

## **Case Study 1. Livelihoods for Very Poor Girls and Young Women**

### **Kenya Value Girls Programme—The “Girl Effect”**

#### *Cardno Emerging Markets*

**The Value Girls Programme empowers girls and young women in Kenya through economic enhancement and social development. It illustrates the possibility for a powerful social and economic change brought about when girls have the opportunity to participate in their societies—the “Girl Effect.”<sup>1</sup>**

Following are the key principles and early lessons of targeting girls and young women with a value chain approach as a pathway out of poverty. The programme applies a phased implementation strategy, a strong market orientation, and smart subsidies to effectively integrate young women into promising business sectors. It also integrates broader social skills-building in order to take into account the special requirements of a vulnerable group in implementing a value chain approach. The project reached 1,300 girls during its second year (which includes the pilot phase) and is currently scaling up to reach more girls and boys based on lessons learned from the pilot.

## **Background**

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Programme Overview	
<b>Where</b>	Kenya, Kisumu, Lake Victoria Region, Nyanza and Western provinces
<b>When</b>	2008-2012
<b>Who</b>	Girls and young women, age 14-24 years
<b>Goal</b>	Improve girls' and young women's opportunities to increase income and improve their safety and security by facilitating access to alternative livelihoods
<b>How</b>	The programme applies a systematic approach with a strong emphasis on empowering girls to start-up and manage microenterprises through market-led value chain development
<b>Implementer Funding</b>	Cardno Emerging Markets USA, Ltd. Nike Foundation (2008-2012) USAID Global Development Alliance cooperative agreement (2010-2012)

The programme is being implemented by Cardno Emerging Markets USA, Ltd., under its Kenya Business Development Programme, a locally registered NGO. The overarching goal of the Value Girls Programme is to improve the socio-economic welfare of girls and young women by increasing and strengthening their participation in proven, high-return segments of a select number of value chains. The programme helps young women explore and undertake livelihoods in the horticulture

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<sup>1</sup> The Girl Effect is a trademark of GirlEffect.org.

and poultry value chains. In addition to increasing the girls' economic welfare, the project provides other benefits, including:

- ▶ Raising their profile within their communities
- ▶ Strengthening specific life skills
- ▶ Improving their overall confidence and self-image
- ▶ Protecting their assets
- ▶ Providing them with an opportunity for mentoring and a social network

### Socio-economic background

In Kenya, pockets of deep poverty are dispersed all over the country, including in the Nyanza and Western provinces, which are close to Lake Victoria. Poverty in the Lake Region is perceived to be caused by many factors, including high HIV/AIDS rates, inappropriate policies, inadequate rainfall combined with frequent flooding in parts of the region, rapid population growth, lack of utilisation of agricultural land or farm inputs, environmental degradation, and inaccessibility of credit. The result is that the Lake Victoria region hosts some of the poorest communities in Kenya. Available information on the poor is not disaggregated by age or sex, but suggests that among the poor are a large number of orphans and other vulnerable children, including households headed by girls and young women age 14-24 years. In Bondo, for example, 47 per cent of poor households (26,660) are headed by young widows. The corresponding proportion of poor households headed by young widows in another district, Busia, is an overwhelming 64.8 per cent, or 81,679 households. Suba district has 44.7 per cent (33,564) of poor households headed by young women.

**Peer Mentoring: The Value Girls Programme** introduced mentoring by established female entrepreneurs in the community to guide young girls into entrepreneurship. Mentors provide value chain preparedness to youth already engaged in promising value chains serving as role models.

## What did we set out to do?

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### Impact statement

By meeting girls where they are, equipping them with valuable skills, and exposing them to viable business opportunities in high growth sectors, the project will improve their opportunities to increase income and improve their safety and security by facilitating access to alternative livelihoods.

Cardno works with a variety of stakeholders to spend programme funds locally, building local capacity and providing ongoing business support by developing local market and financial linkages.

### Design and analysis

The Value Girls Programme uses a market-based approach, which includes a lean staff and a Market Intervention Fund to facilitate access to business development services. Through a phased approach, the programme plans to reach more than 2,000 girls in the Lake Victoria region.

In its initial phase, the programme conducted several sector studies, including poultry and vegetable value chain analyses. The extensive data generated from these analyses provided the

vision of how to set up and test the model to economically empower young women and document learning.

In designing the Value Girls Programme, Cardno wanted to ensure that the structure enabled measurement of success and lessons learned not only at the end of the programme, but throughout the entire life of the project. Thus, Cardno's method for monitoring and evaluating the programme includes a range of tools and methodologies to inform the programme design, as well as to continuously refine and improve implementation and determine its impact. Some of these methodologies are:

- ▶ **Value chain and girls' situational analysis:** Girls and girl-focused organisations in the intervention area conducted qualitative and quantitative research with experts in the fish, vegetable, and poultry value chains to refine the programme and generate baseline data.
- ▶ **Baseline and end line surveys:** Qualitative and quantitative surveys were conducted at different phases of programme implementation and on a rolling basis within the girls' groups to provide insight into its impact on the young women, their families, and their communities.
- ▶ **Ongoing focus group interviews:** The project conducts discussions with approximately 25 per cent of the young women's groups on a quarterly basis to probe specific issues that the young women face with their enterprises.
- ▶ **Stock-taking:** The project team meets with various stakeholders to formally review important findings and challenges, and formulate adjustments to the programme for the next group of girls enrolling.

## Pilot phase

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### Foundational activities

Foundational activities at the programme's pilot locations in Busia and Suba districts began in October 2009 and ended in May 2010. In collaboration with the girls, key stakeholders, and the Nike Foundation, Cardno developed a detailed plan to improve the economic situation of girls in Western and Nyanza provinces in Kenya. The foundational activities that the project undertook with the girls before they launched their enterprises in the poultry and vegetable value chains included:

- ▶ Recruitment and mobilisation of the girls
- ▶ Organisation of girls into learning and production groups and clusters
- ▶ Registration of groups and clusters with the local government
- ▶ Group enterprise and financial literacy training
- ▶ Savings mobilisation
- ▶ Mentoring

### Business activities

The specific objectives of the business activities are to:

- ▶ Build and protect the girls' social assets
- ▶ Strengthen girls' financial capabilities
- ▶ Develop business skills to prepare girls to manage poultry and vegetable production enterprises

- ▶ Build the girls' confidence and decision-making skills to navigate difficult social and business environments

Working through local organisations and the Kenya private sector, the programme provided education, technical training, and technical assistance to develop the girls' business skills. An important part of the activities has been focused on providing the girls with access to current agricultural productivity technologies and inputs. The programme has also provided access to finance by partnering with local banks and microfinance institutions. In certain instances, these partnerships have resulted in the development of a loan product tailored specifically to the needs of these young women to start their businesses. Cardno has designed a sustainable business model and continues to provide ongoing business support through the facilitation of technical training and development of market and financial linkages provided by the Kenya private sector.

**Access to Finance:** The project in Kenya has used various approaches to address the issue of access to finance. These approaches include revolving funds, savings, and a loan guarantee fund to stimulate lending to young women participating in the programme. The programme partners with Jiinue Holdings, a local NGO, to guarantee loans for the necessary working capital so young women can start their enterprises. In addition, Jiinue credit officers encourage the girls to develop and maintain a savings culture by training participants in financial literacy, with a focus on savings, micro credit, and enterprise management, using a curriculum and style that is suited to fit their needs. (See sheet at the end of case study for more info.)

### Scale-up activities and next steps

The Value Girls Programme activities under USAID/Kenya

Global Development Alliance began in June 2010 and include scaling up programme activities by working with larger numbers of girls and young women to improve their financial literacy, to develop better crop and animal husbandry skills, strengthen their collaboration through groups, and link them to lucrative markets. They also broadened activities aimed at reducing the potential for men and boys to disrupt activities in the vegetable and poultry value chains by proactively engaging them.

Private sector partnerships have proved to be instrumental for successful implementation. The programme has strong ties to the private sector, including banking and agriculture sectors. For example, partnerships with Kenya Women Finance Trust, Jiinue, and the Cooperative Bank provide access to tailored loan products and financial literacy training. The production clusters have been an effective entry point for business activities that require collaboration, such as leasing land and mobilising capital. In addition, KenChic Ltd, a poultry company in Kenya, sells the girls high quality day-old chicks and provides training on poultry management. KickStart, a local non-profit organisation, provides affordable water pumps and high quality training on vegetable production as a business.

Through the Market Intervention Fund, the programme invited registered organisations to bid as facilitators. The three organisations that were selected as a result of this bid have been working since February 1, 2011 to recruit additional girls into the programme: Jiinue Holdings Limited, which worked with the programme during the pilot phase, was considered for scale-up of its successful work; Inches, a local NGO; and Rheal Solutions. By September 2011, the programme was operating at 41 beaches on Lake Victoria (a significant increase from eight beaches during the pilot), reaching

1,204 new girls. The girls are organised into 230 groups of five to six members, and 55 clusters, which have 15-30 members. Of these clusters, 17 have been registered with the local government. In addition, 163 mentors out of the current 220 have been formally trained in mentoring to support the newly recruited girls. One of the key learnings from the pilot was that the mentors added great value to the girls' lives, but they needed training. To this end, the programme refined its mentor training programme, ensured that each group of five to six girls selected a mentor of their choice, and made mentoring training a priority in its sequence of events. The mentors play a critical role in creating programme awareness in the communities and strengthening group cohesion, savings mobilisation, and loan repayment performance.

The programme puts a strong emphasis on training and capacity building in preparation for enterprise start-ups. Within the last year, 674 girls have been trained in financial literacy, which is delivered by the three financial institutions: Jiinue Holdings Ltd., Cooperative Bank, and Kenya Women Finance Trust. The programme has also invested in developing the capacity of the Value Girl mentors using various methods to support them on how to become effective mentors.

Having observed that the young women who had the moral support of their boyfriends or husbands were more successful in the programme, Value Girls has been working to integrate boys and men in the programme while continuing to prioritise the young women. Cardno believes that this will promote more equitable gender norms and further reduce the potential for boys or men to undermine activities focused on girls: "changing a girl's life requires changing his mind." The goal is to further support specific activities for boys and men that serve as a key incentive to promote more equitable gender norms while addressing the critical issue of idle youth (particularly boys) becoming more prone to violence.

Currently, the programme is incorporating consultative discussions with supportive husbands into the group formation training. A series of role plays are being used to initiate dialogue and demonstrate how girls can communicate programme activities to their husbands in an effective and clear way. The programme is also conducting regular discussions and role playing to address how to negotiate controlling income generated from the enterprises, as well as dispelling negative rumours about ongoing programme activities. Through the programme's interventions, some men have been helping their wives to save and actively encouraging their participation, thus increasing retention and improving meeting attendance.

**Learning As You Go:** The unique design of the Value Girls Programme allows it to not only measure its successes and lessons learned at the end of the programme, but throughout the entire life of the project. It can be used as a successful model for achieving effective and sustainable results when targeting vulnerable populations.

## Issues and recommendations

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### Target group specific issues

The majority of girls and young women in this programme had either no livelihood activity or were engaged in economic activities that were not particularly beneficial or safe for them. Although this group of young women is **inexperienced in enterprise management**, they are openly excited about engaging in a meaningful economic activity that can enhance their economic independence. It was clear from the beginning that the girls are interested in

starting their enterprises as soon as possible despite their need for in-depth training. As a result, the preparatory training has been revised to make it shorter and more practical.

A **high dependency mentality** (such as expecting a “sitting fee” to attend meetings) proved to be a difficult but critical attitude to combat, and it greatly contributed to girls dropping out at the beginning of the programme. However, a decision to stick to a market-oriented programme and refuse sitting fees, while difficult to apply, has slowly caught on and has led to recruitment of the most motivated girls. The introduction and use of smart subsidies, such as matching grants of additional chicks for successful chick breeding and a guarantee facility for the loans, both unknown to the young women, have also been instrumental in shaping the proper incentives within the programme.

**Targeting girls by age** proved to be a complicated process. Difficulty in verifying ages and the tendency of communities to challenge the programme’s targeting criteria made this task even more complex.

### Lack of local capacity

It has become evident that the **quality of facilitators** is critical to the success of the programme. A lot of time and resources have been invested to build capacity of the facilitators, which continues during the scale-up phase. A comprehensive orientation on the programme methodology, as well as thorough training, is provided to all participating facilitators. The establishment of the Market Intervention Fund to support activities that address gaps in the value chains is a key driver in achieving maximum impact. The fund provides initial start-up support to private sector players such as banks, input suppliers, local consulting companies, NGOs, and community-based trainers to implement different components of the programme so that activities can continue beyond the life of the project.

### Access to finance

Programme staff observed that the young women shared a **fear of loans**. This is consistent with the perception of loans that the programme had to face during the pilot phase. The girls were unwilling to take loans, expressing concern that they would be unable to repay. Value Girls worked with its partners to educate girls on loans and do rigorous analysis of responsible loan size, which helped address their fears. Another obstacle was that the majority of young women **did not have official government issued IDs** and were unable to receive loans due to bank requirements. To address this challenge, the programme worked with a local microfinance organisation to provide loans on the same terms to the girls who could not access capital from a formal institution. Now nearly 50 percent of the girls have both government issued IDs and formal bank accounts.

### Unexpected results

- ▶ Despite their youth and inexperience with business, the girls are capable, resourceful, and successful in their chosen activities. To the programme’s surprise, the girls had a very strong aptitude for raising chickens and protecting their assets. In the pilot phase, some girls had a chick mortality rate of less than 1 per cent, better than many experienced poultry farmers in the region. The girls have proven to be motivated in starting their enterprises. They appreciate the training but have voiced the need to begin enterprise activities sooner, in

order to engage in more practical application alongside the training and to see tangible benefits earlier. As a result, training modules are being revised to make them simpler, shorter and more practical. It has been important to explain from the beginning what the project will provide, what is expected of the girls, and the timeline of activities so that expectations of programme activities are clear from the outset.

- ▶ It has become evident that girls who receive support from their spouses or boyfriends are more successful in managing their enterprises. Many husbands helped the young women build chicken houses. Thus, it is important to involve spouses and community members from the beginning. Participation in the programme not only affects girls directly, but it also changes household dynamics, which is why all key household members need to be integrated into the programme from the onset.
- ▶ Value Girls communicated messages beyond the young women themselves. The initial success of the programme influenced the views of communities. Initially, some of the girls' spouses disagreed with their participation in the programme and required them to drop out; however, once enterprise activities began, the spouses saw the benefits of participation and encouraged the girls to join again.
- ▶ Involving girls in a participatory way in each part of strategy development has proven to be essential. The girls were involved during the inception phase and continued to provide input throughout the pilot, including participating in the scale-up workshop in August 2010. The girls' feedback, whether in a formal or informal setting, has been invaluable. It has given them a sense of ownership, increased their voice, and provided valuable lessons on programme structure and implementation.

## Conclusions

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Value Girls has adopted the following guiding principles for implementation:

- ▶ **Market-based approach:** One of the key guiding principles while using a market-based approach when integrating very poor producers into value chains is the need and willingness to adapt to a dynamic business environment. This necessitates the project making decisions quickly and remaining flexible. The market-oriented approach aims to reduce subsidies (or use them smartly) and creates an environment conducive to the success of the girls in their enterprises by strengthening important parts of the market system. This approach also puts girls "in the driving seat," and their initiative, effort, and entrepreneurial spirit is one of the major prerequisites for success. It can therefore be inferred that the girls' confidence is increasing since, through their own initiative, they are undertaking brand new enterprises, saving, and even borrowing money from each other. They are also borrowing small microloans from formal microfinance institutions—all new activities for them.
- ▶ **Meeting the girls where they are:** Introducing alternative sources of incomes in a region with a high poverty rate, where most of the girls and young women are engaged in the fish sector, could simply not be done without Cardno's willingness to meet the girls where they are. In Western Kenya, that means starting at the beaches, developing programme schedules that are conducive to the situation of the girls, and meeting with them in spaces that are safe. At the initial stage, this work includes mobilising girls and young women, gaining their trust,

identifying strong mentors, sharpening their business skills, and supporting them to undertake activities in the poultry and vegetable sectors.

- ▶ **Mentors** are of great support to the girls and to the programme team. The mentors have been a key factor for strengthening the girls' confidence, expanding their social networks, and providing them with practical learning in poultry and vegetable production. The success of the programme is directly linked to the quality of the facilitators working on the ground and the structured formal mentorship programme. The support that the girls receive from their mentors has been invaluable—the mentors encourage them in their day-to-day tasks, provide practical advice, follow-up on a variety of issues on behalf of project partners, encourage women to stay in the programme, and take part in mobilising more girls.
- ▶ **Apply a phased approach:** Cardno's experience working with vulnerable populations has proved that applying a phased approach—that is to start small and then scale-up—to programme implementation is an optimal way of managing risk. To do otherwise means exposing girls and young women to additional and unnecessary risks. Thus, the Value Girls Programme **developed** its plan, **piloted** a variety of interventions, **documented** these interventions, **refined** its strategies and then **scaled-up** only those interventions that proved to be sound and effective. Additionally, this methodology ensures that programme resources are predominantly invested in results producing interventions.
- ▶ **Ensure the sustainability of programme activities:** Programmatic sustainability is deeply rooted in both expectations and incentives. While the former deals with each individual beneficiary, in this case girls and young women, the latter deals with the mechanisms introduced into a given system, in this case a value chain. To properly address both expectations and incentives, the Value Girls Programme is based on: 1) the knowledge that external funding will come to an end within a reasonable period of time, 2) appropriate targeting, 3) self-selection of programme participants, and 4) limited and smart subsidisation.





## Indicative Term Sheet: Revolving Fund for the Value Girls Programme

**Purpose of the fund:** To provide quality, better cost, and timely financial and non-financial services to girls and young women between age 14-24 years who are undertaking viable enterprises.

**Fund Manager:** Jiinue Holdings, Ltd., a small micro credit and training company based in Nakuru, Kenya. Jiinue has successfully piloted a revolving fund worth \$6,600 during the project pilot phase as well as played a facilitative role to assist girls to undertake poultry and vegetable enterprises.

**Training:** In collaboration with the programme and other financial service providers, Jiinue credit officers will train the young women in financial literacy, with a focus on savings, micro credit, and enterprise management, using a curriculum and style that is suited to fit their needs.

**Savings:** Jiinue will encourage the girls to develop and maintain a savings culture. All girls under the Jiinue scheme will be encouraged to save a minimum of Ksh. 200 (\$2.60) on a monthly basis.

**Proposed Features** of the scheme to include:

<b>Fund Limit</b>	Ksh. 7 million (\$93,333)
<b>Loan Tenure</b>	1 month to 1 year
<b>Security</b>	Group guarantee and a spouse signatory
<b>Membership Fee</b>	Ksh. 250 per girl
<b>Loan Size</b>	Ksh. 2,000-40,000 (\$26-533) per girl
<b>Application Fee</b>	A processing and application fee of Ksh. 250 or 4% of the loan, whichever is higher, shall be charged to the applicant. 2% of this processing fee will serve as a risk management fund in case of death.
<b>Savings</b>	An upfront savings of 10% of the loan borrowed. Subject to a minimum saving of Ksh. 500 or 10% of the loan requested, whichever is higher
<b>Appraisal Fee</b>	None – to be covered by the processing fee
<b>Grace period</b>	3 months before the first loan instalment is due
<b>Annual Review Fee</b>	None – seasonal credit

In addition to the above product, 30 percent of the revolving fund will be given to women outside the target group. These loans shall be given at an interest rate of 20 per cent to women entrepreneurs who either borrow as individuals or offer collateral in a group system. The purpose of these loans will be to support the growth of the intervention fund by generating additional income and building good will among the communities.

**Rationale for the revolving fund:** The pilot phase undertaken by the Value Girls Programme has made it clear that girls and young women between the ages of 14-24 years can undertake viable enterprises. However, they need reliable and affordable sources of financing. During the pilot phase, the project developed a partnership with two commercial banks and facilitated access to micro loans for 187 girls. Only 40 per cent of these girls qualified to take loans from the commercial

banks; the other 60 per cent of the girls were financed through the programme's revolving fund, which was set up at the realisation that these girls, who were saving consistently and were eager to undertake their enterprises, could not access loans from the banks. The girls could not qualify for loans primarily because they lack the National Identification Card, which is required by banks to access their services. As the pilot progressed, it became clear that the products the banks are providing, while somewhat tailored to the girls enterprises, were taking too long to process. Jiinue Holdings, Ltd. sees a gap that is not being filled by the commercial banks, and it would like to fill this gap by providing the product mentioned above, which it believes will meet the needs of the girls while providing a potentially sustainable source of finance. The Value Girls Programme would like to support this intervention, which is in line with its goals, using funds from its Market Intervention Fund. Funding for this intervention would be provided to Jiinue in line with the programme's fund policies. Jiinue will also receive technical assistance to ensure that the fund is set up and managed in a manner that ensures its transparency, growth, and sustainability.