Integrating Youth Entrepreneurs into Value Chains: Job Creation and Growth Opportunities

Kevin M. Doyle, General Manager – Program Design & Development
Equity Group

Operations (Branches, Agents, Mobile, Internet, ATMs, Points of Sale)

IT, Finance, Risk, Compliance, Human Resources, Legal
Banking the “Unbankable”

• Changed the banking model in SSA by removing barriers to banking
  – No fees, no minimum deposit, no minimum balances, just an ID to open an account
• Business model: high volume, low margin
Banking the “Unbankable”

• Agency model: bringing banking services even closer to your doorstep in rural areas and urban informal settlements
• 10,378 Agents in Kenya
• Total transactions on 6th May
  – 141,826 (YTD: 11,779,916)
  – Deposits: 85,876 valued@ $7.4m
  – Withdrawals 55,959@ $3.3m
  – Agency accounts for 36% of all banks transactions in volume
Equity Group Foundation

**Vision**

To champion the social and economic transformation of the people of Africa

**Mission**

We harness partnerships and leverage infrastructure to implement innovative, scalable and sustainable initiatives that transform lives and livelihoods
Innovation & Entrepreneurship

Financial Education

Empower women and youth with knowledge and skills to improve financial capability and inclusion

Support formalization to accelerate growth of SME and incubate new businesses

Provide access to high-quality & affordable health services & financing

Support improvements in agriculture production and facilitate access to credit and markets for smallholder and medium size farmers

Promote sustainable environmental management and support renewable energy, and water conservation

Provide access to education through scholarships, leadership, and mentorship

Empower women and youth with knowledge and skills to improve financial capability and inclusion
Entrepreneurship Training

• ILO’s *Start & Improve Your Business* Curriculum
• Modules in Marketing, Stock Control, Record Keeping, Business Planning, Costing, Managing Cash Flow, Managing of Employees, and Managing Family Interference
• Training course followed by mentoring: one-on-one with trainer; peer mentoring
• **11,500+** women and youth entrepreneurs trained and mentored in Kenya
  – >2–3 jobs created per enterprise trained to date!
Theory of Change

Impact

Improved Livelihood

Improved / Increased;
- Incomes, Sales, employment

Outcome

Adopting effective small business management practices.
Keeping records, better management of creditors, debtors, & loans,
Development of simple business plans, Costing and competitive pricing of products,

Change in Knowledge, Skills & Business Attitude

Informed with relevant business management and environment related information.

Output

Training in Record keeping, marketing, business planning, costing, stock control, buying and people and productivity.

One on one and business improvement group mentoring

Business tips and advice is disseminated

Input

EEP Practical business management skills training

EEP In- business mentoring and training

EEP-Business advice through multimedia

Intervention

SIYB TOT, training material, Training, Funds, IT Platform developers
Entrepreneurship Training

• Why: The micro and small enterprise (MSE) sector in Kenya employs about 7.5 million Kenyans or 80 per cent of the country's total employment and contributes 20% of the Gross Domestic Product (GDP).

• EGF focuses on developing skills, knowledge and attitudes prerequisite to adopting effective small business management practices
### Mid-term results of EGF’s Entrepreneurship Programme

<table>
<thead>
<tr>
<th>Category</th>
<th>Before Training</th>
<th>Post Training</th>
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<tbody>
<tr>
<td>% of Micro and Small Enterprises (MSEs) keeping records</td>
<td>12%</td>
<td>83%</td>
</tr>
<tr>
<td>% of MSEs practicing very good or excellent bookkeeping</td>
<td>12%</td>
<td>83%</td>
</tr>
<tr>
<td>% of MSEs practicing very good or excellent marketing</td>
<td>13%</td>
<td>90%</td>
</tr>
<tr>
<td>% of MSEs practicing very good or excellent stock taking</td>
<td>13%</td>
<td>85%</td>
</tr>
<tr>
<td>Total no of employees amongst the MSEs</td>
<td>830</td>
<td>948</td>
</tr>
<tr>
<td>Average number of employees per MSE</td>
<td>1.38</td>
<td>2.33</td>
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<tr>
<td>Taken loans after the training</td>
<td>22%</td>
<td>52%</td>
</tr>
<tr>
<td>Taken loans from a bank (versus micro-finance institution)</td>
<td>30%</td>
<td>91%</td>
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*Results to date compiled from Mid-Term Evaluation conducted by Agile Consultants, June 2012. EGF will be conducting a full outcome and impact evaluation of the programme in mid-2014.*
Equity Bank - Tanzania

• Participated in TOT in ILO’s SIYB and “Get Ahead”
• Bank funded pilot targeting 300 marginalized women entrepreneurs in Dar es Salaam, Mwanza and Arusha
• ~50% took loans after training (*Fanikisha*)
  – From 20k Tsh to 3m Tsh @ 1.67-2% interest rate
• ~50% felt need to re-organize their biz plans before proceeding
Equity Business Clubs

• Mentorship amongst women entrepreneurs (all Bank customers) from different levels
  – (Micro/MSEs/SMEs/Corporate)

• A source of business information and experience sharing

• Networking (potential value-chain linkages)