

Kenya Jua Kali Voucher Program for Training

Summary:

Kenya Jua Kali (micro and small entrepreneurs) Voucher Program aimed to empower micro and small entrepreneurs with the capacity to buy the training in the open market. It was implemented with funding from IDA.

Objectives:

- To provide skills and technology upgrading for about 25,000 informal sector manufacturing workers;
- To increase the access of informal sector entrepreneurs to services; and
- To improve the policy and institutional environment by removing restrictive laws and policies.

Key Stakeholders:

- Kenya Micro and Small Enterprise Training and Technology Project (MSETTP)
- Ministry of Research, Technical Training and Technology (MRTT&T)
- The World Bank
- Micro and Small Entrepreneurs

Implementation strategy:

The program targeted established entrepreneurs and employees, rather than new entrants to the sector, to assist enterprises with the most potential for growth and employment generation. Other key stakeholders in the programmes were:

- Intermediaries such as allocation agencies who were responsible for marketing, allocating and redeeming vouchers in a decentralised manner. Allocation agencies received a fee equal to three per cent of the value of vouchers issued
- Training providers

The pilot program intended to check the voucher program's effects and test designs to develop effective strategies for a full voucher program. **Salient features of the pilot voucher program were:**

- The pilot was conducted in Nairobi and Machakos;
- The pilot was restricted to general business management and five trades: wood-working, metal-working, food-processing, textiles and motor mechanics;
- Both Jua Kali Associations and NGOs (two of each) were used as allocation agencies for vouchers to test their comparative advantages;
- Under the Project Coordination Office's (PCO's) supervision two special working groups conducted a miniature training needs assessment; this provided guidance on the skills offered in the pilot and compile a directory of training providers eligible for the pilot to facilitate informed choice by beneficiaries;
- The PCO designed the voucher and developed relevant documents describing the pilot voucher program and manuals for each actor for marketing and publicity (Yoon, 1999)

Resource Utilisation:

The Voucher Program is a key component of the Kenya Micro and Small Enterprise Training and Technology Project financed by the World Bank.

Impact/ Outcomes:

Studies indicate that using a voucher mechanism helped stimulate demand for training, technology, and management and marketing consultation among micro and small enterprises in Kenya (Johanson, 2004).

Challenges/ Lessons Learnt:

- Stakeholder involvement in design and implementation was crucial;
- Severe capacity constraints, especially in human resources and infrastructure, were detected (Yoon, 1999)

Replicability & Sustainability:

Stakeholder's ownership of the project through the participatory decision making and transparent process helped sustain the voucher program—continued consultation throughout the project even helped make flexible adjustments to the program. (Yoon, 1999)

Fact Sheet:

Thematic area	Skill Development
First-year of the program	1994
Responsible institutions	MSETTP
Target audience	Students under Skill Development Exercises
Coverage	Nairobi and Machakos (Kenya)