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DINING FOR WOMEN & THE BOMA PROJECT

SUSTAINED FUNDING AGREEMENT 2013-2015

Six-Month Interim Progress Report 3: December 2014

Organization Name The BOMA Project
Program Title Rural Entrepreneur Access Project
Grant Amount \$45,000 / \$15,000 per year
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Supplemental materials included with this report: Message to Dining for Women members, blog-style summary of impact, high-res photos, budget for 2014 expenditures, 2013 IRS Form 990 and 2013 audited financial statements.



A BOMA savings group gathers around a cash lockbox in the village of Archer's Post, Northern Kenya. Savings groups meet monthly with a BOMA Village Mentor to make deposits and withdrawals, approve loans, and receive financial-literacy training.

Brief description of what has been accomplished so far, including progress on the goals and objectives of the program DFW is funding. What impact has been made through DFW's funding?

In May 2014, Dining for Women provided a generous \$15,000 grant to The BOMA Project and its Rural Entrepreneur Access Project, a high-impact income and savings 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, adapt to a changing climate and "graduate" from extreme poverty.



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The 2014 DFW grant represents the second year of a three-year sustained funding agreement. BOMA was the featured program in January 2013 and the first check was received on June 5, 2013. Therefore the funding period for Year One was June 1, 2013 through May 31, 2014. A final Year One report and budget was submitted to Dining for Women in June 2014. The second check was received in May 2014. Therefore the funding period for Year Two is June 1, 2014 through May 31, 2015. **This document comprises our six-month interim report for Year Two.**

Objective: Expand REAP across Northern Kenya and launch 32 DFW-funded businesses near the villages of Archer's Post and Wamba in Samburu District in 2014.

Progress as of December 2014: 32 DFW-funded businesses have been launched in 2014. Five were launched in March 2014 in the village of Archer's Post, and the remaining 27 were launched in September 2014 in Archer's Post and Wamba. Each REAP business includes three women, and each woman supports an average of five children.

DFW impact in 2014: 32 new businesses, changing the lives of 96 women who can now pay for food, school fees and medical care for more than 480 children.

BOMA Impact since 2009: As of December 2014, BOMA has enrolled 7,431 women in its poverty graduation program, comprising 2,301 micro-enterprises and 376 savings groups across the greater Marsabit and Samburu Districts. Since 2009, we have lifted more than 44,500 women and children out of extreme poverty, and our goal is to reach 100,000 women and children by 2018.

PROGRESS TO DATE



Boniface Leliko, a BOMA Village Mentor in Archer's Post, uses a wireless tablet to collect data at a savings group meeting.

In March 2014, BOMA Village Mentors Boniface Leliko (Archer's Post) and Julieta Lekerpes (Wamba) worked with local community members to select 96 women to enroll in BOMA's Rural Entrepreneur Access Project near the villages of Archer's Post and Wamba. REAP targets women living in extreme poverty—those most vulnerable to the devastating impacts of drought and climate change—who are also enterprising and willing to work hard to make their business succeed. After targeting, Mentors verified women's poverty levels and gathered baseline data that BOMA uses to measure the impact of REAP over time. Following a training session in basic business skills, each three-woman business group received a seed-capital grant of \$150 to launch the enterprise. In all, 32 businesses were launched in these

two villages in March 2014, and **five of these businesses were funded by Dining for Women.**

In September 2014, following completion of a satisfactory progress report, the business groups received a second and final grant of \$50 to grow the business. At this time, the Mentors delivered a training session focused on savings and the



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business groups self-assembled into larger BOMA savings groups. Savings groups meet monthly during the remaining 18 months of the REAP program to make deposits and withdrawals, approve loans, and receive additional training modules on various aspects of financial literacy, including the importance of education for children (and for girls in particular). Mentors meet with each BOMA business and savings group monthly during the two-year REAP program.

In September 2014, Mentors also launched an additional 58 businesses in Archer's Post, Wamba and the new expansion villages of Ngilai West and Sereolipi; **27 of these businesses were funded by Dining for Women**. They will receive progress grants and self-assemble into savings groups in March 2015 as described in the timeline above.

Using the baseline data gathered upon program enrollment, BOMA will interview all participants again at program exit in 2016 to assess the impact of REAP on participants' income and expenditures, nutrition, access to education and medical care, household assets, and other indicators of well-being.

Has anything changed in regard to the original program goals and objectives? If the budget has changed, please include the new program budget.

In year one of the agreement (June 1, 2013 through May 31, 2014), BOMA launched 36 businesses for \$15,000 as submitted in our original grant proposal. In year two of the funding agreement (June 1, 2014 through May 31, 2015) we launched 32 businesses for \$15,000, following a budget modification submitted on December 12, 2013 and approved by DFW on January 10, 2014. In year three of the funding agreement (June 1, 2015 through May 31, 2016) we will launch 32 DFW-funded businesses.

Have you experienced any significant challenges or obstacles? If so, how are you addressing them?

No challenges have been encountered in the establishment of these 32 businesses. In the past year, however, we have made significant progress in solving one of our most persistent challenges – how to monitor and support our Mentors, and gather data in a timely and efficient manner, in the extremely remote and rural area where we work. We also have revised our targeting methods to ensure we are reaching the poorest and most vulnerable women in each village.

1. Monitoring the Mentors and Data Collection the Field: The Wireless Tablet Solution

BOMA has 26 Mentors who work in villages scattered across a remote, rural region the size of Ireland. They are monitored and supported by our Kenya field team, which includes three field officers stationed in the Marsabit office. Although motorbikes, an additional vehicle, cell phones (where coverage exists) and additional training sessions have made it easier for field officers to stay in close contact, it remains difficult to support our Mentors in the field—helping them to answer questions, solve problems and resolve conflicts among REAP businesses and saving associations—and also to effectively monitor each Mentor's performance.

We have made great strides in this area through our new wireless tablets, which include a suite of TaroWorks mobile technology tools that allow Mentors to collect and upload data to our customized Salesforce.com relational database from the field. With access to real-time data regarding business and savings group performance, our operations team



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Peter "Uncle Sam" Amiyo, a BOMA Village Mentor, leads a monthly savings group meeting in an outlying settlement near the village of Korr.

can support Mentor's work in a more informed and timely manner. In addition, the tablets have built-in cameras and GPS that will allow us to verify that Mentors are visiting each assigned business and savings group monthly, as required.

Mentors visit every REAP savings group and business group at least once every month. In addition to mentorship and training given to the group by the Mentor, the Mentor is also required to collect business and savings group performance data. Previously this information esd collected on paper, but Mentors are now using new wireless tablets that were distributed – with extensive training – at our annual six-day BOMA Mentor Workshop in July 2014.

After entering the data, Mentors synch to BOMA's cloud-based Salesforce.com database. The data is then visible to everyone in the organization in the form of pre-built reports and dashboards. We have defined criteria to identify under-performing businesses and savings groups, and Salesforce.com has been configured to send auto-generated SMS and email alerts to Mentors and their supervising Field Officers, informing them of under-performing groups.

TaroWorks also allows us to monitor whether Mentors are visiting groups at the point of operation. The application has a built-in mapping tool that accurately monitors the movement of all Mentors in the field and verifies that business visits are being conducted. In addition to mapping, Mentors are required to take photos of the participants present during the visit, as well as the stock owned by the business, to verify the composition of the business and the value of the business. This information will then be verified by the field officers during field visits.

Using this geo-spatial data, we are now able to analyze the number of businesses at the village and manyatta level and their performance relative to townships and markets, surrounding BOMA businesses and competing non-BOMA business. This data allows us to understand the saturation of businesses within a specific location and inform whether it is logical to fund new businesses within an existing location or expand to new locations.

It is envisioned that field officers will now be able to conduct targeted field visits addressing specific challenges that have been identified based on the data collected. For example, a field officer would conduct a training program on credit management with the Mentors if the ratio of credit sales versus cash sales is greater than 15%.

This data will also be used in scoring Mentor and field officer performance. Mentors will be automatically scored based on a set of business performance criteria. The performance of Mentors will also be assessed by their supervising field officer during field visits. The performance of Mentors will then be aggregated to determine the overall performance of a field officer.



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Sugto Guthuro is a new BOMA business owner near the village of Kargi. "I feel good and I feel free," she says. "The children are not hungry. Before BOMA, we were in darkness. Now we are in light."

Our biggest challenge is lack of infrastructure. More than 90% of the locations where we work have no access to electricity, meaning it can be difficult for Mentors to charge their devices. In many areas, Mentors were forced to pay to use "charging stations" every night, and the standby charge for each tablet is one day. With that in mind, we recently secured a grant to purchase 50 backpack solar chargers to power and protect the tablets in the field.

2. Targeting the Poorest of the Poor

BOMA has recently revised its targeting methods to ensure that we are reaching the poorest and most vulnerable women in each village, as follows:

When beginning work in a village, BOMA first meets with community leaders to introduce the program and discuss collaboration. We also conduct a Village Assessment to gauge whether the local economy can support new REAP enterprises. Local BOMA Village Mentors are then hired to deliver the training and mentoring of REAP participants, and BOMA Locational Committees (BLC) are established to facilitate the targeting process and provide a community oversight function. These committees are comprised of village elders, faith leaders and REAP graduates; our requirement is that 50 percent of BLC members must be women.

Targeting commences with a Participatory Wealth Ranking (PWR) exercise: Community members meet to discuss BOMA's enrollment criteria and identify the better and less well-off members of their community. Wealth Ranking allows us to: 1) Investigate perceptions of wealth differences and inequalities in a community; 2) Discover local indicators and criteria of wealth and well-being; 3) Establish the relative position of households in a community.

The PWR process identifies a pool of candidates for consideration by the BLC and Mentor for participation in the program. They also review the pool of candidates for representation and balance among various clans and ethnic groups. The Mentor then interviews a potential participant in her home using BOMA's unique Participant Targeting Tool (PTT). The PTT is a participant selection survey tool that has been designed for the pastoralist communities in which The BOMA Project works.

[BVMs were previously asked to complete the Grameen Progress out of Poverty Index (PPI). The PPI survey allowed us to estimate the probability of an individual falling below a poverty line and was used as a way of verifying the selections made by the Mentor and BLC. However, the PPI tool was designed for all of Kenya and was not specific to Northern Kenya. It included questions that were not accurate indicators of poverty in the communities in which we work. We recognized this shortcoming, but also understood the importance of having a simple tool that would allow us to quickly



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and easily identify an individual's poverty level. After consulting communities and conducting focus group discussions, we were able to design a more suitable survey tool, the BOMA PTT.]

The BOMA Monitoring and Evaluation team scores the PTT and returns the results to the Field Officers, who then inform the Mentor of the final participant list.

Finally, independent, trained enumerators travel to BOMA villages to complete a Standard of Living Indicator (SOLI) form for each participant. In order to ensure a rigorous commitment to impartial monitoring and evaluation, BOMA uses enumerators to collect baseline and exit data via the SOLI to disentangle the incentives faced by field staff (i.e. a mentor's perception that *BOMA participant and business performance* is akin to *Mentor performance*) from the broader programmatic priorities of our M&E system, such as accurate reporting, informed management and leadership and timely feedback loops that allow for program improvement.

Has the timeline for the program changed from the original funding application?

No.

Has funding changed for this program?

No.

How much of the original DFW restricted funds have been disbursed and how much remain?

To date, we have invested \$9,622.50 of the \$15,000 grant to launch 32 businesses. The 27 businesses launched in September 2014 will receive final \$50 Progress Grants in March 2015. We will submit a final budget in June 2015.

Is your organization or program situation different than presented in the approved proposal? For example, new executive director, significant program staffing changes or NGO affiliation, loss of large funding, or other significant changes?

In our June 2014 interim report to Dining for Women, we outlined our new three-year strategic plan, which charts a path to scale our program across the arid lands of Africa via large-scale government contracts and multi-lateral partnerships. We are currently implementing a three-year, \$1.9 million accountable grant with the UK Department of International Development to lift 24,000 women and children out of extreme poverty across the greater Marsabit District over three years (2013-2015) by establishing 1,338 micro-enterprises and approximately 277 savings associations. Meanwhile, funding from foundations, corporations and individual donors supports the expansion of our program across neighboring Samburu District, as well as critical capacity-building investments – particularly in Kenya, where we now have two offices and more than 50 full-time employees.

We are currently in final negotiations with the Government of Kenya to implement a two-year, \$1.8 million pilot poverty graduation program through the PROFIT program. BOMA was selected after an extensive review and field visit by the



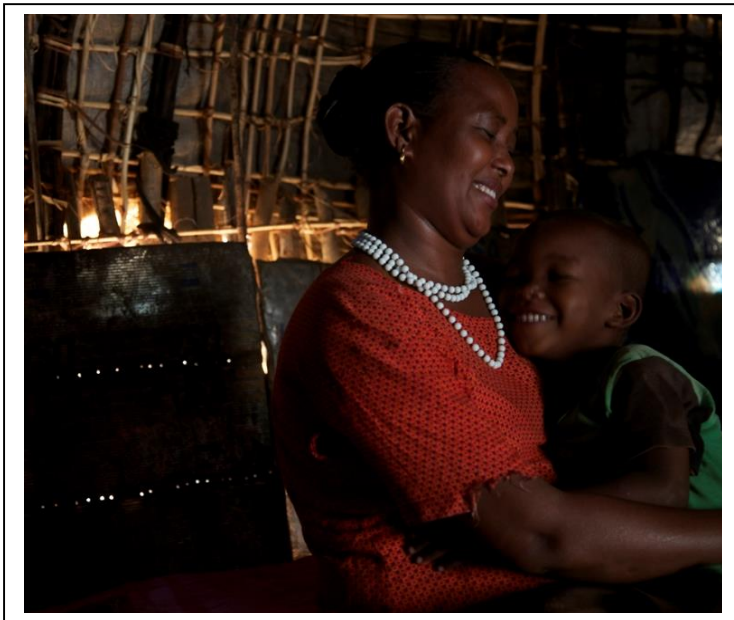
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Government of Kenya's consultant, BRAC, a leading global NGO and innovator in the poverty graduation field. The BOMA-led pilot program will reach 1,600 women and more than 4,800 children across the greater Marsabit District, starting in early 2015.

Blog-style summary of impact:



Naperu Llabalang'a, a single mother, uses income from her BOMA business to support her four children. She's also paying for two of her siblings to attend school.

Four years ago, Naperu Llabalang'a had a hard life.

She was a traditional young woman, raised in a semi-nomadic village in a remote part of Northern Kenya. She had never attended school. Her husband threatened and abused her. To feed her four young children, she sold livestock when she could—and begged for food when she couldn't.

Then two things happened to change her life: Her father chased her husband away, and she was selected to enroll in BOMA's high-impact income and savings program.

Now she's a business owner who sells basic staples—like ground maize, tea and washing powder—to residents in the settled town of Ngurunit. She supports her own children and is paying for two of her siblings to attend school. She belongs to a BOMA savings association, and has

taken out small loans to expand her business and to help another sister with school fees. She works hard to make her BOMA business succeed.

"It's all about effort," she says of her BOMA business and her two partners. "From BOMA, we have learned so many things. But the key was learning to trust ourselves."

"I'm the breadwinner for my family now," she says. "I don't have stress. My kids are fed well. God gave me this business, and I have a good life."

Since 2005, I've spent a great deal of time in Northern Kenya, where I get to meet—and often, truly get to know—women like Naperu. My life has been profoundly changed by my experiences in villages like Ngurunit, where women who live in dirt-floor huts—made of sticks, skins and cardboard—speak with clarity and conviction about hard work, about progress, about gratitude and a good life.



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In September we enrolled 984 women in our life-changing poverty graduation program, for a total of 7,431 women since 2009. With income and savings from their BOMA business, these women provide food, medical care and education to more than 37,000 children.

Our goal is to lift 100,000 women and children out of extreme poverty by 2018. We're at 44,000 and counting.

--Kathleen Colson, Founder and CEO

Message to Dining for Women members:

From 2009 through 2014, Dining for Women has supported the establishment of 180 sustainable, women-led businesses in Northern Kenya in partnership with The BOMA Project. This means that 660 women—the poorest of the poor, the women most vulnerable to the devastating impacts of drought and climate change—are now earning a sustainable income and savings, so they can pay for food, medical care and school fees for more than 3,300 children. In a remote part of the world where the rest of the world so often sees disaster, we see success every day.

We're motivated by women like Ndorogo Ngoyoni, leader of a BOMA business group in the nomadic village of Marmar near Kargi, who told us, "We used to just sit around and do nothing. We would go and ask for credit. I could spend the whole day begging for a cloth on credit but now I have mine. We can brag; we have something for ourselves. Our lives have really changed for the better. Our husbands don't shout at us: 'Where have you been?' They know we are somewhere, doing business. You opened our eyes and our BOMA Mentors are always here with us. They keep us awake. We will not go back to sleep." We are grateful to the energetic, committed and passionate Dining for Women members who are changing the lives of women like Ndorogo in one of the poorest, hardest places on the planet.

For more information about The BOMA Project, go to www.bomaproject.org or call 802.231.2542.