

5. ANALYSIS AND ASSESSMENT OF INSTRUMENTS AND STRUCTURES

5.1. ANALYSIS OF PROJECT HOLDER

5.1.1. PERSONNEL

Project Personnel

The personnel responsible for the project are shown below.

Head	Samuel Gitau	July 1990
Co-ordinator	Rosemary Macharia	September 1987
Bus Adv/Trainer	Karanja Thareki	January 1990
Bus Adv/Trainer	Pauline Kamau	April 1989
Bus Adv/Trainer	Eunice Omondi	January 1986
Bus Adv/Extn	Theodora Ongondo	September 1985
Bus Adv/Trainer	Minyu Mugambi	March 1990
Voc Skills	Charles Ogola	August 1989
Loans Officer	Christine Maina	April 1989

Other Relevant Personnel

The staff shown above are the ones in the business development unit of Undugu society. Given the fact that Undugu programmes are totally integrated, these are not the only staff with an input into the project. All the social workers in Undugu, the different workshops managers, the Parking Boys Programme, the Machuma Programme, and the Undugu Basic Education Programme staff are contributors to the programme for they are responsible for identifying potential participants in the programme.

Training Background of Project Personnel

The training background of the staff who are responsible for the project is adequate for most have formal business education, planning or specialised training for the work assigned to them in the project.

Management and Casework Load

The management and case work load of the staff is as follows:

a. Samuel Gitau recently joined Undugu and is responsible for administration of the department which covers much more than the unit. (See Organisational chart)

b. Rosemary Macharia has had administrative and consultancy responsibilities for the unit. She also used to have clients. Currently she is coordinating the unit.

c. Pauline Kamau has 37 clients in progress. She is also currently evaluating the Kibera Handicrafts Centre so as to draw

up an action plan for NORAD.

d. Karanja Thariki has 27 clients in progress and is also coordinating the implementation of the Lindi Development Plan in Kibera.

e. Theodora Ong'ondo has 27 clients in progress and is currently working with Pauline in Pumwani office

f. Eunice Omondi has 60 clients in progress. She is working with Thariki on the implementation of the Lindi Development Plan in Kibera.

g. Minyu Mugambi, who is based in the Mathare Office, has 15 clients in progress and is involved in planning the informal training workshops as well as researching vocational trades that are not flooded.

h. Christine Maina has 6 clients and is responsible for following all clients who are in arrears. Currently she is dealing with 111 (90 per cent) cases out of a total of 123 clients with loans. She is responsible for updating repayments and assistance records of all clients in the unit.

i. Charles Ogolla is responsible for all informal training clients. The bulk of the work involves payment of training fees of all these clients, liaison with trainers, arranging for government trade testing and supervision over attendance of Saturday theory classes.

Business Development Training Efforts

Other than handling clients, the central focus of the project staff is business development training. The following is the training effort since project inception:

TABLE 1. TRAINING ACTIVITY LOAD: TRAINING TYPE AND PERSON DAYS*

TYPE	1987	1988	1989	1990
Entrepreneurship Train.	2760	2960	1620	600
Identification	0	252	0	50
Evaluation	0	212	0	0
Starters Training	0	1110	0	0
Product Development	0	0	976	0
Illiterates Training	0	0	56	0
Product Dev. Followup	0	0	400	0
New Industries Workshop	0	0	76	60
Informal Sector Training	0	0	0	225
Total	2760	4534	3128	935

*Key to the Table.

Entrepreneurship Training - A 10-days training on Small Business Management for existing entrepreneurs.

Identification- A one day workshop on Identification of Business Opportunities for people not yet in Business.

Evaluation- A one day workshop which followed the identification workshop to evaluate the data collected by the prospective entrepreneurs in between the two workshops.

Starters training- A 10 day training on Business Management which followed the identification and evaluation workshops.

Product Development Followup Workshop A four and a half day workshops held for those participants who want to develop a new business idea.

Illiterates Training - A four day workshop on Business Management for illiterate entrepreneurs.

New Industries workshop- A four day training to assist members of our target group in venturing into new activities-with a view to making profit.

Informal Sector Programme Training - These workshop are being held after every 3 months to assist our informal sector trainees in the selection of trades.

Training of Specific Vocational Skills

The staff are involved in the organising and management of specific trainees in the informal sector, and for formal trade certification. The tables below shows those efforts.

TABLE 2. TRAINEES 1985-1990

Year	1985	1986	1987	1988	1989	1990
No.	61	64	64	60	56	60
Total Number of trainees 1985-1990 = 365						

These 365 trainees were distributed as follows in the various vocational trades.

TABLE 3. TRAINERS ASSOCIATED WITH PROJECT BY SECTOR 1985-1990

Type of Training	Number
Dress making	52
Motor Mechanics	57
Metal Work	29
Carpentry	29
Electronics	13
Panel Beating	5
Cushion Making	3
Leather work	3

Hair Saloon	3
Sign-writing	2
Weaving	2
Screen Printing	1
General Fitting	1
Knitting	1
Printing	1
Fibre Glass Moulding	<u>1</u>
Total	203

The trainees in 1989 and 1990 were distributed as follows as far as the various vocational trades are concerned.

TABLE 4. DISTRIBUTION OF TRAINEES 1989

Trade	No. of Trainees	Per cent
Motor Mechanic	25	57%
Tailoring & Dressmaking	13	24%
Carpentry	10	19%
Metalwork	2	4%
Cushion Making	1	2%
Hair Dressing	1	2%
Electronics	1	2%
TOTAL	53	100%

TABLE 5. DISTRIBUTION OF TRAINEES BY TRADE 1990

Motor Mechanic	16	27%
Tailoring/Dressmaking	15	25%
Carpentry	7	12%
Metal Work	6	10%
Electronic	5	8%
Leather Work	2	3%
Hair Dressing	2	3%
Cushion Making	2	3%
Weaving	1	2%
Fitting	1	2%
Knitting	1	2%
Fibre Glass Moulding	1	2%
Cobbler	<u>1</u>	<u>2%</u>
Total	60	100%

There is over subscription to some vocations like motor mechanics and tailoring. It will not be easy earning an income in overcrowded fields. The impact of over subscription to the income of trainees is potentially serious given the fact that some of the newer vocations, for example weaving are not available in the government trade testing system. Trainees need certification by the government trade testing system so as to: first, improve their chances of formal employment and two, to ensure higher income once employed.

The table below, shows the pattern of trade tests by trainees in 1989.

TABLE 6. TRADE TEST PATTERNS 1989

	Grade 1	11	111	TOTAL
Motor Vehicle Mechanic	3	10	19	32
Dressmaking	-	2	17	19
Carpentry/Joinery	-	-	7	7
Fitting/Turning	-	2	-	2
TOTAL	3	14	43	60

From Tables 4,5 and 6, it is clear that some of the vocations are oversubscribed particularly given that nationally there appears to be a surplus in those vocations. The business unit is aware of this and there has been deliberate policy to shift the training to vocational areas which are not flooded and in which more surplus can be garnered.

Both the pattern of vocations and the trade testing system available tend to focus trainees on employment rather than going into business. This again is the national pattern. Undugu needs to mount a trace exercise of their ex trainees to check whether they fit into this national pattern.

Loans Management

Managing the loaning and collection process is also a need. Since inception a total of 186 loans have been given. To give these a much higher number of cases was processed. Thus the unit has much more work than suggested by the number of loanees. It is estimated that for each loan given, as many as ten clients are handled. Currently there are 123 active loans. Perhaps the data presented below showing the structure of arrears since inception more forcefully shows the work of managing loans for clients must be followed, counselled and encouraged to continue in business in the slums. This performance will no doubt improve if management routines are simplified by computerisation thereby leaving time for more client work in the field.

TABLE 7. STRUCTURE OF ARREARS SINCE INCEPTION

Arrears Period	No. of Clients
1 week & below	6
2 weeks	2
3 weeks	1
4 weeks	3
between 1 & 2 months	3

between 2 & 3 months	4
between 3 & 4 months	3
between 4 & 5 months	4
between 5 & 6 months	4
between 6 & 7 months	1
between 7 & 8 months	8
between 8 & 9 months	3
between 9 & 10 months	2
Over 10 months	83

However, this data should not be misinterpreted as showing that clients have not been paying. Due to active involvement of the unit in counselling and encouraging the clients, the repayment rate has been quite encouraging given that most of the slum dwellers are venturing into borrowing for the first time. 55 clients have repaid all their loans, 3 loans were written off, 1 loan was not taken up and 128 loans are still ongoing.

TABLE 8. LOANS: DISBURSEMENT AND REPAYMENT STATUS

Code	Name	Date	Ksh.	Status
1.	Tujenge Women Group	24/1/85	10000	Repaid
2.	Tujenge Women Group	30/1/87	9600	Repaid
3.	ND			
4.	Kitui Women Group	31/12/85	8000	Repaid
5.	Beba Twende	1/9/85	8000	Repaid
6.	Akamba Weavers	15/12/86	20000	Written off
7.	Kalakol Basketry Group	1/7/85	3000	Repaid
8.	Githathuru Water Group	1/2/86	9135	Repaid
9.	Urembo Women Group	31/12/85	5000	Active
10.	Mathare Metal Work Coop.	1/12/86	52464	Repaid
11.	Brigitta Nyaminde	15/12/86	7200	Repaid
12.	Dalmas Onjuang	23/9/86	3680	Repaid
13.	Dickson Nzomo	4/3/87	1750	Active
14.	Grogan Healthworkers	31/7/87	3000	Repaid
15.	Kanuku Maendeleo	31/12/86	750	Active
16.	Moris Kilonzo	26/2/87	5500	Repaid
17.	Helen Kipteng	22/9/87	3500	Written off
18.	Karanja Macharia	23/1/87	14000	Repaid
19.	Stephen Mwangi	7/9/88	8949	Active
20.	Charles Kioko Mutisya	2/10/87	5395	Active
21.	Kasilili Women Group	9/1/88	37000	Repaid
22.	Nancy Muthoni	13/11/87	11406	Active
23.	Beth Mukenyi	15/1/88	2000	Repaid
24.	ND			
25.	Joseph Muguchuku Kia	25/4/88	23690	Active
26.	Paul Mwangi Chege	30/5/88	3960	Written off
27.	Kanukui Water Group	31/12/85	4000	Repaid
28.	Kanuku Mwikaria Group	31/12/86	2146	Repaid
29.	Kinyago Dancers	31/12/86	2146	Repaid
30.	Kinyago Mwaturi Mura	31/12/86	2146	Active

31.	Lucy Wanjiru Njoroge	24/03/88	7000	Active
32.	Joseph Bernard Owich	14/8/86	7145	Active
33.	ND			
34.	Joseph Opiyo	23/1/89	6000	Active
35.	Tesfaye Ale Mayehu	21/9/88	27000	Active
36.	Florence Njeri Njuguna	21/10/88	1815	Repaid
37.	Mary Nzula	21/10/88	2250	Repaid
38.	Caleb Masanda	19/12/88	5016	Repaid
39.	Anna Kasiva	21/10/88	1620	Active
40.	Grace Wanjiku	8/8/88	500	Active
41.	ND			
42.	Charles Munene	2/12/88	1500	Active
43.	Florence Wanjiru Karanja	14/12/88	500	Repaid
44.	Dorcas Wangari Mwangi	19/12/88	1000	Active
45.	Mary Nduva	11/1/89	1700	Active
46.	Milka Muthoni	11/1/89	1650	Active
47.	Grace Wanjiru Mwangi	11/1/89	1900	Repaid
48.	Stephen Muturi	11/1/89	1750	Active
49.	Mary Njeri	11/1/89	1800	Active
50.	George Mutitu Waweru	30/5/88	16000	Active
51.	Franja Njeri Karuri	26/1/89	400	Repaid
52.	Winrose Mumbi	25/1/89	1900	Active
53.	Cecilia Nyambura	26/1/89	950	Repaid
54.	Simon Mwangi Wanduta	3/2/89	1000	Active
55.	Nancy Wakina Mugo	23/1/89	1800	Active
56.	Asha Said	31/1/89	10500	Active
57.	George Fredrick Omon	31/1/89	250	Active
58.	Lawrence Ochieng Omo	2/2/89	7000	Active
59.	Mary Atieno Ouma	2/2/89	2000	Active
60.	ND			
61.	Jacinta Nduko	15/2/89	1700	Active
62.	Nancy Nduta Kuria	20/2/89	1700	Active
63.	Mary Wanjiru Kamau	20/2/89	450	Active
64.	Beatrice Njoki Macha	15/2/89	1800	Active
65.	Teresia Njeri Ndichu	15/2/89	1800	Active
66.	Lucy Nyokabi	21/2/89	1800	Active
67.	Magdalena Wanjiru	21/2/89	1800	Active
68.	Jane Wambui Kamotho	2/2/89	1800	Active
69.	Zipphora Amwayi	21/2/89	1800	Active
70.	ND			
71.	James Moses Ogolla	10/3/89	6000	Active
72.	Charles Okeyo Ogolla	20/3/89	8000	Active
73.	Julius Mwanzia Nguimbi	10/4/89	1800	Repaid
74.	Kadogo Abdi	10/4/89	2000	Active
75.	ND			
76.	Charles K. Karingithi	10/4/89	800	Active
77.	Mary Munyiva	10/4/89	1304	Repaid
78.	Elizabeth Muthoni	10/4/89	2000	Active
79.	Ann Mwhaki	10/4/89	2000	Repaid
80.	Jane Watetu	24/4/89	1500	Repaid
81.	Teresia Kodo	25/4/89	5000	Active
82.	ND			

83.	ND			
84.	Christopher Muli Nzi	9/5/89	2000	Active
85.	Busena Ajeeb Hamed	9/5/89	1900	Active
86.	Beatrice Nechesa Omunanga	24/5/89	1700	Repaid
87.	Hannah Wanjiru Kariuki	24/5/89	660	Repaid
88.	Rose Atieno Kose	7/6/89	7000	Active
89.	Virginia Wanjiku Nji	24/5/89	1500	Active
90.	Francis Maina Mwangi	24/5/89	2000	Active
91.	John Batist Kamau	2/5/89	9000	Active
92.	Nancy Wanja Njuguna	24/5/89	1000	Repaid
93.	Asha Njorove Mbarimba	24/5/89	488	Repaid
94.	Elizabeth Wairimu Mbugua	2/6/89	1660	Repaid
95.	Felista Wanjira Mugw	2/6/89	2000	Active
96.	Karanja Mwangi Karanja	24/5/89	1500	Repaid
97.	Felista Mugure	30/5/89	1460	Active
98.	Beatrice Munee	2/6/89	1000	Active
99.	Beatriice Mueni	5/6/89	1500	Active
100.	Mary Njeri Mugai	5/6/89	1000	Repaid
101.	Mwethi Muliu	13/6/89	2000	Active
102.	Emily Wanja Irungu	13/6/89	2000	Repaid
103.	Hannah Njambi	14/6/89	2000	Active
104.	Jaffer A. Okera	14/6/89	2000	Active
105.	David Bernard Onyang	14/6/89	2000	Active
106.	Mercy Wangari	14/6/89	1130	Active
107.	Leah Wanjiku	14/6/89	1850	Active
108.	Katunge Musyoki	14/6/89	2000	Active
109.	Beth Nyambura	16/6/89	1600	Active
110.	Mary Njoki Mukora	16/6/89	2000	Active
111.	Wanjiru Mwangi	19/6/89	553	Repaid
112.	Mwangi Nganga	19/6/89	1500	Active
113.	Pascalina Wanza Kimeu	19/6/89	2000	Repaid
114.	Gladys Wanjiru	19/6/89	800	Repaid
115.	Anne Mueni	19/6/89	2000	Active
116.	Thomas Masyuko Mukit	28/6/89	2000	Active
117.	Kinuthia Kibunja	5/7/89	12000	Active
118.	Alois Maina	14/8/89	10800	Active
119.	Josephine Wangui	5/7/89	5400	Active
120.	Selestin Achieng	14/7/89	1850	Active
121.	Gladys Wathaiya	4/7/89	1800	Active
122.	Nancy Wangu	4/7/89	1850	Active
123.	Munyeke Ngwili	10/7/89	2000	Active
124.	Godfrey Owango	4/7/89	2000	Active
125.	Perpetual Nyagititu	4/7/89	1900	Repaid
126.	Lucy Njoki	4/7/89	1900	Active
127.	James W. Nzoka	4/7/89	1800	Active
128.	Ruth Wangui	18/7/89	2000	Active
129.	Mary Kaigua	18/7/89	1800	Active
130.	Esbon K. Wachira	18/7/89	1900	Active
131.	James Kamau Mwangi	18/7/89	2000	Active
132.	Grace Wanjiru Mwangi	21/7/89	2000	Repaid
133.	Doris Angaya Neondo	26/7/89	2000	Active
134.	Anttony Musau Wambua	21/7/89	2000	Active

135.	Charles Odhiambo	4/8/89	2000	Active
136.	Benjamin Waithumbi K	4/8/89	0	Active
137.	Mary Njeri Gethi	8/8/89	500	Active
138.	Samuel Kariuki Kaibere	11/8/89	2000	Repaid
139.	Patricia Awuor Ngalo	8/8/89	0	Active
140.	James Mubia Gitundu	11/8/89	2000	Repaid
141.	Grace Mbeneka Makau	11/8/89	822	Repaid
142.	Thomas Abok Ogendo	14/8/89	7000	Active
143.	Alice Waithera	25/8/89	600	Active
144.	Mary Wanjiru Gikungu	25/8/89	1200	Repaid
145.	Joyce Wanjiru Kagochi	25/8/89	1000	Repaid
146.	John Warai Muiruri	8/9/89	1980	Active
147.	Maragi Mwangi	8/9/89	900	Active
148.	Peter Muturi Kamau	8/9/89	2055	Repaid
149.	Patrick Ndungu Waithaka	11/9/89	7000	Repaid
151.	James Thuo Gitimu	8/9/89	900	Repaid
152.	Simon Njumbi Gatonye	20/9/89	8000	Active
153.	Macharia Njuguna	21/9/89	1500	Active
154.	Mutuku Kyeti	4/3/87	1750	Active
155.	Louisa Wairimu Nyoik	22/9/89	5800	Active
156.	James Ndungu	28/9/89	1250	Active
157.	Mary Oduho Otieno	28/9/89	1500	Repaid
158.	Jane Waithira Kungu	28/9/89	630	Active
159.	Mary Njeri Kisienya	28/9/89	1120	Repaid
160.	Mwangi Gathara	9/10/89	12000	Active
161.	Charles Wanjohi Kima	18/10/89	10270	Active
162.	Beatrice Wayua	6/10/89	650	Active
163.	George Makimei	9/10/89	18975	Active
164.	Musyoki Ndooni Makau	24/11/89	1952	Repaid
165.	Wanja Musyoka	5/12/89	1500	Active
166.	Franja Njeri Karuri	11/1/90	600	Active
167.	Henry Mwangi/Nichola	11/1/90	0	Active
168.	Kateve Ndivo Agnes	11/1/90	0	Active
169.	Grace Mumbi Ngatia	30/11/89	2000	Active
170.	Jane Watetu	15/1/90	2000	Active
171.	Susan Wanjiku Mwangi	21/12/89	8000	Active
172.	Charles Wamai Ngacha	12/1/90	1550	Active
173.	Mercy Nyambura	12/2/90	2025	Repaid
174.	Salome Wanjiru Mwangi	15/1/90	1900	Repaid
175.	George Suma Musyoka	24/1/90	10500	Active
176.	Simon Estinjir Ambog	7/6/90	10000	Active
177.	Kangethe Njoroge	12/1/90	1500	Repaid
178.	Elizabeth Mwugusi	12/1/90	2000	Active
179.	Grace Mbeneka Makau	15/1/90	1000	Active
180.	Peter Kariuki Njoroge	19/3/90	6000	Active
181.	Joseph Akoko Gaya	9/3/90	14000	Active
182.	Fred Nzivo Phillip	16/2/90	2490	Active
183.	Susan Muthoni Mbugua	16/2/90	2492	Active
184.	Catherine Wairimu Ma	16/2/90	0	Active
185.	Helen Njeri	16/2/90	0	Active
186.	Margaret Njeri Kihara	26/2/90	2500	Withdrawn
187.	Agnes Mwasya	12/4/90	2586	Active

188. Irungu Ndonga	24/5/90	1630	Active
189. Fatuma Alio	9/7/90	475	Active
190. Mary Oduho Otieno	7/9/90	2800	Active
191. Weru Kahete	12/9/90	2295	Active
192. John Ngumba Njoroge	18/9/90	7800	Active
193. Simon Mwangi Kuria	14/9/90	1700	Active
194. Scolastica Wangari K	13/9/90	2000	Active
195. Nancy Wambui Mwariri	13/9/90	2000	Active
196. Karanja Mwangi Karan	18/9/90	3000	Active
197. Jacinta Wangui	20/9/90	580	Active
198. Helen G. Kainga	21/9/90	2800	Active
199. Peter Golya Lele	14/9/90	619	Active
200. Mary Wanjiku Mwangi	24/9/90	850	Active
201. Stephen Musyoka Muem	24/9/90	0	Active
202. Mathews Okumbe	24/9/90	0	Active

Notes Date D = Date of Disbursement.

Preparation of Business Development Training Materials

The original assumption that the project would use existing ILO Business Development Training Materials. The materials were found to be culturally and professionally unacceptable. Even the ILO now recognises this and has come to Undugu to purchase training time! Undugu staff have spent a lot of time in first developing training materials for trainers; second, for ordinary literate clients and thirdly, for illiterate business clients. The development of these materials, which can be offered to many organisations, is a major contribution of the project. Samples of the materials developed will be made available to Agro Action through the second consultant.

National and Regional Training Capacity

Over and above the tasks which are specific to clients the unit has become an important source of training in Business Development in the nation and the region. This is an important contribution for Undugu was the first organisation to develop the business development capacity in Kenya. It has thus become a consulting resource for donors; the ngo, governmental and private sectors. Efforts towards this end generated net income of Ksh.1,127,300 in the last two years. The consultant estimates by selling consultancy services of the Business Development Unit, Undugu can generate a gross income of Ksh. 2,000,000. Out of this gross income Ksh. 1,200,000 will be net income. Such income will go a long way towards assuring project sustainability.

Below is a list of the consultancy services which have been undertaken in the past two years, 1989 and 1990:

a. Evaluation of the Technical Training Job creation programme for the Diocesan Development Services (DDS) Machakos Catholic Diocese.

b. Business Diagnosis and Market Surveys for six hardware stores and one bakery for the Diocesan Development Services Department of Machakos Catholic Diocese. The hardware store managers were also trained in business management.

c. A Participatory Evaluation of the Diocesan Development Services of the Machakos Catholic Diocese.

d. Feasibility study for a printing press for Christian Industrial Training Centre, CITC, Nairobi.

e. A six weeks Training of Trainers course held and organised by the Business Development Unit.

f. Business Diagnosis for Kibera Handicrafts Centre for NORAD.

g. Evaluation of the Credit Administration System of CITC Nairobi.

h. Assessment and preparation of an implementation proposal of 7 Christian industrial Training Centres in the Country for DANIDA.

i. Identification, Implementation followup and Evaluation of the Micro Loan Scheme for women in and around Rural Growth Centres in Malawi.

j. Business Proposal for a Kindernothilfe client.

5.1.2. LOCAL CONTRIBUTION

Undugu's local contribution to the project is in offering office space at Delta, Mathare, Kitui-Pumwani and Kibera. Since the workload has increased Undugu also offers transport from the general pool. Undugu also contributes management, accounting, and backup from social work and educational components. The consultant is not able to put a financial cost on these contributions for analysis of the Undugu accounts and staff time will take much more time than is in the consultancy.

Total net income, over the past two years, from the unit's consulting activities is Ksh. 1,796,578. The consultant estimates that a net average income level, from consulting services and database sales, of Ksh.1,200,000 annually can be maintained over the next five years. This calculation assumes that the hardware for the database and the business unit's staff training in computing will be completed in the first six months of the project extension year one.

5.1.3. METHODS OF WORKING

Integration with other Undugu departments

The project staff are completely integrated into the wider Undugu

professional staff and they get programming support from them for they depend on them to identify possible trainees, to solve social work type of problems with the trainees and in use of facilities.

5.1.4. EQUIPMENT AND LOGISTICS

The project is supported by the computing, typing and transport backup of Undugu. To date, it has not had computing capacity of its own. This should be built up immediately to enable it to manage project data efficiently, thereby releasing staff time for more interactions with clients in the field.

5.1.5. STRUCTURE OF ORGANISATION

The organisation chart of Undugu is found in Appendix 7. Within the Business Development Department, where the project is located, functionally there are only two organisational levels, even if that. These are the coordinator and the other staff who operate in the field. The comment even if that relates to the point that the coordinator more often than not gets clients and handles them in the office. She had a case load in the past. Thus the project team works without formal management stratification, which is an advantage given its tasks. This is commendable.

The unit has distributed staff to all the programme area, viz. Kitui-Pumwani, Kibera and Mathare. The Coordinator, the Loans Officer and, staff responsible for ISP are in the head office. All staff come to Delta House, where each has a desk, for coordinative and management meetings every Monday and Friday.

The lay out of the office is being upgraded by the design unit to facilitate a more genial setting. All field offices are on phone and each field officer has a desk.

The Monday and Friday work at Delta House is important for it facilitates: a. business unit management coordination b. problem solving with other Undugu departmental staff and c. solution of field staff problems by Undugu administration.

5.1.6. OBJECTIVES AND CONCEPT OF DEVELOPMENT

The project objective of business training and extension is still central. It is surprising that these objectives were supposed to be achieved in two years in the original project conception. However given the absolutely weird exchanges on financial procedures and disbursement rates between Agro Action and Undugu, the latter has had to pre-finance significant parts of the operation. Agro Action should consider financing these Undugu costs. On the other hand the delays led to a refining of the strategies needed to arrive at the initial broad objectives.

In the refining of the strategies, Undugu developed approaches to

credit, business development training materials, and product development workshops over and above the strategies of training and extension identified in the original documents.

Internal staff training has taken place. Trainers have been trained and target group members have been systematically evaluated. Materials for literate and illiterate business clients have been developed. Sectors which are not viable from a business point of view have been identified. Currently new areas for vocational training are under assessment.

To address the refined strategies to the objectives, and given the turnover of staff, it became clear that the planned staff of three business advisors was not sufficient even if the Undugu Social Workers were trained to act as formal business development backup. The staff compliment was thus accordingly increased to eight.

Originally the objective of product design was not considered. This became necessary once the project started and staff was hired with funds from without the project. Although the main design contribution has been within the workshop, it has linkage to the project through training. Along the same lines product development workshops for clients have been organised and conducted successfully. What remains is the merging of the professional design capacity and clients product innovations into a system which will translate to clear incomes for the business clients.

Agro Action should fund this effort if Undugu requests it as they have made clear to the consultant. The funding needed will be for a volunteer and a Kenyan to undertake technical products specifications, supervise alternative production techniques so as to reduce costs, marketing and relations between design and business advising and the producers. The two would be working with clients directly.

Undugu is also desirous that staff be involved in developing business innovations and discussing them as part of extension with clients. Some of this effort will be essentially in the area of extending information to clients to produce value added products, to cater to more stable and thus higher income generating national markets outside the slums and finally to explore alternative external markets for some products.

Yet perhaps the most exciting concept of development is to break from the traditional areas of business opportunity and to explore new areas of recycling waste, electronics, fibre glass and resin uses and weaving. These are areas where there is potential for better profits for the clients, whilst playing an ecological role. They also are areas where women can feature more than in the past conventional areas of mechanics metal work etc as shown in the Tables 4 and 5.

A related issue, which the unit is already working on, is the attempt to identify which vocations are oversubscribed and to channel the informal trainees and certification training in those areas whilst avoiding the traditional areas.

5.1.7. STRUCTURE OF COOPERATION

As shown above, under 5.1. Personnel, the project has cooperated with donors, other ngos, government and private sector at the national level. It also has trained regionally. Most significantly, it is part of a national committee of the Kenya Government in developing an approach to the informal sector for a major national programme for supporting the informal sector. This effort is conducted by ILO and UNDP together with the Ministries of Industry, Planning and National Development, Finance, Commerce, Science and Technology, Culture and social Services, and Technical Training and Applied Technology which is the project contact ministry. Undugu was the only national institution with experience in business development.

5.1.8. PROVISION FOR FURTHER USE

It is Undugu's intention to continue efforts in business development in the future. Towards that over and above the Ksh. 1,127,300 which the unit acting as consultants generated over the past three years, one should note that in Undugu's 1989 budget of Ksh. 24m., 9 m (38%) came from consultancy. The consultant estimates that the business unit consultancy activities can annually generate Ksh.1,200,000 net income over the next five years. Clearly then the institution is in a position of carrying on with the project in the long term.

5.3. ANALYSIS OF TARGET GROUP

Project Target Groups and Selection Criteria

There are several distinct target groups in the project. These are: Informal Sector Trainees: Business Loanees: Business Trainers: Business Unit Staff: Targets of Consultancy Services.

Informal Sector Trainees

On the whole these are selected out of slum families by a process which involves other Undugu departments working in conjunction with the unit. To date the main recruiting base have been the Parking Boys Programme, the Undugu Basic Education Programme and the Community Organisation Department. The Machuma schools should begin to produce some trainees over the next five years.

During interviews some information suggests that individuals working for Undugu are beginning to get very few trainees into the informal training system outside the criteria of depravation which

was the original justification for Undugu. This is something worth watching by all, and especially by Undugu management, given the fact that the initial trainees are in the tracking system for certification training which is highly valued.

Those to take the Government of Kenya trade tests are selected by the unit out of the informal training. The criteria for selection are that the person is poor, has been attached to an informal sector or college trainer. The other Undugu departments informally get involved in the selection of the certification trainees.

Business Loanees

These are selected under criteria which involve consideration by the branch office staff social workers, other Undugu staff and of course the Business Development Unit appraises the loans. It spends a considerable amount of time in this effort. The fact that all clients are distributed to the Business Unit Staff as cases means that before one becomes a loanee, there is considerable interaction with the unit.

Business Trainers

These are essentially identified by the prospective informal trainees. They must be viable businesses, near the trainees home to reduce travel costs and to build in social relations. If they cannot get a good trainer, the staff do suggest some trainers. Personnel from the unit appraise them before attaching a trainees to them.

An emerging pattern, which should be encouraged in the future, is to use ex trainees or ex loanees as business trainers. This will be useful if pursued systematically for it will mean that those who benefitted out of the Undugu system can be used to continue the training. Below is a table showing the types of Business trainers associated with the project since inception.

TABLE 9. TRAINERS ASSOCIATED WITH PROJECT BY SECTOR 1985-1990

Type of Training	Number
Dress making	52
Motor Mechanics	57
Metal Work	29
Carpentry	29
Electronics	13
Panel Beating	5
Cushion Making	3
Leather work	3
Hair Saloon	3
Sign-writing	2
Weaving	2

Screen Printing	1
General Fitting	1
Knitting	1
Printing	1
Fibre Glass Moulding	<u>1</u>
Total	203

Business Development Unit Staff

From the beginning of the project, it was clear that there would be considerable training of the unit staff. The notion of using social workers for business training and extension was misplaced concreteness and it did not happen for they have a very heavy workload. The past turnover of staff has also meant that new people have had to be integrated to operations.

A notable fact about the staff is that an inordinately high number are graduates of Kenyatta University programme of business education. Surprisingly all of them are about the same age. Future hiring must consciously seek to diversify these two parameters in quest for diversity both in style, ideology and experience. It may be a good idea to ensure that the next hires, if either some leave or the unit expands, are people with experience in business proper and not just business education. The recruitment of the Head of the Business Development Department from a planning background could begin to contribute towards this diversity.

Targets of Consultancy Services

These are not a pre definable group. Those who need the service seek it.

Level of Loans

Since inception and up to 23/10/1990, Ksh.480,046 has been loaned. Of this only Ksh. 27,000 or 5.6% has been written off. This compares very well with the general banking system which writes off close to 10%. The two tables below show the amounts of loans to different activities and average lending per activity.

TABLE 10. STRUCTURE OF LOANING: TYPES, NUMBER AND AMOUNTS

Business Type	No. Assisted	Amount (Ksh.)
Tailoring/selling Clothes	26	81695
Vegetable selling	24	34110
Grocery/Retail shop	21	74400
Charcoal/paraffin selling	15	27955
Carpentry	11	75900
Food Kiosk	8	23690
Water selling	7	26573
Selling grains	7	10650

Painting/Paint making	7	11050
Electronic repairs	6	23580
Rental houses	6	96710
Banana selling	5	5160
Tinsmith	4	19370
Metal work	4	33975
Cobblers	4	27470
Basketry	4	5550
Newspaper selling	2	3586
Knitting/ Thread Seller	2	2500
Weaving	2	21200
Upholstery	2	22800
Barber/Hair salon	2	5960
Curio kiosk	1	7000
Hardware store	1	52464
Livestock selling	1	27000
Laundry	1	2000
Ice cream making	1	1700
Screen printing	1	5000
Selling utensils	1	1900
Butcher	1	2000
Selling firewood	1	1000
Building Stones	1	1500
Selling flowers	1	2490
Waste metal collector	1	1500
Selling gas lighters	1	619
Chicken selling	1	650

TABLE 11. AVERAGE LOAN PER TYPE OF BUSINESS

Business Type	No. Assisted	Average Loan(Ksh.)
Hardware store	1	52464
Livestock selling	1	27000
Rental houses	6	16118
Upholstery	2	11400
Weaving	2	10600
Metal work	4	8494
Curio kiosk	1	7000
Carpentry	11	6900
Cobblers	4	6868
Screen printing	1	5000
Tinsmith	4	4843
Electronic repairs	6	3930
Water selling	7	3796
Grocery/Retail shop	21	3542
Tailoring/selling Clothes	26	3142
Barber/Hair salon	2	2980
Food Kiosk	8	2961
Selling flowers	1	2490
Laundry	1	2000

Butcher	1	2000
Selling utensils	1	1900
Charcoal/paraffin selling	15	1864
Newspaper selling	2	1793
Ice cream making	1	1700
Painting/Paint making	7	1578
Selling grains	7	1521
Building Stones	1	1500
Waste metal collector	1	1500
Vegetable selling	24	1421
Basketry	4	1388
Knitting/ Thread Seller	2	1250
Banana selling	5	1032
Selling firewood	1	1000
Chicken selling	1	650
Selling gas lighters	1	619

It was not possible to investigate all the loans and to find out the logic of the loan amounts. The consultant is aware that the lending is broken into micro loans of less than Ksh. 2,000 and major loans of above Ksh.2,000. The logic of this distinction needs internal review. During the review, analysis of arrears and defaulting by type of activity as well as type of loan, sex, individual versus group loans should be made. This will enable the unit to a. review the levels of micro and major loans b. to evaluate what activities to loan and c. to make policy on whether to continue lending to individuals and groups or to limit lending to individuals and d. to reevaluate the criteria for lending to individuals, for example should the focus be the poorest in the slums as opposed to those who already have business concerns going?. These are programming questions to be tackled by the unit and Undugu management as an effort in self evaluation.

Several generalisation are however possible. Where groups are loaned for expensive type of operation, like slum rental housing, the amounts are large. There also are fields of individual operation where the amounts must be large to get a viable business going eg upholstery or weaving. By the same token there are popular activities like tailoring or vegetable selling where the amounts are small and one wonders what the returns are given that entry is easy and there are many competitors in the sector.

It seems to the consultant that the logic of loans from a business return point of view must be systematised more. Undugu needs to develop hard data on returns per type of business so as to set criteria for the level of loaning. A step towards this end seems to have been taken when the effort to identify crowded business sectors was launched. It must be taken to its logical conclusion by systematically establishing loaning levels for each sector or each slum area given analysis of business opportunity.

Women in the Project

Women integration into the programme can be viewed from the staff level, the trainee level, from the business trainers level and at the loaning level. The role of women in the project is very impressive.

Women form 63% of project staff.

Women form 63% of the individual loanees.

Women form 100% of the group loanees.

Women form 23% of the informal trainees.

Women form 20% of the certification trainees.

Women form 23% of the business trainers.

Clearly women are central in the staffing and loaning process. Given that Undugu has made a policy decision to diversify loaning sectors and to emphasize recycling and higher value added, for example in upholstery and weaving, women will continue to benefit from the project.

Relations Between Undugu Staff and Target Groups

There appears to be good professional relationships between Undugu staff and all target groups. Staff are motivated. This in turn energises the target groups. Administration is not overly bureaucratic. One area which needs attention is to enable all staff to become computer literate for this will contribute greatly to more efficient management of the project. Towards that end, Agro Action should enable Undugu to further computerise its operations and indeed to begin to facilitate computer literacy to all formal trainees as part and parcel of their training in modern business practices.

Appendix 1. INFORMAL TRAINEES INTERVIEWED

Christine Atieno	Tailoring
John Karanja	Welder
Peter Gakuru	Metal Work
Jacob Eshitoli	Carpentry
John Kariuki Kamau	Fibre glass
Joseph Mwai	Motor mechanics
Wanjiku Njeri	T/Dressmaking
Wilson Oganga Onyancha	T/Dressmaking
John Ndotono	Carpentry
Geoffrey Murei	Carpentry
Mary Wanjiru	Weaving
James Kimani	Electronics
Robert B. Ogwankwa	Electronics
Peter Chege	Cobbler
David Nzuki	Motor Mechanics
Charles Maina	Motor Mechanics

Appendix 2. FORMAL CERTIFICATION TRAINEES INTERVIEWED

a. Trainees in Grade 3 (Total Number 4)

1. George Odhiambo	Metalwork
2. Sylvanos Aluhyia	Carpentry

b. Trainees in Grade 2 (Total number 11)

1. Peter Wamuno	Mechanic
2. Justus Wambua Musyoki	Mechanic.
3. Njoroge Ndungu	Metal work
4. Jackson Macharia	Carpentry

c. Trainees in Grade 1 (Total number 6)

1. Andrea Shisia	Mechanics
2. Jeston Njiru	Mechanics

Appendix 3. BUSINESS LOANEES INTERVIEWED

Curio Seller	Wanjiru Njoroge
Waterseller	Emily Wanja
Weaving	Mary Wanjiru Ngeku
Metalwork	Brigitta Nyaminde
Carpentry	Joseph Akoko Gaya
Cobbler	Thomas Abok Ogendo
Vegetables	Beatrice Mueni
Electronic	Samuel Kabiru
Food Kiosk	Louis Wairimu
Paintmaking	Peter Muturi
Newspaper Seller	Agnes Muasya
Retailer	Karanja Macharia

Tinsmith
Upholstery
Dry Grains
Woodseller
Retailer/Charcoal
Berber/Vegetables

Charles Wanjohi
Aloys Maina
Julius Mwanzia
Wanjiru Kaguchi
Halima Mohamed
Christopher M. Maandishi

Appendix 4. BUSINESS TRAINERS INTERVIEWED

1. Martin & Company	Welding
2. Michael Muriuki	Tailoring, Dressmaking
3. John Muge	Fibre Glass
4. Augustine Makhoha	Carpentry
5. Fred Omondi Odhiambo	Tailoring
6. Mary Atieno	Tailoring
7. David Osore	Carpentry
8. Fabion Ochuka	Cobbler
9. Joseph Ngugu	Electronics
10. Sam Njoroge	Weaving
11. Stephen Musyoka Muema	Cobbler
12. Harry Kugi	Motor Mechanics
13. George Mutito Waweru	Metalwork
14. Fabion Ochuka	Cobbler

Appendix 5. BUSINESS DEVELOPMENT STAFF INTERVIEWED

Post	Name	Date Joined Undugu
Head	Samuel Gitau	July 1990
Co-ordinator	Rosemary Macharia	September.1987
Bus Adv/Trainer	Karanja Thareki	January 1989
Bus Adv/Trainer	Pauline Kamau	April 1989
Bus Adv/Trainer	Eunice Omondi	January 1986
Bus Adv/Trainer	Minyu Mugambi	March 1990
Voc Skills	Charles Ogola	August 1989
Loans Officer	Christine Maina	April 1989

Appendix 6. OTHER UNDUGU STAFF INTERVIEWED

Ezra Mbongori	Executive Director
Patterson Gathuru Kuria	Urban Agriculture Coordinator.
Peter Njenga	Urban Agriculture Asst. Coordinator.
Joseph Wambua	Motor Mechanics Trainer
Mrs. Thepifta Machayo	House Mother, Mathare
Diego Masaris	Designer Volunteer
Joseph Sanna	Part-time Designer
Gilton Mango	Asst. Manager Carpentry
Vincent Lwale	Workshop Manager Carpentry.
Fred Kilonzo	Act. Workshop Manager Metal work
Simon Ndirangu	Social Worker Kibera.
Pauline Makwakah	Nursery & Handcraft Jasho Lako Y. Group
William Oduori	Asst. Instructor Machuma School
Patrick Wandera	Asst. Instructor Machuma School

Aloys Aluoch.
Josephine Mulli

Instructor Machuma School
Social Worker

Appendix 7. Undugu Organisational Chart

muticon
fin.draft
29/10/90

Ms. Sheela Samat
SCC
Box 1722
Meru

24/10/90

Dear Ms. Samat,

RE: TERMS AND CONDITIONS OF SERVICE FOR SCC COUNTRY DIRECTOR.

Further to instructions received the following is our final report.

Yours sincerely
Mutiso Consultants Ltd.

G-C. M. Mutiso
Managing Director

1. OBJECTIVE

The basic objective of the proposed terms and conditions of service is to ensure adequate compensation for service rendered and to provide an enabling contractual atmosphere for excellent performance. It is structured to take into account tax benefits by the CD claiming all the benefits.

2. SERVICE AREA COVERED

A comprehensive regime of terms and conditions of service should ideally, cover the followings areas.

Contract of service

Basic pay

Leave and holidays

Transport

Field allowances

Benefits

Housing

Medical

Pension/Gratuity

Leave allowances

Education and training

Utilities and Residence Security

Credit facilities

3. CONTRACT OF SERVICE

The normal contract period for the level of service under consideration is three (3) years renewable by mutual consent and upon successful completion of each term of service.

4. BASIC PAY

The basic pay appropriate for the level of service under consideration is inferred from the range of basic pay for equivalent staff in similar agencies. From the agencies sampled, this figure is about Ksh. 29.000 pm.

However it is recommended that the starting point of the salary scale be the starting salary level of Ksh. 22.500 p.m and that progression upward take place over the three year contract period. Progression rate should be based on two factors, namely, a cost of living adjustment (cola) aimed at compensating for inflation, and a merit increment based on successful completion of a service year.

Inflation rate in Kenya has been around 10% p.a. A merit increment of 5% p.a compares well with similar agencies.

The proposed salary scale over the initial three year contract period therefore is:

KP 13.500 p.a x KP 2025 - KP 15.525 p.a x KP 2328 - KP 17.853
(1 KP = 20 Ksh).

This salary scale translates into the following basic pay.

Year 1 Ksh. 22.500 pm.
Year 2 Ksh. 25.875 pm
Year 3 Ksh. 29.755 pm.

The top level of the salary scale attained should be the starting point in the subsequent contract period if contract is renewed. It is recommended that the basic pay be fixed and calculated in terms of the Canadian Dollar in order to hedge against depreciation of the local currency.

5. LEAVE AND HOLIDAYS

The Kenya practice is to grant a complete calendar month of 30 days as annual leave. In addition, holidays relating to the donor country and local country holidays are granted. In the case of the donor county, Canada, there are three holidays, and in the case of Kenya, holidays, holidays are notified through the official gazette, a weekly publication. These can be subsumed under the calendar month.

6. TRANSPORT.

It is recommended that the fully maintained vehicle be provided and in addition, a transport allowance be provided at a rate of Ksh 2000 p.m. for transport incidentals unrelated to work. It is further recommended that the flat rate allowance be paid on reimbursement basis in order to minimise personal taxation.

7. FIELD ALLOWANCES.

Field allowances, commonly termed "per diems" are allowances for subsistence and accommodation payable when the CD is on duty away from station.

It is recommended that a flat per diem rate of Ksh. 1000 per night out unaccounted for be paid. However if the subsistence and exceed the Ksh. 1000 per night out in a particular safari, the expense should be fully funded and accounted for.

8. BENEFITS

Housing

It is recommended that housing rented or lease payments be fully paid for up to a maximum of Ksh 20,000 p.m. excluding utilities. This arrangement should apply to both rented housing and owner occupied housing.

Medical

Retention of the current medical scheme which provides for payment of salary for permanent and total disablement is recommended. In addition it is recommended that the Air Rescue Plan be adopted. This plan usually covers evacuation from the field and hospitalisation locally and overseas if need be. This is now the practice with most field projects.

Pension/Gratuity

Gratuity is recommended at the rate of 25% of the total income of each contract term. The Gratuity should be paid in lump sum at the expiry of each service contract. It is further recommended that the gratuity be calculated in terms of the Canadian Dollar in order to hedge against depreciation of the local currency.

Leave Allowances.

It is recommended that a flat rate of Ksh. 3000 p.a be paid upon proceeding on leave to cover local leave travel expenses. Overseas leave travel expenses should be fully covered by the agency and this should be limited to once only per service term if applicable.

Education and Training

Education allowance for dependants is an important benefit which should be comprehensive and cover up to the statutory maximum of three children.

Personal education and training, over and above the courses which the agency may wish to sponsor the CD. for job improvement, is deemed beneficial. This may be funded by the agency up to a maximum of Ksh. 1,000 per month.

A professional development programme should be proposed by the CD and costs determined for consideration by the agency. This must of necessity be in line with the objectives of the agency.

Utilities and Residence Security

It is recommended that a flat rate of Ksh. 2000 p.m. to cater for utilities expenses be paid. These expense include electricity, water, conservancy and house telephone. It further is strongly recommended that residence security be provided. A flat rate of Ksh. 5000 p.m. would fetch reliable security which would include an alarm system and an "Askari".

Credit Facilities.

Many agencies act as lenders to their employees in special circumstances. This should be considered if the CD may wish to make a major purchase, say a house, a personal car, etc. The annual practice is to advance an amount up to a maximum of one year's basic pay, either interest free or at a nominal interest rate ranging from 3% to 6% p.a. The advance should be repayable within the remaining contract period.

9. CONCLUSION

Adoption and implementation of the foregoing recommendation would go along way in ensuring that the terms and conditions of service for the CD are in line with equivalent levels of service in similar organization. Below is a comparative schedule of salary and benefits in selected agencies for ease of reference.

APPENDIX

1. SALARY AND BENEFITS IN SELECTED AGENCIES

	1	2	3	4	5	6	SCC	PROPOSAL
SAL	20000	29000	48000	24000	24000	30000	22500	22500
DSAL	0	0	80%	80%	80%	80%	60%	60%
HOUS	0	0	-	F	F	-	F	F/20000
PEN	2000	0	-	2000	6000	-	1800	25%/5625
LINS	1M	-	-	1M	1M	-	0	1M
MEDO	30000	30000	-	F	F	-	0	1000
MEDI	600	5000	-	F	F	-	40000	40000
DENT	0	0	-	2000	F	-	40000	40000
TRAN	5500	4000	-	500	F	-	F	2000
NSEC	0	0	-	0	F	-	0	4000
EDUD	0	0	-	10000	F	-	0	F
EDUS	0	0	-	0	F	-	?	1000
LEAV	0	0	-	0	0	-	0	3000
PACC.	0	1M	-	0	1M	-	0	1M/5000
RF	0	360	-	0	500	-	0	0
PDIE	0	0	-	500	F	-	0	F
UTIL	0	0	-	0	F	-	0	2000
INFAL	0	0	-	0	0	-	0	10%
MER	5%	5%	-	5%	5%	-	0	5%
LOAN	0	0	50%		50%	-	0	75%

SAL.	SALARY
DSAL	DISABILITY SALARY
HOUS	HOUSING
PEN	PENSION
PF	PROVIDENT FUND
LINS	LIFE INSURANCE
MEDO	MEDICAL OUTPATIENT
MEDI	MEDICAL INPATIENT
DENT	DENTAL
PACC	PERSONAL ACCIDENT
TRANS	TRANSPORT
NSEC	NIGHT SECURITY
EDUD	EDUCATION DEPENDANTS
EDUS	EDUCATION SELF
LEAV	LEAVE PAYMENTS
PDIE	PER DIEMS
UTIL	UTILITIES
INFL	INFLATION
LOAN	EMPLOYEE LOAN FACILITY
MER	MERIT INCREASE

2. POST COMPARISON

- a. Undugu - Executive Director.
- b. CARE - Top Locals: Finance Manager, Personnel Manager, Senior Programme Officer, WID Coordinator.
- c. CCF - National Director.
- d. World Vision Kenya - Director.
- e. NCCK - General Secretary.
- f. AMREF- Top Local Deputy Director.