

1. THE “TUMAYAKI” CONCEPT & PROJECT - Operational Framework

The study also indicated that unemployment among youth was reflected in the country's slow economic growth, rapid increase among graduating youth from Vocational and formal basic educational institutions, and of course, lack of employment opportunities. It was that more than 70% of the youth in target communities spent a lot of their time looking for something to do for a living, but just ended up frustrated and often driven to drug abuse and crime among other anti-social activities. Those with any skill were found to need resources to actualize their dream enterprises. It is this overbearing circumstance that led to the concept to encourage and support upcoming young entrepreneurs in the believing that entrepreneurship has potential to generate self employment and create employment for other youth, poverty reduction and promotion of quality life, in the long term. Collaborating with CO-OPERAID therefore, HMDS conceived the TUMAYAKI Project (which in full is – TUISHI MAISHA YA KITAALAMU – ‘i.e. Live Professional Life’). The concept was informed by the unemployment status of many potentially enterprising youth in the society, who are capable of productivity but lack start-up capital and basic business skills to do so. HMDS and CO-OPERAID came up with this project to provide financial support to up-coming youth entrepreneurs, in target community.

TUMAYAKI approached the problem through micro-financing i.e. provision of small scale business loans and micro-leasing i.e. provision of loans in asset form, to enterprising but low-income people that do not have access to formal financial institutions. The project's logic is that, having access to affordable credit enables beneficiaries to build their businesses, increase and stabilize their income and reduce their vulnerability. Microfinance beneficiaries under TUMAYAKI are self-employed, household or group based entrepreneurs. Their diverse microenterprises include small retail shops, street vending, poultry farming, salon and beauty therapy shops and transport service enterprises.



2. PROJECT OBJECTIVES

TUMAYAKI's main objective was to provide affordable micro-credit to 120 young and up-coming entrepreneurs (individuals and groups), with a view to enhancing poverty alleviation and sustainable development and livelihood.

Specific objectives comprised:-

i. Revolving Funds:

Identification of up-and-coming young individual and group entrepreneurs

ii. Business Training:

Organization of entrepreneurship and microfinance skill training

iii. Motivation through Sports and Music Events:

Organization of integration sports and Music activities involving beneficiaries.

3.0 PROJECT IMPLEMENTATION

HMDS was to support 120 youth but during the project implementation it supported up to 130 youth entrepreneurs as individuals and within Youth groups. The Organization invested CHF.33, 318.23 to 130 youth through revolving funds, CHF.4,011.50 in two capacity building trainings for beneficiaries. CHF.1,064.88 was invested in Music and sports to integrate and motivate beneficiaries and CHF.7,058.39 set aside for project monitoring and evaluation. The project activities included the following.

3.1.0 REVOLVING FUNDS

4.1.1 Identification of beneficiaries

Applying its past working experience in the project community, HMDS easily identified young and up-coming entrepreneurs (individuals and in groups). In July 2011 the Organization brought together 26 young entrepreneurs at its first 'TUMAYAKI' meeting and followed it up with another in August when it met another 34 entrepreneurs. These information meetings provided important opportunity for HMDS and the young entrepreneurs to assess their project implementation strategies and involvement. Otherwise entrepreneurs received guidance, how to apply for the loans. Hereafter, participants helped to spread information about the project to other entrepreneurs and applications continue to come in even today.

4.1.2 Processing of loan applications.

Following training, interested entrepreneurs - individuals or groups – then received application forms to complete and submit for consideration. Applications comprised enterprises in retail businesses, street vending, poultry farming, saloon and beauty therapy shops, and transport services i.e. taxis and 'boda boda' motorcycles. The applications were strictly vetted by HMDS and successful applicants informed, accordingly. Approved loans funds were disbursed through loanee bank accounts to encourage their business operations and saving through the bank. Altogether, the project processed and disbursed Kshs. 3,012,800.00 to 53 individuals and 12 youth groups of between 2 – 15 people, totaling 77 entrepreneurs; which adds-up to 130 young entrepreneurs earmarked for the project.

4.1.3 Loan repayment

Conditions for financing and repaying the loans are laid out in the application form section (C) and (G) accordingly, the period of repayment depends on the amount of loan taken and capability of loanee. An individual loanee repays a Ksh.20, 000.00 within 5 months. Majority undertook to complete repaying their in 12 months. All loans attracted a 10% interest rate per annum which is lower compared to current market interest rate which is 24% per annum.

So far, three loanees have repaid back their loan of Kshs.20, 000.00 with interest each and two of them have taken their second loans. Out of Kshs. 3,012,800.00 disbursed in loans, Kshs.567, 335.00, representing **18.83%**, has been paid back, including a 10% charge of Kshs. 56,733.5 as interest. Repayment continues and HMDS is looking forward to establishing a vibrant revolving micro-credit fund for enhanced benefits to the community.

4.2.0 BUSINESS TRAINING

Entrepreneurship and Micro-finance training

The implementation of TUMAYAKI project aspired to bring along the best entrepreneurial practices and discipline in its operations. In practice, it is a revolving fund whose loans must be repaid and where, the more enterprising one is the better for them and the higher the benefits because the project allows repeat loans. Prior to processing loans therefore, HMDS organized Entrepreneurship training seminars for applicants whereby they learned due basics and common business skills and practices, and were informed of what is expected of them as loanees.

Two business seminars were organized for this purpose i.e. September 3rd 2011 and 19th Feb., 2012 at Hotel Genevieve, Nakuru. The training covered: - Identification of viable business opportunities, Mistakes committed by new entrepreneurs, Business planning, Implementation and sustainability of enterprises, Marketing and customer care, Commodity costing and pricing, Financial management and bookkeeping, and Characteristics of successful

entrepreneurs. The latter emphasized achievement motivation, creativity and innovativeness, initiative, positive self concept, persistence, industriousness, self-reliance, risk taking, systematic planning, dynamism, concern for high quality, efficiency, persuasiveness, information seeking and being future oriented.

Participants also benefitted from sessions on the concept of Group dynamics in business and learnt how entrepreneurship is the *-Ability to think of new business projects or new ways of doing things and making them successful, based on TALENT and SKILL*. They were made to understand that TALENT and SKILL were basic and the most crucial attributes to the success of an entrepreneur. They were challenged to be careful to avoid failures in their enterprises which could easily emerge due to:-Shortage of working capital, Declining sales and accumulating losses, Poor choice of enterprises and location, Underestimating capital requirements, Competition, Investing too much on fixed capital, Poor business management, Lack of self discipline and laziness, Poor customer relations and Lack of self confidence.

4.3.0 Motivation through Sport und Music Events

The sports concept was incorporated in TUMAYAKI ostensibly to facilitated and encourage integration, exchange of ideas and experiences among project beneficiaries. Nothing could have been more realistic. During implementation period HMDS organized two sports occasions where beneficiaries converged for soccer games for both men and women. True to expectation, the occasions were valuable meeting points in time and beneficiaries enjoyed themselves, appropriately.

The occasions were attended by HMDS project officers and local Administration representatives from the Office of the President i.e. Area Chiefs. The officials advised and encouraged beneficiaries to take full advantage of the opportunity presented by TUMAYAKI. The beneficiaries were reminded about the unemployment situation in the country and counseled to be serious with their enterprises so that they may create employment, not just for themselves, but also for their peers and other unemployed members in the community.

5.0 Project Output and Impact

TUMAYAKI project set out to reach and assist 120 young entrepreneurs in the Nakuru community and in process achieved the following: - 130 young entrepreneurs (48 male and 82 female), identified and assisted i.e. loaned Kshs. 3,012,800.00., Increased number of young entrepreneurs ,Informed and knowledgeable entrepreneurs, Increased enterprise activities in the project area(s) Increased employment opportunities Self-employment embraced by all beneficiaries, Increased household incomes, Increased income and enhanced self-reliance among youth, Improved livelihood in project communities, Enhanced saving culture among beneficiaries and Educated beneficiaries on how to open and run bank account.

No doubt, the Project has provided a whole range of benefits that disadvantaged households highly struggle around for. It is improving beneficiary livelihood and women in particular, acknowledge experiencing considerable self-empowerment through their small scale enterprises. Unreliable and/or irregular income often put households at risk of lack of food, shelter, health services, education for children etc. Access to affordable credit was therefore Godsend for most beneficiaries.

The culture of saving through operating business bank accounts has been welcome by the beneficiaries and they have opened bank accounts for their enterprises. HMDS assisted most of them through introduction letters to the bank because some did not have bank accounts before.

6.0 Problems and Challenges

TUMAYAKI was and is a very interesting undertaking. It continues to be the driving force behind beneficiary aspiration to be a successful entrepreneurship. But many attributes notwithstanding, there were/are problems and challenges to-boot. These included:-

Limited resources / more applicants, Pressure of time, Youth illusion that anyone can succeed doing business, Unfamiliarity and Inexperience, especially among young entrepreneurs, Irresponsible attitude in loan repayment, Poor use of bank accounts/poor saving culture by most beneficiaries

7.0 Monitoring and Evaluation

Once disbursement had made through the bank, HMDS followed it up to confirm receipt of the money by affected beneficiaries. Project officers made supervisory visits to loanee enterprises to confirm that the funds had been used as planned. Business skills training came in handy for serious beneficiaries. In the two training sessions held on September 3rd 2011 and 19th Feb., 2012 at Hotel Genevieve, Nakuru, both old and 'to be' beneficiaries underwent serious business education and skills training. The officers also took advantage of the visits to review performance and advice the loanees, accordingly. On the whole however, Loanees were encouraged to seek advice and/or other relevant help from the office whenever they needed it.

Under the auspices of the Chief Executive, the Finance Co-ordinator and Field Officer were directly responsible for the implementation of TUMAYAKI. They monitored project implementation on a continuous basis, providing information and reporting on its progress accordingly.

By formative standards, the project has been welcome in the community and continues to interest many up-coming entrepreneurs, especially the young people, both as individuals and in Youth Groups.

The concept has a great future and as indicated earlier here above, HMDS is optimistic about establishing a vibrant revolving micro-credit fund for enhanced benefits to the community and beyond.

DISENGAGEMENT:

HMDS is managing the funds under a separate accounts on the behave of the youth/beneficiaries. The beneficiaries are involved, for they are updated on how much have been refunded and who has repaid and who has not. The beneficiaries will be fully managing the funds when they are stable. For now, those who have completed repayment of the first loan are getting the second loan. With the knowledge received on how to run and operate bank account, we believe that the project will continue even after the project has come to an end.

FINAL FINANCIAL RESULTS AND PLAN.

		No. Of Units per year	Costs per Unit	Budget 2011	Actual Project Expenses	Actual Project Expenses
				CHF	CHF	KSH
1	Revolving Funds	120	276	33,120		3,012,800
	120 Youth receive an average amount of CHF 276 per year					
2	Business Trainings	2	1,940	3,880		362,740
	2 Business Trainings per year. The amount of CHF 1'940 includes: Rent for the venue, wages for the Organisation, food, transport					
3	Motivation through Sport und Music Events	2	500	1,000		96,292
	2 Music and Sport events per year. The mount of CHF 500 consists of :Rent for the					

	venue, food, Material, wages for the Moderator, Transport Costs					
4	Project Follow Up and Monitoring Costs			7,000		638,255
	Hier sind enthalten: Löhne und Sozialabgaben, Büromaterial, Transportkosten, Büroinfrastruktur, Miete, Bankgebühren, Telefon und Post, Photos, externe Audit-Gebühren					
5	Project Administration CO-OPERAID 10%			5,000		
	Salaries, Flights, Stay in in Kenya and Infrastructure Costs in Zurich					
	T O T A L (CHF)			50,000		4,110,087

Visibility- Separate attached photographs.

REQUEST FOR EXTENTION.

During the project implementation, we received more than 600 applications for loans but we were able to give only 130 applicants for loan. With the awaiting applications in our hands and basing on the achievements that those who have benefited have, we request for extension of this project activity.

CONCLUSION

At HMDS we found TUMAYAKI project a very noble concept. For many years now, Kenya has suffered a great deal from unemployment morass. The youth, who constitute over 60% of the population, have and continue to suffer the most. TUMAYAKI has potential to bring about hope and change things for the better, for most of them.

As the implementing agency, we are grateful to CO-OPERAID for providing seed capital that has enabled HMDS to create a much desired financial service for the economically challenged in the community i.e. youth, women and other struggling poor. We look forward to a successful venture, new job opportunities for unemployed youth, reduction on dependency, improved livelihood and enhanced saving culture among beneficiaries. The implementing team believes that the benefits accruing to project beneficiaries will percolate and trickle down to other poor segments of the community and society. It has been great to have CO-OPERAID as a partner for providing timely seed capital support in this venture and we are very thankful.