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17939

UNIDO/Unit for Integration of Women in Industrial Development

Project of the Republic of Kenya

PROJECT FORMULATION FRAMEWORK

TITLE:

Number:../.../.../.../.../.../37 Estimated Duration .3..yrs...mo

Estimated UN  
1,444,603  
(US dollars)

Proposed sources of funds: contribution

Estimated Government  
cost-sharing: \_\_\_\_\_ in kind \_\_\_\_\_  
(if any)

Estimated Government  
input: \_\_\_\_\_ in kind \_\_\_\_\_  
local currency

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**A. Development problem to be addressd by the proposed project**  
**Creation of Employment in the informal sector of Kenya.**

1. Employment projections to the year 2000 indicate that 75% of all new jobs created in urban areas will be in the informal sector and that 50% of all rural employment will be in the non-farm sector. These estimates underlie the importance of small enterprise development in Kenya as the major generator of employment and growth in the near future.

The sixth National Development Plan 1989/93 under the theme "Participation for Progress" puts equal emphasis on the need to take specific measures to ensure that the role attributed to the SSE sector should indeed be realized. The small enterprise sector, as a primary means of strengthening Kenya's economy, was highlighted in Sessional Paper number 1 of 1986 laying the foundation for the National Development Plan 1989/93. This sector will have a major role in expanding the present labor force from approximately 8 million workers in 1985 to 14 million by the year 2000. Even under the most favorable conditions, this task shall take extra-ordinary efforts.

Given the large number of jobs that need to be created in the near future, new and innovative alternatives need to be considered for mobilizing the talents and the skills of the Kenyan people. Three major factors that will impinge on the expansion of the small enterprise sector, but will be directly addressed by the proposed project are;

- \* the nature of the Government involvement;
  1. twinning with already existing facilities, Kenya Textile Training Institute (KTTI) which apparently is underutilized, to promote SSE (i.e. Jua Kali or private sector)
- \* the emergence of a small enterprise growth culture
  1. the enabling environment factor facilitated by government for Jua Kali growth in both numbers and size.
- \* the role of the private sector
  1. enhancement of Jua Kali to play a more integrated part of the total market production rather than the low income part as currently seen; for example by more upscale new product development or subcontracting initiative.

A target Gross Domestic Product (GDP) growth rate of 5.6% a year has been established up to the year 2000. Rapid economic growth will have to be generated by:

- \* selling an increased production of goods and services and thus creating jobs sufficient to absorb the rapidly expanding

work force; (will be directly addressed by the proposed project -(pp) through the introduction of new technology transfer and production techniques, cum new markets, more need for more people to produce products, thus more job creation.

- \* raising rural incomes and increasing productivity in agriculture for the country to be self sufficient in food; ( may be addressed by pp in future phase such as food processing and preservation at Jua Kali level)
- \* creating new local and export markets; ( will be directly address by pp with introduction of new products to the local markets creating new niches in it as well as introduction to the export markets as appropriate products are developed for that.)
- \* providing jobs and good living standards for people in engaged rural non farm activities; ( may be addressed by future phase as the current phase shows success and is replicated in rural areas.)
- \* developing a dynamic Jua Kali sector to provide jobs at low cost which will cater to the needs of people at all economic levels; and restructuring industry to increase productivity and thus employment. ( will be directly addressed by the proposed pp. by the introduction of new product development and marketing skills, the graduate trainees will have the knowledge to seek a broader range of markets as well train in their own rite a new and larger number of Jua Kali to fill the growing demand for the new products.)

There is little conflict between planned growth and income distribution in Kenya because growth is planned to be primarily sustained by raising the productivity and incomes of farmers, herdsmen, and workers in the Jua Kali (i.e. very small) sector and includes virtually all the workers from the low income families.

It is the Jua Kali sector geared to production of textile and related products that the proposed project will target as beneficiaries. This will be used as a modality for expansion into other production media in future phases as the successful model materializes. Since the majority of workers within this media are women, the program will be directed toward a female population and the inherent constraints involved with the gender issue.

Since independence in 1963, Kenya has been working to make women active partners in the development of its economy and its experience shows that doing so is a cost-effective way to pursue economic progress for the whole population. In the aggregate about half of Kenya's estimated 23 million 1989 population is female. With improved health care and broader development women now live on average 60 years, up from 46 in 1965. With Kenya's massive investment in education and shift towards co-educational schools,

Kenyan women have made great gains in literacy in the past two decades. Currently, more than 60% of women living outside Nairobi are literate. Nationally, roughly 2/5 of families are headed by women and many others rely on women much of the time.

2. Problem addressed by the project: is the creation of the enabling environment for enhancing the production and Entrepreneurship qualities of Jua Kali women working with Textiles or related products.

Much of the growth of the small enterprise sector has been spontaneous, especially the Jua Kali enterprises, rather than deliberate strategies within the overall government policy framework. While these constitute a good seedbed for the entrepreneurial initiative, the lack of dynamics in the sense of not enough micro or small enterprises showing actual growth is a major concern. From information gathered while interviewing Jua Kali women working in textiles in markets in and around Nairobi and Nakuru, it was learned that from the perspective of the proposed beneficiaries, they perceive their greatest needs as:

1. improved quality and quantity of design in relation to the products they sell.
2. improved business and marketing skills.
3. improved access to credit.
4. improved access to a broader range of markets.

From the view point of both the government development and immediate objectives juxtaposed to the perceived needs of the target beneficiaries, there appears to be no major discrepancies. A methodology to attain the end results appears to be the missing link. The proposed project will be designed to bridge this gap.

#### **B. Concerned parties and target beneficiaries**

1. The identification of the needs and constraints confronting the Jua Kali Textile producers seems to have been a result of the proposed strategy of the government to promote self-employment as a mode to economic growth in the face of a burgeoning population needing employment. Although the problem is of rather large proportions at present, it will become unmanageable within the next few years if programs to ameliorate it are not immediately initiated.

The informal sector is not only seen as providing employment opportunities at an extremely low level of investment per job, but it is also an excellent breeding ground for new and emerging entrepreneurs. Informal sector activities have demonstrated considerable potential for employment creation because of their labour intensity and, consequently, the development of this sector in

Kenya is playing an increasingly important role in absorbing a growing proportion of the labour force. Some of the benefits of small enterprise are that they;

- contribute significantly to the economy in terms of output of goods and services.
- Account for upwards of one-half of paid employment, with a capacity to employ even more.
- Contribute to income by creating jobs at relatively low capital cost, especially in the fast growing service sector.
- Develop a pool of skilled and semi-skilled workers as basis for future industrial expansion.
- Contribute to the increased participation of indigenous Kenyans in the economic activities of the economy.
- Offer excellent opportunities for entrepreneurial and managerial talent to mature, the critical shortage of which is often a great handicap to economic development.
- Increase savings and investment by local Kenyans using local resources, and thus leading to more effective use of scarce capital.
- Adapt quickly to market changes.

The challenge of creating millions of new jobs by the year 2000 is imposing and even under the most favourable conditions, this task shall take extra-ordinary efforts. The growing belief is that the informal sector will be unable to sustain past performance unless assistance is provided to overcome constraints imposed on it and to improve the operation of its enterprises.

## 2. Target beneficiaries

Although the term "Jua Kali" has various interpretations when defined specifically, the generally accepted parameters are small enterprises comprising up to nine employees, involved in the production of goods or services. Globally this would be referred to as the informal sector. Jua Kali operators encompasses both men and women who have organized themselves into particular entrepreneurships which rely mainly on ingenuity and self-initiative. Their techniques range from basic to very sophisticated technologies. When Jua Kali is literally translated, it means "Hot Sun" which is an open market operating informally that has no specific entry requirements. It has a very high rate of on the job training, although many have had formal training.

The Jua Kali women currently operating are fairly sophisticated people considering the circumstances under which they work, but are

severely handicapped in design and business skills. With this in mind, one would judge them to be very creative, fairly innovative business women. However, the limitations of access to training in new product development, technology transfer training, access to credit, and business/ marketing skills has not allowed them to realize the potential that exists.

The age groups of the women vary considerably, but fall into the range from 18 to 60 and quite literally are at all levels of educational background. Information gathered from interviews conducted by the mission team revealed women coming directly from 8 years of schooling with a year or so of vocational training all the way to several women "professional in other fields" who have University degrees in nursing and social services. The rationale behind the higher education Jua Kali participant is "personal social work" to help less privileged women earn a living. This indicates the dire need to provide more opportunities of this nature thru an organized or institutionalized training program which will turn out women who can more fully utilize the potential that now exists.

Most of the Jua Kali women working with textile products support families of 3 to 10 people. They tend to work at least 9 to 10 hours per day, 6 days a week, and the average income per person ranges from 40 to \$70 per month

In questioning the women about the amount of time they felt they could give to training, the most favorable approach revealed was one of half-time training and half-time work residence situation where the facilitators would do field follow-up to reinforce the class room training. This approach will not drastically alter their incomes during the period of training as most of them will have another family member or hired help run their business. Of the women interviewed, all felt the need for some kind of training and would arrange schedules to gain more skills to enhance their businesses.

More detailed information on booth rental, income, product pricing etc., as well as other data gathered by the questionnaire prepared by and carried out by the mission team will be presented in the project document draft.

### C. Pre-project and end-of-project status

#### 1. The pre-project situation

Jua Kali workers in textiles now operate in open markets and/or on the side and fronts of stores depending on their geographical location. In the Nairobi area, very tiny sheds about 2 meters by 3 meters are the average business premise. Anywhere from 1 to 4 women work on machines to produce mostly women's dresses, sweaters, childrens clothes, and a very few household items/assessories as sheets, pillowcases, doilies, etc. Almost no apparell item assessories of a hand made nature were found in the markets- only

factory and imported items, indicating a niche for them in the accessory market. The only hand designed fabrics were of tie-dye and limited in quality and design, again another market that is open to exploitation. The popular kiondo bags have few variations and the opportunity for development exists here as well.

Equipment in use is almost 80% sewing machines and about 20% knitting machines with an embroidery machine here and there. The machines are of all types ... domestic, commercial, sergers, straight stitch, zig-zag, treadle and electric powered, etc. The product level is, for the most part, the area that needs the most upgrading both from the perspective of design and craftsmanship. The potential exists, but needs an immense input of new product development, new technology transfer and new marketing approaches.

Intense competition due to the lack of uniqueness in products creates a constraint voiced by many of the women. Other constraints from the perception of the beneficiaries are;

- \* lack of operating capital
- \* lack of raw materials
- \* lack of business skills
- \* lack of technical skills
- \* lack of adequate tools and equipment
- \* low quality products

An important constraint faced by many of the working mothers is inadequate facilities for the care of their children. For the most productive and efficient learning to take place, the mothers of children five and under need a place they feel comfortable leaving a child. It is recommended that a facility to accommodate up to 20 children be provided for this purpose. Annex \_\_\_ will define the proposed facility in more detail.

2. The end of project status will have established the following modalities that are contributing to the major theme of employment generation and ultimately to the growth of the Kenyan economy;

- \* creation of fourteen National Trainers cum Facilitators to train appropriately in product design and development/technology transfer and business/ marketing skills for entrepreneurial growth in the informal sector.
- \* an operational product development and design/ technology transfer training center with trained management established in the Kenya Textile Training Institute. The operational modality of the three days per week in class scheduling will allow two groups of trainees to be handled at one time if the number of trainers is sufficient. The field follow-up training aspect frees up the class room to allow for this provided the staffing is adequate.



- \* an operational business / marketing training facility with trained management(i.e. sales outlet) selling graduate trainee products serving both as a test market and a source of monetary feedback to offset a portion of the training costs.
- \* a child care facility providing meals, professional care with staff including a nurse and proper educational toys geared to the idea of a play school. This will foster more efficient learning on the part of the trainees as they can feel assured family responsibilities are being met at the same time they are training.
- \* approximately 400 graduate trainees with enhanced production and entrepreneurial skills that will have the knowledge and contacts to access credit when necessary .
- \* an anticipated additional 2000 to 2800 jobs created by the graduates increased production capacity and new skills that will demand more human resources to run the improved businesses as well as the added multiplier factor of the apprentices that will actually set up new business of their own.
- \* a bank of information and data collection for baseline information necessary to replicate the program for other locations and other media of women's informal sector (Jua Kali) enterprises as well resource information which may be accessed by all informal sector entrepreneurs in relation to sourcing raw materials and equipment, buying interventions for economy of scale, etc. This will be under the direction of the professional Women in Development Officer who is responsible for the collection and the dissemination procedures.

need more defined picture of the eops in narrative form.....

#### D. Special considerations

1.

- Integration of women or disadvantaged groups in development

Women are disproportionately represented in informal sector occupations. Unable to gain higher-level and better paid jobs in the formal sector, they turn to self-employment as a supplement to formal sector earnings, or as their sole source of income. Informal sector employment for women tends to be associated with economic activities which are insecure, do not provide full-time employment, generate low incomes and are characterized by relatively low productivity. Women's average monthly earnings are even lower than those of men. For example, in Kenya, 51% of women in the informal sector as compared to only 14% of the men had earnings of less than KSH.200.

\*Shields,1980é. According to the Ministry counterparts, these figures have not changed significantly to date. In addition, they suffer from a relative lack of access to productive resources such as credit, technology and land. Although their income is characteristically low, access to the sector is relatively easy and can be combined with their domestic responsibilities.

Small scale and Jua Kali enterprises will continue to be an important employer for women as employment shrinks in the formal sector large numbers of women will be affected. Unfortunately, many women are ill equiped because most of the skills are acquired informally or in institutions that are not so well equiped or staffed. Relevant training, productive experience, counselling and follow up could improve the employment situation of women by strengthening organizational capabilities and providing skills in production and marketing which could foster entrepreneurial talent and competence in initiating and operating small businesses.

This proposed project will specifically address the international and national objective of integrating women into industry by establishing a concrete plan for the sector which is primarily targeted to enhance the growth of the participation of women entrpreneurs in SSE development in Kenya.

-Collaboration with NGOs, private sector, etc.

The second special consideration addressed is the possible linkage with NGOs who are already doing entrenpreuership training. This can be achieved by subcontracting for the creation of the facilitaors in the busiiness/ marketing component of the project. Contact has been established by the mission team with several qualified NGOs who are willing to create the curriculum within the framework of the project and the needs of the beneficiaries for the marketing /business/ entrentuerial aspects. (ideas on this have been changed and this section needs revising, it will still address the NGO lik, but in a different manner)

## 2. Potential negative effects

to date none are envisioned, but this will be discussed further as the program becomes more detailed.

## E. Related technical Assistance activities

The inputs to technical skills development and the development of small scale enterprises and Jua Kali have been extensive in Kenya, however, few have targeted specifically women and to the knowledge of the consultant fewer yet have geared to new product development as a modality for expanding technical skills and markets in the textile and related product area. The inclusion of this approach in the proposed project makes it an innovative approach in relation to existing assistance. Technical assistance in the field of textiles in Kenya at the Jua Kali level has been limited to date primarily to upgrading of skills in tailoring and dressmaking with the few

additions of traditional handweaving products. A rather strong effort has been made by many organizations to make credit available in a number of different approaches from traditional to totally non traditional modes. After evaluating many of these schemes, it is the recommendation of the mission consultant that the best approach to credit for the proposed project is to make the best use of the available schemes rather than initiating a new one, however the mission team is attempting to establish a linkage with one or more of the existing NGO credit schemes to insure access to credit for the trainee graduates. One of the major tasks of the proposed projects educational training responsibility will be to prepare the graduate trainees with the knowledge to access credit as well as the recommendation of specific sources to which she may apply. National trainers will follow-up on this issue when applicable. The following is a listing of institutions giving full or partial assistance to textiles and clothing as well as credit scheme sources;

<u>Activity</u>	<u>Project</u>	<u>Ministry</u>	<u>Source</u>
Infrastructure	Jua Kali Development Program	MTTAT	GOK
	Kenya Industrial Estates (KIE)	Industry	GOK
			GTZ
Credit	Joint Loan Board Scheme Kenya Small Enterprises Program	Commerce	GOK
		Local Govt.	EDF
		Industry	EEC
	Small Enterprises Company (SEFCO)	Industry	EDF/EEC
	Jua Kali Pilot Scheme (KCB)	Planning Treasury	USAID
	ICDC and KIE	Industry	NORAD/ADF UNDP/GTZ
	Kenya Women Finance Trust (KWFT)	NGO	KREP/USAID
	Kenya Rural Enterprise Program (KREP)	NGO	USAID
Kenya Management Assistance Program (KMAP)	NGO	USAID	
Training	Kenya Industrial Training Institute (KITI)	Industry	GOK

Kenya Institute of Business Training KIBI)	Industry	GOK
Kenya Textile Training Institute (KTTI)	MTTAT	GOK/UNDP
Women's Bureau	Culture	GOK/UNDP
Youth Polytechnics	MTTAT	DAINDA NORAD
Institutes of Technology	MTTAT	GOK/CIDA DANIDA ITALIAN GCVT/UNDP
Technical Training Institutes	MTTAT	S. KOREAN GOVT.
Kenya Women's Finance Trust	NGO	KREP

**F. Development objective**

Creation or establishment of productive employment in the informal sector (i.e. Jua Kali)

**G. Major elements**

**Immediate objective I**

Creating enhanced production and entrepreneurship qualities of the informal sector or Jua Kali Women working in textile or related products.

Output 1.1

Responsible party

Operational product development/ technology transfer training program and facility. (This will be notated as Product Development and Design/ Technology Transfer component or PDD/TT)

Activities

- 1.1.1 Preparation of training program for product development and design CTA/PDD/TT in close working relationship ( cwr)with MBE
- 1.1.2 Preparation of work plan for PDD/TT CTA in cwr NT for this component
- 1.1.3 preparation of training program for appropriate technology transfer as needed for newly developed products including the following concerns; CTA/PDD/TT in cwr with MBE
- \* new product indetification and development appropriate for local and export markets
  - \* technology needed for product and training
  - \* prototype preparation and testing
  - \* market research/ assessment
  - \* product costing and pricing
  - \* production techniques for the product using the appropriate technology
  - \* preparation and design of promotional materials for new products and businesses
  - \* translation of training material into Kiswahili where applicable.
  - \* issues involved with bulk buying for trainees as needed.
- 1.1.4 preparation of the physical facility outfitted with appropriate equipment, tools and expendible supplies for the following areas of media training; CTA/PDD/TT, aid of National Trainers
- \* design tools and equipment / drawing etc.
  - \* sewing tools and equipment
  - \* silk screen tools and equipment
  - \* hand painting tools and equipment
  - \* hand weaving tools and equipment
  - \* dye tools and equipment
  - \* packaging tools and equipment when applicable
  - \* resource library of appropriate design and technology materials/books
  - \* child care facility for trainees children see annex \_\_\_ for more detail.
- 1.1.5 skills training program implementation for approximately 80 women each six months / totaling 400 in a period of 2.5 years PDD/TT-National Trainers
- 1.1.6 Field follow-up for insurance program National Trainers *concluded*
- 1.1.7 Preparaton of appropriate manuals when applicable as for costing, technology, etc. PDD/TT

- |        |   |                               |
|--------|---|-------------------------------|
| 1.1.8  | Repair and maintenance of equipment and supplies training   | Nat. Trainer                  |
| 1.1.9  | Preparation of manuals and training for establishing quality control standards.                                       | PDD/TT in cwr<br>MBE          |
| 1.1.10 | Initiation of an incentive program for trainees to encourage quality, quantity, of new apprentices, new markets, etc. | all project<br>staff training |

## Output 1.2

Operational business/ marketing training facility and program (this will be notated as Marketing/ Business Entrepreneurial component or MBE)

### Activities

- |       |  |                                |
|-------|--|--------------------------------|
| 1.2.1 | Preparation of training program for entrepreneurial, business, marketing skills (MBE) to include the following areas;  | MBE in cwr with<br>CTA/ PDD/TT |
|       | <ul style="list-style-type: none"> <li>* entrepreneurial character awareness</li> <li>* management skills/bookkeeping/accounting</li> <li>* marketing research/assessment</li> <li>* business plan writing</li> <li>* marketing techniques</li> <li>* marketing promotion</li> <li>* quality control standards issues</li> </ul> |                                |
| 1.2.2 | Preparation of work plan for MBE component   | MBE in cwr NT                  |
| 1.2.3 | Preparation of physical facility for marketing outlet as well as experience training in real situation including showroom in business area with periodic gala exhibtions/ promotion and advertising etc.   | MBE in cwr CTA                 |
| 1.2.4 | Implementation of training program MBE in action learning situation.   | National Trainers              |
| 1.2.5 | Field follow-up for insurance program  | Natinal Trainers               |
| 1.2.6 | Preparation of and implementaiton of Marketing strategy and promotional material for Marketing training facility   | MBE in cwr with<br>PDD/TT      |
|       | <ul style="list-style-type: none"> <li>* inclusion of export market issues as well as local markets</li> </ul>   |                                |

- 1.2.7 Preparation of appropriate manuals when MBE in cwr PDD applicable as costing, promotion etc.
- 1.2.8 Introduction of products to export markets after month 18 or as deemed appropriate. MBE in cwr CTA

### Output 1.3

Fourteen National Trainers cum Facilitators trained for training women in;

- a. product development and design/ technology transfer number 4/
- b. entrepreneurial/ business/ marketing number 4/

### Activities

- 1.3.1 Preparation of training program for facilitators CTA/PDD/TT/MBE
- 1.3.2 Selection and hiring of Facilitators/ National Trainers CTA in cwr PDD/TT/MBE
- 1.3.3 Training of Facilitators/ National Trainers including the following considerations; PDD/TT/MBE
  - \* cross training for each group ( PD/TT and MBE) of the areas at a less advanced level than the expertise levels to insure an understanding and integrated approach for the graduate beneficiaries.
  - \* PDD/TT intensive training/ formal and field approaches
  - \* MBE intensive training/ formal and field approaches
- 1.3.4 Preparation of work plan in conjunction with CTA for implementation of training beneficiaries and the follow-up in field advising. MBE

#### Output 1.4

80 trainee graduates each 6 month period in 2.5 years creating a total of 400

##### Activities

- 1.4.1 selection of participants for each of five sessions who are judged to have the most potential to train other Jua Kali, thereby maximizing the training provided by the project. CTA/PLD/TT/MBE
- 1.4.2 training courses in specific areas of interest and needs as established by participant under guidance of facilitators in product development and technology transfer as well as entrepreneurial, business and marketing. National trainers in cwr with PDD/TT/MBE
- 1.4.3 making of prototypes of new products for test marketing PDD/TT
- 1.4.4 market research training and initiation MBE/PDD
- 1.4.4 on the job training of learned marketing skills in the marketing facility MBE/ NT
- 1.4.5 monitoring of participant by facilitator in field to follow up any possible problems for amelioration. National Trainers
- 1.4.6 producer forum for trainee graduates as follow-up to air issues in a general meeting, fostering interchange of problems and solutions CTA in cwr with rest of staff

#### Output 1.5

Establishment of a bank of information and data collection concerning the modalities of approach and the target beneficiaries to be used for baseline studies for future phases or other related programs in the Kenyan women's informal sector growth as well as a resource center for women in the informal sector to access information related to raw material and equipment sourcing, bulk buying intervention, etc. Guidelines for the control and operation of the unit having been initiated by the Women in Development officer (WIDO) in conjunction with relevant project staff.

##### Activities

- 1.5.1 preparation of database form on computer to gather information as it occurs on WIDO



project specific issues of women in the informal sector

1.5.2 establish methodology for collection and dissemination of information data relevant to the informal sector.

1.5.3 constant and updated data collection on any statistical, economic, social, and related activities and events to be input on prepared data base for this purpose. WIDO and administrative asst.

## H. Project Strategy

### 1. Direct recipients

- a. entrepreneurial graduate trainees
- b. workers employed by graduate trainees
- c. national counterpart staff
- d. national trainee facilitators

### 2. How will the benefits reach the target beneficiaries?

Direct training from the PDD/TT and MBE components.

The women graduate trainees will directly benefit by the new learned skills in PDD/TT and MBE provided by the proposed project at the KTTI and business location sites in order to expand markets with new or better products, thus increased production, thus more employment generation.

### 3. Implementation arrangements

UNIDO, Unit for Integration of Women in Industrial Development, in consultation with GOK/ Ministry of Technical Training and Applied Technology, will recruit and send qualified experts to train and work closely with National counterpart staff and National trainers to ultimately assume full responsibility for the project management. UNIDO, UNDP project management will be involved in monitoring, reporting and evaluating to insure focus and direction at both the macro and micro levels for Kenya. It is presently anticipated the PDD/TT component will be housed and/or associated with the Kenya Textile Training Institute as a means of twinning with an already existing facility under the direction of the Ministry of Technical Training and Applied Technology (the GOK administrative framework for this project). The facility is presently underutilized and this is a

logical placement from all perspectives.

#### 4. Alternative strategies considered

The proposed project has been specifically tailored to the existing needs, consequently alterations in thinking have been incorporated in the process of proposing all elements.

### I. Host Country commitment

#### 1. Government commitment

The Kenya government has recognised the potential of Jua Kali operators to create job opportunities and as a base of technological progress thus the creation of the Ministry of Technical Training and Applied Technology with Jua Kali as one of its portfolios is evidence of the seriousness with which the Government views the sector. The Ministry's principle role is to facilitate the Jua Kali operators in their activities so that their contribution to the general economy is maximised. Despite the substantial contribution to the national economy that the sector has made, it still has the capacity to play a much more important role in the development of the Kenyan economy if it is given the opportunity and provided with the right incentives. The rationale for the Government action in support of this sector is based on the potential contribution of the sector to the development of the economy in its own right.

The Kenya government has offered the facilities of the Kenya Tectile Training Institute to house the proposed project to emphasize the commitment as a high priority for this project.

For more detail of the concern and commitment of GOK, see the Jua Kali Development Program for this sector by the Ministry of Technical Training and and Applied Technology in Annex \_\_\_.

#### 2. Legal arrangements

### J. Risks

Estimated liklihood of  
occurence ( i.e. high,

medium, low.)

1. Major risks

2. Risks to be monitored

\* Complete cooperation and coordination of all components of the project and administration (both the GOK and UN) will be absolutely necessary for the project to succeed. Failure of one aspect will severely affect success in other areas. Careful monitoring of each component's progress is essential and on a timely basis.

\* Monitoring of MBE accounts regularly to calculate the levels of progress in working towards self sufficiency. At the beginning of the implementation, time frame goals must be set to achieve a level of break even self sufficiency in no more than three years and a profit level to partially subsidize the total training program in five years. All proceeds received from the product development and marketing components training sales unit must be channeled back to the project to make a "real-life business" learning situation for the trainees and also to achieve a level of sustainability for the program. Any deviation to this approach will undermine the concept of the modality to training thus there will be little value to the training aspect if it is altered.

**K. Inputs**

1. Skeleton budget: Provide a summary estimate of total costs by major budget category.

	<u>National Inputs</u> (specify currency)	<u>External Inputs</u> (US dollars)
Personnel	_____	___854,223___
Sub-contracts (specify types of goods and services)	_____	_____
Training	_____	___142,600___
Equipment	_____	___248,200___
Miscellaneous	_____	___199,580___
Totals	=====	=1,141,603=====

UN exchange rate: \$1.00 =

see Annex ..... for breakdown of budget

2. Comments on any proposed inputs which may raise policy issues on which Headquarters guidance is sought.

Person primarily responsible  
for this formulation framework:

Doris C. Petersham  
signature

Name: Doris C. Petersham

Title: Consultant to Unit for  
Integration of Women in  
Industrial Development

\* all annexes to follow with finalized PPF  
to include;

1. questionnaire form
2. Project Plan for Jua Kali Development Program by MTTAT
3. Some Product Design Ideas for PDD/TT
4. Proposed Budget breakdown by components
5. Proposed Child Care Facility and Equipment
6. abbreviations used in the PPF