

WOMEN ACCESS CONSTRAINTS IN MICRO FINANCE SERVICES:

A Case Study of the Women Enterprise Fund in the Municipality of Nakuru, Kenya.

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Specialization Social Inclusion Gender and Rural Livelihoods

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DEDICATION

I dedicate this thesis to my beloved Mom Dorcas Odek, husband, John O. Onyango and all our children for their patience, perseverance, encouragement and prayers during my one year stay away in the Netherlands.

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TABLE OF CONTENTS

PERMISSION TO USE	2
DEDICATION	3
ACKNOWLEDGEMENTS	4
TABLE OF CONTENTS	5
LIST OF TABLES.....	6
LIST OF FIGURES.....	6
LIST OF ABBREVIATIONS.....	7
ABSTRACT	8
CHAPTER 1 INTRODUCTION.....	9
1.1 BACKGROUND OF THE STUDY	9
1.2 BACKGROUND OF WOMEN ENTERPRISE FUND.....	10
1.3 THE RESEARCH PROBLEM	10
1.4 RESEARCH OBJECTIVE & QUESTIONS	11
1.4.1 <i>Objective of the Research</i>	11
1.4.2 <i>Main Questions</i>	11
1.5 SIGNIFICANCE OF THE STUDY	12
1.6 LIMITATIONS OF THE STUDY	12
1.7 DEFINITION OF CONCEPTS.....	13
CHAPTER 2 LITERATURE REVIEW.....	15
2.1 IMPORTANCE OF MICRO FINANCE TO WOMEN.....	15
2.2 MICRO FINANCE AND POVERTY ERADICATION	16
2.3 MICROFINANCE AND ITS IMPACT ON DEVELOPMENT.....	18
CHAPTER 3 DESCRIPTION OF THE STUDY AREA	19
3.1 NAKURU MUNICIPALITY	19
3.2 WOMEN ENTERPRISE FUND (WEF) FRAMEWORK.....	20
3.2.1 <i>WEF Objectives</i>	20
3.2.2 <i>The Main Actors in the WEF</i>	21
3.2.3 <i>Terms and Conditions of WEF</i>	21
CHAPTER 4 RESEARCH METHODOLOGY	22
4.1 RESEARCH DESIGN	22
4.2 SAMPLING PROCEDURES	22
4.3 SELECTION OF STUDY POPULATION	22
4.4 DATA COLLECTION METHODS	23
4.5 DATA ANALYSIS	24
4.6 THE RESEARCH FRAMEWORK	24
CHAPTER 5 RESULTS OF THE STUDY	26
5.1 SOCIO-CULTURAL AND ECONOMIC CHARACTERISTICS OF THE ENTREPRENEURS	26
5.2 ACCESSIBILITY INFLUENCE FROM THE TERMS AND CONDITIONS OF WEF	28
5.3 THE ROLE OF GENDER AND SOCIAL SERVICES DEPARTMENT AND ITS INFLUENCE ON ACCESSIBILITY TO THE SERVICES OF WEF BY THE TARGET BENEFICIARIES	31

5.4 THE ROLES OF MFIS IN LIMITED ACCESSIBILITY TO WEF	33
5.5 THE CONTRIBUTIONS OF GENERAL FACTORS IN LIMITED ACCESS TO WEF BY THE MAJORITY OF THE WOMEN.	34
5.6. RESPONDENT’S VIEWS ON THE ACCESS IMPROVEMENT STRATEGIES.	35
CHAPTER 6 DISCUSSION OF THE RESULTS	38
CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS	41
7.1 CONCLUSIONS	41
7.2 RECOMMENDATIONS	42
7.3 RECOMMENDATION FOR FURTHER RESEARCH	44
REFERENCES	45
APPENDIX 1: SWOT ANALYSIS OF WOMEN ENTERPRISE FUND	47
APPENDIX 2: THESIS CHECKLIST FOR FOCUS GROUP DISCUSSIONS.....	49
APPENDIX 3: THESIS INTERVIEW GUIDE FOR MFIS	50
APPENDIX 4: INTERVIEW GUIDE FOR KEY INFORMANTS	51
APPENDIX 5: QUESTIONNAIRE FOR INDIVIDUAL ENTREPRENEURS.....	52

LIST OF TABLES

Table 1 Respondents Sampled	23
Table 2 Age of entrepreneurs	26
Table 3 Size of families	26
Table 4 Level of education of entrepreneurs	27
Table 5 Harvard activity tool - entrepreneurs profile	30

LIST OF FIGURES

Figure 1 Nakuru Municipality	19
Figure 2 Research Framework	25

LIST OF ABBREVIATIONS

GOK	Government of Kenya
MFI	Micro Finance Institution
WEF	Women Enterprise Fund
MDG	Millennium Development Goals
DGSS	Department of Gender and Social Services
CWEFC	Constituency Women Development Fund Committee
MSE	micro and Small Enterprises
MGCSD	Ministry of Gender Children and Social Development
KWFT	Kenya Women Finance Trust
DGSDO	District Gender and Social Development Officer
PESCTE	Political, Economic, Socio-cultural and Technological
SMEP	Small and Micro Enterprise Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats

ABSTRACT

The important role played by women in the world economy especially in the developing countries is undisputed. Women empowerment and gender equality have dominated attention in various national and international forums as key components of any development gender

However despite the recognition of the contribution the women make in the economies of their various countries, they have not been performing to their capacity due to various that factors such as the limited access to various productive resources that can enable them get empowered. Notable among the resources that the women lack is the access to financial services the previous studies identified lack access to finances as the biggest constrains that limit women participation in development activities. Lack of women's access to financial services is attributed to the culturally based gender biasness in property ownership that denies the women the opportunities and the rights to own properties. The formal commercial banks cannot offer loans to the women without collaterals.

As countries get poorer and poorer the pressure on women to access credit intensifies. Micro finance institutions came into play as cheaper alternative financial enterprises to meet this unmet demand of women in accessing credits for their enterprises

Women Enterprise Fund is a government initiated financial institution within the department of Gender and Social Services. The aim of the fund is to offer affordable financial services to Kenyan women as a strategy to empower the women, improve gender equality and to ultimately reduce poverty in the country.

Since its inception in 2006, accessibility of the fund by the majority women in Nakuru municipality has been under question. This study had therefore set to explore the various factors that could be contributing to the limited accessibility of the fund by the majority women with the aim of the aim of contributing ideas towards the improvements of access.

The case study strategy was used during the study which employed literature review, key informants and Focus group discussions and observation methods to get information. The populations interviewed comprised of the main stakeholders of the fund mentioned in the text. Study results were analysed and presented qualitatively. Checklist data collection instruments were used.

The study results revealed that factors limiting access to financial services of the Women Enterprise Fund by the majority women are emanating from the following main factors: loose institutional arrangements of the fund, the limited capital allocation for the fund, the shortage of resources and skills available for the mother department, the unfriendly terms and conditions of the fund, the nature of the fund distribution channels, the type of partnership set between the fund and the financial intermediaries, lack a clear poverty targeting policy., the effects of the general environmental factors on all the fund actors.

The study makes recommendations on how the obstacles to access the fund may be addressed.

CHAPTER 1 INTRODUCTION

1.1 Background of the Study

One of the major United Nations Millennium Development Goals (MDG) is the realization of Gender equality and empowerment of women. The concern of gender equality and empowerment of women became a global a gender in order to address the existing differences arising from the socially constructed relationship between men and women which affect the distribution of resources between them and cause many disparities in development outcomes (World Bank, 2008). In many parts of the world- for example, sub-Saharan Africa and South Asia, 75% of agricultural producers are women. Women also play active roles as traders, processors and entrepreneurs despite facing many obstacles as compared to their male counterparts (World Bank 2007. The World Bank (2001) documented that ignoring gender inequalities comes at a great cost to people's well-being and countries abilities to grow sustainably and thereby reduce poverty.

In Kenya, women constitute 51% of the total population and they play very crucial roles as active contributors in the development of the economy but their contribution has been time and again limited by factors such as limited accessibility to financial services (Government of Kenya, 2003). In line with the global gender equality and women empowerment trends, the Government of Kenya as a signatory of the (MDG), enacted its gender policy in 2002 as a tool for implementing gender equality and women empowerment plans (Government of Kenya 2002). The Kenyan government recognizes the important roles women play in its economic and general development. One of the areas where women play crucial roles is the development of the informal sector in trade and industry.

Since 2002 to date the Kenyan government has laid concrete strategies towards revamping its economy which had been performing below its expected potentials due to socio-economic and political setbacks. One of the strategies adopted by the government to revive the economy has been the strengthening of the micro and small enterprises (MSE) in the informal sector through the establishment of the national micro finance policy and increasing accessibility to financial services to the disadvantaged category of the population like women (Government of Kenya 2006). The aim of this strategy is to reduce the gender gaps in participation in the productive sectors for the ultimate reduction of poverty and improved well being of all citizens. The Department of Gender and Social Services (DGSS) of the Ministry of Gender and social services (MGC &S) is the arm of the government mandated to coordinate the mainstreaming of gender issues in national programmes.

The government of Kenya recognizes the role played by the women in contributing to the economic growth and the constraints they face that limit their capacity to fully exploit their potentials in all sectors of development. Limited access to financial services has been identified by the women and the government as the one of the main limiting factors the active participation in all aspects of development. To address the needs of women reduce the existing disparities between men and women, the government of Kenya initiated a fund known as the Women Enterprise Fund (WEF) in 2006 (Republic of Kenya, 2006). The main aim of establishing the (WEF) is to enable women access the necessary financial services to for the development of their enterprises and ultimately reduce the poverty levels. However, the report of the rapid assessment of January 2009 carried out in the selected regions of the country including Nakuru revealed that the majority of the women are not able to access WEF (Republic of Kenya 2009). This research was therefore carried out with the expected output of coming up with identified factors that contribute to the constrained and limited access to the WEF for the majority of its expected beneficiaries. This study is also very

important for the DGSS since its vision, mission, objectives and the plans are all geared towards facilitating equal opportunities for the participation of men and women alike in aspects of developments in order to reduce gender disparities in various development programmes and activities.

1.2 Background of Women Enterprise Fund

Women Enterprise Fund (WEF) is a state initiated programme which started in 2006 but officially launched in 2007 (Republic of Kenya 2006). WEF is coordinated by DGSS which is in charge of overseeing its success. The top management organ of WEF is composed of a Secretariat and an Advisory Board that works closely with DGSS in ensuring the delivery of the benefits of WEF to the intended beneficiaries. The idea behind the establishment of WEF was to reduce the high poverty levels among the Kenyan women and to also narrow the gender imbalance between men and women in matters of access to finance. WEF thus started with the ultimate aim of empowering women to reduce poverty levels among the women. WEF operates its capital using two channels: The larger part of the capital is placed as funds- under the management of the reputed twelve government contracted MFIs country wide. The smaller part of WEF is channelled through the country wide grassroots structures known as the Constituency Women Enterprise Fund Committees (CWEFC) under the supervision of the ministerial staff headed by the District Gender and Social Development Officers (DGSDO) who are spread all over the country. In the so-called MFI channel, the capital is converted into individual loans to eligible women at a low cost (8% interest rate per annum calculated over declining balance) and in the ministry channel even lower costs loans are provided to eligible groups at zero interest rate and a one-off 5% administration fee.

1.3 The Research problem

Nakuru Municipality has a population of about 650,000 people. Poverty and food insecurity are the some of the main challenges facing the population in the study area. The majority of the poor population in Nakuru are women who form 60% of the vulnerable youth and the disabled (ERS, 2003). The existing commercial credit institutions cannot offer credit to these categories of the population because these financial institutions require very high collaterals based lending like Land Title deed, Log Books and others that the women do not have. To address the problem of lack of access to financial services specifically amongst women the Government of Kenya set up the WEF in the year 2006 to enable accessibility of financial services to women towards the running of their enterprises. Micro and Small Enterprises (MSEs) have played a pivotal role in boosting the growth of the economy of Nakuru Municipality. MFIs operating in the town have come up with special credit programmes, specifically to fund small-scale income generating activities normally referred to as Micro and Small Enterprises (MSE), owned either by groups or individuals entrepreneurs of men as well as women to sustain themselves and improve their standards of living. Several MFIs offering credit and other financial services are operating in the Nakuru Municipality.

Despite the existence of many MFI's and other financial institutions which have been lending their services for the last two or so decades in Nakuru municipality, accessibility by most of the majority of the women is limited. This limited access to financial services is mostly attributed to the fact that women as compared to men, do not inherit properties from either their parents or their husbands due to social and cultural practices referred to here as gender biasness which have led to lack of equal opportunities in education and employment

opportunities, lack of enough income to acquire their own collaterals just to mention but a few. It is against this backdrop of financial constraints that WEF was instituted with the aim of availing opportunities specifically among the women in accessing the financial services to uplift their standard of living and ultimately reduce poverty levels nationally. The basic consideration by government of Kenya (GOK) for establishing WEF is to support women to have access to affordable capital to develop their entrepreneurial activities into thriving businesses (Republic of Kenya, 2006). The objectives of the WEF are broader than facilitating credit delivery to qualified women clients. The Fund aims to address gender-related obstacles and challenges to an equitable development of the country and has formulated a range of objectives to that end that include research, advocacy and lobby activities to pursue policy reforms and practice changes deemed necessary to foster equal opportunities for men and women, boys and girls. In general all the above specific objectives are meant to extend the social inclusion in the general development agenda of GOK. The rapid assessment study report on WEF indicated that the majority of the women, most of whom are poor, are not accessing the services of the (Fund GOK 2009). It is therefore important to identify and analyse the various factors that contribute to the limited accessibility of the services of WEF by the majority women since no such specific and in-depth study has been carried out in the Nakuru Municipality.

1.4 Research Objective & Questions

1.4.1 Objective of the Research

To identify factors that contribute to the constraints limiting access to Women Enterprise Fund for the majority of the women and suggest how accessibility may be improved?

1.4.2 Main Questions

1. What are the factors that contribute to the limited access to Women Enterprise Fund for the majority of the women in the Municipality of Nakuru?
2. How can the access to WEF by the target beneficiaries (the women) be improved?

Sub Questions

1. How have the terms and conditions of illegibility to WEF influenced its accessibility by the women?
2. How have the socio cultural and economic characteristics of the majority of the women influenced their limited access to WEF?
3. How has the role of the Department of Gender and Social Services influenced the limited accessibility to WEF by the women?
4. How has the role of micro finance institutions contributed to the limited access to the WEF by women?
5. How have general environment (i.e political, economical, Socio- cultural and technological conditions) contributed to the limited access to WEF by the women?

6. What are the views of the various stakeholders on how access to the WEF by the target beneficiaries may be improved?

1.5 Significance of the Study

The result of this study will yield information that will bring an understanding on the challenges faced in accessing WEF services channeled through MFIs and CWFEC by showing the key constrains limiting the accessibility. The study results will verify the report on the recent rapid assessment which stated that the majority of the women are not accessing the Fund. The analysis of the results will provide information on the factors that hinder access to financial services by the women. The research will yield information that may act as literature review for the future academicians who may write further research papers on related topics. Other development practitioners may use the recommendations there to either initiate or improve on similar programs like WEF. All the Actors in WEF will use the research results and recommendations as learnt lessons to review their plans and activities with the objectives of coming up with the best practices in their various roles in influencing the access to financial services of WEF. The report will be used by planners for future reference when reviewing the existing policy on MFIs. The DGSS will use the result of the research to address its challenges in the delivery of its services to the poor and the vulnerable women in order to achieve its objectives in facilitating equitable access to the financial services. The result of the research will generate information that will contribute towards achieving some of the key pillars in the Vision 2030 and MDGs of eradication of extreme poverty and issues to do with gender and women empowerment.

The findings from the study is of importance to the WEF National Secretariat and its Advisory Board in establishing the issues that exclude the majority of the intended beneficiaries from accessing the WEF benefits and what strategies may be employed to improve the situation. United Nation Development Fund For Women (UNDFEM) will also obtain valuable information on the milestone of the MDG as an output using the WEF model, fourth, the Parliament of the Republic of Kenya which legislated the fund laws and mandated the ministry o Gender, Children and Social Development to administer the management of the fund will gain valuable information on the status of the fund on issues of accessibility. Lastly the general public will benefit from the findings of the study for their general awareness and understanding on the operations of the fund.

1.6 Limitations of the Study

The study covered the geographical area administratively referred to as Nakuru Municipality which measures about 500 square kilometers. The study population was specific to only financial Institutions operating in Nakuru Municipality who were contracted by the government to deliver WEF to women groups and individuals. The study sample was biased by interviewing more women than men because WEF is basically a women's affair and the problems to be identified are women specific meaning more views are necessary from the women themselves. However efforts were made to interview a few 5 men for the purpose of examining the types of constrains that would influence men towards accessing the financial services.

The scope of the study was restricted to women whose enterprises are registered. The study focused on examining factors that influenced access to WEF by the women

entrepreneurs but could not classify which category of women are mostly affected due lack of adequate time and statistics on the socio economic information of women who access services and those who have no access to the financial services of WEF. Due to shortage of time a limited number of only 4 MFIs were visited for and interviewed during the study although there are 5 financial institutions contracted to offer WEF services in the municipality. The 4 financial institutions studied may not make a sound representation of the remaining 12 District in the entire country.

The sample size for the study was restricted to 27 interviewees to allow for a detailed extraction of data within the available limited study period. Given the available limited time, it was not possible to visit all the key informants who had been scheduled for the study as some of them had frequent meetings and conferences within the country while others travelled outside the country. However every effort was made to get most of the necessary information from key stakeholders that were available. Some of the respondents from the financial institutions stuck to their usual culture of keeping office records out of reach of any outsider to the point of denying me access to some crucial information about the background information of the women who access WEF from them and the exact number served with WEF capital. The study could not establish exactly how many women had accessed the WEF through the MFIs. Also some of the clients particularly those who lacked access to funds, may not have given me guanine information of fear that I am a government officer in a responsible position hence fear of telling me loopholes some of which could be emanating from my own office although care was taken to assure them to be free and that nobody would be victimized. The researcher found interviewing her own supervisors very challenging.

1.7 Definition of Concepts

Access

In this study access is generally taken as the opportunity of women to be given the financial services and make use of them. According to March et al., 1999 access is defined as the opportunity to make use of a resource. It is also defined as women's access to factors of production on equal basis as men. Access to resources and services helps men and women benefit from development programs.

Collateral

Collateral is the property that you agree to give to a bank if you fail to pay back money that you have borrowed. Over time, traditional commercial banks used land title deeds and other assets as collateral for loan borrowed.

Control

Denotes the power to decide how a resource is used and who has access to it such that none dominates the other. It denotes women's control over the decision making process, to achieve equality of control over the factors of production and the distribution of benefits. This is the ability of both men and women to make decisions which services they should access, define their needs, mobilize their own resources and decide how the resources should be used (March et al., 1999).

Entrepreneur

An entrepreneur is a person who is able to identify a business opportunity and obtain the necessary resources to initiate a successful business activity. Women are generally engaged in varied business activities that offer services and a product as need arises.

Gender

Is defined as the socially given roles, activities and responsibilities which are attributed to either male or female and they determine how women and men should behave in a society (March et al., 1999).

Livelihood Strategies

According to Ellis (2000), livelihood strategies are composed of activities that generate the means of household survival. There are natural resource and non-natural resource base activities. Natural resource base activities include food production, non-food production, livestock keeping and non-farm activities. Non natural resource based activities include rural trade, other rural services (carpentry, rural manufacture, remittances and other transfers (e.g. pension).

Microfinance

Refers to small scale financial services primarily credit and savings to people who operate small enterprises .It is a development intervention that has evolved over time to operate a commercially viable basis which aims at providing banking and financial services to the low income and poor people (K-REP Bank).Micro-insurance and Micro-Savings also fall under this category as components of microfinance.

CHAPTER 2 LITERATURE REVIEW

2.1 Importance of micro finance to women

The increasing role of women in the world's economy in the developing countries is undisputed. A World Bank (2001) observed that women already contributed to the economy and to the family than is generally reflected in official labour statistics.

Sweetman (2002) states that, women around the world were for a long time seen as housewives with one thing in common, performing activities that had a link to the home and its occupants. However, in reality, the pattern of stay-at-home-wife and male breadwinner is inconceivable for the majority of women especially in Africa because their men are either too poor or have left the household.

As countries get poorer, the pressure on women to earn intensifies. However most women cannot obtain work in the formal sector, women therefore tend to take up any kind of work in the informal sector majorly in micro-enterprises or petty trade (IFAD, 2009).

Although women's contribution is substantial, their productivity is low due to constraints of culture and tradition (Ndeti, 2005). Most women do not possess any assets and cannot normally offer the necessary securities against loans. In addition, offering tangible security (usually land) implies involving male partners in the transaction, thereby, reducing the women's control over means of production and critical decision making.

Any enterprises require capital and inputs, yet banks were reluctant to lend money to women who could not provide collateral as often as property was in names of male family members. Further, Robinson, (2001) estimates that about 90 per cent of the people in developing countries lack access to financial services from formal banking institution. Inadequate service is prompted by the perception that the low incomes are high risk borrowers and expensive to reach.

The growth of micro-finance is therefore, best understood in the context of unmet global demand for financial services especially by self-employed micro-entrepreneurs operating in the unregulated informal sectors of the economy most of them being women. Accordingly, micro-finance has captured international attention with the United Nation General assembly proclaiming the year 2005, the year micro-credit (IFAD, 2009). The United Nations' acknowledged microfinance as a key instrument to achieving the Millennium Development Goals (MDGs) which is a set of concrete, time bound quantitative targets for action to be achieved in 2015. Notable are Goals one and three on the eradication of extreme poverty and hunger and the promotion of gender quality and empowerment of women respectively. Asia is credited for setting a successful model in micro-financing. Robinson, M.N (2001), cites Grameen Bank of Bangladesh founded by professor Muhammad Yunus, 2006 Nobel Peace Prize Laureate. It targeted those with no collateral and landless people with a special focus on women which constituted 95 per cent of his clientele.

Kenya like many developing countries, has given special attention to Microfinance. It has streamlined Microfinance operation through enacting a Microfinance Bill, 2006 which seeks to provide a legal framework to the sector. The focus on microfinance followed the realization that opportunities for formal sector employment were squeezed while the informal sector was expanding (Republic of Kenya, 2006).

The greatest challenge at hand in Kenya was the fact that there was little interface between the informal sector and the banking sector due to collateral requirements that deterred

informal sector entrepreneurs from seeking commercial bank loans. Thanks to Microfinance service that has filled this gap through providing not only micro-credit but also numerous products and services tailor-made to the convenience of the uncollateralized by using group approach as a security.

Women are the backbone of Kenya's economy and they complement the male folk in the country's socio-economic development. Improving the productivity of women is therefore a social objective to advance economic development and also towards investment in food, healthcare, and schooling of children. To realize the full potential of women, they must access credit and loan programmes since credit for both men and women is an important dimension of plan. According to (FAO 2000), women account for 70 per cent of the world's poor and supporting equal access to finance for women is essential. Credit facilities enable them to tap financial resources beyond their own and take advantage of potentially profitable investment opportunities. As such, micro-finance sector has proved to be a viable intervention point to assist women start sustainable projects that improve their livelihoods and towards ending poverty and therefore increasing their ability to economically independent.

Generally, credit demand for women is strong. Credit is premised as a key strategy for simultaneously addressing both poverty and women's empowerment. The Kenyan government has further supported this view, through the recently introduced Women Enterprise and Development Fund conceived in December 2006 as a strategic move towards addressing poverty alleviation through socio-economic empowerment of women. The funds are intended to facilitate enterprise and development initiatives among women through revolving loan disbursement to individuals and groups with minimum conditions.

2.2 Micro Finance and Poverty Eradication

According to the MSE baseline survey (1999), the sector has grown from 910,000 in 1993 to 1.3 million by 1999 of which women owned 48% of which 75% of such enterprises are trade and service based. Most of the women are not in formal employment and some run small scale business which include; roasting of green maize, selling some cereals, hawking second hand clothes. Some of the challenges that face the sector include; unfavourable policy environment exhibited with weak implementation framework and poor monitoring framework, inhibitive legal and regulatory environment, limited access to markets, limited access to affordable financial services, inadequate access to skills and technologies, limited access to infrastructure, inadequate business skills, limited commercial linkages, gender inequality, unfavourable taxation regimes, entry barriers and HIV/AIDS.

Poverty is one of the most enduring challenges hindering development in Kenya as in most developing countries. Kenya has an estimated population of 30 million people consisting of 52% women and 48% men. The per capita income of Kenya is US \$ 260 (ERS, 2003). Kenya's economic performance since the 1980's has been below its potentials due to a number of factors which include mismanagement of the resources, structural adjustment programmes, the impact of HIV and AIDS, and gender discrimination, among others (Republic of Kenya, 2005). The combined effect of these factors is the decline in the state of the economy and increasing levels of poverty, unemployment, food insecurity, disease burden, gender inequality and other social, economic and political deterioration.

Poverty levels in Kenya currently stand at about 48% of the county's population (Republic of Kenya, 2007). The majority of the populations affected by this economic downturn are women, the youth, children and other vulnerable groups such as pastoralists, the disabled,

the destitute and HIV and AIDS victims. In an effort to resuscitate its economic growth the government through the Economic Recovery Strategy policy has put in place economic measures that include the establishment of micro finance policy which embraces the coming into play of microfinance institutions as tools for engineering the poverty reduction initiatives (ERS, 2003). Lack of access to financial services has been identified as one of the major constraints in the development of the sector especially for the poor.

Microfinance according to Otero (1999, p.8) is the 'provision of financial services to low-income poor self-employed people'. These according to Otero (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. In Kenya, micro finance institutions have also been seen as avenues through which development can be channelled to reduce poverty and improve peoples' livelihoods. The government and development partners and practitioners have realized that the provision of financial services such as credit to the poor and the vulnerable most of whom are women, disabled and youth (young boys and girls) can go a long way in improving their livelihoods and hence welfare (Johnson and Rogaly, 1997).

Conventionally, women and other poor and vulnerable categories of the community cannot access credit from formal banking institutions because they do not own land or any other capital that is required as collateral by these commercial banks. Availing accessibility to the services of micro finance institutions to these poor individuals and groups who have no formal collateral will therefore contribute to their socio-economic empowerment and gradually reduce the inequalities in society (Strategy for revitalizing Agriculture (SRA), 2004; Moghadam, 2005). For these under-privileged women to access credit, alternative approaches on collateral requirements have been adopted through the emphasis on social capital tools such as trust and network relations for securities. Peer groups who have known each other for a while and therefore have developed trust based on previous relations are being used instead of economic collaterals such as title deeds, prime property or a salary pay slip often required by formal banking institutions. The poor and other vulnerable groups such as women and the unemployed youth have limited access to land due to socio-cultural barriers. (Ndubi and Karanja, 2008).

Due to the existing favourable business environment provided by the government together with its recognition of the crucial role being played by the micro finance institutions in poverty reduction, a large number of financial institutions owned by the state, Non Governmental organizations and civil society organizations are vibrant in Kenya. Consequently, Kenya has one of the most diverse financial systems in the East African region. These include 2 mortgage companies, 3 building societies, 2 finance companies, 43 insurance companies, and thousands of saving cooperatives (Government of Kenya, 1999). The country's demand for micro finance services has been growing steadily since the government's poverty reduction strategy (Economic Recovery strategy for wealth and Employment Creation-ERS 2003.) identified access to financial services especially by the poor as a means of promoting growth and reducing poverty and as a result micro and small enterprise (MSE) sector in Kenya contributes significantly to the economic development of the country. It is estimated that 2.3 million (20%) of those employed in Kenya are engaged in (MSE) sector contributing to approximately 18% of the country's gross domestic product yet only about 20% of (MSE) have access to credit and other financial services (Government of Kenya, 1999).

2.3 Microfinance and Its Impact on Development

Micro finance plays a key role in poverty reduction as it contributes to the household income and empowers women as is stated in Otero (1999). The aim of microfinance according to Otero (1999) is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector. The poor are generally excluded from the financial services sector of the economy so MFIs have emerged to address this market failure. By addressing this gap in the market in a financially sustainable manner, an MFI can become part of the formal financial system of a country and so can access capital markets to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach (Otero, 1999).

CHAPTER 3 DESCRIPTION OF THE STUDY AREA

3.1 Nakuru Municipality

Nakuru Municipality where the study was conducted is in Nakuru District of Rift Valley Province, Kenya. The town covers a total area of 500 km². By the end of year 2006, the town had an estimated total population of 650,000 people. (Republic of Kenya, 2008). The average annual population growth rate for the town is 7 per cent. The high growth rate in population is attributed to the functional role the town plays in the hierarchy of urban centres in the country (ibid). Nakuru town is the fourth largest town in Kenya. The Town was named after Masai word *Nakurro* meaning a dusty place. The study area includes the administrative headquarters of the Rift Valley Province, as well as the Nakuru District Headquarters. Founded in 1904 as a railway outpost, Nakuru is located along the east-west transport route across the country which links the Kenyan coast with the Lake Victoria region and Uganda. It is situated at an altitude of 1,859 m above sea level between the Menengai crater and Lake Nakuru, famous for its flamingo's. The Lake Nakuru National Park is a tourist attraction with great economic value.

Mining, construction, service and tourism, manufacturing as well as commerce and trade are the main activities found within and around the town. Urban agriculture is practiced but on small-scale basis. The town is surrounded with a rich agricultural hinterland, comprising mainly large and small-scale farms. This coupled with the well-developed road and rail transport- linking the town to its hinterland as well as other major towns within and outside the district. The population of the town also provides a ready market for the industrial goods and services (Republic of Kenya, 2008). The rapid increase in population has brought about high levels of urban unemployed, the majority of the affected work in the informal sector. The small, micro and medium enterprise sector sometimes referred to as informal sector or Jua Kali in native language has continued to register remarkably higher levels of growth rates in employment and income generation than any other sector in the town. The informal sector activities are spread in different business zones all over the municipality.

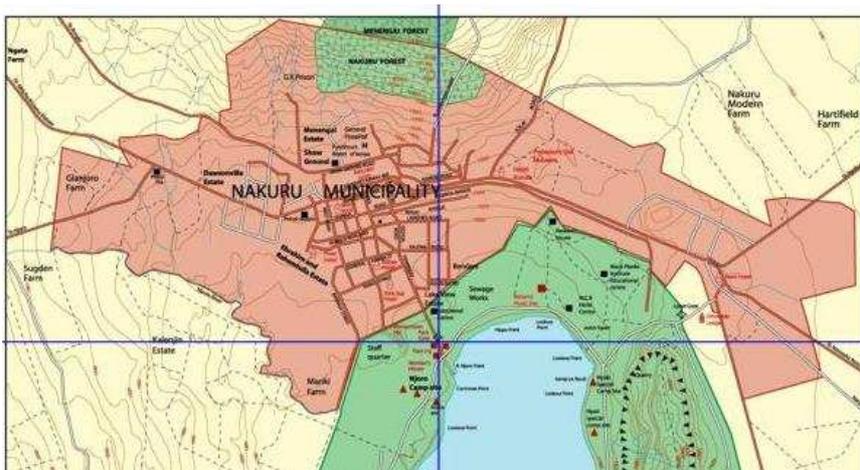


Figure 1 Nakuru Municipality

3.2 Women Enterprise Fund (WEF) Framework

Women Enterprise Fund is an initiative of the Government of Kenya and positioned within the Ministry of Gender, Children and Social Development in order to create affordable access to finance for Kenyan women facing difficulties accessing existing microfinance institutions (MFIs). WEF was publicly launched in late 2007 when it secured investment capital and running costs budgets from the Government. A special unit within the (DGSS) was formed to manage the fund. However currently there is a WEF secretariat headed by the Chief Executive Officer who works closely with the Advisory Board in close consultation with the office of the Secretary for Gender and Social Services to manage the operations of WEF. The fund is directed to facilitate development activities among the women through a revolving loan disbursement to individuals and women groups. The institution framework of the fund is based on three management arms; Advisory board, the WEF Secretariat led by Chief Executive Officer of the WEF, Office of the Secretary for Gender and Social Development and other various relevant ministries, Constituency Women Enterprise Fund Committees and Micro Finance Institutions.

The fund is disbursed through two operational channels (i.e. the MFIs as financial intermediaries and the Constituency Women Enterprise Fund Committee-CWEFC). The bulk of the WEF capital is channelled through the government contracted MFIs channels namely K-rep, Cooperative Bank, Family Bank of Kenya, Kenya Industrial Estate, Kenya Finance Trust, and Small and Micro-enterprise Program in order to develop and market special loan products to individual clients. The remaining part is channelled in the form of wholesale loans to women groups affiliated to the ministry through the Constituency Women Enterprise Committee.

3.2.1 WEF Objectives

The objectives of the WEF are broader than facilitating credit delivery to qualified women clients. The aim of WEF is to address gender-related obstacles and challenges to an equitable development of the country. A range of objectives that include research, advocacy, and lobby activities have thus been formulated to pursue policy reforms and practices deemed necessary to foster equal opportunities for men and women, boys and girls.

The overall policy objective for the fund is to facilitate the mainstreaming of the needs and concerns of men and women in all areas in the development process in the country.

The WEF has formulated five specific objectives, captured in the Guidelines for the Women Enterprise Fund, issued by the Permanent Secretary of the Ministry of Gender, Children and Social Development.

1. Provide loans to established microfinance intermediaries such as MFIs and NGOs.
2. Support capacity building of the beneficiaries of the fund and their institutions.
3. Attract and facilitate investments in micro, small and medium enterprises oriented commercial infrastructure such as business markets or business incubators that will be beneficial to women enterprises.
4. Support women oriented micro, small and medium enterprises to develop linkages with large enterprises.

5. Facilitate marketing of products and services of women enterprises in both domestic and international markets.

These objectives of the Fund cover a wide area of interests and potential activities to be undertaken or supported by the Fund. For the time being, however, the WEF has formulated two major products lines only: capital provision to financial intermediaries and capacity building and community mobilization. The capacity building has started but still not much has been implemented.

3.2.2 The Main Actors in the WEF

The WEF is a multifaceted poverty eradication organization. The first actor is the Ministry of Gender, Children and Social Development whose role is formulation of the policy, monitoring and evaluation of the program. The second actors are the MFI and commercial Banks which include; Kenya Women Finance Trust (KWFT) targeting women only, Kenya Rural Enterprise Programme (K-rep), Family Bank, Small and Microfinance Enterprise Programme (SMEP), Cooperative Bank of Kenya, Kenya Industrial Estate). The role of these banks and MFI is to act as channels through which the WEF is given to the clients. The third actors are the Constituency Women Enterprise Committee who are the grassroots structures created in every constituency all over the entire country. The third actors are the women themselves who are the intended beneficiaries expected to apply for the loans from the financial institutions.

3.2.3 Terms and Conditions of WEF

To qualify for the WEF the eligibility criteria is as follows:

1. Age bracket of 18 years and above
2. Female Kenyan
3. Intention of investing in income generating activities
4. The group must be fully registered and have been in existence for at least 3 months
5. The fund is a loan and therefore must be repaid
6. The group must be having an operating bank account.
7. The group must be recommended by the local gender and social development Officer or the Secretary to the Constituency Committee Women Enterprise Fund. At least 70% of the members of the group must be women and leadership must exclusively be women.
8. The applicants of the fund must submit an application or write an alternative application all of which must be subjected to rigorous financial viability assessment by the Constituency Women Enterprise Fund Committee

CHAPTER 4 RESEARCH METHODOLOGY

4.1 Research Design

The design of the study comprised two types: the first type involved desk study in which relevant literature was studied. The other type was a field work to collect primary data using qualitative data collection methods. A case study approach was adopted because it was the most appropriate for the collection of primary data of a small sample which took into consideration the limited time in which the researcher was to conclude the study. It was also necessary to choose a case study method since the research was focused on one specific organisation. The case study method was to enable the researcher carry out in-depth data for detailed information. Besides, the case study was appropriate since it allowed triangulation of research tools that enabled the researcher to check the reliability of the data collected. Checklists and open ended questions were used to get information from the interviewees. The study used key informants interviews as well as focus group discussion. The researcher also used observation method to help validate the oral information by noting the non-verbal expression of the respondents.

4.2 Sampling procedures

The Purposive sampling and specifically judgmental sampling was used in selecting the firms and respondents that had the relevant information. (Creswell 2003) noted that the use of judgment sampling is justified when only a small number of sampling units are in the universe and simple random selection may miss the more important elements; whereas judgment selection would certainly include them in sample. The study focused on defined purpose with small research units. The purposive sampling allowed the picking of interview objects that fit the focus of the study (Osuala, 2001).

4.3 Selection of study Population

The study population comprised of 7 women entrepreneurs and 5 men entrepreneurs, 4 financial Institutions namely: Family Bank, Small and Microfinance Enterprise Programme - SMEP, Cooperative Bank of Kenya & Kenya Industrial Estates) mandated to facilitate the distribution of funds to the women clients by the ministry of Gender Children and Social Development. Other interviewees included the gender officer, trade officer and an officer from the Nakuru Municipal Office. The choice of the financial institution was based on whether it was contracted by the government to be a distribution channel of WEF and if it was operating within Nakuru District. Informants' selection was also based on their position, knowledge, association and experience in running of the WEF fund (Osuala, 2001). The respondents chosen were people whose decisions and activities directly affected the operations of WEF and they were composed of those involved in the fund distribution, education and recovery, management, the loan clients and potential clients. A list of clients including their locations was obtained from the financial institutions and the office of the department of Gender and Social Development. Five men were interviewed to get a gender opinion on challenges of accessibility to financial services. In total a size sample of 27 was interviewed as shown in the table below:

Table 1 Respondents Sampled

Method of data collection	Type of Respondents	Number of Respondent	
		Male	Female
Individual interviews	Entrepreneurs without credit	-	5
Individual interviews plus focus discussion	Entrepreneurs with credit	5	2
Individual interviews	MFIs Credit Officers	4	-
Individual interview	Gender Officer	-	1
Individual interviews	WEF Board Members	1	1
Focus Group Discussion	Women Leaders	-	6
Individual interview	Trade officer	1	-
Individual interview	Municipal Officer	-	1
Total		11	16

4.4 Data Collection Methods

Sources used to access secondary data included books, reports unpublished materials. The literature review supplemented the information from the field and it provided the base for data analysis. The primary data was collected using; checklists and open questions. Interviews with key Informants, focus group discussions, and individual Entrepreneurs were conducted. The respondents were asked to give their opinions on the various topics related to the research questions on factors contributing to the limited access to WEF for the majority of women. The method of self-administered interview was adopted. The researcher scheduled interview sessions with all the sampled interviewees as given in table 1 on the topics contributing to the limited access to WEF. The researcher personal attention to the interviews encouraged a high response and in- depth generation of data. The collection of data from the field was largely interactive, seeking as much qualitative data as possible. The researcher also used observation method which helped in interpreting the non verbal messages expressed by the interviewees during the oral discussions and interviews. Furthermore observation method also helped the researcher to triangulate further for the purposes of cross checking the validity of what is said against the none-verbal expressions which were important because the researcher could gauge the attitude towards accessibility to WEF. The researcher obeyed the interview ethics by first introducing herself and the purpose of the study and promising to observe the privacy of the interviewee on information given to the researcher. The researcher's use of open ended questions allowed probing more for clarification on issues as new questions could be asked if and when necessary. The researcher did not stick to the order of interview questions but was flexible. Sensitive questions were asked at the end and answers were rephrased just to check whether the researcher understood the respondent well.

4.5 Data Analysis

The data collected during interview was summarized and rephrased and analyzed qualitatively. The primary data which were narrated in the local language were then translated into English for ease of analysis and understanding by all the expected readers to make points clear. Caution was taken in ensuring maintain the original meaning as accurately as possible. Qualitative information was summarized grouped and ranked accordingly noting the similarities and differences in the responses from interviews. Strength Weakness, Opportunity and Threat (SWOT) analysis tool was used to scan the external and internal environment of WEF. The Department of Gender and Social Development was scanned using the Organization Integrated method (OIM) in order to understand the internal and external environment of the organization that have a bearing on the accessibility of WEF. The political, economical, social, technological and cultural (PESCTE) analysis tool was used to scan the issues from the general environment of the main actors of WEF. Harvard analytical framework comprising of Harvard activity profile was used to check gender influence gender division of labour on the accessibility to the financial services. According to March et al (1999) the choices of a suitable framework depends on the task in hand, the context, and the resources available.

4.6 The Research Framework

The research framework adopts the conception that MFIs act as tools formed to help fight high poverty levels particularly among the women majority of whom have either no or limited ability and capacity to access funds from formal commercial banks and other financial institutions. Accessibility of financial services like credit and other services like savings are considered very key for women and men alike in empowering them to run their own enterprises in the efforts to improve their livelihood strategies for the ultimate reduction of poverty. However due to constraining factors in the environment in which WEF is operated, majority of the women are excluded from accessing the benefits of WEF. MFIs interact with the general environment composed of political, economical, socio-cultural, and institutionally based factors which impacts on accessibility.

The diagram in figure 1 shows the actors playing key roles that influence the accessibility to the services of WEF. The general factors examined the issues that have to do with political, economical, Socio-cultural, and Technical (PESTEL) issues in the outside environment that are beyond the control of all the actors. The internal environment refers to intrinsic or internal issues that emanate from the individuals, households and women groups characteristics as the targeted beneficiaries who are either the clients or potential clients for the services of the WEF. The intrinsic issues- internal issues entail background of women and men that included but not limited to the following:- access to information on WEF, the age of the respondents, gender issues, marital status, size of households and household heads, level of income, type of infrastructure, level of education, attitude of the respondents, type of businesses practiced. The MFIs and the DGSS are the Key Players and are actually working as partners in the loans distribution from WEF and their style of service delivery pose major impacts in the accessibility of the funds of WEF.

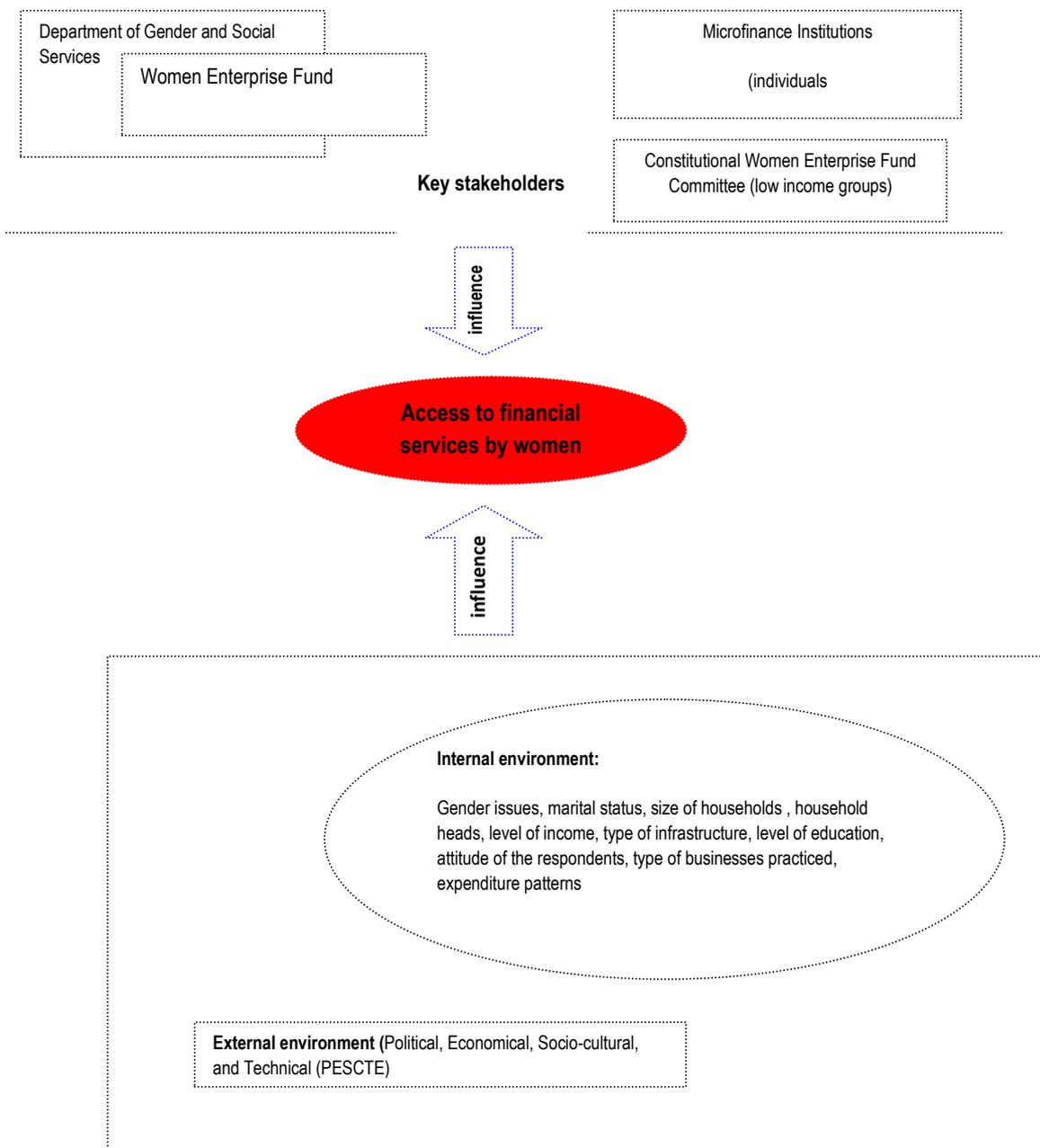


Figure 2 Research Framework

CHAPTER 5 RESULTS OF THE STUDY

5.1 Socio-cultural and economic characteristics of the entrepreneurs

Age of the entrepreneurs

Age is one of the requirements for accessing WEF as it is stated in its terms and conditions that one must be above 18 years. The researcher therefore analysed age factor as a determinant to the accessibility. The study showed that 50% of the respondents (i.e.6 entrepreneurs) interviewed were 45 years and above. 37 % (i.e. 4 entrepreneurs) were between 40 and 45 years while the remaining 13% fell below 40 years. All the women and men except one man and one woman were above 40 years. (Table 1)

Table 2 Age of entrepreneurs

Age of entrepreneurs	Male	Female	Total
35-40	1	1	2
40-45	1	3	4
45-50	3	3	6
Total	5	7	12

The table on age is important because it shows that all the entrepreneurs were over 18 years (i.e. adults) meaning they are above the minimum age that qualifies a person to get access to WEF hence the conclusion that age was not a barrier in access to the fund.

Size of the family

Of the female respondents interviewed 5 were married. However 3 of them reported that they were living single lives as heads of their households. The women who said they were living with their husbands said they had to inform their husbands before they started their current businesses and inform them of the progress. The men said they inform their wives on their business but only optionally and they don't have to ask for permission from their wives to start a business although they said they may just inform them.

Table 3 Size of families

Size of family	N=12	% total
1-5	4	33
6-8	7	58
9-12	1	9
13above	0	0

The majority of the interviewees had families consisting of 6-8 members (64%) table 1 followed by families consisting of 1-5 members (33%). The size of the families means more responsibilities particularly for women who have to combine both productive as well as the reproductive work.

Information/Awareness on WEF

Awareness creation is one of the important methods to sell any product. Creation of awareness among women to sensitize them on the existence of WEF is one of the main responsibilities of the DGSS. Of the 7 women respondents interviewed, 4 of them cited lack of adequate information for clarity on how to access WEF as their most hindering factor in getting the financial services. Out of these 4 who claimed to lack information, none of them had sought more information on the same and hence they have never applied for WEF services. However, all the 4 men out of the total of 5 men interviewed said they had enough awareness about WEF services.

Level of Education

During the study, the levels of education of the respondents were explored. Out of the 7 individual women entrepreneurs interviewed, only 2 who had accessed the credit services had successfully completed their secondary education and further joined tertiary level education. All the 5 men who had no access to the credit had completed their secondary education though only one of them had tertiary education. Four out of 5 women who received no credit had only attained primary education as their highest level of education (Table2).

Table 4 Level of education of entrepreneurs

Level of Education	Male	Female
Primary	-	4
Secondary	4	1
Tertiary	1	2

The table above shows the men received more education than women.

Sources and level of income

Of the total of 12 individual entrepreneurs interviewed, only the 2 women who accessed the credit and 4 out of 5 men interviewed reported to have a monthly income of more than Ksh 5000. Two of the men interviewed said they have salaried jobs as alternative sources of income to subsidise the income from the business as opposed to the women who have no credit and who said they have no other sources of income and estimated their monthly income to be less than Ksh1000 per month.

5.2 Accessibility influence from the terms and conditions of WEF

Type of the business

The study explored the type of businesses the interviewees were engaged in since it is one of the determinants of getting access to the services of WEF. It was found that most of the enterprises consisted of small services such as selling cooked foods by the roadsides, hair care services, making cloths, selling fruits in the open air. The businesses were run single handed by their owners.

Account Opening

Having an operating account in one of the prescribed financial institutions is one of the strict requirements of enabling access to the services of WEF. Only 4 of the 12 individual entrepreneurs reported having a functional bank account in one of the financial intermediaries of the WEF. The majority of the women said it is too expensive and uneconomical to open an account when one is not yet engaged in a viable business that generates regular income.

Application procedures

On the application procedure of accessing the credit, all respondents expressed that the process is rather time consuming. In addition, the form needs to be made simpler and written in a national language. They all preferred use of Kiswahili for the majority of the women who are limited in education to understand more easily. The 2 better educated women, who got the credit, remarked that it is not always easy to write a business plan and be able to include such details like the expected profit especially when one may still be at a start up stage of a business with lots of uncertainties.

Maximum amount at the Constituency channel

During the Focus Group Discussions and interviews with individual respondents the women and men expressed that ksh 50, 000 is such a meagre amount to be expected to be spread among group members, some of which are almost fifty in total number. One woman said that the costs of time, transport, lunches and other opportunity cost born while pursuing the Ksh50, 000 negates its fruitfulness at the end of the day.

Loan Acquisition waiting period

The results from the Focus Group Discussions and individual interviews mentioned that the period between the time the loan application is approved and the time one gets the loan is rather too long. The majority of the women commented that the long loan processing duration makes many women lose interest, particularly if the loan was meant to be used at a specific season like for buying maize at harvesting time when the price is lower for sale later when the prices go up to make profit.

Expected Loan Collaterals or Securities

The types of securities expected from the women who take loans from WEF included but was not limited to the following: - the Group guarantees; (social collaterals); Household items; Financial assets; Fixed assets (e.g. land, buildings etc). When asked their opinions on the issue of collaterals, the majority responded that the demands in the range of the collaterals expected by WEF are more flexible and cheaper than for the other financial services. However, they said that getting those securities still cannot be possible for all categories of women, particularly the very poor and the marginalised persons. Some of the women also expressed the gender concerns that when a woman is married one cannot claim to own even a household item to use as security unless the husband endorses.

The results from the 7 women interviewed and five men on access to services and properties revealed that the female gender has less access to resources and limited control at all even where there is access while the male gender had both the control as well as the access to the resources. The lack of security accounts as one of the biggest constraints to qualifying for the credit.

Repayments and Grace periods

The women are given 3 months in which they can stay before starting to repay their loans. The loans are supposed to be repaid in twelve equal instalments. At the MFIs distribution channels, the repayment period may vary according to the agreement with the specific MFI and the amount taken but the repayment period must not exceed three years. Some individual women Entrepreneurs mentioned that the grace period is good but not for the women who are at the business start up.

The 8% interest Rate at the Micro Finance channel.

During the Focus Group Discussion with the women community leaders, it was suggested that although the 8% interest is reasonably low and affordable, it may be necessary to make some more reduction on the interest for the women who are in the poorest category. The women leaders added that some poor and the marginalised lack social capital found in joining groups since they normally suffer from isolation. The majority of the women also added that there are also many women who prefer to work alone and not in a group but they may not be in a position to afford the 8%.

Availability of time

Balancing productive and reproductive and household responsibilities has been a challenge for women worldwide and women in Kenya are no exception. On average women work for 12.9 hours a day compared to 8.2 hours for male counterparts (Ellis, 2000). During interviews with both the male and female entrepreneurs, the researcher enquired to know the household division of labour and how the time is normally used by men and women interviewees. The men and women entrepreneurs were asked to state how they normally use their time and the results were plotted in the activity matrix as shown in the table 5 below. The information on the division of labour was important as this has implications on the type of business one can manage which in turn influences the qualification for accessing the WEF services. The table below shows the activity responsibility profile of the entrepreneurs.

The results from the 7 women interviewed and five men on how they spend their time revealed that woman had more responsibility than men. Women are responsible for most activities listed in table 5 below. Whilst men participated in community development, office work, running the business, political meetings, and men group meetings.

Table 5 Harvard activity tool - entrepreneurs profile

Activity	Male	Female
Preparing children for school	-	x
Food preparation	-	x
Washing clothes	-	x
Cleaning the house	-	x
Child care	-	x
Collecting water	-	X
Buying food from market		X
Church meeting	-	X
Community development activity	x	X
Office work	x	-
Running the business	x	X
Women group meetings	-	X
Men group meetings	x	
Taking children to hospital	-	X
Political meetings	x	-

Key: X Means Yes

5.3 The role of Gender and Social Services Department and its influence on accessibility to the services of WEF by the target beneficiaries

The Department of Gender and Social Services plays a crucial role in influencing the accessibility to WEF since it is the parent department in which the fund is placed. The study revealed that some of the strategic objectives of the department that are directly related to enabling accessibility to WEF include the following:

1. To promote gender equality and women empowerment through mainstreaming gender.
2. To empower communities for effective participation in a sustainable socio economic development activities.
3. To raise public awareness on and increase women's access to the Women Enterprise Fund for economic development.
4. To enhance collaboration with and partnership with stakeholders for sustainable development.

The effective achievement of the above strategic objectives of the department is crucial for the facilitation of the accessibility of WEF by the majority women. However due to the shortcomings revealed by the key informants, the accessibility of WEF by the majority women has been negatively affected as analysed in the following paragraphs:

Departmental Inputs and outputs

The study revealed that the departmental resources are from the central government and allocations are ever meagre and always released later than expected. The study noted the following shortcomings: - inadequate number of skilled staff with gender expertise; inadequate funds for implementation, monitoring, evaluation and for capacity building, lack of information and communication equipment such as internet, fax machines and other modern facilities that can facilitate faster delivery of services related to WEF. This scenario directly affects WEF accessibility in that the gender officers said they are lacking the resources to use in facilitating the access to the funds by the women.

Structure, Strategies, Systems and processes-The study revealed that the structure of the department is of a hierarchal type and decisions are made by top management and passed downwards to the subordinates and this affects communication and information management of WEF as some decisions take too long to be implemented. Some of the women complained of the delay in getting feedback for their applications thus impacting negatively in the time for accessing the financial services.

Training- Training of the staff and community members to build their capacity is one of the key activities the department is expected to carry out as one of the strategies of empowerment. In responding to the interview questions, 5 women and 1 man entrepreneurs said they had never undergone any training organised by the department concerning WEF activities. The credit officers from the financial institutions said that they have not received any the trainings for DGSS on how to handle gender issues when dealing with their clients. The women leaders said they have had some training but needed more, so they requested

for a longer and a more thorough trainings where they can get more time to ask a number of questions for clarifications.

Business monitoring and evaluation visits- The departmental staffs are also charged with the responsibility of making follow up visits to groups and individual projects to track progress and offer advisory services on the same. However the study revealed that out of the 12 respondent only 2 of them said they have been visited by the gender officers with an intention of finding out the progress of the business.

Dissemination/distribution of information materials- On probing the interviewees on whether or not they had ever received any important information and communication material concerning WEF benefits, only the women group leaders as members of the Women Constituency committee said they received the information materials on WEF while the rest said they had never been given any materials. One woman who claimed not to have been given materials on WEF guideline by the researcher during study period said that she does not understand the language so she said she will give it to her husband to read for her.

Vetting Women Groups applications – At the constituency fund distribution channel, the Gender officers together with CWFEC members are charged with the responsibilities of evaluating the proposed group projects for the financial viability. The forms are then forwarded to WEF head office for release of the funds for the projects approved by this local committee. However, the study revealed that this vetting committee lack the technical skills on assessing the financial viability of a business plan and more often than not no necessary financial technical officers were called in for advisory services in assessing the projects as stipulated in the WEF guidelines. Due to pressure of work and limited time even the Gender Officer is not able to personally attend the vetting meetings in person. This scenario has led to some applications forwarded for funding being rejected by WEF head office that at times fails to give feedback on the reason for rejection. Such occurrences, the respondents said, limit access to funds and it also discourage the women applicants and the potential applicants. The vetting is made much more difficult by the fact that there is no fixed office facility for the constituency committee where the women can go and make enquiries on information about the fund before they decide to apply and this limit the number of applicants for the WEF services. However from the Focus Group Discussion with the leaders of the constituency Women Enterprise Fund committee it was learnt that many applications are normally turned down due to poorly done application form or business plan.

Targeting of the poor and the vulnerable- The respondents expressed their concern that WEF did not come up with access policy that gives priority to the very poor who need the subsidy most but instead left the door open to all categories of women giving the well to do women advantage of depleting the funds as soon as the funds are disbursed. This has reduced accessibility by the poor women who are the majority since many of them are turned down since the well to do are always faster in getting information are getting the fund a head of the rest.

Awareness creation meetings- It is the responsibility of DGSS to create awareness on the fund and other development issues through organising meetings for the community members to empower them with the information on WEF.. When asked if they have had opportunities to attend such meetings, most of the women said no. Only the women leaders said they have been called and they attended some meetings.

Unclear partnership Approach-The study revealed that there is lack of established partnership procedures between WEF and MFIs as it was not very well founded. Partnership was explained to be rather loose and lacked clear direction. MFIs were not tied to giving specific sensitivity when dealing with gender and poverty issues. The study also learnt it was not clear how the constituency committee and the gender office on the ground are supposed to network and coordinate with the MFIs and support each other and also do checks and balances on the accessibility issues. In fact, the study was able to get exact number of women who got credit from the constituency office but it was not possible to get exact number of women loaned from the MFIs.

The study also gathered information from the key informants that the objectives of the DGSS are fully welfare oriented while the objectives of the financial intermediaries are majorly focused on profitability and the two objectives are clashing hence not very compatible yet not enough consideration was not given to this factor before the contracts were sealed. This was identified by the interviewees as one of the factors that limit accessibility.

5.4 The roles of MFIs in limited accessibility to WEF

The following are the issues identified by the respondents as access influencing factors that contribute to the limited access to the women:

- Lacks of professional know-how on how to deal with gender issues when interacting with clients.
- Some MFIs are more focused on commercialisation of the WEF product than looking at the fund to be geared more to poverty reduction and reducing the gender gap in access to financial services.
- Inadequate marketing of the WEF fund to the clients visiting MFIs. to help client make informed decisions on whether to take loan from the WEF kitty with lower interest or go for the privately owned loan of the MFIs. This limited marketing leads to confusion on the part of some women on which fund is for WEF and which products belong directly to the financial Institution.
- Some MFI Officers like from Kenya Women Finance Trust are charging the women clients more than the agreed maximum 8% interest.
- The type of the forms to be filled when applying for the fund from the MFI are too demanding and complicated for the common woman to apply.
- The types of collaterals demanded by the MFI discourage women most of whom have no recognised properties to offer as securities. The issue of collaterals forces women to bring in their husbands when they want to take loans and this raises gender issues when it comes to decisions on how to use the loan and its benefits.
- Some of the MFIs force women to open bank accounts with them and operate the accounts for about six months before they can allow them to secure loans irrespective of whether the woman has another accounts elsewhere.

- Most MFIs have not provided adequate training on business start up and management training to the women clients to make them more competent enough to reap more from the Fund.
- The majority of the MFIs seem to favour the well to do women who are already in prospective business at the expense of poor women who are the majority and need to be helped more to start up the business.
- The objective of the MFIs is not to reduce poverty but to make as much sale of their own product as possible to build their own sustainable capital to stay in business.

5.5 The contributions of general factors in limited access to WEF by the majority of the Women.

During the study the researcher was told by the interviewees that the factors in the general environment also have contributed in limiting accessibility of WEF for the majority women. The factors cited by most of the employees were grouped by the researcher as political, economical, socio- cultural and technological. The factors included the following:

Economic factors.

- WEF was established at a time when international economy was declining, hence a decline in international sources of funds from where some of the actors of WEF were getting their finances.
- The study noted during the discussions at WEF office that limited resources at the disposal of the treasury office in Kenya has impacted negatively in the amount of resources availed to WEF for loaning to the women. The researcher learnt from WEF Secretariat that due to over demand on the supply of funds from the central government treasury, the amount to allocated for the women to access is occasionally redirected to other uses. This scarcity of funds influences the amount available for the accessibility by the women and how many can actually received the loans.
- The inflation rates have led to high operational costs for the government and Micro Finance Institutions in commodities like fuel and energy all of which impacts negatively on the available funds for WEF thus affecting its accessibility by the target beneficiary. The researcher was informed during the interview of the MFIs that there stiff competition from other financial institutions such as Equity bank, Faulu Kenya, Kenya Commercial Bank and other micro finance institutions in Kenya. This competition the study was informed, make the MFI to apply commercial tendencies for its sustainability.

Social cultural factors

- The low education level of women limits their ability to learn business skills hence many of them engage themselves in unviable business ventures such as hawking in the streets, operating very tinny and unattractive saloon businesses, selling very small and uneconomical second hand goods, opening small food kiosks near their houses.
- Gender biasness on property ownership rights constrains opportunities for the women to acquire properties to use as securities while seeking loans.
- Religious restrictions such as the muslim laws prevent women from borrowing money to be paid back with interest for the business ventures.

Political factors

- The insecurity due to post election violence displaced many women and destroyed their businesses and hence some of the women do not own anything and are still too scared to borrow money for venture into business again.
- The government policy and international expectations on the MFIs to remain sustainable but at the same time serve the interest of the poorest of the poor present a challenge. These policy demands on MFIs call for the commercialisation focus of the MFIs for them to compete and remain sustainable in the business field so they can not charge lower interest rates than the current payment.

WEF was formulated at the time when the election period for the country was just about to start. Hence citizens believed it was free campaign money and some still believe so they do not understand why it should be paid back let alone paying back with interest.

Technological factors

The researcher was informed of lack of access to information and communication technology like computers and mobiles by the entrepreneurs which limited their opportunities to get information on about WEF. The information on WEF therefore either reached late and distorted or never reached at all for some of them. The researcher was also informed that even the offices of WEF and for DGSS are not all connected with adequate information and communication equipments to enable timely accessibility to the financial services.

5.6. Respondent's views on the access improvement strategies.

When asked to recommend areas they think the access to WEF may be improved, the information given by the interviewees were as stated here below:

The Role of the Department/ WEF

- More Funds to be channelled through the Constituency channel to allow more women to get opportunity to access the funds:
- The women who are well to do to be directed to take loans from the commercial financial institutions.
- More special attention to be given to the women who are more vulnerable and cannot fit in any of the two channels
- The Ksh50,000 maximum group allocations to be made flexible according to the needs of a particular group.
- The Department should employ more skilled staff to support the monitoring and evaluation component.
- Clarify the partnership approach and the working modalities between MFIs and the Constituency Women Enterprise Fund channel, and the office of the department of Gender and Social Development in Nakuru in order to create a stronger working relationship for a common purpose.
- The department to update its records on the performance progress of its programmes.

- The department to improve its information and communication system to enable easy access to the information on WEF activities
- The ministry must establish an effective monitoring and evaluation system that will help them monitor and evaluate the activities related to the fund,
- The Department should synchronize their systems with those of the distributing channels to ensure effective and transparent business transactions.
- The Department should implement the education component of the fund to enable poor women to be aware of the fund and its intentions,
- The Department should have continuous improvement process through research on the fund and adopt what is working and leave out what may not be working, the ministry should develop a participatory best practice manual that will show all actors on their roles and

Roles of the Micro Finance Institutions

- The MFIs should create an enabling environment that would encourage the women borrow the fund;
- The MFIs should mainstream the fund above other expensive loan. This will improve their business volumes as the poor are sorted out of their poverty through the fund.
- They should try to comply with the terms and conditions of the fund since the fund has an aim of improving affordable credit access to the marginalized citizens – the women.
- They should also actively market the fund in order to create the required awareness that the study established is currently lacking.

Roles of the Fund beneficiaries

Concerning the women it was suggested that they should respond to any awareness created by other actors and take the earlier responsibility to take the loans and invest it in economic activities. Secondly, the women should take it their responsibility to invest the money effectively in order to generate income that they can use to improve their livelihoods. Thirdly, the women should take it their responsibility to repay back the money on time to enable them takes more loans and others to get access to the fund. Fourthly, women have the responsibility of promoting the fund among their peers in order to make the fund famous and encouraging their peers to take advantage of the low interest rates.

CHAPTER 6 DISCUSSION OF THE RESULTS

Analysis of the results of the research in the foregoing chapter brought a number of factors according to the respondents to be contributory to the limited access to the WEF by the majority women. The findings also include results of information gathered through desk study by reviewing various documents during the field work. The main issues to be discussed will be grouped as per the themes summarised from the analysis of the results as stated in the sections to follow here below.

Communication and information system

The study results identified inadequate information flow to be one of the limiting factors in access to WEF for the majority of the women. Given their busy daily schedule of responsibilities as was analysed in the activity table the majority of the women lack adequate time to seek or access information such as regards services like WEF loans which are not so far regularly being supplied meaning they have to spare time keep travelling to seek updated information on whether or not the loans are available. The problem of information flow for awareness is also compounded by lack of extension service staff that can pass information to the women. The fact that the WEF head office also is poor in giving feedbacks on the situation of applicants awaiting their checks to be released also make things worse as some women end up getting no communication on the fate of their applications and this affects accessibility since many potential clients are discouraged from applying following the experiences of others.

Level of education of the women

Education level is very important in raising awareness to productive processes and empowers woman with ability to participate actively. Low level of education decreases ability to comprehend and use technical information. The results of the study of the socio economic and cultural status of the most of the women interviewed showed that most of the women lacked adequate education. Lacks of adequate awareness on WEF provide an environment of limited access to the services of WEF by the majority of the women. This was proved by the analysis of the Department of Gender and Social Development that indicated that the department lack adequate logistics like funds , means of transport, extension service personnel and other necessary arrangement which can enable the arrange extension or outreach programmes to create awareness on the Fund. Education has been cited as a key determinant of earnings, self-determination and bargaining power as it improves people's ability to take advantage of the opportunities and participate more effectively in improving the wellbeing. Jiggins (1999) says that the problem of women's limited access to extension knowledge and information services that in turn affect their access to financial services must still be understood as a part of a larger problem of male dominance and unequal distribution of productive resources and responsibilities between men and women.

Income level/ property ownership of the women

According to the research findings, the majority of the women interviewed were characterized by very low income level of less than Ksh_5000 per month. This lack of income is associated by the low employment level for the majority of women. The poor income level is very important when it comes to access to financial services especially in credit acquisition because the clients to WEF are expected to pay either pay some kind of collaterals as security measures to the lending institutions. The problem of lack of ownership of properties and/or low income level of women hinder their access to productive resources and deny them the chances of participating in poverty reduction programmes. The majority of the women said they cannot access WEF, especially the loans distributed through the MFI since it will entail taking the loans which will finally be controlled by their husbands who are the

ones owning the properties they are expected to give to the financial institution as security (Heyzer, 1987; Sweetman; 2001; IFAD, 1999).

Time availability/Division of labour

The results received from the interview of most women revealed that women are time poor and this has a bearing in their chances of accessing information on alternative resources available for them like WEF. The activity profile of the women interviewees showed they spend more time performing household chores leaving them with very little time to even follow up credit facilities like WEF whose access processing is reportedly lengthy. The pressure of time on women is associated to culturally constructed gender biases in division of labour which overburdens the woman as compared to the male gender (Kibwana, 2000). Being time poor makes the length of time in processing application and to the ultimate receipt of the loans become contributors to access constraints to many women. One of the woman interviewee remarked that it is more economical for her to go for alternative loans which she can access within a shorter time than to struggle to follow up the WEF loan for too long at the expense of her family responsibilities. Powell,(1999) agrees that domesticity is a hindrance to women advancement by confining women especially in Africa both conceptually and practically in ways that limit their access to resources. The sexual division of labour consider women as the secondary earner of the family while the man is considered the wage earner regardless of whether or not this is the case (Powel, 1999).

Trainings.

According to the research findings, the majority of the women interviewed had not acquired skills in planning and management of a project or a business, hence they solely relied on their personal know-how from experiences. This pose a big hindrance to accessibility to WEF loan for the majority women since only a few women had been capacity built in business skills. For the women to have confidence in taking loan and being able to repay on time require a skilfully ran business that can yield good and quick returns for the repayment since the grace period for payment is only 3 months. Acquisition of skills for basic participation and improvement of the status of women enhances the ability of a person to make rational decisions in life. High level of skill attainment enables women to be dynamic and receptive to new ideas capable of making conscious investment decisions given adequate access to credit facilities (Robert, 1992).

Partnership arrangements

The operations of WEF programme have been carried out jointly by the ministry, the WEF Advisory Board, and the MFIs as partners. However the study interview with the key informants revealed that this partnership leaves a lot to desired as its operations have certain loopholes that interferes with its expected smooth running particularly in the clear definition of the scope of the roles of each partner and the coordination mechanism. This was explained to be attributed to the hurried way in which the Fund was established before the new government came into play since the elections were just around the corner. According to Blagescu (2004), partnership should include common aim, vision and goal, mission or at least interests, joint rights, resources and responsibilities, autonomous and their independence and trust. The concept of partnership should be based on transparency, equity and mutual understanding. Gay (1991:146) says that collaboration occurs when group of autonomous partners of the problem domain engage in an interactive process, using shared rules, norms and structures, to act or decide on issues related to that domain. Wood and Gay (1999) suggested that participants of the partnership must work within an agreed – upon set of norms and rules with at least the intention of developing a mutual orientation in response to an issue, perhaps to determine direction of the direction the organization. Fowler (2000) also stated that to facilitate partnership, relationship of open dialogue and

mutual rights and obligations is necessary between partners and their staff at different level of the organisation.

Institutional Factors of WEF

The study established that WEF is facing structural ambiguity which complicates the streamlining of its operation and monitoring and evaluation system. A sound structure is what helps any organisation to stand its ground , set clear vision, mission , objectives and make sound decisions on what belongs where and who does what. Without a clear and effective structure of an organisation it becomes difficult to develop an appropriate system for effectively functioning and the final realisation of the organisational goals.

Poverty Targeting and gender issues

According to the information from literature review of WEF guidelines access to the financial services was opened to all categories of the women and there is no categorization on which class of the women was to be prioritised. The study also revealed from the interview with the MFIs that there were no clear policy guidelines as regards how the MFIs were to handle poverty and gender issues among the clients. Further still no clause was included in the contract between WEF and the MFI. This lack of clarity led to most of the funds being loaned to middleclass women at the expense of the poor women who form the majority of the population of the women within the study area. The MFI personnel also expressed that most of them do not have adequate knowledge in dealing with gender issues hence needed more guidance on the same.

Sustainability and commercialization of MFIs

The results from the interview of the MFIs informants revealed that the although the original objective for the emergence of MFIs from the historical point of view was to serve the poor of the poorest, over time the trend has since changed to reflect the demands of current competitiveness in the market and sustainability issues. Due to the fast growth in the number of MFIs and the resultant stiff competition, the situation calls for all the MFIs to devise strategies in keeping with pursuing competitive advantage in order to meet the expenditures of the rising cost of operating business and to also maintain the stakeholders' confidences. The study learnt that commercialisation of the MFIs policies and objectives has taken priority over the focus of putting the interest of the poor first unless otherwise there are funds from a third party which must for that matter be clear in its expected targeting. In addition both the a national and international policy regulations and requirement for all the financial institutions, MFIs are also expected to build permanent reliable and sustainable capital base. According to the results of the interview, this is a challenge given that they are also expected to perform some social welfare services to reach out for the poor majority of whom are the women.

The Departmental resource availability

As long as WEF is still a unit within the Department of Gender and Social Development with most of its activities being implemented by the ministerial staff, then the state of affairs in as far as the level and quality of resources in that department is concerned, will always continue to influence the achievements of WEF objectives. Thus the increasing accessibility of financial services to the women must go hand in hand with the increased resource allocation to DGSS. During the interviews with the study got the information that the department is seriously deficient in the following: adequate funding, enough skilled officers, skills in financial and statistical management, transport facilities, information and communication equipment. Such inadequacies have had limited ability of the otherwise very active Gender Officers in activities like monitoring and evaluation of WEF programs to ensure optimum result delivery in ensuring improved access to the financial services.

CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

Factors related to the socio-cultural and economic status of women that had a bearing in reducing the accessibility were: low education, limited income levels, low access to information, unemployment large families with limited time for pursuing financial services from WEF. However the researcher is of the opinion that since the low status of the women is not their own creation but a socially and culturally constructed state, efforts should be made to help them out of being victims of the situation as culture is dynamic and can be overcome by coming up with better poverty targeting policies to capture the plight of the very poor women in accessing the financial services.

Quite a good number of WEF terms and conditions set for the women interested in taking the loans were cited as factors substantially contributing its limited accessibility by the target beneficiaries. Terms and conditions to access WEF mentioned by the respondents included the loan security to be paid by the women at the MFIs loan distribution channel, the complicated application forms to be filled and the long loan processing procedures at both the two loan distribution channels, the rate of interest, accounts opening and the inadequacy of the maximum amount loaned at constituency channel and the repayment. In the researcher's view, the main terms that need to be reviewed have to do with the processing period and the complicated application form. Other factors to be reviewed have to do with the WEF institutional, partnership arrangements, and the information and communication managements.

One of the factors mentioned as contributing to the limited access was the commercialization of the MFIs. In an effort to support sustainability of the MFIs the study findings conclude that the MFIs are more profit oriented businesses as opposed to poverty targeting. This has the ultimate consequence of placing less attention in targeting to serve the majority of the women who are poor and are thus potentially more costly to handle by virtue of the risks and vulnerabilities characterized by dealing with such class of clientele. There is therefore need to contract *community* based organizations that are less commercialized like faith based organizations.

The study adversely pointed out the inadequacies existing at the DGSS to be contributing heavily to the constraints limiting the accessibility of WEF by the majority of women. The factors associated with the Department of Gender and Social Development had mainly to do with limited and in some cases complete lack of the budgetary allocation for the necessary resources and activities. These resources include vehicles, office equipment and machineries such as computers, fax machines, internet facility, and office daily expenditures. Examples of activities include monitoring and evaluation, capacity building funds for staff and women, expertise in credit management. There is therefore need to address the resource availability at DGSS particularly at the grassroots very urgently.

The study also established that many of the access constraints in WEF for women are related to the broader general environment most of which are beyond the control of the actors of WEF. The general conditions that affected the access to WEF by the target group were grouped as Political, Economical, Social, Technological as well as the cultural (i.e. PESCTE) issues surrounding and interacting with environment upon which WEF and its

actors operate. The objective of this study was to explore only the constraining issues which are on the negative side therefore attention was not paid to mentioning the many positive contributions made by any of the WEF actors particularly the invaluable contributions already made by the DGSS in steering WEF and the empowering of the women to their current status. One of the main contributions made by DGSS is the formulation of gender equality policy and the strategic plan (The Republic of Kenya, 2006) for its implementation which enabled WEF to be established. Since that was out of the scope of the study. However suffice to briefly appreciate that at this juncture The Department of Gender and Social Development and WEF secretariat, the MFIs and the women as the beneficiaries have all done commendable roles in ensuring the funds allocated by the treasury is all loaned out to the women. The beneficiaries of the loaned fund are showing very promising responses in repayment of the loans. One interesting observation from the study is that most of the shortcomings that limit a reasonable number of the women accessing the Fund have their root causes from the general environment which the actors have very limited ability to manage. It is important to mention even though a number of women face are limited in terms of access to the WEF a lot of effort has been put by Ministry Of Gender and other key players which has gone a long way towards enabling women to access the WEF.

7.2 Recommendations

Role of Central Government

- The central government may consider making WEF a parastatal enabling it to operate like any other financial institution with less bureaucracy normally associated with civil service. The WEF secretariat human resource base need to be increased and the deployment of more WEF staff to the districts and provinces.
- The government treasury needs to allocate sufficient fund for the following:
- Raise levels of awareness on WEF so that more women can seek and apply for the fund training activities to capacity built the staff of the ministry,
- The MFIs staff and the Constituency women Enterprise Committee members to improve their competence in gender sensitivity and other social development aspects they are not be very familiar with,
- For monitoring and evaluation of the women's enterprises

Roles of Department of Gender and WEF

- The Department of Gender and Social Development need to be supported to establish an effective monitoring and evaluation system that will help them to monitor and evaluate the activities related to the fund.
- The Gender Department and WEF also need to synchronize their systems with those of the distributing channels to ensure effective and transparent business transactions of the Fund.
- There is urgent need to implement the education component of the Fund to make women aware of the Fund and its intentions.
- WEF should have continuous improvement process through research on the fund and adopt what is working and leave out what may not be working.

- WEF should adopt a participatory best practice manual that will show all actors participating and collaborating in WEF in performing their roles to build a team spirit in fighting poverty through improved access to the financial services
- There is need to reduce the loan processing to cut down on the opportunity cost borne by women while applying for and following up the loans receipts.
- There is need for WEF to seek for more autonomy from direct control of the civil service and manage its affairs professionally.
- There is need to improve the information and communication system to help give prompt feedback on the status of the women application for loans.
- WEF need to formulate clear policy guidelines to help target the poor women who are structurally excluded from accessing. There is also need to identify the various gender needs and work out strategies to improve, gender sensitivity within MFIs.
- WEF should refine its partnership relationship with its key stakeholders like the MFIs and come up with a more clearer role and the scope in the roles and responsibility of the stakeholders which takes care of not only the common purpose but also does not injure the individual policy of the other parties. Partnerships have to be made based on genuine and functional relationship models that deliver the required services to the people.
- At the constituency level there is need to diversify the WEF products into small, medium and larger loans in order to take care of the different categories of women at micro, small, medium and large enterprises
- WEF may need to embrace flexible repayment and grace period terms instead of standardized periods since situations differ. There are groups or /and individual women who are able and willing to take a shorter period to clear the repayments than is stipulated in the WEF guidelines. Equally there are projects that need a shorter grace period while others require longer grace periods.
- There is need for WEF to seek for alternative sources of fund and not rely on government alone.

Roles of the Micro Finance Institutions

The MFIs should create an enabling environment that would encourage the women to borrow the fund; they should mainstream the fund above other expensive loan. This will improve their business volumes as more women will be coming to seek for the services. They should try to comply with the terms and conditions of the fund since the fund has an aim of improving affordable credit access to the marginalized citizens – the women. They should actively market the fund in order to create the required awareness which is lacking according to the present study.

Roles of the Fund Beneficiaries

Women have the following roles; they should respond to any awareness created not only by WEF actors but by any other community development programs within their reach and take the earlier responsibility to take loans and invest it in viable economic activities. Secondly, the women should see it as their responsibility to invest the money effectively in order to generate income that they can use to improve their livelihoods. Thirdly, the women should take it as their responsibility to repay back the money on time so that others can also get access to the fund. Fourthly, women have a responsibility of promoting the fund among their

peers in order to make the fund famous and encouraging their peers to take advantage of the interest rates which seemed higher to the women but they acknowledged that it is far much lower than the commercial bank rates. It is important to be able to explain to clients, the women groups, that loan provision is a costly affair and that down the line somebody must pick up the bill. The current *policy* of cost-sharing between beneficiaries and tax payers is quite appropriate under the public good concept applied, but needs some modification with regards to its practice.

7.3 Recommendation for further research

The following related areas can be researched on to add up to the knowledge of what this study has achieved. First, there is a need to carry out a study on the successful public ran Micro Finance Institutions at least for best practice models. The findings will help in advising the government on a comprehensive approach on poverty eradication using the right targeting. Secondly, a research should be carried out to evaluate WEF policies and its objectives and find out the areas where the policy is in conflict with the actual recommendations and practices. The researcher would recommend a similar research with a bigger sample size over a longer duration (6 months) to be conducted.

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Appendix 1: SWOT ANALYSIS OF WOMEN ENTERPRISE FUND

STRENGTHS

Government's support through the parent ministry i.e. Ministry of Gender, Children and Social Development enables the Fund to support women all over the country.

1. Supportive and committed advisory Board with diverse expertise.
2. Few but qualified and committed staff who are able to drive the Fund into the future
3. Subsidized interest rate
4. Established distribution channels through intermediaries.
5. Existing organized and registered target groups
6. Low rate credit risk of the target group
7. High enterprising target group.
8. High demand for the product.
9. Target groups are more focused, committed and

WEAKNESSES

1. The loan limit of Kasha. 50,000 per group for the constituency channel is low
2. Reliance on "charity" i.e. ministry officials and Divisional Women Enterprise Committees.
3. Lack of proper structures for implementing the mandates e.g. inadequate ICT system.
4. Limiting legislation. The fund does not have legal independence thus relying on the ministry for some of its operations.
5. Lack of proper budgets from the grassroots for training and mobilization.
6. Overwhelming demand versus the available funds
7. Lack of enough staff especially in the field.
8. Low awareness especially in the rural areas.
9. Selection criteria of MFIs not very clear and is not inclusive.
10. Inadequate professional and technical staff.
11. Lack of product diversity.
12. Lack of insurance cover against natural calamities.
13. Lack of harmonized training curriculum.
14. Lack of monitoring and evaluation processes and system

OPPORTUNITIES

1. Political/government support (political goodwill).
2. Interest and demand for the funding by the women manifested through ongoing initiatives.
3. MDGs framework, vision 2030, gender policy in place and existing credit worthiness among women.
4. Low income levels among women.
5. Cultural value system which denies women access to property to act as collateral.
6. Existence of institutions e.g. JKUAT offering technological support and training for women enterprises.

7. Partnership between Indian government and KIE should be established for importation of machinery for women to access easily through WEF

OPPORTUNITIES

8. Establishment of MSE department in the ministry of labour that helps in marketing and workplace.
9. Establishment of District Business Solution Centers in millennium Districts.
10. Availability of organized women entities
11. Established financial institutions where groups can register to qualify for funding without collateral.
12. Women projects have a chance to undergo EIA through NEMA
13. AGOA partnership.

THREATS

1. Political interference from political leaders.
2. Political unrests.
3. Global financial meltdown and poor performance of the enterprises hence poor repayment.
4. High cost of doing business due to high cost of loan processing.
5. Conflicting policies by implementing partners.
6. Impact of HIV/AIDS leading to frequent collapse of enterprises and diversion of funds hence high rates of loan default.
7. High levels of illiteracy among rural women.
8. The fund does not have legal capacity to contract as it is established through legal notice and not an act of parliament.
9. Some of the enterprises that women engage in are detrimental to the environment e.g. charcoal trade, sand harvesting etc. and if such funded enterprises are closed down will lead to loan default.
10. The men fear empowered women make lead to increased gender based violence.
11. Competition from financial intermediaries.
12. Insecurity in the country.

Appendix 2: Thesis checklist for Focus Group Discussions.

- Level of Knowledge on WEF
- General experiences on the Fund
- Advantages/Benefits of WEF
- Challenges of WEF in access
- How they have approached the challenges faced by them and target group
- Opinion on causes of constraints in access to WEF
- Suggested ways of improving the delivery service for more access to WEF
- Comments on the roles played by the Department of Gender in access to
- Comments on the role of MFIs in relation to the constraints in access to WEF
- Comments on terms and conditions of WEF in relation to constraints
- Comments on the role of the general environmental impact in accessibility to WEF
- Comments on the socio economic status of women on the level of access to WEF
- Any other comments on access to WEF

Appendix 3: THESIS INTERVIEW GUIDE FOR MFIs

- Name of MFI
- Receipt of WEF
- Main focus of MFI as an Financial Institution
- Partnership contract with government on WEF
- Roles of MFI in facilitating access to WEF the women
- How marketing of the availability of WEF is handled.
- Information and communication system in place for the activities of WEF
- The level and the nature of demand for WEF
- Type of services given to WEF clients
- Criteria used in choosing the type of clients given WEF
- Procedure to be followed by the women when applying for WEF to the MFI
- Clients responses to the criteria used deliver the services to WEF
- Average period taken by MFI before the WEF client gets a service or feedback.
- Experiences in dealing with WEF clients
- Whether encountering gender issues and how they are handled
- Experiences in dealing with top management of WEF.
- Working relationship with the department of Gender and Social Services Office in Nakuru
- The effect WEF on MFI normal operations
- Comment on Women response to WEF and their constraints in accessing WEF
- Views on impact of WEF to the MFI
- conflicting issues on WEF and WFI demands and how they are handled
- Views on impact of general environment on MFI and WEF
- Opinion on how access to WEF by women may be improved
- The effect of general environment in the operations of MFI
- Any other comments and opinions on WEF
- Recommendations and Plans

Appendix 4: INTERVIEW GUIDE FOR KEY INFORMANTS

- General information/overview
- Mission, Objective, Activities,
- Structure of WEF
- Main Actors
- Financial Intermediary issues
- Partnership, coordination, and monitoring and evaluation activities
- Operation of WEF
- Resources-staffing, finances, facilities
- Skill Development/ Capacity building
- Progress of WEF
- Characteristic of clients
- Targeting of the expected clients
- Progress of WEF activities
- Challenges being faced by self
- Challenges faced by other stakeholders and suggestions for improvements
- Opinion on challenges faced by the clients in accessing the Financial Services by the
- Comments on impact of the conditions in the general environment accessibility to the WEF Fund by the women
- Sustainability issues. Other comments on recommendations for higher accessibility.

Appendix 5: Questionnaire for Individual entrepreneurs

1. Name of the respondent (optional)
2. Sex of the respondent.....
3. Age of the respondent.....
4. What is your marital status.....
5. Who is the head of your house hold?
6. What is the size of your household.....
7. What is your level of education.....
8. What are /is source of income?
Sources of income.....
9. Estimate level of income.....
10. Are you aware of existence of WEF?
11. Have you ever applied for WEF services or not?
12. Have you ever received any services from WEF?
13. What type of assistance received, if yes.....
14. What type of business are you engaged in.....
15. Have you opened an account for your business?
16. Have you ever received credit from WEF?
Who decides or controls how credit received is used?
17. Who decides how benefits from business proceeds from credit are used?
18. Do you own any property?
19. How do you spend your daily hours?
(Activity Profile)
20. What are your views on constraints associated with the terms and conditions of WEF concerning accessibility.....
21. What are your views on constraints associated with department of Gender and Social Services concerning access to WEF.....
22. What are your views on constraints associated with MFIs concerning access to WEF?
23. Comments on constraints associated with the general environment
24. Any other general comments on WEF.....
25. Suggestions for improvement in the accessibility to WEF.