



STRONGIM MERI BISNIS

Response to Equity Economics' Project Evaluation: June 2021
16 July 2021

Introduction

Equity Economics conducted an independent evaluation on KTF's Strongim Meri Bisnis project between April - June 2021, assessing the effectiveness of the project against its main objectives over five criteria. As a result of their findings, a number of suggestions were made to continuously improve the project's design to achieve long-term outcomes and impact.

This document covers KTF's responses and proposed actions to the evaluation for continued and improved success of the program.

Recommendations and KTF actions

EE: The program has worked best where women leaders are strong and well supported by other capable women.

KTF agrees that the success of the groups comes down to the leader, the support of the women who comprise the group, and the broader community.

We also recognise that a 'one size fits all' model may not work for all groups as it depends on community structure and systems, for example the Gabagaba group have found that a core, smaller group of women working closely with the leader and with allocated responsibilities within the group (eg. marketing) worked, whereas the Lontis group has structured themselves around existing church groups of women, allocating sewing machines to groups with leaders of the sub-groups.

Further, the fact that both the Gababgaba group, and the splitting of the Lontis groups into smaller church-based sub-groups may reflect inherent hardwiring; smaller groups, even within a larger unit, can operate more effectively in a business environment.

We have a great opportunity to adapt a leadership framework from another KTF project to clearly outline the role of group leader and participants and their attributes, and any expectations. There is also an option of including 'sub-roles' within the groups to provide more clarity to roles, leverage expertise within the group and encourage responsibility and accountability between members to improve overall group effectiveness. This will help identify leaders for future groups and encourage open, up-front discussion around group member roles and responsibilities. This document will be translated into Tok Pisin for widespread circulation and understanding.

This engagement process will become part of a strengthened project and partner identification process, setting groups up for success at the outset.

EE: The program may also work better where markets are more robust and communications more reliable.

The ability to communicate effectively with group leaders and members facilitates logistics, feedback and ongoing mentoring vital to the success of the program. With the vast majority of our projects operating in rural and remote areas of PNG, we know all too well that these vital communications can sometimes be challenging and can, at times, cause challenges; however we strongly believe that it is these communities which need access to the opportunities this project offers. So often, 'too hard' means those in far-flung communities are not provided with the chance to take on projects that change futures.

Learning from other projects, and taking on this feedback, a clear discussion with group leaders and members regarding available communications, possible obstacles, and alternatives (eg where mobile phone service is intermittent, radio may be used). Using this information, a communication and reporting timetable can be established to minimise possible disruptions to the project.

Remote and rural locations can also have decentralised populations and by their very nature, decentralised markets. These are the groups (vs those closer to urban centres with larger natural markets) that need to expand their marketing to provide scale for their products. KTF will deep dive into group networks and leverage other opportunities eg. facilitating introductions to local government (eg. provincial department of education), corporate partners and linking to other established KTF projects that have a need for the products, locally or further afield. We will explore new market opportunities via our own networks and make introductions for our women's groups – past, present and future.

EE: Close consideration of the product and its marketability is very important.

The right product for the right market at the right time are indeed crucial to the project's success, and as we have seen in the evolution of SMB, differing products resonate in different markets at different times; the demand for fabric face masks is a great example of this, with waves of demand varying by location. Actions to ensure the right product for the right market can be broken down into two areas: Pawa Packs and other products.

1. Pawa Packs

In low-income communities, the price point for the pack can sometimes be a barrier even though the pack is considered value for money; it is the quantum of the money. Dissecting the pack into its component pieces individually, or in natural groupings eg. shields, underwear, washing materials, with an appropriate pricing structure that provides ROI to the groups can be done in areas where the price point is a barrier.

Demand by location will be assessed, doing market research with both existing and prospective pawa pack customers to determine the extent of demand and the breakdown of the pack. This work will also review customer understanding of the need for the product and what is the

product's USP for that location eg. in rural areas where there is not a supply of factory-produced female hygiene products, access is key. In more urban areas where ready-made products are accessible and considered 'simple to use', tapping into the lesser environmental impact of reusable products would trump mere availability. Consumer education materials and marketing can be adjusted accordingly.

Opportunity exists to overcome price-point issues by leveraging corporate supporters within or outside the communities to facilitate sales. Examples include:

- "Buy one, give one" – corporate supporters purchase packs for their operations and donate the equivalent for low-income communities. This can be a straight one-for-one, or could form part of a company's internal CSR activities.
- "In lieu of a gift" – corporate gifting with a conscience, with supporters donating packs to women in remote communities instead of the standard corporate gifts, which are often unwanted and can end up simply contributing to landfill. KTF has successfully piloted this with Flight Centre Travel Group, with attendees at a women's networking event receiving a mini Pawa Pack bag made by a women's group, containing a postcard (on recycled paper) advising them that the gift of a Pawa Pack had been made on their behalf. This was a well-received alternative to the usual 'swag-bag'.

Since the creation of the Pawa Pack, technology has advanced and there are new female hygiene products on the market eg. period underwear. Investigation is needed into whether these products present viable alternatives for production, and if there are newer, cheaper technologies available that could be applied to the PNG context. Do these provide opportunities for new partnerships, similar to the Days for Girls model.

2. New products

KTF will brainstorm with groups and potential customers to identify potential future products for further consideration.

A full ROI will be done on viable options, to ensure that they are able to be made with the inputs available and there is a market for the product, either locally or further afield. Key factors for consideration include:

- Accessibility of inputs – what is available that could be a key input to an in-demand product eg. coconuts for soap, fertile land to grow flowers for floristry.
- Who and where are the markets – size of market and location of same (does transporting of product have to be factored in).
- What competition exists/what is the product's USP?

Those with a positive ROI will be trialled by groups in key communities for viability.

EE: Greater investment in identifying bulk buyers is important

Using both the SMB business skills learned, and the items produced, to leverage KTF projects for market opportunities, can be further leveraged in the future. Examples include:

- Facemasks have been sourced from SMB groups to supply other KTF programs:
 - Project Airborne – COVID-19 health response in New Ireland Province funded by Newcrest Mining.
 - Project-a-Porter campaign – initiative that supplied personal hygiene packs, including face masks, to communities along the Kokoda Track, supported by the Kokoda trekking industry and a public fundraising campaign in Australia.
 - Pawa Packs were supplied for every female student attending KTF's Kokoda and Balimo Colleges.
- Small businesses operated by women:
 - The catering at KTF's Kokoda College catering is provided by a business operated by women.
 - In villages where KTF's Village Connect project has installed solar energy and lighting to communities, women have been able to operate small businesses eg trade stores, after dark, increasing sales and profitability.

Wherever possible, KTF will explore opportunities like this to increase the market for the products of women's groups, including upcoming opportunities at Balimo College, Western Province. Boarding facilities are opening in 2022 and will require catering services, and female boarding students will require Pawa Packs in line with KTF's commitment to the environment for college operations. KTF has identified a suitable donor for this investment.

EE: To promote sustainability and self-reliance, KTF could consider reducing its role in purchasing and organising delivery of materials to the groups.

KTF's aim is for groups to take on full responsibility for managing their own production, supply chain and procurement decisions. This process happens as the groups, and product production, matures beyond initial start-up supplies provided. KTF will provide mentoring and support to transition with the overall goal of the businesses operating independently. An example of activities KTF can undertake to facilitate this is approaching local suppliers to stock a particular component/s not currently held, with the groups making their own orders as and when required, knowing that the materials are available locally. This will reduce the reliance on supply from KTF and/or Australia, and reduced cost of inputs with lower freight costs.

EE: Another consideration in terms of sustainability is the way in which the groups manage their income.

From the outset, KTF empowers women's groups to make their own decisions regarding profit distribution and reinvestment. The models employed reflect group structures and goals eg.

Buakap and Gabagaba pay a per unit rate to those sewing masks. The success of these groups show that this model encourages ongoing participation as compared to those that might be based purely on profit-share. Knowing that this 'fee-for-service' model works, we will increase the discussion and examples on this option in future training. We will also be more explicit around the ownership of the profits by the women's groups and endeavour to improve their agency over this.

We will also increase training around reinvestment decisions, providing examples of possible options and the factors to consider eg. the Lontis group wants to reinvest in a new machine to start an additional sub-group: is there a sub-group identified (ie another church group in this instance); how much is a new machine; how long will it take to save at the current rate of production and how long does that mean participants defer profit distribution; do they need to factor in a fee for service model while saving to keep women engaged?

There has been much discussion by various groups regarding the use of machines when not in use by the group. With successful groups like Gabagaba meeting weekly to use the machines (based on time available after other family duties), ROI suggests that allowing use for production of other products or for 'personal' use on a fee-for-use would increase overall group profitability; however groups have had varying experiences on this front and some are more willing than others to open up opportunities. These experiences influence decision making. Encouraging autonomous decision-making on this front, KTF can again support groups working through the process for a lease/lending model by asking the relevant questions to coach them through: have you loaned machines previously; what was your experience; do you charge a fee for use; how much would you have to outlay for repairs and maintenance for increased use. In some instances, lived experience has found these arrangements to be unsuccessful, with machines not returned, or returned damaged. Training on this decision-making process to determine the right model for group to increase use of capital and improve profits will also be included for new groups.

KTF will also deep dive into successful groups to determine whether success components are replicable (what worked and how do we get more people involved) to increase involvement in existing groups and use as pointers for new groups.

EE: Consultations also noted the importance of greater inclusion of young women.

The Lontis women's group leader suggested that they could look to establish a sewing group specifically for young women to ensure their group wasn't dominated by the more experienced older ladies.

Women of all ages are encouraged to participate, however deference to experienced older women is natural in a society that is highly respectful of elders. To encourage participation by younger women, a mentoring or 'buddy' system could be established and will be explored by KTF. For success, the model adopted will reflect the overall nature of the group structure as discussed earlier eg. Lontis might establish a younger subgroup with a church youth group coupled with an experienced mentor from an existing group; Gabagaba might explore partnering younger and older women within the group.

KTF thanks Equity Economics for their evaluation and informative insights into the project. We look forward to entering a new phase of the project and addressing the above findings in close consultation with the women's groups and other key partners and stakeholders.