wa, Expert/Trainer, New Product Development and Quality Control, Ms. Suzanne Kirubi, Product Construction and Machine Maintenance Trainer, Kimathi
 - Ms. Beatrice Khaemba, Expert/Trainer, Textile Design and Finishing, Ms. Jacqueline Aligula, covering the same area in Kimathi
 - Mr. Robert Wachira, Expert/Trainer, Leather Design and Skills, Mr. Peter Githumbi, Expert/Trainer, Machine Maintenance and Repair
- 6.00 a.m. Discussion and formulation of preliminary findings between members of technical review mission

- 23/10/1992 Presentation and discussion of preliminary results; field visits**
- 8.30 a.m. Meeting with all project staff; presentation of a summary paper of key preliminary findings and observations for discussion, in-depth discussion of the same
- 2.30 p.m. Field visits; visits of, and discussion with, ex-trainees and prospective trainees (participants in fourth session to start 26 October 1992)
- 24/10/1992 Saturday: Market research, meeting with Government counterpart; departure Ms. Borges-Altvater**
- 9.45 a.m. Meeting with Prof. Karega Mutahi, Permanent Secretary, Ministry of Technical Training and Applied Technology
- 11.30 a.m. Market research, visits of up-scale marketing facilities for textile and related products; visits at the Spinner's Web, the African Heritage and the Utamaduni, Crafts for Conservation
- 3.00 a.m. Discussion of results between members of technical review mission
- 11.00 a.m. Departure Ms. Borges-Altvater to Berlin
- 25/10/1992 Sunday: Formulation of mission findings**
- 26/10/1992 Orientation day for new trainees**
- 10.00 a.m. Introduction and orientation of new trainees (fourth session) by trainers and former trainees
- 2.30 p.m. Meeting with Ms. A. Gebru, UNDP Programme Officer, WID Focal Point
- 4.00 p.m. Planning meeting with Ms. Doris Petersham, CTA
- 27/10/92 Meetings at UNDP and with informal sector finance programmes**
- 9.00 a.m. Meeting with Mr. Stefano Bologna, UNIDO Country Director
- 10.30 a.m. Meeting with Mr. L. Wasonga, Programme Officer
- 11.30 a.m. Meeting with Mr. James Tomecko, GTZ Team Leader, Kenya Industrial Estates, Informal Sector Loans Programme (together with Messrs. J.M. Muiruri and Muriithi Kaimoe)
- 2.00 p.m. Meeting with Mr. J.K. Ngaara, Accountant, Small Enterprises Finance Company Ltd., SEFCO (together with Messrs. J.M. Muiruri and Muriithi Kaimoe)

- 28/10/92 Further review of project activities**
- 8.30 a.m. Attendance in staff meeting
- 9.30 a.m. Attendance in training lesson, entrepreneurship development
- 2.00 p.m. Review of literature, discussion with Ms. Isabella Wandaka, National Project Co-ordinator
- 29/10/92 Further review of project activities**
- 9.30 a.m. Meeting with Mr. C.K. Kasina, Director, Directorate of Industrial Training, MTTAT
- 11.00 a.m. Discussion with Ms. Joyce Assanga, National Expert
- 2.30 p.m. Attendance in technical class, leather design and skills
- 4.00 p.m. Review of expenditure pattern during first project phase, tentative calculation of project budget for second phase
- 7.00 p.m. Elaboration on preliminary overall conclusions for presentation
- 30/10/92 Presentation and discussion of preliminary conclusions of mission**
- 8.30 a.m. Staff meeting
- 9.00 a.m. Presentation of preliminary findings and conclusions to project staff (based on paper submitted), in-depth discussion of the same
- 3.00 p.m. Meeting with Mr. Dancan M. Mwaniki, Manager's Assistant, Small Business Unit, Barclays Bank of Kenya Ltd. (together with Mr. J.M. Muiruri)
- 4.30 p.m. Attendance at meeting of project staff with Mr. William A. Rutherford, International Management & Development Group, Ltd., representing UNDP Tanzania
- 31/10/92 Saturday: Formulation of mission findings; departure Ms. Corinna Küssel to Vienna**
- 1/11/92 Sunday: Formulation of technical review report**

2/11/92 Debriefing of Ms. Corinna Küssel in Vienna

8.30 a.m. Discussion of preliminary mission findings with Ms. Tezer Ulusay de Groot

10.00 a.m. Discussion with Ms. Bärbel Chambalu

11.00 a.m. Conclusions on the replicability of the programme, Ms. Chambalu, Ms. Ulusay de Groot, and Ms. Babette Klais

12.30 a.m. Lunch break

2.00 p.m. Discussion of preliminary report with Ms. Ulusay de Groot

3/11/92 Debriefing of Ms. Corinna Küssel in Vienna

8.30 a.m. Discussion of findings with Ms. Ulusay de Groot, Ms. I.S.A. Baud and Mr. G. Hurley

10.00 a.m. Discussion of preliminary report with Ms. Ulusay de Groot

12.00 a.m. Lunch break

2.00 a.m. Discussion of draft project document with Ms. Ulusay de Groot

ANNEX II: EXPERTS RECRUITED UNDER THE PROJECT

- BL Incumbent, Title, Sex (entry on duty)
- 11-01 Ms. Doris Petersham, F, USA, Chief Technical Adviser (01/02/1991)
- 17-01 Ms. Isabella Wandaka, National Project Co-ordinator, F (01/04/1991)
- 17-02 Ms. Joyce Assanga, Expert/Trainer, Textile Design and Finishing, F (01/04/1991)
- 17-03 Ms. Jane Thang'wa, Expert/Trainer, New Product Development and Quality Control, F (08/04/1991)
- 17-04 Mr. John Muthee Muiruri, Expert/Trainer, Entrepreneurial Skills and Business Management, M (01/04/1991)
- 17-05 Ms. Beatrice Mulusa Mutail, Expert/Trainer, Marketing and Promotional Skills, F (15/04/1991)
- 17-06 Ms. Beatrice Khaemba, Expert/Trainer, Textile Design and Finishing, F (14/10/1991)
- 17-07 Mr. Robert Wachira, Expert/Trainer, Leather Design and Skills, M (14/10/1991)
- 17-08 Mr. Peter Githumbi, Expert/Trainer, Machine Maintenance and Repair, M (14/10/1991)
- 17-09 Ms. Makanda Kioko, Practical Retail Marketing Skills Trainer, F (14/09/1992)
- 17-10 Mr. Muriithi Kaimoe, Kimathi Project Co-ordinator, M (14/09/1992)
- 17-11 Ms. Jacqueline Aligula, Expert/Trainer, Textile Design and Finishing, Kimathi, F (14/09/1992)
- 17-12 Ms. Suzanne Kirubi, Product Construction and Machine Maintenance Trainer, Kimathi, F (14/09/1992)
- 17-13 Mr. Eliud Katayi, Expert/Trainer, Entrepreneurship and Business Skills, Kimathi, M (14/09/1992)
- 17-14 Mr. Minyu Mugumbi, Expert/Trainer, Marketing and Promotional Skills, Kimathi, M (14/09/1992)

ANNEX III: CONTENTS OF THE DRAFT CURRICULUM

(1) Textile Design and Surface Finishing

- Textile Design
Textile Design History
Product Development Procedures
Safety
- Design
Aesthetics of Design
Colour Scheme
- Textile Technology
Fibre Technology
- Surface Finishing
Tie & Dye
Theme: Dining and Living Room Products
- Surface Finishing
Textile Printing Technology
Themes: Garments; Bathroom
- Technical and Economic Aspects
Reproducibility; Marketability

(2) Weaving

- Introduction to Textiles
Textile History
- Textile Processes
Manufacturing stages
Processing, fabric construction (non-structural and structural)
- Fibres and yarns
Classification of fibres
Properties of fibres
Fabric formation
Elements of woven design
Construction of elementary weaves
Weave and colour combination

(3) Production/New Product Constitution/Quality Control

- Processes of textile processes
- Equipment and tools for textile products
Principles of safety
- Sewing techniques
Stitches in textile products
Controlled fullness on textile products
Zips and collars on textile products
Pockets on textile products
- Pattern construction
Standard body measurements
Collars
Sleeves
Skirts
Bathroom products
Cushions
Loose over for upholstered chair
- Construction and development of textile products
Seams
- Labelling of textile products
- Product variation
Pricing and costing of textile products

(4) Leather Products Technology

- Leather manufacture
Introduction to leather
The nature of the skin
The nature of leather
The types of leather
Conversion of skin to leather
The finishing and dressing processes
The physical properties of leather
- Leather products - designing
The basis of design
Material economy
The basic design of belts
 - purses, wallets, keyholders
 - bags, ciondos, briefcases
 - sandals, shoes, etc.The fashion factor in designing
- Leather products - manufacture
The equipment, tools and accessories
The cutting of various patterns on leather
The stitching of various parts
The assembling of various products

The finishing of the products
The packaging of the products
The storing of raw materials and finished products

- Leather products - marketing
 - The product mix
 - The product/sample in the market
 - The market/feasibility study
 - Selling and dispatching the goods
 - Creating demand/need of the product
- Support services related to leather goods making
 - Purchasing of raw material, tools and accessories
 - Personnel administration at workshop/office
 - Work-study techniques to improve efficiency
 - Cost-accounting

(5) Sewing machine repair and maintenance

- The purpose of sewing
- Definition of sewing
- The stitch type
- Seam types
- Stitch formation
- The elements of the sewing machine
- The different types of sewing machines
- Applied sewing machine engineering
- The sewing machine drive
- Work aids
- The most important basis of setting a sewing machine
- The sewing machine drive
- Work aids
- The most important basic settings of a sewing machine
- The maintenance of sewing machines
- Information on sewing disturbances
- Zeroing the feed motion
- Adjustment of the feed dog height

- Needle bar height, hook timing and hook to needle clearance
- Clearance between presser foot and needle plate
- Feed dog height

(6) Entrepreneurship Development and Business Management

- Entrepreneurship and self-employment
 - Importance of self-employment to individuals
 - Entrepreneurs' contribution to national development
 - Requirements of entry into self-employment
 - Roles of an entrepreneur in business
- Entrepreneurial opportunities
 - Identification of business opportunity
 - Assessing product demand
 - Matching skills and resources to changing technology
 - Evaluating business environment
- Entrepreneurial awareness
 - Sources and types of business finance
 - Contractual arrangements
 - Government policy and programmes
 - Problems of starting and operating a small enterprise
- Entrepreneurial motivation
 - Internal motivation factors
 - Techniques of self assessment
 - External motivation factors
- Entrepreneurial competencies
 - Decision-making
 - Instituting change
 - Coping with competition
 - Risk taking
 - Techniques of time management
 - Leadership
- Enterprise management
 - Evaluating business goals
 - Efficiency of resource utilization
 - Financial planning
 - Management of human resources
 - Public relation
 - Work study
 - Information management
 - Project plan

(7) Marketing and Promotion

- Introduction to marketing
- The marketing mix
- Marketing research
- Consumer behaviour
- Analyzing competition
- Market segmentation
- Costing and pricing
- Product strategies
- Marketing channels
- International marketing