

DINING FOR WOMEN AND THE BOMA PROJECT

Interim Progress Report: December 2013

Sustained Funding 2013-2015 (Feature Month: January 2013)

"We don't beg anymore from other people. We just take the money from our business group. When I use credit, I take the money back to the group. We get good food; our children don't stay without food. It has helped us get money for school fees and for going to hospital. And I've learned some skills about doing business. I have seen the light; you have opened my eyes. I want to expand this business and use any money I get to grow it. We used to struggle, but we are comfortable now. I am so happy." --Sibirian Moga (Sondhidho business group, Odhola village, Northern Kenya)



*BOMA Village Mentor
MariaGrazia Khoyan
leads a savings-
training session for
REAP participants in
Archer's Post,
Northern Kenya. >>>*

In June 2013, Dining for Women provided a generous \$15,000 grant to The BOMA Project and its Rural Entrepreneur Access Project, an innovative two-year poverty graduation program that targets ultra-poor women in Northern Kenya. REAP gives women the tools and resources they need to start small businesses in their rural villages, so they can earn a sustainable income, build up savings, survive drought and adapt to a changing climate. The 2013 DFW grant represents the first year of a three-year sustained funding agreement to support the establishment of REAP businesses in Samburu District.

In partnering with BOMA, Dining for Women is advancing the work of a fast-growing NGO that successfully promotes food security, community resilience and climate-change adaptation in one of the poorest, hardest places on the planet. By helping women to start small, diversified businesses—enterprises that are not directly tied to the drought-threatened livestock industry—BOMA kick-starts a progression out of extreme poverty that starts with sustainable income and leads to savings and access to credit. With these basic financial tools, women can support their families on a daily basis—purchasing



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nutritious food instead of relying on sporadic emergency food aid. They also can pay for school fees and medical care, cope with emergencies, survive drought and establish a foundation for long-term family stability.

Since January 2009, BOMA has established 1,681 micro-enterprises and 277 savings associations across Northern Kenya, changing the lives of 5,571 women who support more than 27,800 children. Our goal is to reach 100,000 women and children within five years.

PROGRESS TO DATE

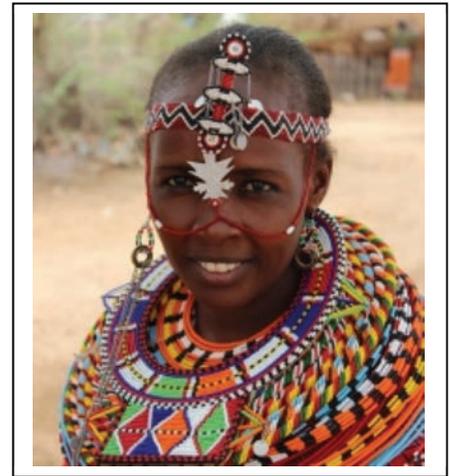
Objective: \$15,000 in 2013 to expand REAP across the Samburu District of Northern Kenya and launch 36 DFW-funded businesses near the villages of Archer's Post and Wamba.

Progress to date: 36 DFW-funded businesses were launched in September 2013 (15 in Archer's Post and 21 in Wamba). Each REAP business includes three women, and each woman supports an average of five children.

Total DFW impact: 36 new businesses, changing the lives of 108 women who can now pay for food, school fees and medical care for more than 540 children.

The cornerstone of the REAP program is the BOMA Village Mentor, who leads the program in the field: assembling business and savings groups, leading training sessions, and meeting one-on-one with each REAP business group and BOMA savings association to offer advice, mediate conflicts, help with record-keeping and deliver curriculum during the two-year mentoring period. In January 2012, BOMA hired its first Mentor in Samburu District: MariaGrazia Khoyan, an educated shop owner, mother and community leader in Archer's Post.

20 Businesses in Archer's Post / 15 Funded by DFW: In September 2013, Maria worked with community leaders to target 60 qualified participants—women living in extreme poverty with the ability to commit to running a business—and then verified participant poverty levels by using the Grameen Foundation Progress Out of Poverty Index. She also gathered baseline data using the BOMA Standard of Living Index (SOLI), which allows us to track progress out of poverty along a number of indicators, such as family nutrition and access to medical care and education.

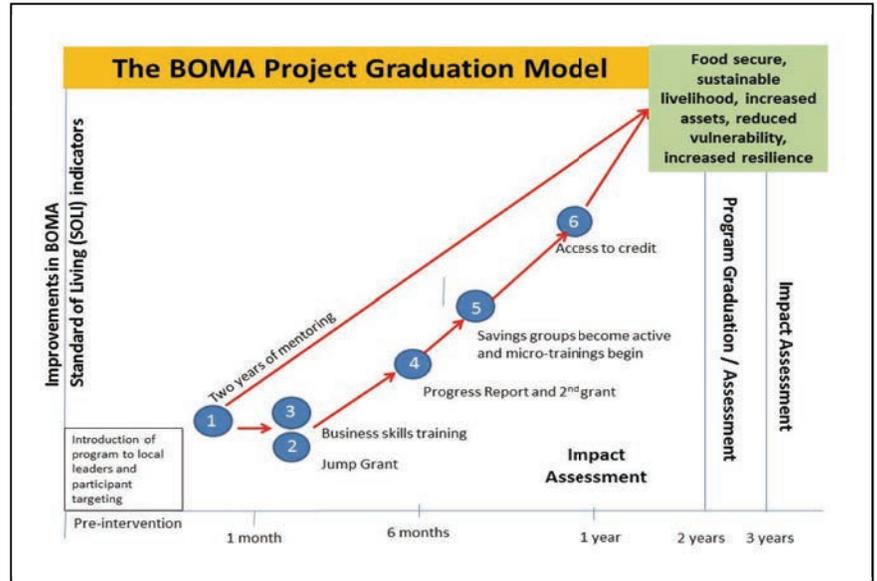


MariaGrazia Khoyan, the BOMA Mentor in Archer's Post, launched 15 DFW-funded businesses in September 2013.

The women organized themselves into groups of three to form 20 REAP business groups. Maria then helped each group to write a business and savings plan and led a business-skills training session. At the conclusion of the training session, each business received its initial \$100 Jump Grant to purchase stock and launch the micro-enterprise.

Following the two-year REAP timeline, in February 2014 each business group will participate in a five-month progress report with Maria, attend a

second training session that focuses on savings, and receive a final grant of \$50. At this point, the business groups will self-assemble into BOMA savings associations—each made up of approximately five to seven REAP businesses—and start a ten-module savings-training curriculum. Maria will continue to work with each business and savings group during the remainder of the two-year REAP program.



21 Businesses in Wamba / 21 Funded by Dining for Women

In February 2013, BOMA hired and trained its second Village Mentor in Samburu District. Julieta Lekerpes lives in Wamba, where she previously worked as a clerk for the electoral commission. She has a diploma in business management and is highly motivated to put her business experience to work—and help women living in extreme poverty in her community—by joining the BOMA staff. Wamba is a trading center surrounded by nomadic villages that lies 50 kilometers northwest of Archer's Post. Although Wamba is more populated than Archer's Post, it is not a tourist hub and is similar to the communities across neighboring Marsabit District where BOMA has established businesses to date.



Julieta Lekerpes is the new BOMA Village Mentor in Wamba.

In September 2013, after the community selected participants based on criteria provided by BOMA, Julieta gathered baseline data and led a training session and \$100 Jump Grant distribution for 21 new REAP business groups.

Per the BOMA timeline, these 20 businesses will now complete a progress report with Julieta in February 2014. They will then attend a savings-training session and receive a second and final \$50 grant, join BOMA savings associations and participate in the savings curriculum, and work one-on-one with

Julieta until the mentoring period ends—and participants “graduate” from REAP—in Fall 2015. Mentors meet monthly with each REAP group and savings association during the two-year REAP program, and also deliver a series of ten training modules at the monthly savings group meetings.

OUR IMPACT

Ripalen Lekirimoi is a single mother who owns a BOMA business with her two partners near Archer’s Post in Samburu District. Their business is a small kiosk stocked with basic food staples, such as cooking oil and rice. Ripalen has three children, ages 2 through 8. Before launching a BOMA business in March 2012, she and her family never ate meat or chapatti (flatbread) and they rarely ate rice. Now she and her children eat these foods several times a week. When she first enrolled in the Rural Entrepreneur Access Project, she reported that her family spent 500 Kenyan shillings per week on food. By May 2013, that figure had risen to 4,000 shillings per week. >>>

In May 2013, BOMA conducted a “mini” impact evaluation of the first businesses that we had established in Samburu District, in March 2012. We randomly selected 20 participants to be interviewed, covering 17 businesses that include livestock traders, butcheries, dukas (dry goods shops) and artisans. Despite the small sample size, we felt it was important to conduct the study as an early indicator of REAP’s impact in Archer’s Post, adjacent to Samburu

National Reserve, as this is the first time that we have worked in communities impacted by the tourism industry. We believe BOMA and Dining for Women can have a unique impact in Samburu District, which is receiving less attention—and consequently less funding—than adjacent Marsabit District in terms of drought risk-management programs delivered by the Kenyan government and international NGOs. By establishing a successful livelihood-diversification program in Samburu, and collecting meaningful data on the program’s impact, BOMA and DFW can play a leading advocacy role in a district that is currently underserved.

The data indicates that, on average, women are able to provide more meals for their families, invest more in housing and spend more on the health of household members. Households have significantly increased their livestock assets and also use a wider variety of mechanisms for saving. On average, households have 11,805 KSH saved either personally (i.e. at home), with their business and/or with a BOMA savings group, and more than 65 percent of our sample have at least two forms of cash savings.





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Highlights from the May 2013 one-year impact evaluation of REAP businesses in Archer's Post include the following:

- Increase in household food expenditures from an average of 805 KSH per week at baseline to 2,269 per week at one year
- Eighteen percent decrease in the number of nights per week that a woman's child or children go to bed hungry
- Increase in household medical expenditures, with the average expenditure increasing from 225 KSH to 2,215 at one year
- Each woman has an average of 11,805 KSH in savings, and 35% of women have more than 10,000 KSH
- 70% of businesses have a higher total value than the initial grant (\$150) that they were given, and the average business value is 19,585 KSH (\$233).

Highlights from comprehensive BOMA impact evaluations and studies across Northern Kenya:

- 99% of BOMA businesses are still in operation, generating income and savings, at one year, and 97% at three years—a success rate that's unheard-of in the world of microfinance.
- At two years, average household income has doubled. The average business value has increased by 215% at one year and by 362% at three years.
- At one year, we've documented a 63% decrease in the number of mothers who put their children to bed without any food. Number of meals per day increases, with 83% increase in consumption of rice and 52% increase in consumption of meat.
- School-related expenditures increased from 400 Kenyan shillings per household per month to 4,097 per month at one year. At three years, the number of children enrolled in school has increased by 78%.
- Expenditures on medical care increases from 155 Kenyan shillings per month at program enrollment to 516 shillings per month at three years.
- At program enrollment, 38% of participants have some form of savings. At one year, 80% have savings.
- The degree to which individuals have progressed out of poverty is judged against eight criteria in five categories: food security, household asset ownership, sustainable livelihoods, resilience and behavioral changes. Women are said to have graduated if they have achieved appropriate thresholds within six of the criteria. When surveyed at program enrollment (baseline), no individuals had met the criteria. At program exit, we are seeing average graduation rates of 91%.

CHANGES TO PROGRAM GOALS

Starting in 2014, BOMA will increase the amount of the seed capital cash grants that participants in our Rural Entrepreneur Access Project (REAP) use to purchase inventory and launch their new businesses. The total grant provided to each new business will increase to \$200 (from the previous amount of \$150).



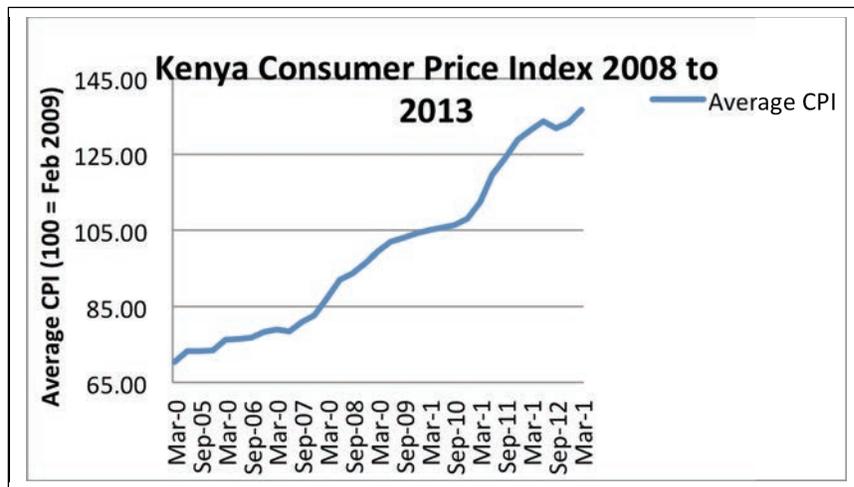
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The grant is provided in two phases. The initial Jump Grant amount will be increased to **\$150** (from the previous amount of \$100). The second and final Progress Grant, given to businesses that demonstrate satisfactory progress at six months, will remain at **\$50**. This is the first time BOMA has increased its grant amount since the first REAP micro-enterprises were launched in January 2009.

This decision is based on the inflation rates that Kenya has been experiencing for some time, as well as our own internal analysis of a “basket of goods” – standards items that all households in Northern Kenya purchase when they have cash. From early 2009 to 2013, a basket of commodity goods (including tea, sugar, porridge, cabbage and washing powder, for example) worth \$150 has increased to slightly more than \$200. Inflation rates in Kenya have also risen considerably over the past few years: 14% in 2011 and 9.4% in 2012 (compared to 3.2% and 2.1% in the United States in those years).

We also looked at the Kenya Consumer Price Index from 2008 to 2013. A chart showing the rise in the index over the past five years is below.



Based on field observations from BOMA staff and Village Mentors, we know that rising prices have limited the amount of stock that new BOMA businesses can purchase. In turn, this has led to a slower start for each enterprise, and lower income and savings for each participant in the short term. By increasing the grant amount, our goal is to:

- Give each business the resources it needs to start a sustainable business
- Help participants accelerate their incomes quickly and build up savings
- Encourage participant buy-in through faster, more immediate results

Our original grant proposal to Dining for Women requested \$15,000 per year to launch 36 REAP businesses per year in the Samburu District of Northern Kenya, over three years. This equates to a per-business investment of \$417. Instead, we will launch 32 REAP businesses per year at a per-business cost of \$469, an amount that includes the grant increase. Total impact: 32 businesses and 96 women, who



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will use the income and savings to support more than 480 children. *For more information, see revised 2014 budget submitted with this report.*

Timing: Based on the 2014 REAP timeline, we are planning to launch 5 DFW-funded businesses in March 2014 in Archer's Post. The remaining 27 DFW-funded businesses will be launched in October 2014 (12 in Wamba and 15 in Archer's Post).

CHANGES TO FUNDING

In April 2013, BOMA was awarded its first government contract, a \$1.9 million accountable grant from the U.K. Department for International Development (DFID), the British aid agency, to launch 1,338 businesses and 277 savings associations across the greater Marsabit District over the next three years. In addition to this core livelihood diversification work, the contract also includes a governance component to use the BOMA platform to strengthen drought risk-management networks across the district. Since signing the contract, BOMA has moved swiftly to hire a DFID project manager, Katy Grant, a British expatriate who lives in Nanyuki. She will work from that office while Kura Omar, our Kenya program director, is leading our new field office in Marsabit Town.

The DFID grant is a game-changer for BOMA, opening the possibility that government contracts can offer a path to scale across the arid lands of Africa. It also represents a fundraising challenge: While DFID will cover most of our program costs in Marsabit District, we will continue to raise money for REAP expansion in Samburu and for many critical costs that earmarked government funding cannot cover.

There are no other significant changes to BOMA's program, staffing, NGO affiliation or funding.

CHALLENGES AND SOLUTIONS

Challenge: Inflation and rising cost of goods in Northern Kenya.

Solution: \$50 increase in REAP seed-capital cash grant (see above).

Challenge: Transportation for Mentors, who walk daily across remote scrubland to visit BOMA businesses and savings associations in outlying villages 15-20 kilometers away.

Solution: Purchase of motorbikes for Mentors. 11 motorbikes have already been purchased for Mentors in greater Marsabit District, while 2 motorbikes will be purchased for Mentors in Samburu District in February 2014 (MariaGrazia Khoyan in Archer's Post and Julieta Lekerpes in Wamba).

Challenge: Data collection and data entry for our comprehensive monitoring and evaluation program

Solution: We have hired a new IT systems administrator who will start work in the Nanyuki office in January 2014. In addition, we are evaluating options for digital data collection in the field using tablets or mobile phones, as well as the further development of Salesforce.com as an effective data monitoring and management tool.

STORIES FROM THE FIELD

Rose Lekanta and her BOMA business partners own a small kiosk near Archer's Post. It started as a bead-selling business, but as the enterprise expanded, the women decided to add foodstuffs to their inventory, including sugar, beans, tea leaves, maize flour, rice and soup mix. In total—between personal savings, business savings and



BOMA savings group funds—Rose now has access to 9,900 KSH in savings. She is married and the mother of five children, ages 18 to 2.

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<<< Sendeiyo Lenaiyasa and her two business partners used the REAP seed-capital grant to buy goats, which they resell at mark-up. In the past month, she earned 6,500 KSH from her BOMA business, which she supplemented by selling firewood (for 300 KHS) and another business (500 KSH). In April 2013, Sendeiyo incurred medical expenses of 3,000 KSH,

which she was able to pay with savings accumulated through her REAP business and BOMA savings group. She is a single mother of three children, ages 8 to 3.

Julieta Lekerpes was hired in February 2013 as the second BOMA Village Mentor in Samburu District. In April 2013, she led her first training session and Jump Grant distribution for 20 REAP business groups in her hometown of Wamba. As BOMA program director Kura Omar reports:



<<< "All of the participants arrived on time because they were excited about the program and they couldn't believe BOMA was offering grants, rather than loans. Julieta was instrumental during the training and showed maturity and control. She has passion for her community and was clear about how participants should use the funds in the right way. She engaged her participants and they asked many questions. What impressed me most was that she called one week later to tell me that all of

the 20 new businesses had started operation."



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In September 2013, BOMA founder and CEO Kathleen Colson led a trip through Kenya that included a visit to a Samburu village near Archer's Post. Several Dining for Women members, including Susan Stall of Greenville, South Carolina, traveled with this group. As Susan later wrote:

"We had the opportunity to visit a Samburu village that has two BOMA businesses. The women entrepreneurs showed us their store and their merchandise and proudly showed us the two big, blue, metal savings boxes that hold the profits. From these profits, the women are able to make loans to others in the village. BOMA has provided business training for the women and has taught them how to track their sales, as well as the loans they make.

"While in Kenya we were also able to meet a group of women from different villages who were learning about the importance of savings. The training was being led by a young Samburu woman [Maria] who visits 75 different villages as a BOMA trainer. Much of her travel to the villages is done on foot with her infant strapped to her back.

The proof that BOMA is working is the respect the Samburu women we met have for Kathleen Colson. Many of them were skeptical that BOMA would make any difference in their lives. They had seen many well-intentioned aid organizations come and go. However, they now know differently. While BOMA trainers provide basic training in how to set up and run a business, they do not tell the women how to run their business on a day-to-day basis. BOMA is an organization that is making a difference."

SUMMARY OF IMPACT

In the past two years, BOMA has made tremendous strides in refining its Rural Entrepreneur Access Project as an innovative poverty-graduation program that offers the most effective long-term solution for helping families survive drought, develop diversified livelihoods, and build food security and resilience in the face of climate change in the arid lands of Africa. REAP helps women to build a pathway out of extreme poverty and promotes a resilient, rural economy that's not tied to the drought-threatened livestock industry. In a remote region where few other NGOs are willing to work, we are proving that ultra-poor, often-illiterate women can become self-reliant, successful entrepreneurs.

As our data proves, these mothers are choosing to invest the money in their families: food, basic household assets such as cooking pots and nylon tarps, medical care and school fees. By buying and selling affordable goods in their villages, they are creating a grassroots modern economy. And by investing in medical care and education, they are increasing the odds that their sons and daughters will be able to finish school, find skilled jobs, and help to break the cycle of extreme poverty and dependency that has emerged in recent decades in the drylands.

In partnering with BOMA, Dining for Women is helping to solve one of the most challenging problems in Africa: how to build sustainable incomes, establish food security, and improve the resilience of ultra-poor women in the drought-threatened arid lands. Since 2008, our success has proven that the most urgent long-term need in rural Africa—and the most promising long-term solution—is to give women



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the tools of economic self-empowerment, so they can start small businesses, earn a sustainable income, create a resilient grassroots economy and adapt to a changing climate. By focusing on motivated individuals, and meticulously tracking the impact of grants and training, we are successfully equipping the poorest, most disempowered women of Northern Kenya with skills and income to graduate from extreme poverty and provide for themselves and their children—forever.

**For more information about The BOMA Project,
please go to www.bomaproject.org or call 802.231.2541.**

*“This is the help we need. We never had anything before and we have it now.
We never had money to celebrate [special days], but now, we celebrate until we laugh.”*
—Kristen Marlen, Namunyak Group, Loglogo

**2013 SIX-MONTH INTERIM REPORT TO DINING FOR WOMEN
THE BOMA PROJECT**

REAP (Rural Entrepreneur Access Project)									
	Total projected program budget for 2013 based on 500 businesses a year			Total program request for Dining for Women (based on 36 businesses a year for 3 years). Funding requested from DFW is only for in-country/Kenya costs.			Actual Expenditures (6/1/13 - 11/30/13)	Remaining Funds (12/1/13 - 5/31/13)	Notes
	units	unit	Subtotal	Units	unit	Subtotal			
Seed Capital Grant	500	\$ 150	\$ 75,000	36	\$ 150	\$ 5,400	\$3,600.00	\$1,800.00	\$100 jump grant distributed in September 2013; \$50 progress grants will be distributed in February 2014
			\$ 7,500			\$ 540	\$360.00	\$180.00	Distribution costs split between September 2013 and February 2014 disbursement
Training Expenses & Supplies	500	\$ 25	\$ 12,500	36	\$ 25	\$ 900	\$288.00	\$612.00	Training expenses and supplies are incurred at the time of the grant disbursements, so September 2013 and February 2014
Business Mentor Salary & Benefits	19	\$ 2,285	\$ 43,415	1.5	\$ 2,285	\$ 3,428	\$1,787.25	\$1,640.25	Mentors are paid monthly
Training and Travel Costs for Mentor	19	\$ 360	\$ 6,840	1.5	\$ 360	\$ 540	\$270.00	\$270.00	The training and travel costs for mentors are distributed monthly
Project Director & Field Officer Visits	500	\$ 58	\$ 29,000	36	\$ 58	\$ 2,088	\$1,044.00	\$1,044.00	Monthly
Business Mentor Training	19	\$ 203	\$ 3,857	1.5	\$ 203	\$ 305	\$247.50	\$57.00	The annual BOMA Mentor Workshop took place in July 2013
Data Input and Evaluation	500	\$ 50	\$ 25,000	36	\$ 50	\$ 1,800	\$900.00	\$900.00	Monthly
Indirect and U.S. program support			\$ 156,646					\$0.00	
TOTAL			\$ 359,758			\$15,000	\$8,496.75	\$6,503.25	
TOTAL funding received from DFW for one year						\$15,000			
Cost Per Business						\$417			
Cost Per Person						\$139			