

*Understanding the Kenya
Independent Schools Sector*

**Study of the Kenya Independent
Schools Association (KISA)**

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1.0. EXECUTIVE SUMMARY

In several developing countries around the world, privately owned affordable (independent) schools continue to grow as an alternative to government (public) schools, primarily for low-income families. Specifically in Kenya, estimates show that over 5,000 independent schools exist. Primarily concentrated in the urban slum areas, these schools cater to over 500,000 students a year.

Students attending these schools, often HIV / AIDS orphan children, receive quality education at all educational levels. In most cases, independent schools offer a lower student teacher ratio, better facilities and extra-curricular activities when compared to the public schools. However, managing and operating these schools does not come without its challenges to the owners and teachers. In order to address these challenges, in Kenya several independent school directors established the Kenya Independent Schools Association (KISA) in 1999, as a mechanism for schools to work together to address and overcome the challenges they faced.

The Gray Matters Capital Foundation (GMC) is interested in developing opportunities for independent schools in Kenya to enhance the access and quality of affordable education to the poor. Specifically, GMC is interested in investing in Management Resources, Educational Infrastructure and Transparency. GMC would like to identify potential ways it can partner with KISA in order to enhance the independent school sector.

Thus, in May 2008, GMC commissioned a consultant in Kenya to conduct research in order to better understand the value KISA brings to its members. Therefore, the purpose of this report is to detail the key findings from KISA and the independent schools sector review. Key findings detailed in the report are based on data gathered through two primary research methods: interviews / discussions and surveys. Key findings in the report are summarized into three areas: review of Kenya education policy and environment, observations of selected KISA members and review of KISA.

The education policy and environment in Kenya is dynamic and is changing to be able to provide education to all Kenyan children. The Kenyan Ministry of Education (MoE) is playing an active role in the development of the sector. In addition to the development of a Kenyan National Curriculum, the MoE has recently introduced free primary and secondary education policies. However, the public schools continue to be challenged with curriculum delivery. Specifically schools charge high fees for

textbooks, materials and uniforms; have a large number of students in one classroom (up to 100 students per class); have an insufficient number of schools (1 school in a 5 kilometer radius); have limited facilities and minimal extra-curricular activities.

Based on observations and 16 school visits, many KISA schools are better placed to offer quality education when compared to public schools. First, in independent schools, fees range from KES 200 to KES 1400 (USD 4 to USD 7) per month. Additional costs such as books, uniforms and materials are a one time cost per year as opposed to public schools where children purchase items each term. Furthermore, public schools often turn children away if they do not come with textbooks or uniforms but this does not happen in independent schools. Second, independent school class sizes range from 25 to 45 students per class. Third, independent schools are abundant in low-income areas, often with 5 to 6 schools within a 3-kilometer range.

Additionally, individuals with previous teaching backgrounds manage almost half of the independent schools visited. Fifty percent of the independent schoolteachers were government trained and possessed previous teaching experience. Together, management and teaching staff focus on quality education and the child's needs. However, independent schools do face challenges such as teacher turnover, limited facilities, limited financing for infrastructure and limited awareness from both the government and parents.

Despite this, the independent schools will continue to play a large role in the education sector in Kenya. By providing low-cost affordable quality education, low-income families, particularly in the urban slum areas, will rely on the independent schools for continued quality education of their children. Although the government does not currently formally recognize independent schools, through the continued work of KISA and others, policies will be enacted in the near future to provide recognition and benefits (e.g. primary education fund, textbooks) to the independent schools. This will allow the independent schools to maintain their advantage over public schools.

Over the past ten years, KISA has played an active role in the independent schools sector promoting education and the rights of poor children. Advocacy is only one example of services KISA currently offers its members. Other services include scholarships for needy children and networking / collaboration activities. The growth of services has been slow due to limited financial and human

resources. This has resulted in minimal operations, processes and staff within KISA. However, KISA has developed a membership base of over 1,115 members (340 of which are in the Nairobi area).

As the needs of the KISA members and the independent schools sector grows, so to does the KISA mandate. Governed by a Board of Directors, a dynamic Chairman and three dedicated staff members, KISA anticipates growing quickly in 2008. Specifically, KISA hopes to increase its offering of scholarships to subsidized students and training to its members (for school managers and teachers). To facilitate this growth, selected KISA leaders have developed a five-year strategic plan and budgets. KISA intends to dedicate over USD 572,000 (6 times its 2007 expenditures) to building program areas and staff. Membership dues and donor funding have been targeted to fund this growth.

Given this, key areas have been identified where GMC can partner with KISA. The first area is to support a strategic planning review which will result in the discussion and final adoption of the strategic plan by Board members, school members and staff. Once the strategic plan is adopted by all, key program areas, as prioritized in the plan, will be implemented. These program areas could include a Quality Assurance component to develop and maintain quality education standards for members, a Capacity Building and Training component to address the training needs of member's management and teacher teams, and a Financial Transparency component that would work with KISA members to promote accounting practices and standards for the independent schools sector thereby allowing entrepreneurs to fund expansion and renovations.

An important area for ongoing support is organizational development to build KISA's internal operations, processes and staff. Resources should be dedicated to help KISA develop key organizational capacities and advise KISA leadership on the best ways to ensure KISA's sustainable growth.

2.0. BACKGROUND / INFORMATION

In Asia, Africa and Latin America, low-income families continue to turn to privately-owned affordable schools as an alternative to the deteriorating public school system. Specifically, in Kenya, it is estimated that over 5,000 privately-owned affordable "independent" schools exist. A majority of these schools are located in "urban unplanned informal settlements" or "slum" areas.

These independent schools seek to provide children in the urban slum areas with a holistic education. In addition to providing basic education at all levels, these schools promote children's rights to access supplemental education material, food, shelter (for HIV / AIDS orphan children) and healthcare. However, providing these services does not come without challenges to the school, the school owners (educational entrepreneurs) and administration (directors and teachers).

In 1999, the Kenya Independent Schools Association (KISA) was established to address the challenges faced by educational entrepreneurs. KISA's mission is "to empower communities to engage the Government of Kenya and other stakeholders to pursue policies and actions that promote the access of all children in informal settlements to a holistic quality education." With over 1,115 members in Kenya, KISA aims to provide its members, their teachers and students with training and advocacy programs to fulfill its mission.

3.0. CONSULTANCY / REPORT OBJECTIVE

The Gray Matters Capital Foundation (GMC) is interested in developing opportunities for independent schools to enhance the access and quality of affordable education to the poor in Kenya through support for Management Resources, Educational Infrastructure and Transparency. KISA plays an active role in the development of the independent school sector in Kenya and has begun to emerge as a leader in the industry.

GMC is interested in ways it can partner with KISA in order to enhance the independent school sector. Therefore, GMC commissioned a consultant in Kenya to conduct research in order to better understand the value KISA brings to its members. The primary focus of the consultancy was to identify the strengths and weaknesses of KISA in order to make recommendations for technical assistance or other interventions. The secondary focus of the consultancy was to gain a general understanding of affordable schools served by KISA. Therefore, the purpose of this report is to detail the key findings from the review of KISA, its members and preliminary information regarding the education sector in Kenya.

4.0. PROJECT METHODOLOGY

In order to collect data in all areas, two primary research methods were employed by the consultant: interviews and surveys. First, interviews were conducted with various individuals and institutions. The objective of the interviews was to gather first hand information about the education sector in

Kenya (specifically the independent schools sector), KISA and KISA members. The following interviews were conducted:

1. KISA Leadership: Board Chairman – George Mikwa and Secretary – Fanuel Okwaro
2. KISA Staff: Program and Finance Manager – James Angonye and Scholarship Coordinator – Dunkin
3. KISA Members – 16 members in the following Nairobi urban slum areas:
 - Kayole (2 members)
 - Mukuru (3 members)
 - Dandora (2 members)
 - Kibera (4 members)
 - Mathare (5 members)
4. Stakeholder: IFC, Fund Manager SME Africa – Eme Essien
5. Government: Ministry of Education – no response to meeting request
6. Stakeholder: Equity Bank, Project Manager Education Entrepreneur Loan Program – Henry Kagora – no response to meeting request

In addition to interviews, questionnaires were distributed and collected from the 16 schools mentioned above in order to capture preliminary data regarding these independent schools.

5.0. KEY FINDINGS

Based on initial research (interviews and questionnaires) the following illustrates preliminary findings regarding the education sector in Kenya, KISA and its members.

5.1 KENYA EDUCATION POLICIES AND ENVIRONMENT

Key findings regarding education policies result from interviews and discussions with KISA members, non-members and stakeholders.

Currently, the government of Kenya promotes free primary school education (FPE) for all Kenyan students in all public schools. Although primary education is free in most cases there are challenges to accessing this education. FPE does not include the reoccurring cost of mandatory new uniforms, books and materials that low-income families incur multiple times in a year. Additionally, in some cases, the quality of education in government schools can be very poor. For example, the student to teacher ratio

can range from 25 to 100 students per teacher. Also, the numbers of schools are insufficient to serve the student population in an area – it is estimated that in urban slum areas often one public school exists to serve 10,000 students in an immediate 5km radius. Therefore, many low-income families, particularly in urban slum areas, are turning to affordable private schools for student’s primary education.

Independent schools in Kenya are estimated to serve over 500,000 students in urban slum areas. Often these schools are located on small plots in the urban slum areas with limited space for students. Parents pay a fee on a monthly basis ranging from KES 200 (USD 4) to KES 1400 (USD 22) plus the cost of books and uniforms (annually). Most schools are able to collect a majority of the fee. However, a large number of schools cater to HIV / AIDS orphan children from whom the fees are subsidized. Students in these schools follow the government developed Kenyan National Curriculum (KNC). Class sizes range from 25 to 45 students per teacher.

The current education policy in Kenya recognizes both public and private schools and not independent schools. When comparing independent schools to the government defined public and private schools, independent schools do not meet the certain criteria such as land requirements. Thus as a result of this lack of recognition by the government, independent schools and their children often do not benefit from funding and other programs provided by the MoE. Further complicating matters, the MoE has recently announced a free secondary school policy threatening the current enrollment at independent secondary schools. Although, is unclear when the free secondary school policy will go into effect. Ultimately, KISA and the MoE are working to formally recognize the independent school sector so that these schools can benefit from government policies.

5.3 KISA MEMBERS

Key findings regarding KISA’s members result from observations from field visits, surveys distributed and interviews / discussions with selected KISA members.

Background Information: A majority of KISA’s members have schools located in the urban slum areas of Kenya. As mentioned earlier it is estimated that KISA’s 1,115 members educate over 500,000 students in Kenya. Interestingly, a large number of children living in the urban slum areas of Kenya, are HIV / AIDS orphans. Therefore, many of these schools subsidize their fees for these students as well as offer additional services such as housing and feeding programs.

Curriculum Offering: All KISA member schools offer the KNC. However, schools vary in their level of education offering. A majority of schools offer primary education and some have both pre-primary and secondary classes. The total number of students at each school ranged from 180 to over 400 students. Therefore, on average it was estimated that the student to teacher ratio in the schools visited varied from 25 to 45 students per teacher.

Directors / Staff Experience: Of 16 members visited, approx 50% of School Owners / Directors possessed an education background and previous educational experience. Similarly, 50% of teachers were trained in the government teacher's colleges and had at least three years previous teaching experience. The remaining teachers were high school graduates.

Facilities: A majority of schools visited used rented land to build their schools. Generally, schools were built with semi-permanent materials with iron sheet roofs. All schools had pit lantern toilets. In most cases, there was one facility for males and one for females (few schools had separate toilets for teachers and students). Additionally, a majority of schools had limited textbooks, infrastructure (benches / chairs), teaching aides, libraries, labs, playgrounds, staff rooms and electricity for students. A few schools had taken loans from financial institutions for expansion; a majority had used profits or donations to renovation and improvements. Lastly, a majority of schools did not have school transportation.

Independent School Challenges: As mentioned earlier, KISA members voiced several challenges that they are currently facing in running their schools. First, all school leaders noted funding was a large challenge. Specifically, leaders noted funding was needed for three key areas: scholarships and funding for subsidized students, funding for infrastructure improvements and funding to procure food for student feeding programs.

Second, members noted teacher turnover was a large challenge. Specifically, members noted that once government trained teachers gained a few years of experience in the independent schools, they would leave for the government schools that offer higher salaries and pension plans. Additionally, participants noted that teachers with no experience are more likely to remain at the schools however; these teachers need training that is very costly for the schools.

Third, members cited procurement of food and materials was very expensive, particularly given the rise in food prices. Specifically, members found procuring textbooks, classroom aids and other materials expensive for schools to procure in small quantities.

Lastly, members felt there was a need to create awareness amongst the government for the independent schools. Many schools have recently registered as community based organizations. However, local authorities, particularly the tax authorities, often insist schools must pay taxes since they are collecting fees. Members felt that independent schools should receive formal recognition from the government in order to receive benefits such as free primary education funds and tax-exempt status.

5.3 KISA

KISA was first established in 1999, as the as the Kenya Non-formal Schools Association by several independent school directors in the urban slum areas of greater Nairobi. At that time, non-formal schools were defined as schools that did not follow any particular curriculum. Since independent schools were following the KNC, the KENSA Board of Directors decided in 2006 to transform KENSA into KISA. KISA was then registered with the Attorney General as an Association.

Today, KISA leadership estimates its membership to include over 1,115 independent schools in 8 provinces of Kenya. Governed by a Board of Directors (with 10 members), KISA provides is members with advocacy and scholarship programs. Programs are run by two full-time and one part-time staff member as well as university interns.

5.3.1 KISA Strengths and Weaknesses

The following table summarizes KISA’s organizational strengths and weaknesses.

<i>STRENGTHS</i>	<i>WEAKNESSES</i>
Membership - Strong membership base comprised of active and experienced members	Membership – Limited KISA presence in areas such as Central, Eastern and North Eastern province of Kenya (barrier to becoming a national association)
Financial Health – Working towards completing audit of 2007 financial statements	Membership – No official membership records exist including member database and membership applications
Financial Health – Developed Finance	Membership – On-going monitoring,

Operations Manual and working to implement manual in 2007	evaluation and assessments are not completed with members or of member needs
Financial Health – Financial systems in place such as QuickBooks	Financial Health – Limited financial resources and income
<i>STRENGTHS</i>	<i>WEAKNESSES</i>
Reputation / Position – Positive image amongst members	Financial Health – No official records of membership dues paid
Reputation – Strong ties with the Ministry of Education allows KISA to address sector’s advocacy issues	Financial Health – Limited detail and accounting procedures for expenditure and income reporting
	Reputation / Position – other strong associations serving independent schools in areas where KISA has limited presence – e.g. association serving schools in Central, Eastern and North Eastern provinces
Leadership – Strong leadership team, specifically Board of Directors (significant experience in running independent schools). Directors are active and committed to KISA	Leadership – All KISA activities and growth depend on drive from KISA leadership (barrier to operational sustainability)
	Human Resources – Limited human resources to execute KISA activities and operations
	Organizational Development – KISA office and infrastructure is very limited (e.g. office space is small and does not accommodate staff. Also, limited assets are available (e.g. computers, desks, etc.)
	Organizational Development – Limited operational procedures, systems and activities. Member activities are conducted on an ad-hoc basis.

The following key findings about KISA focus mainly in five areas: membership, financial health, reputation / position, leadership and education quality assurance.

Membership: Key findings regarding KISA’s membership services result from a review of membership services documents available and interviews with selected KISA members. It should be noted, that several documents were unavailable due a virus that destroyed KISA leadership’s computer.

KISA’s members represent various independent schools in Kenya, particularly in the urban slum areas. As mentioned earlier, KISA leadership estimate that over 1,115 independent schools in Kenya are

members of KISA. However, that the consultant was unable to review official documents or member records. Additionally, the consultant was only been able to obtain a membership list of over 340 members in Nairobi.

In order to become a KISA member, the independent school director completes a membership application form. Applicants are not accepted based on membership criteria, rather, applicants are accepted based on results from a school visit conducted by the Chairman and approval of the Board of Directors.

KISA leadership indicated that members meet once a year. The last official Annual General Body Meeting (AGM) was held in 2006, an informal meeting was held in 2007 and an official meeting is planned for 2008. However, again no documentation exists. Interestingly, a strategic plan was developed in 2007 with select member and leadership input. KISA leadership indicated it hoped to share this document with all its members at the 2008 AGM.

When speaking with current members, members noted advocacy and networking as benefits of KISA. Specifically, members noted the reduction of the national primary examination school fee, development of independent schools policy and other events as key advocacy initiatives carried out by KISA. Additionally, members noted networking opportunities through AGMs to be very beneficial. Members believed it provided them with the opportunity to discuss common challenges faced and possible solutions.

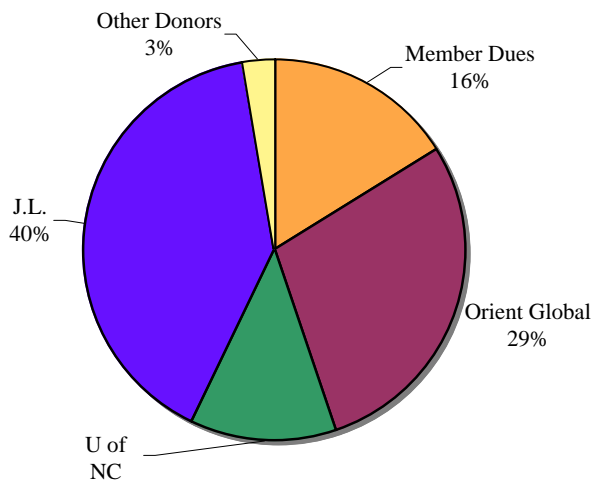
Finally, current members indicated KISA should consider providing the following member services:

- Funding and financial assistance - for student scholarships, school feeding programs and expansion / renovation of facilities
- Training - for new teachers and school managers
- Advocacy - for recognition by the government of the sector and equal participation in sector as well as advocacy with parents to understand value of education
- Networking / Collaboration – for exchange of ideas, best practices and sector challenges

Financial Health: Key findings regarding KISA's financial health result from a review of un-audited financial statements for 2007, preliminary organizational budgets for 2008 and various funding proposals.

Currently, KISA has limited financial processes and controls in place to manage its minimal funding and expenditures. Although KISA hopes to hire a full-time accounting / finance manager, currently, accounts are currently managed by a part-time consultant. Similarly, KISA hopes to complete its first financial audit in 2008 (to be shared with donors as part of an annual report). Quick Books and Microsoft Excel are the two main systems used to manage its finances. Lastly, in the past few months a financial operations manual was developed and will be implemented in the upcoming year.

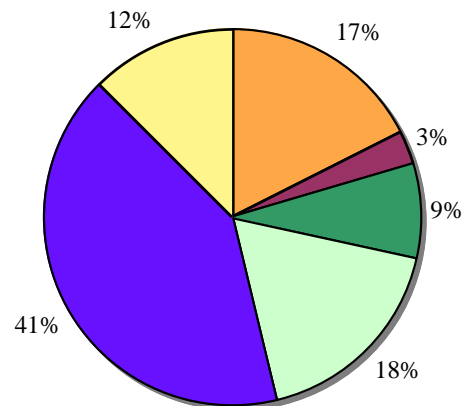
KISA 2007 Income



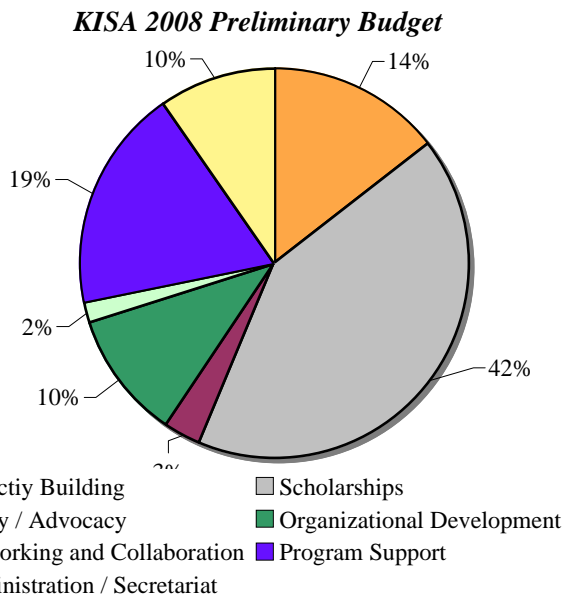
KISA's income is generated from two main sources: membership dues and donor funding. In 2007, KISA's income totaled approximately US 75K. Membership dues accounted for 16% of KISA's income in 2007. Dues range from KES 200 to KES 400 (USD 3 to USD 6) per school per term. 84% of income was generated through donors.

KISA expenditures in 2007, totaled approx. USD 72K. Program Support resulted in 41% of expenditures with the remaining expenditures distributed amongst various programs such as capacity building and advocacy.

KISA 2007 Expenditures



- Capacity Building
- Organizational Development
- Programme Support
- Policy / Advocacy
- Networking and Collaboration
- Administration / Secretariat



A preliminary budget for 2008 has been developed for a total of USD 572K (six times its total expenditures in 2007). A large portion of the 2008 budget will be utilized to administer scholarships for the Paul Norman Foundation and Orient Global. Additional funding for non-scholarship activities for 2008 will be generated from membership dues, GMC, Center of International Enterprise, Heritage Foundation and others.

Reputation / Position: Key findings regarding KISA’s reputation and position result from interviews and discussions with members, non-members and stakeholders.

KISA has a strong reputation amongst its members and with certain members of the MoE. However, non-members vary in their perception of KISA. Some non-members view KISA favorably and believe it is benefiting the industry, while others view it unfavorably because they are not invited to be members. Based on information received from KISA leadership, KISA has a strong presence in Nairobi, Western, Coast and Northeastern provinces of Kenya. Many small competing associations exist in these same areas. The association NACOSA is the largest. KISA should explore opportunities to collaborate with these other associations.

Leadership: Key findings regarding KISA’s leadership result from interviews and discussions with members and leadership.

A Board of Directors that is comprised of 10 school directors who are elected every five years governs KISA. The KISA Constitution outlines the duties of each Board Member particularly, the Chairman, Secretary and Treasurer. Other than the KISA Constitution, no documentation exists such as Board Meeting Minutes or a Board Manual.

KISA's day-to-day activities are lead by, a very dynamic individual and the Chairman, George Mikwa. George has approximately 10 years of education experience and is very passionate about independent schools. George brings experience and the desire to grow KISA and is particularly skilled at networking and advocacy with the government and donors. Although George's term as Chairman expires this year (after serving in the position for 9 years), the Board has requested that he move into the CEO position. However, it is unclear when the transition will take place.

In order to support George in the execution of the KISA's activities, a part-time consultant has been hired as the Program Manager, James Angoye. James has previous operational and process experience with non-governmental organizations particularly in capacity building.

Two other full-time staff members have recently been hired to work on the Scholarship Program for the Paul Norman and Orient Global Foundations.

Together George and James make a fantastic team for developing and growing KISA. However, it is unclear whether James will continue in a full time role with KISA.

Education Quality Assurance: Currently, KISA has no formal quality assurance mechanism in place. The Chairman conducts school quality assurance on an ad-hoc basis.

6.0 SUGGESTED AREAS OF PARTNERSHIP FOR KISA AND GMC

GMC has earmarked USD \$75K for a potential partnership with KISA. It is the recommendation of the consultant that the funding can be utilized over a one-year period.

Based on the key findings outlined above, the suggested areas have been identified as possible ways for GMC to partner with KISA. Specifically, these suggested partnership areas represent what are believed will provide the greatest impact for the growth of KISA and the independent school sector in Kenya.

Facilitate a Comprehensive Strategic Planning Review. The first key area for GMC and KISA is to undergo a comprehensive strategic planning review. The primary objective of this important exercise is to align KISA leadership, members and staff in its mission and agree upon key objectives for activities and membership and the plan for implementation for the next 3 years. Since KISA recently developed a plan in 2007, GMC should recommend that the plan be reviewed by KISA Board and

Management, activities and membership defined and prioritized, annual implementation plans and budgets developed, and a draft plan be presented to members for feedback and eventual adoption.

Based on the results of the adopted strategic plan, GMC would explore funding key program areas as prioritized in the plan. Certain examples could include:

1. ***Advancing Quality Education in Independent Schools*** – To support the creation of a Quality Assurance capacity within KISA to maintain high quality education delivery in KISA member schools. The purpose would be to ensure all KISA schools are providing quality education. This would include developing benchmarks and a standard of quality education in independent schools, assessing current members against these benchmarks, developing action plans for addressing any issues at the school and following up with schools to ensure changes occur.
2. ***Developing Capacity Building and Training for the Independent School Sector*** –To support the creation of a Training and Capacity Building capacity within KISA to deliver teacher and management training to KISA members. The purpose would be to promote training of new teachers as well as refresher courses for trained teachers. This would include developing teacher training curriculum, conducting TOT courses to create a pool of trainers and delivering certified teacher training courses. In addition, KISA can develop other training and capacity building workshops for school managers, financial managers and school administration to address general management, financial management and other social issues (e.g. HIV / AIDS) faced by the schools.
3. ***Promoting Financial Transparency and Accountability in the Independent School Sector*** – To support the creation of a Financial Transparency capacity within KISA to address the limited financial management skills within several KISA schools. The purpose would be to promote financial best practices within the independent schools industry. This would include developing awareness amongst school directors for the need for a finance manager at each school, encouraging schools to develop financial management processes, encouraging school to prepare audited financial statements and working to build the financial management skills and capacity of key school administration members.

Finally, GMC should consider a key component of its support to nurture the ***Development and Growth of KISA***. In order to grow sustainably, it is essential that KISA create processes, systems and hire

staff that can then deliver services to members through various components. If KISA hopes to scale and maintain effective relationships with members, donors and government officials, improving record keeping and documentation is essential. It is also important for KISA to improve its financial health by increasing revenue for member services. Members should value KISA services and be willing to contribute to the costs incurred.

Potential organizational development support can include developing membership/public relations capacities to manage and coordinate member records and contact information and looking for ways to outsource or manage the development of information technology capacities and finance and accounting capacities to coordinate member/donor funding and expenditures.

It is also recommended that GMC include in-kind assistance to bolster the development of KISA. This can be through supporting KISA in collaboration with other donors, technical assistance providers or strategic partners. Access to these additional resources would assist KISA leadership to develop its strategic plan, funding proposals and other key capacities as well as provide advisory services to KISA leadership to ensure sustainable growth of the organization.