ITC / ECOLOGISTS WITHOUT BORDERS (EWB) **PROJECT CONCEPT NOTE** EMPOWER – Enterprise and Market Pathways for Women's Economic Resilience	**CONCEPT NOTE FOR EU/DEVCO CONSIDERATION** July 2025

Project Title	EMPOWER – Enterprise and Market Pathways for Women's Economic Resilience
Proposed Duration	48 months (January 2026 – December 2029)
Geographic Coverage	Kenya: Nairobi, Mombasa, Kisumu, Nakuru, and Meru Counties
Implementing Agency	International Trade Centre (ITC) / Ecologists Without Borders (EWB)
Proposed Donor	European Union / Directorate-General for International Partnerships (DEVCO)
Indicative Budget	EUR 5,500,000 (EU: EUR 4,400,000 | ITC/EWB Co-financing: EUR 1,100,000)
Primary Beneficiaries	Women-led micro, small, and medium enterprises (MSMEs) in agro-processing and light manufacturing
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1. PROBLEM STATEMENT AND DEVELOPMENT CONTEXT

Kenya's economy is one of the most dynamic in Sub-Saharan Africa, yet deep structural inequalities persist in the distribution of economic opportunity. Women constitute 51% of the population and contribute an estimated 60% of agricultural labour, yet they own only 1% of registered land and access less than 10% of formal credit. The gender gap in enterprise productivity — the difference in revenue per worker between male-led and female-led firms — stands at 34%, driven not by differences in effort or ambition, but by differential access to finance, markets, technology, and business support services.

The agro-processing and light manufacturing sectors, where the majority of women-led MSMEs are concentrated, are characterised by low productivity, limited value addition, and weak integration into formal value chains. A 2024 Kenya National Bureau of Statistics (KNBS) survey found that 68% of women-led enterprises in these sectors operate informally, with no business registration, no access to bank accounts, and no connection to formal buyers. The result is a persistent poverty trap: women work long hours for minimal returns, with no pathway to growth.

Development Objective: To accelerate the economic empowerment of women entrepreneurs in Kenya's agro-processing and light manufacturing sectors by closing the productivity, finance, and market access gaps that constrain their growth.

The EMPOWER programme responds directly to Kenya's Vision 2030, the Big Four Agenda (specifically the manufacturing pillar), and the EU's Gender Action Plan III (GAP III), which commits the EU to ensuring that 85% of new actions contribute to gender equality. It also aligns with SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities).

2. PROPOSED INTERVENTION AND THEORY OF CHANGE

2.1 Theory of Change

The EMPOWER programme is built on a three-pillar Theory of Change:

Pillar	Intervention Logic	Expected Change
PILLAR 1 Capacity & Productivity	Deliver structured BDS training, mentorship, and access to shared production infrastructure to 2,000 women-led enterprises across 5 counties.	Women entrepreneurs operate more productive, profitable, and resilient enterprises with formalised business practices.
PILLAR 2 Finance & Investment	Establish a Women's Enterprise Credit Guarantee Scheme in partnership with 3 commercial banks, de-risking lending to women-led MSMEs.	Women entrepreneurs access affordable formal credit, invest in growth, and break the informal economy trap.
PILLAR 3 Market Access & Trade	Facilitate linkages between women-led enterprises and formal buyers, export markets, and government procurement systems.	Women-led enterprises are integrated into formal value chains, achieving sustainable revenue growth and job creation.

2.2 Key Result Areas and Activities

Result Area	Key Output	Key Activities
RA1: Enterprise Capacity	2,000 women-led MSMEs receive structured BDS	Business skills training; mentorship; shared production hubs in Kisumu and Meru
RA1: Enterprise Capacity	5 Women's Business Acceleration Hubs established	Hub construction/renovation; equipment procurement; hub management training
RA2: Finance Access	Women's Credit Guarantee Scheme operational	Bank partnership negotiations; scheme design; guarantee fund capitalisation
RA2: Finance Access	1,200 women entrepreneurs access formal credit	Financial literacy training; loan application support; credit bureau registration
RA3: Market Linkages	500 formal off-take agreements signed	Buyer-seller matchmaking events; contract negotiation support; quality certification
RA3: Market Linkages	200 enterprises export to regional markets	Export readiness training; EAC standards compliance; trade fair participation

3. TARGET BENEFICIARIES AND GEOGRAPHIC FOCUS

The EMPOWER programme will directly target 2,000 women-led MSMEs in the agro-processing (food production, packaging, and processing) and light manufacturing (textiles, crafts, and household goods) sectors. Indirect beneficiaries include approximately 12,000 household members of direct beneficiaries, 8,000 smallholder farmers supplying raw materials to EMPOWER enterprises, and an estimated 3,500 employees of EMPOWER-supported enterprises.

County	Target Enterprises	Key Sector Focus	Rationale
Nairobi	400	Food processing, textiles	Largest urban market; strong buyer ecosystem; export gateway
Mombasa	350	Food processing, crafts	Port access; tourism market; EAC trade corridor

Kisumu	400	Agro-processing, fish value chain	High poverty; strong women's groups; Lake Victoria value chains
Nakuru	400	Dairy, horticulture processing	Agricultural heartland; strong cooperative movement
Meru	450	Miraa, horticulture, honey	High female entrepreneurship; underserved by existing programmes

4. EXPECTED RESULTS AND KEY PERFORMANCE INDICATORS

Indicator	Baseline	End-of-Project Target	SDG Alignment
# women-led MSMEs receiving BDS	0	2,000	SDG 5.b, 8.3
% increase in revenue among supported enterprises	0%	≥30% average increase	SDG 8.1
# women entrepreneurs accessing formal credit	0	1,200	SDG 5.a, 8.10
# formal off-take agreements facilitated	0	500	SDG 8.3, 17.16
# direct jobs created	0	4,000 (≥70% women)	SDG 8.5
# enterprises exporting to regional markets	0	200	SDG 8.a, 17.11
% of beneficiaries reporting improved livelihoods	N/A	≥75%	SDG 1.2, 5.4

5. INDICATIVE BUDGET

Budget Component	Amount (EUR)	% of Total
1. Human Resources (ITC/EWB staff and national experts)	1,650,000	30.0%
2. Enterprise Development and Training Activities	1,375,000	25.0%
3. Women's Credit Guarantee Scheme Capitalisation	1,100,000	20.0%
4. Infrastructure (Hub establishment and equipment)	770,000	14.0%
5. Communications, Visibility, and Knowledge Management	220,000	4.0%
6. Indirect Costs (7%)	385,000	7.0%
TOTAL	5,500,000	100%

6. IMPLEMENTATION ARRANGEMENTS AND PARTNERSHIPS

ITC will serve as the lead implementing agency, responsible for overall programme management, fiduciary oversight, and reporting to the EU. Ecologists Without Borders (EWB) will co-implement Result Area 3 (Market Linkages and Trade), leveraging its Green Enterprise Network and sustainable trade expertise. Key national partners include the Kenya Association of Manufacturers (KAM), the Kenya Women Business Association (KWBA), the Kenya Industrial Estates (KIE), and the Women Enterprise Fund (WEF).

A Programme Steering Committee (PSC) will be established, co-chaired by the Ministry of Industrialisation, Trade and Enterprise Development (MITED) and ITC, with representation from the EU Delegation, EWB, national partners, and civil society. The PSC will meet quarterly to review progress, approve work plans, and provide strategic guidance.

7. RISK ANALYSIS

Risk	Likelihood	Impact	Mitigation
Commercial banks unwilling to participate in credit guarantee scheme	MEDIUM	HIGH	Engage Bank of Kenya and Kenya Bankers Association early; offer technical assistance to participating banks; design scheme to minimise bank risk exposure.
Political instability affecting programme operations in target counties	LOW	HIGH	Conflict-sensitive programming approach; flexible implementation modalities; contingency budget of 5%.
Low uptake of BDS training due to competing time demands on women	MEDIUM	MEDIUM	Flexible scheduling; mobile training delivery; childcare support at training venues; peer learning groups.
Currency fluctuation increasing programme costs	MEDIUM	LOW	Quarterly budget reviews; maintain 10% contingency reserve; negotiate multi-year contracts in EUR.