



LIA-CS-09

LEARNING INTO ACTION CASE STUDY SERIES

GRANTS BOUGHT THE ASSETS, COACHING BUILT THE BUSINESS

Evidence from Kenya's DREEM Project on
combining capital and business
development services



Summary of Findings

The Displaced and Refugee Youth Enabling Environment Mechanism (DREEM) project was implemented by **Farm Africa** and funded by the **Mastercard Foundation** in partnership with **World University Service of Canada (WUSC)**, running from August 2022 to August 2025 to strengthen refugee-led and host-community micro and small enterprises in Kakuma and Kalobeyei, Kenya.

An Innovation Fund combined cash or in-kind grants (stock and equipment) with tailored one-on-one coaching, classroom training, peer mentorship and market linkages, with enterprises selected through a business innovation competition. Cohort 1 (63 micro-enterprises, 73% refugee-owned) and Cohort 2 (42 small enterprises, 57% host-community-owned), who completed the full package start to finish and are the subject of this case study, drawing on a 105-enterprise performance data panel and Key Informant Interviews with beneficiaries and project leaders.

Results At A Glance



+237%

Revenue Growth
(median Y0 → Y2)¹



+3 Jobs

Growth per Enterprise
(median Y0 → Y2)¹



\$3,000

Avg BDS Cost Per Enterprise
per Farm Africa estimate

What We Learned

1 Enterprise selection required a significant investment.

The very large number of applicants and the intensive due diligence process came at a significant cost for the project staff. The benefits of a larger pipeline or pool of applicants versus the efficiency of the selection process should be weighed carefully.

[See S1 - Casting the net →](#)

2 Coaching preferred but can it be affordable?

Cohort 1's micro-enterprises received group classroom training plus one-on-one coaching; Cohort 2's more established small enterprises received one-on-one coaching only. Beneficiaries from both cohorts who were interviewed tended to prefer on-site, one-on-one coaching over group sessions, at least for practical, business-specific support, while group sessions also provided valuable peer learning and networking. Of course, the cost effectiveness of the two approaches should also be compared (beyond the scope of this study).

[See S2 - Tailored BDS →](#)

3 The grant and the BDS worked as a single instrument, not two.

Beneficiaries credit the grant with supplying the stock or asset that let a business scale, and the coaching with converting that into a growing, better-run business rather than a one-time injection that faded.

[See S3 - Working In Tandem →](#)

¹ These are enterprise-panel medians for 70 of the 93 enterprises which had data for 2 years following the baseline data collection. Some of the enterprises initially onboarded dropped out of the program and 11 closed down their businesses. Farm Africa's own cohort-level monitoring reported Cohort 1's average monthly sales increasing by 138% and Cohort 2's increasing by 36%. The evidence for how BDS and capital interact draws on Key Informant Interviews with a subset of Cohort 1 and 2 beneficiaries, not a representative sample of all five DREEM cohorts, and that scope is flagged throughout this study.

4 The BDS package's lasting legacy is financial discipline and enhanced entrepreneurial skills, not just revenue.

Across both cohorts, entrepreneurs named record-keeping and investment-planning discipline as the most durable takeaway from coaching — the practice that gave them a credit history and a plan, independent of what the grant itself funded. This also helped most of them survive external shocks and/or plan expansion beyond the refugee community.

[See S4 – Business Discipline →](#)

5 Cohort 1's outsized growth is partly a timing story, not just a design story.

Cohort 1 received its grant and BDS in 2023, before the March 2025 withdrawal of UNHCR's Bamba Chakula cash-transfer programme and the broader USAID pullback. Cohort 2, onboarded later, had less runway to build resilience before those shocks landed.

[See S5 – Resilience →](#)

6 Replication needs specific design changes, not a straight copy.

A three-month onboarding-to-disbursement ceiling, recruiting all cohorts near the start of a multi-year project rather than in staggered waves, and a built-in grant-to-private-capital transition step would all address gaps this evidence surfaced.

[See S6 – Recommendations →](#)

Implications *(detailed in S6)*



Donors & Funders

Cap the onboarding-to-disbursement window at three months in the funding agreement itself; commit to multi-year partner contracting; fund a follow-on capital pathway explicitly rather than treating the grant as the end of the finance relationship.



Implementing Partners

Default to one-on-one, on-site coaching once an enterprise has moved beyond the most basic common needs; treat record-keeping and planning discipline as core BDS content, not a byproduct; agree procurement and financial-control roles with the capital partner in writing before disbursement.



Programme & Policy Designers

Design the grant and the BDS as a single, simultaneous intervention rather than sequencing one after the other; track credit-readiness and follow-on capital as an outcome in its own right; plan explicitly for how later cohorts will be protected from shocks earlier cohorts didn't face.

Want The Evidence?

Read on for the detailed findings behind these messages.

Detailed Evidence *Design, delivery, effectiveness, timing and recommendations*

S1

Casting The Net

Wide but at a cost

WUSC led the initial process for selecting enterprises. Over 1,000 enterprises applied in Cohort 1 and 300 were selected for due diligence, conducted by Farm Africa. In Cohort 2 there was also a surge of applications, due to a number of process and communication improvements: community sensitization, an easily transferrable digital application form, as well as clarification in the advertising of the program to overcome Muslim business owners' concerns that the program was asking them to take out loans. This screening process was intensive, required physical visits to the business premises in the refugee areas, and came at a significant cost. There were also concerns that asking staff to do 3 due diligences per day would lower the quality of the process.

S2

Tailored BDS

Enterprise Assessments at onboarding enabled tailored BDS delivery; strong preference for 1:1 coaching

Farm Africa's Enterprise Capacity Assessment Tool (ECAT) was used to identify capacity gaps at onboarding. The ECAT was considered crucial to determine the level of business capacity in different areas including Leadership and Management, Financial Capacity, Purchasing Capacity, Processing Capacity, Sales Capacity and Enabling Environment. The ECAT informed both the design of group and one-to-one coaching.

Cohort 1's enterprises received group classroom training on general business planning and management practices plus one-on-one coaching, because their needs were considered common enough to handle collectively, while Cohort 2's enterprises – larger, more established businesses with more individualized needs – received one-on-one coaching only, with no group classroom component at all.

These efforts to tailor the BDS approach should be applauded. However, the beneficiaries interviewed for this case study tended to consider the 1-1 coaching delivered at their own premises to be far more impactful than the group sessions.

Vincent, founder of the clean-cookstove manufacturer Green at Mind, put it plainly when asked which part of the BDS package was most valuable:



"What I found the most important was the one-on-one session we had during the coaching, because it was easy having a coach at your business premises – it was a practical session. You talk to someone about what is happening, and they can see it, and give proper advice."

Vincent, Founder, Green at Mind (Cohort 1)

He contrasted that with classroom training held off-site, which took a full day or more to attend and pulled only one representative away from the business – versus coaching, which could involve other staff directly and fit around the working day.

S3

Working In Tandem

Grants and BDS work best in tandem

It would be easy to read the evidence as a case for BDS over capital. The entrepreneurs interviewed do not see it that way. Yakub, who runs a wholesale food business supplying Kakuma's refugee and host communities, put the two on equal footing: **he estimated that the**

grant to buy stock and equipment and the training each contributed in roughly equal measure to his business's rapid growth. He was clear that one without the other would not have produced the same result. In his account, the stock and asset grant gave the business something to sell; the training in management, inventory, invoicing, customer attraction and bookkeeping enabled him to convert that stock into a growing, better-run business rather than a one-time injection that faded.

For Musug Technologies, the grant supplied the initial stock that let Peter Kimutai's electrical shop expand — capital he confirms he could not have accessed from a bank or any financial institution at the time. However, it was better record keeping and financial reporting skills, built through BDS, that gave him the confidence to invest his savings in a separate venture and expand his workforce to 36 people.

S4

Business Discipline

Business “discipline” leads to investment and growth

Beyond revenue and jobs, the interviews surfaced a consistent theme: the most significant change was in business practice. Business leaders instilled a discipline — in record keeping and in planning investment, rather than just reacting to it. Peter Kimutai described the shift this way:

He was speaking specifically about record keeping — a practice he credits with making his business “not that bad” in the eyes of banks, giving him a credit history he could draw on in an emergency even though he has so far preferred to self-fund growth from savings. That same shift toward planning showed up across Cohort 2 too: one entrepreneur told a community feedback session that before the project she used to “open the business just to survive day to day,” but the training gave her “a direction and goals to work towards.”



“There are some things that I took for granted in the past, but now I always take them seriously.”

Peter Kimutai,

*Founder, Musug Technologies
(Cohort 1)*

S5

Resilience

The ability to weather shocks

Cohort 1's outsized growth rate relative to Cohort 2 is partly a story about timing, not just design. Cohort 1 received its grant and BDS in 2023 — well before two major shocks hit the local economy: the March 2025 withdrawal of UNHCR's Bamba Chakula cash-transfer programme and the broader pullback of USAID-funded activity in the region. Cohort 1 enterprises had already built resilience and received the longest runway of support before those shocks landed; Cohort 2, onboarded later, had less time to build that buffer. Neither shock was anticipated in the original programme design.

S6

Replication and Recommendations

DREEM architecture — a grant paired with tiered BDS — is a good template for refugee-hosting and host-community contexts, but the following should be considered when adapting it to a new context:



Recruit all cohorts at the start of the project, if possible, not in staggered waves. Cohort 1's advantage was largely a function of timing: it built resilience before the Bamba Chakula withdrawal and USAID pullback, while later cohorts had far less runway to build up their business. Future projects should consider making screening/selection processes more efficient/targeted and front-loading the onboarding of enterprises to ensure a minimum of 2 years support.



Be clear at the start on growth vs inclusion focus.

As one of the recent AMEA case studies found ([India FPOs](#)) a project should decide at the beginning whether it wants to prioritize high growth opportunities or target excluded groups such as women, who may have lower growth potential but more resilient

businesses. DREEM's experience showed that by prioritizing high growth this excluded many women-led businesses and they adjusted their approach accordingly by onboarding a 5th cohort that was women centric.

- **Invest in tailored mentoring vs group sessions.**
Project beneficiaries expressed a clear preference for mentoring, however if used the BDS cost of \$3,000/enterprise would increase significantly. Future projects need to invest in tailored group and coaching processes that reinforce each other. The group trainings can also be used to enable participants to build up their B2B networks.
- **Shorten the onboarding-to-disbursement window.**
Cohort 1 and 2 enterprises received their grants relatively promptly; later cohorts, delayed by more than six months in some cases, paused their own investment plans while waiting and lost momentum as a result. A three-month ceiling from onboarding to disbursement would preserve the model's strongest feature – grant and BDS arriving close enough together to compound – for every cohort, not just the earliest ones.
- **Build a grant-to-private-capital transition pathway into the design.**
More than half of Cohort 1 and 2 enterprises went on to mobilize additional debt capital independently, evidence that the appetite and creditworthiness exist. A deliberate transition step – loan products, guarantees, or financial-institution partnerships timed to grant graduation – could convert that latent demand into faster, larger follow-on financing rather than leaving it to chance.

Recommendations by stakeholder

For Donors & Funders

- Cap the onboarding-to-disbursement window at three months in the funding agreement itself, rather than leaving it to implementation.
- Commit to multi-year contracting for implementing partners; annual renewal cycles created gaps in BDS delivery and staff continuity that had nothing to do with enterprise performance.
- Fund a follow-on capital pathway explicitly, rather than treating the grant as the end of the enterprise's relationship with formal finance.



For Implementing Partners Delivering BDS

- Default to one-on-one, on-site coaching wherever an enterprise has moved beyond the most basic common needs – Cohort 2's model suggests this can work as the entire BDS offer for more established businesses, not just a supplement to group training.
- Treat record keeping and investment-planning discipline as core BDS content, not a byproduct of it – this is what enterprises across both cohorts named as the most durable takeaway from coaching, independent of the grant.
- Agree procurement roles and financial control lines with the capital partner in writing before disbursement begins, to close the grey areas that created accountability gaps in later cohorts.



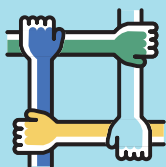
For programme and policy designers



- Design the grant and the BDS as a single, simultaneous intervention rather than sequencing one after the other – the evidence here is that neither performs as well alone.
- Track credit-readiness and follow-on capital mobilized as a project outcome in its own right, alongside revenue and jobs, since it captures a form of durability that endline revenue figures alone can miss.
- Where a project spans several cohorts over multiple years, plan explicitly for how later cohorts will be protected from shocks that earlier cohorts didn't face – rather than treating each cohort's results as independently comparable.
- Explore ways of linking graduating, well performing enterprises to funders and lenders.

Methodology

This case study draws on Farm Africa's DREEM Project Final Assignment Report (September 2025), the AMEA enterprise performance panel data for DREEM Cohorts 1 and 2 (n=105), and Key Informant Interviews conducted by AMEA with Cohort 1 and 2 beneficiaries as well as project leaders. Findings on Cohorts 3–5 (digital, all-women, and later micro-enterprise cohorts) are outside this study's panel and KII scope and are not represented in the figures above. The project's own monitoring notes flag that turnover figures – collected monthly against enterprises' own records – are more reliable than profit figures, which rely on owners' estimates.



Learning Into Action

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