September 28, 2011
Interim Progress Report and Participant Photos

To: Dining for Women
From: The BOMA Project
Re: December 2010 Grant

Summary

"Before, the women would come and ask for help and for food. Now they are working hard and even traveling to Marsabit to buy goods that can be sold in our village. These BOMA business people, they look shiny." —Mohamud Arvele, Kargi village chief

In February 2011, The BOMA Project received a $27,419 grant from Dining for Women, representing DFW's collective donations from December 2010. The grant was allocated as follows to support the Rural Entrepreneur Access Project (REAP), BOMA’s micro-enterprise program in Northern Kenya:

- 52 new REAP micro-enterprises in the villages of Karare, Kargi, South Horr and Ngurunit. The per-business cost of $415 includes a start-up grant of $150, business-skills training for participants, two years of hands-on mentoring by BOMA Village Mentors, and BOMA staff expenses as we monitor the businesses, support the Village Mentors and collect extensive data to measure the program’s impact on participants’ daily lives. The first 37 DFW businesses were funded after skills training in May 2011; the remaining 15 will be funded after skills training in October 2011.

Subtotal: 52 businesses @ $415 = $21,580 / $20,939 provided by Dining for Women

- The establishment of a pilot microsavings training program to support REAP businesses established by a previous 2009 DFW grant in the village of Loiyangalani. The microsavings program includes two training sessions, monthly savings group meetings, and ongoing mentoring by BOMA Village Mentors. The pilot program was launched in March 2011 and evaluated in August 2011. Thirty of the 2009 DFW micro-enterprises in Loiyangalani participated in the 2011 pilot. The remaining thirty 2009 DFW businesses will receive savings training in late January 2012.

Subtotal: Microsavings training for 2009 DFW businesses / 60 businesses @ $108 = $6,480
Brief Description of Accomplishments

• Each REAP micro-enterprise provides a new and sustainable income for three participants. More than 90 percent of REAP entrepreneurs are women, and BOMA impact surveys indicate that each woman cares for an average of five children. By funding 52 new enterprises in 2011, Dining for Women has helped 156 women to pay for food, school fees and medical care for an estimated 780 children. This diversified income is increasingly important to pastoral communities in the arid and semi-arid lands of Northern Kenya, where the traditional source of sustenance—livestock herding—is now threatened by climate change.

• Since December 2008, The BOMA Project has established 520 REAP businesses across Northern Kenya, impacting the lives of 2,088 participants and more than 10,400 children. We will launch an additional 200 businesses in October, bringing our total to 720 businesses with 2,688 participants caring for more than 14,000 children.

• BOMA has identified savings as critical to the long-term stability of REAP businesses and participating families. BOMA staff member Sarah Ellis spent ten months researching and designing a pilot microsavings program that will: (1) help REAP participants understand the importance of savings, (2) facilitate access to secure savings mechanisms and (3) help business groups to establish successful savings and loans associations.

Each savings group is comprised of three to eight REAP businesses that contribute a predetermined monthly amount to a shared savings pool; the pool is used to offer loans to members within the savings group. The loans are intended primarily for business expansion and are repaid with interest.

Sixty established REAP businesses in Korr and Loiyangalani (30 of which were funded by DFW in 2009) participated in the pilot program, which started in March 2011. The program began with two training sessions, led by BOMA Village Mentors: (1) How to Establish a Savings Group and (2) Money Management, Borrowing and Lending. After training, each group met regularly to contribute money, discuss successful business strategies, and approve loans. Mentors often attended these meetings to monitor each group’s progress, answer questions, and offer supplemental training in record-keeping, loan administration, and how to keep savings secure.

An August 2011 evaluation of the pilot program, conducted by Ellis, concluded that:

1. REAP businesses are managing their money and accumulating savings with considerable success.
2. REAP businesses are often pressured to lend money to community members and sell goods on credit during times of drought and hunger; the resulting financial drain can threaten the long-term stability of the business.

3. The establishment of larger savings groups helps to insulate the money from such pressure. Community members understand that the money is controlled by a larger group and not easily accessible. In addition, each savings group is encouraged to keep savings secure by using a three-lock box (one member from each group keeps a key), depositing the money with a local faith-based organization (a fairly common option in rural Kenya), or establishing an account with a local bank representative (where available). Mobile banking will also be an option as cellular service spreads across the district.

4. Income and savings from REAP can help families survive times of drought; it helps participants purchase life-saving food, such as maize and cooking oil, when the livestock are either dying or grazing far from the villages. At other times, REAP income is spent on food (improving families’ daily nutrition), school fees, medical care and basic household assets (such as nylon tarps to protect traditional stick huts from rain).

Based on the success of the pilot, BOMA will begin rolling out the savings program to new and pre-existing REAP groups in November 2011.

Changes to Goals or Timeline / Challenges in Implementation

The central goal of the REAP program—to provide the pastoral nomads of Northern Kenya with the skills and resources they need to earn a sustainable income—remains unchanged. As the program develops, however, we continue to refine and improve our model based on BOMA impact surveys and feedback from REAP participants and Village Mentors. Examples of improvements include the development of the microsavings program and the January 2011 shift from five-person business groups to three-person groups, a model that’s more sustainable and offers more meaningful long-term impact per family.

The BOMA timeline for 2011 calls for the establishment of 200 additional businesses in October—including 15 funded by Dining for Women. This will bring our total to 720 businesses. In 2012, we plan to launch 400 additional businesses for a total of 1,120 business groups and 3,888 participants, caring for an estimated 20,040 children. BOMA fellow Emma Impink is also researching the establishment of BOMA-owned medium-sized enterprises, in such sustainable industries as biofuels, camel’s milk, and gums and resins, which would provide jobs in Northern Kenya and generate profits to support REAP.
The biggest challenge BOMA faces — a challenge that made global headlines this summer — is climate change, and the impact of prolonged drought on the pastoral communities of Northern Kenya. While we believe BOMA represents a long-term solution to climate change by helping pastoralists to move away from sole reliance on livestock, hunger still poses an immediate and life-threatening problem in our communities when the rains fail. The livestock suffers and food prices soar. This underscores the key role that savings play in the REAP economic-empowerment program. Although REAP revenue and business activity often drop during a time of drought, savings allow (1) families to purchase food and (2) business groups to buy food at wholesale prices, thereby offering more affordable staples in the villages.

Changes to Funding

Funding for the REAP businesses and microsavings pilot program, as described above, has not changed. But our annual revenue continues to grow, as we attract more individual donors and expand our foundation funding. A partnership with Village Enterprise, for example, matched by a grant from the Cummins Foundation, provided partial support for 200 new REAP enterprises in May and October 2011; BOMA also received a $100,000 grant in 2011 that will underwrite a wide range of capacity-building initiatives.

Our Mission

The BOMA Project works to improve the lives of the marginalized residents of Northern Kenya through economic empowerment, education, advocacy and the training of a new generation of entrepreneurial, ethical leaders.

For photos of current REAP participants and BOMA Village Mentors, including businesses and savings groups funded by Dining for Women through grants in 2009 and 2010, please see the following pages.
BOMA has 26 Village Mentors who work with our REAP business groups across Northern Kenya. Mentors are respected local residents with an established income and professional experience, such as schoolteachers and shop owners. They are volunteers, though they receive a small stipend for expenses; mentors often trek 20 or more kilometers to meet with their groups. Mentors lead our business-skills training sessions and gather data on each group, from baseline demographics to measuring how the program is changing participants’ lives. They work with each group for two years—answering questions, solving problems and checking the record books—as well as leading the new savings program.

Benjamin Lotorobo of Loiyangalani (above) is a busy man: He’s the father of two children, chairman of the Fisherman Cooperative Society, secretary of the environmentally focused Nanyori Group, owner of his own home-rental business, shopkeeper, and a BOMA Mentor. He works with BOMA businesses that primarily sell fish from nearby Lake Turkana. In September, he was named one of our 2011 BOMA Village Mentors of the Year at the Mentor University training session, held in South Horr.
BOMA Village Mentor Benjamin Lotoroobo meets with the Almoite Savings Group of Loiyangalani (above). The businesses in this savings group sell fish from Lake Turkana. They purchase the fish along the shoreline at wholesale prices and then resell it. The fresh fish is sold locally, while the dried fish is stacked on lorries and sold in the city of Kisumu. Some of the groups, located in satellite communities outside of Loiyangalani, also sell powdered milk and other food products.

Sixty of BOMA’s business groups in Loiyangalani were funded by a 2009 grant from Dining for Women, and 30 of these groups participated in the 2011 pilot microsavings program that DFW helped to establish through its December 2010 grant. The remaining 30 DFW businesses in Loiyangalani will receive microsavings training in late January 2012.
BOMA Village Mentor “Uncle Sam” meets with the Bayo Savings Group in Korr (above). Businesses in this savings group sell goods like beads, sugar and OMO laundry detergent. They also bring goats to butcheries in Korr and sell the meat.

"Uncle Sam" is Peter Amiyo, a father of three and one of BOMA's newest Mentors. Uncle Sam has extensive business experience; he and his wife own several enterprises in Korr. He was previously an aide in a Parliamentary Constituency Office.
One goal of the BOMA microsavings program is to facilitate access to secure savings mechanisms—a challenge in a remote, rural environment with no banks. BOMA is teaching REAP participants about various ways to keep savings safe, including this three-lock box used by the Bayo Savings Group in Korr (above). Three keys are required to open the box; each key is kept by a representative from a different business group. Other savings options include keeping the money at a local faith-based organization, establishing an account with a bank representative (where available) or mobile banking via cell phone (where available).

BOMA established its first savings group through a pilot program — funded in part by Dining for Women — that launched in March 2011. Each savings group is comprised of three to eight REAP business groups, which contribute a predetermined amount to the shared account each month. This savings pool is used to offer loans, intended primarily for business growth and activities that generate additional revenue; the loans are repaid with interest. Savings also help REAP participants and business groups to purchase life-saving food during times of prolonged drought, when the livestock herds suffer and the price of basic staples, such as maize flour, soars.
Halima Arbele (above) is the mother of seven school-aged children. For the past eight years, she has run a successful food store in the settled village of Korr, where she also makes and sells beaded jewelry. In addition to being an outstanding BOMA Village Mentor, Halima is chair of a local women's group.
The members of the successful Umacho Savings Group with BOMA Village Mentor Halima Arbele (back row, left). These businesses are located in nomadic villages, 15 kilometers or more outside of Korr town. The groups sell food items out of small kiosks.
Malawan Lejalle and her daughter in the nomadic village of Ndikir, near the family hut and chicken coop (above). Malawan leads a three-woman REAP business group that sells food staples, such as beans, tea and sugar, to residents in her village. As prolonged drought destroys the grazing terrain, warriors take the herds on long trips in search of forage. The women and children are left behind in the villages without cattle, their traditional source of food and income. “My husband does not know if he will find us alive when he comes home,” says Malawan. “But the last time he returned, he found his eight children doing well...and his wife was plump!” In addition to generating income for food, her business is using its savings to send 17 local children to secondary school.

For more information on The BOMA Project, visit our Website at www.bomaproject.org

Kathleen James, Director of Communications
802.231.2542 • communications@bomaproject.org