



Follow Up Report

Name of Funded Organization: The BOMA Fund

Website: www.bomafund.org

Featured program in May 2009

Amount of DFW donation: \$18,124

Mission: *The BOMA Fund 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.*

Boma accomplishes their mission by implementing innovative micro-finance and skills-training programs in order to establish enduring small businesses; by providing merit-based secondary, vocational and university scholarships for ambitious students willing to give back to their communities; by creating awareness of the plight of pastoral nomadic communities; and by mobilizing human, financial and technical resources so that residents may lead healthy, productive lives.

Objectives

BOMA seeks to:

- Respect and listen to the communities in which we work
- Protect the rights of all marginalized people by giving them education, training, recognition, acceptance and equality
- Develop and implement innovative, culturally appropriate poverty-reduction programs with measurable outcomes that will reinforce the dignity and self-confidence of participants
- Inspire a generation of young leaders to pursue relevant educations that will encourage integrity, creative problem solving and critical thinking
- Reduce ethnic conflict and foster peace in the region by diversifying income sources and encouraging the sustainable use of natural resources
- Maintain an ethos of integrity through a zero-tolerance policy on corruption and a steadfast commitment to professional governance

Dining for Women Grant / Project Narrative

REAP: Program Goals

The Rural Entrepreneur Access Project (REAP) is an innovative micro-finance program developed by The BOMA Fund that is completely led by local residents in the nomadic and settled villages of northern Kenya. We identify, train and support community residents as BOMA Mentors, who in turn deliver skills-training programs to small groups of five people. Each group then establishes a small business with a seed grant of \$150. The Mentors monitor and advise each group for two years.

REAP targets the poorest of the poor in the Laisamis District, a long-neglected, semi-arid region that suffers from a lack of infrastructure, with no paved roads, banks, post offices or public transport.

- ♀ Ninety-five percent of the women in the region are illiterate.
- ♀ Thirty percent of the children suffer from severe malnutrition
- ♀ The walk to the nearest health clinic can be as much as 50 miles.

Although livestock remains the traditional source of food and income, it is increasingly unsustainable as the severity of droughts escalates. During the extended drought of 2008-2009, 90 percent of the region's livestock died.

Since 2008, The BOMA Fund's REAP program has established 260 income-generating businesses of five people each, impacting the lives of 1,300 adults and an estimated 6,500 children. By providing training, capital and mentoring, we help residents to establish small local enterprises that provide diversified income and savings, so they can feed and educate their children and pay for health care. ***We believe a program that encourages diversified income development—rather than short-term food relief—is critical to the survival and economic self-empowerment of these communities as they transition from a traditional pastoral lifestyle to a modern cash-based economy.***

Eighty-five percent of REAP participants are women. Women and children are particularly vulnerable to the regional cycle of drought and poverty because of their traditional reliance on livestock. BOMA also believes that focusing on the economic empowerment of women is one of the most effective ways to fight poverty at the grassroots level.

REAP: Program Results

In 2009, Dining for Women provided BOMA with \$18,124 to fund 60 REAP businesses in the village of Loiyangalani, changing the lives of 300 women and an estimated 1,500 dependent children. To ensure effective skills-training and monitoring by our local Mentors, Teresalba Leparsanti and Benjamin Nturia, BOMA staggered the launch of these 60 business groups over time. We launched the first 20 businesses in July 2009, and the balance of the business groups were launched in January and July 2010.

In July 2010, our field staff in Kenya conducted an impact assessment survey in Loiyangalani, including in-depth, face-to-face interviews with representatives from 18 of the first 20 groups funded by Dining for Women. One of the groups recently resumed operation after a period of dormancy, while the other was not available because its members were traveling. Their mentor, Teresa, reports that this business is doing well.

In addition to gathering data about the overall financial state of the businesses, we also asked a number of questions about the tangible benefits that the interviewees had realized because of the business. After just one year in operation, here is what we know:

- ♀ **The average total value per businesses is \$706**
- ♀ **The average value of cash savings per business is \$342**
- ♀ **The women’s business groups spent an average of \$47 on medical care for their members and their children, and \$44 on school supplies and fees.**
- ♀ **In a region where the average income is less than \$1 a day, these families could not otherwise afford to send their children to a doctor or to buy pencils for school.**

Table 1

Overall Loiyangalani Businesses	Total Value of Business	Total Value of Cash Savings	Medical Expenses	School – Related Expenses
<u>Highest</u>	\$2,107	\$1,200	\$193	\$201
<u>Lowest</u>	\$233	\$67	\$2.66	\$1.33
<u>Median</u>	\$528	\$276	\$15	\$16
<u>Average</u>	\$706	\$342	\$47	\$44

The most telling indicators about the impact of REAP are the number of interviewees who say they now eat rice and chapati (a form of flatbread) at least once per month and the number reporting increased use of cooking oil. Nearly all of the REAP beneficiaries receive relief food, which consists mainly of maize flour and a portion of cooking oil. Before REAP, many relied almost exclusively on relief food. If the shipments did not come or they ran out of food, they would go to town and beg for credit. **For someone at that level of poverty, rice and chapati are luxuries too expensive to afford on a regular basis. We learned in our interviews, however, that income from the REAP business—and the ability to obtain approved credit from the group, in the form of money or food—ensured that members have enough food for their families and can buy items like rice and chapati more frequently.** Reports of increased usage of cooking oil also point to the impact of the REAP businesses, because the business members are able to buy cooking oil when their relief oil runs out. Interviewees were quite happy about their increased usage of oil, saying it made their food much tastier and more filling.

Table 2

Loiyangalani	# Eating Rice (at	# Eating Chapati (at	# Reporting
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Businesses	least 1x/mo.)	least 1x/mo.)	Increased Use of Cooking Oil
Before	3	2	n/a
After	11	9	9

Whereas changes in purchasing patterns of butchery meat and fish are good indicators of impact in other regions, Loiyangalani is somewhat of an exception in this case. In Loiyangalani, anyone can go to nearby Lake Turkana and come away with one or two fish, sometimes for free. Therefore, it's an encouraging sign that 10 of the 18 interviewees who reported dietary changes said they now ate butchery meat at least once per month.

We also tracked home improvements and purchases of household goods. Twelve of the 18 interviewees reported at least one improvement under five categories: new furniture, cooking utensils, new roof materials, nylon or a new hut.

Program Challenges

In comparison to the other regions of northern Kenya in which The BOMA Fund operates REAP, Loiyangalani presents a unique set of opportunities and challenges. Loiyangalani is an oasis town on the shores of Lake Turkana, the largest desert lake in the world. The town's proximity to Lake Turkana and the abundant supply of fresh fish gave rise to plenty of business opportunities. Of the 18 groups, 13 were focusing all or some of their activities on buying and selling fish. But the town's geographic isolation and lack of trucks or cars passing through makes it hard for businesses to buy or sell goods in other areas, with the exception of an established fish transportation network. The business groups have reacted to these opportunities and challenges in different ways and with different results: **While Loiyangalani is home to some of the most successful REAP businesses, it is also home to some that are struggling.**

In the beginning of the REAP program, fish were abundantly available from fishermen along the shores of Lake Turkana at a wholesale price of 13 cents per fish. An established transportation operation enabled the groups to package their fish and earn 26 cents for each fish when the shipment reached Kisumu, a city in western Kenya where fish from Turkana are in high demand. The REAP beneficiaries felt very comfortable operating fish businesses, knowing where to find the fish, how to negotiate prices, and how to prepare the fish for shipping. That comfort factor pushed many of the groups toward the fish business, and all of the groups who put in the necessary amount of effort made handsome profits.

In the past half-year, however, large-scale buyers have come into Loiyangalani, set up operations on the shore, and declared their willingness to buy any appropriately sized fish for 26 cents. These buyers have raised fish prices for everyone and, by extension, cut into the profits of the REAP fish businesses. Of the 13 businesses, seven have found other ways of generating income, including selling fish guts and oil, a butchery, and selling beads, clothes and curios.

The biggest short-term obstacle is clearly the rise in fish prices. The business groups specializing in fish have already started to diversify their sources of revenue. The

groups are also seeking funding for the purchase of a boat, which will enable them to catch fish in the lake and sell them on the shore at the inflated 26-cent price. Many groups also discussed their desire to access profitable markets in places like Marsabit, but cited transportation difficulties as the biggest barrier. Every resident of Loiyangalani



knows the fish business and feels comfortable doing it, but the challenge will be for the BOMA Mentors to encourage group members to explore other profitable sectors that are insulated from the ups and downs of the fish business.

Overall, the REAP businesses in Loiyangalani are doing quite well in a very short period of time. The businesses have grown quickly, and the members seem to have benefited from both an improvement in daily living indicators and an increased ability to deal with emergencies and pay for large expenses like school fees.

Dining for Women grant / Project details and finances

REAP Program: Itemized Expenses

In 2009, Dining for Women provided \$18,124 to launch 60 REAP businesses in the village of Loiyangalani, impacting the lives of 300 women and an estimated 1,500 dependent children. For an itemized list of expenditures, see budget chart below.

Dining for Women Budget Report			
Total number of new businesses - 60			
Total number of new business owners - 300			
Total number dependents from 60 businesses: 1,500			
July 2009 - July 2010	Units	Cost/Unit	Total
			Notes

Grants (# of businesses)	60	\$150	\$9,000	Administered in two grants Business Skills Training Sessions for Business Group Members
Training	60	\$9	\$540	
One-on-one Mentoring	120	\$22.50	\$2,700	One-on-one mentoring for Group Leader and Treasurer of 5 person group
Business Mentor Training	4	\$450.00	\$1,800	Cost for 2 Business Mentors to attend one training program in western Kenya and one training program on-site in Loiyangalani for training on mentoring, data collection & business identification
Operations Director Visits	2	\$700.00	\$1,400	Travel to Loiyangalani for Operations Director for monitoring and evaluation and business launch in July 2009 and January 2010. Biggest expense is petrol for a region larger than the country of Rwanda.
Evaluation & Administration	60	\$30.00	\$1,800	Processing of data, business applications and standard of living data.
Impact Assessment	20	\$12	\$240	Cost per business for materials and transport to conduct impact assessment survey on SOLI data of first 20 businesses in Loiyangalani as a measure of change
Operations Director Visit	1	\$700	\$700	Travel to Loiyangalani for Operations Director for monitoring and evaluation for 3rd business launch in July 2010
Total Cost of Project			\$18,180	
Total Grant			\$18,124	
Balance of expenses not covered by grant			\$56	

REAP Program: Expense Overview

Our first task was to select two BOMA Mentors in Loiyangalani: Benjamin Nturia, a man who is a local business owner, and Teresalba Leparsanti, a woman who is a teacher and also owns a small shop. The Mentors were chosen because they have a sustainable source of income, are active community members who work well with women, and can speak both Swahili and English, as well as the local languages. After participating in a

series of training programs, the Mentors identify beneficiaries who are interested in running their own business and organize participants into trust groups of five people. Each trust group, with assistance from the Mentors, then writes their own business plan. If the plan is approved, they commence a series of business-skills training classes in marketing, group dynamics, savings and recordkeeping. **Upon completion of the training programs, the groups receive their first grant of \$100, and after a three-month progress report, a second and final grant of \$50. The groups are then mentored for the next two years by the locally trained Mentors.**

The BOMA Mentors from Loiyangalani also participate in field trips to identify other viable and sustainable businesses for the area. **Preference is given to women beneficiaries who are among the poorest members of the community.** The program extends to the two Elmolo villages outside the town of Loiyangalani, as well as to the pastoral communities in the Mount Kulal region.

In addition to training costs and start-up grants, additional REAP expenses include a standard \$30 per-business cost for evaluation and administration, which includes data collection and monitoring trips to Loiyangalani by our Kenyan field operations director, Kura Omar. Petrol is the largest travel expense, as Laisamis district is larger than the country of Rwanda.

It also cost an average of \$12 per business to conduct our Summer 2010 assesment survey to measure the program's impact and how it has changed participants' lives. The survey included a standard questionnaire that included questions about the interviewee's family, food consumption and living conditions. We also added a section of questions to the survey that focused on how the group members ran their business. For instance, we asked each interviewee how much money the groups had used for medical or school-related expenses, and we were able to estimate the increases in income that each member received from the business, too.

Dining for women grant / Impact & voices from Loiyangalani

The Dining for Women grant allowed the BOMA Fund to establish 60 business groups of five people in and around the village of Loiyangalani in northern Kenya, for a total of 300 new business owners. The average number of dependents for each group member is five, for an estimated total of **1,500 dependents and 1,800 lives impacted.** According to our assessment survey and face-to-face interviews (for details, see above), it is clear that the groups are putting the money they earn to good use by:

- Buying more food
- Access to food or cash during lean times via group-approved credit
- Eating a more nutritious and varied diet (rice, chapati, meat and cooking oil)
- Making basic upgrades to members' huts (roof materials, nylon sheets, utensils)
- Covering necessary medical and school-related expenses through shared savings

Though more difficult to quantify, REAP participants also benefit from:

- ♀ The self-confidence and dignity of economic empowerment
- ♀ The respect of being a local business owner and entrepreneur
- ♀ The knowledge and skills provided by BOMA and in the workplace

- ♀ Assistance in transitioning from a traditional pastoral lifestyle to a modern income-based economy
- ♀ The development of local BOMA Mentors as community advisors, role models and trained business leaders

In July and August, we visited the first 20 Loiyangalani enterprises funded by Dining for Women. **Please click on the following link to view a “thank you” video** that includes comments from several business group participants, BOMA Mentors Teresalba Leparsanti and the BOMA field operations manager in Kenya, Kura Omar.

<http://www.youtube.com/watch?v=-6pvzbyWybs>

Through REAP, we give women the tools they need not only to survive, but to thrive. In their own words, here are the stories of two women whose lives have been changed through their participation in the Loiyangalani business groups:

Julia Lowa is the treasurer and bookkeeper of the Tiger business group in the village of Loiyangalani. The Tiger group has established a fish business that buys fish—both dried and fresh—from fishermen along the shores of Lake Turkana. The women package the fish and send them on a lorry for resale in Kisumu. The profits are returned to them through M-Pesa, a mobile cellular service. When their families need food, the business group members are allowed to take fish on credit. The group disburses half of the profits to members as income and keeps the remaining half in a shared savings account, to be used for large expenses, such as school fees and healthcare.

“From the grant that the group received, we have already doubled our money,” says Lowa. “We understand each other very well within the group. We have struggled, but we do not sit down. We run up and down to make sure our business succeeds. If you are getting milk from a cow, you have to struggle to make sure it gets grass. We have to run up and down to make sure our business succeeds. And I am very thankful. I am very thankful.”

To hear Julia Lowa in her own voice, click on the following link:

http://www.youtube.com/watch?v=iRIMCp_8h24&feature=channel

Nkutosian Lenaitukisho is the record keeper of the Lesapii Women’s Group in the village of Mount Kulal near Loiyangalani. “I am saying thank you. I did not sell any cow to deserve this money! I thank God and all the people who are working with BOMA ... did you hear me? We received the grant in our villages; we did not go far to look for help from BOMA, and I say thank you for all of this. From the day we received the grant, we did not sleep hungry even once. We get money for food from our business and we pay back the money to the group. We pay medical fees for our children, we pay school fees for our children. The drought came and finished all the livestock we had. Thank you Kura, Boma business mentors and the people helping us through BOMA.”

To hear Nkutosian in her own voice, click on the following link:

<http://www.youtube.com/watch?v=5qy1zgriJqc&feature=channel>

Photos of Loiyangalani REAP participants (August 2010):

