



LEAP Formative Evaluation

Executive Summary

&

LEAP Management Response

(Redacted for public distribution)

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In December 2021, Samuel Hall carried out a formative evaluation of the Lending for Education in Africa Partnership (LEAP). Established in 2018, the LEAP program is designed to provide students with affordable financing to obtain quality higher education while also giving comprehensive student support through career readiness and financial literacy training. This evaluation is an initial assessment of LEAP activities to date and its progress in alignment with the LEAP Theory of Change (ToC).

Background

Promoting equitable work opportunities is directly linked to increased social inclusion for youth, which consequently impacts economic growth in communities. Policy analysts offer three key policy options to incentivise communities to undertake education as a means of improving livelihoods: *increasing supply, improving quality, and increasing demand*. Free primary education in Kenya provides the basics of education but does not sufficiently equip students with the tools required for the present-day labour market. LEAP's mission is to address the systemic education-to-employment challenge in East Africa through promoting social mobility and regional economic development by effectively providing "the missing middle" of higher education finance for disadvantaged youth and linking tertiary graduates with local job opportunities.

The LEAP social lending fund is ultimately designed to increase the number of graduates entering the local workforce in order to contribute to economic development and inclusive growth in Kenya. LEAP provides affordable finance to youth from low and middle-income backgrounds who are pursuing their higher education in universities and TVET institutions, but cannot fully cover their costs through conventional loans, bursaries, scholarships or other means. LEAP has also created a gender sensitive approach to student recruitment in order to proactively target female candidates.

Objectives and Methodology

This is a comprehensive formative evaluation to determine progress made towards realising LEAP's ToC objectives, relevance and effectiveness. The main objectives are:

1. To offer a critical perspective on the progress of LEAP against its theory of change (ToC);
2. Provide recommendations on best practises and key learnings of LEAP's adaptive learning and impact management approach to be incorporated post-evaluation;
3. Support in disseminating findings and thought leadership objectives with stakeholders and generate new insights in the African higher education financing sector.

The findings of the evaluation are intended to enable LEAP, its funders and strategic partners to obtain an independent appraisal of the progress that has been made towards increased and more equitable access to higher education, as well as linking tertiary graduates' skill sets to employment opportunities. The information collected will be used to recommend priority evidence and data gaps to maximise the potential of LEAP in target countries and to scale its interventions.

The evaluation utilised mixed quantitative and qualitative methods. Quantitative methods include 2 online surveys, one administered to partners and higher education stakeholders and another to LEAP fellows. The surveys provide findings on LEAP's perceived progress, challenges and potential recommendations for adaptive programming. Qualitative methods included Focus Group Discussions (FGDs), Semi Structured Interviews (SSIs), Key Informant Interviews (KIIs) and workshops with existing and former fellows, LEAP staff, LEAP's partner networks, representatives from relevant organisations in the higher education financing and private sectors, as well as student representatives.

The below is a redacted summary of the evaluation intended for a public audience.

Key Findings

Overall, LEAP is currently at different stages of progress when assessing its top 3 outcome areas outlined in its ToC:

1) The creation of an equitable, scalable and sustainable student financing model

From the evaluation findings and LEAP's internal data, LEAP is making average progress in terms of creating an equitable, scalable and sustainable model. Good progress has been made in terms of targeting financially disadvantaged students as highlighted in depth below, but considerable gaps remain in terms of reaching female students, students with disabilities and students in rural and remote areas.

2) Improvement of academic, professional and employment outcomes for supported fellows

In terms of improving student outcomes through various education to employment programme activities, LEAP has made excellent progress thus far. Fellows reported high levels of satisfaction with LEAP's trainings across the board, and more so, current fellows reported far higher levels of satisfaction than former fellows. Recommendations were few and mostly revolved around diversifying the kind of training sessions offered.

3) Enhanced appreciation and understanding from stakeholders around the potential of LEAP's unique approach

Repayment and finding productive work have posed significant challenges for fellows due to the pandemic and pre-existing factors such as the economic environment and large-scale unemployment in the country. While it is acknowledged that LEAP is trying to adapt to such challenges, there is poor progress in this area and a lot of room for improvement. The challenge of fellows securing jobs could also be solved through LEAP strengthening its employer linkages, though it is appreciated that LEAP's main focus for their Student Support Programme in 2022 is onboarding TVETs with already existing employer linkages and in fact they have already identified some strong partners to help build these linkages.

Access/Equity

LEAP is actively working to improve its targeting and reach of under-served groups, in line with its ToC. While there is still progress to be made in terms of serving female fellows, fellows with disabilities, and fellows in rural areas, LEAP is readily aware and strategising to expand its reach to such groups. In assessing LEAP's role in expanding access to higher education for youth in Kenya, the research team assessed the following questions:

1. How equitable are LEAP's outputs and outcomes in terms of benefit to under-served groups?

LEAP collects data using indicators to assess the relative need of fellows. These indicators take into account factors such as female participation, the number of students who report that they would have been able to start or continue their studies without LEAP, the percentage fellows who are orphans or of single parent households, the highest level of parent education, being the first in the family to attend post secondary education, disability status, parent employment status, fellows with children, and the percentage from marginalised areas. Additionally, according to the wealth quintile which is assessed using the equity tool¹, more than 80% of LEAP's fellows come from the bottom 3 wealth quintiles, which is indicative that LEAP is well on its way to achieving an equitable student financing model.

LEAP's assumption that there is sufficient demand for its loan products among its target profile students is also correct, as evidenced by the 868 active borrowers presently.² While the sample size was small, 50% of respondents to the partner survey agreed that LEAP is very important in helping students access higher education in Africa, while 5 out of 6 respondents to the partner survey stated LEAP's provision of funding for education to households in need as one of its main advantages. This was expressed as the main gap that LEAP fills in the current market as a higher education lending institution. Furthermore, according to LEAP's internal data, the most recent fellow survey indicated that 81% of fellows stated that they would not be able to finance their studies without the LEAP loan.

¹ <https://www.equitytool.org/>

² LEAP Completion Report, 2021

Only about 26% of LEAP fellows are female, which is an ongoing area LEAP has been focused on better understanding and improving. This is mostly a result of a small pipeline of female candidates due to its focus on STEM courses that typically tend to attract more male fellows. However, LEAP has secured additional funding to build a more robust marketing and outreach strategy in 2022.

In terms of disability, around 13% of fellows self-reported as having some form of disability. While LEAP does not explicitly target fellows with disabilities, this is a largely neglected area in higher education that LEAP can take a leading role in improving through its programming going forward. There is an intersection between gender and disability that is crucial for LEAP to take into account. Female fellows account for 66% of all reported disabilities according to the fellow survey, almost double the number of male fellows that reported having disabilities. As LEAP works on improving its programming for disabled fellows, special attention should be paid to the needs of disabled female fellows.

2. How can community engagement and student outreach be improved to increase access for students in marginalised and rural areas?

Geographically, according to fellow survey results, LEAP fellows largely come from Western Kenya and urban areas. Female fellows are more likely to come from Nairobi County, with significant underrepresentation in rural areas compared to male fellows. While these findings are from a relatively small sample size and might not accurately reflect the geographic distribution of fellows, it could be suggestive of the need for LEAP to actively target recruiting females from rural areas, potentially through partnering with universities in other parts of the country and creating a more intentional outreach and selection strategy with financial aid offices to target female students. Very few LEAP fellows come from arid and semi-arid parts of the country. While, as noted above, this could be because of the low overall population levels in these areas, this still presents an opportunity for LEAP to extend its outreach to more remote parts of the country. Through improved student outreach and a more targeted selection strategy, as well as developing more partnerships in the sector, LEAP could make a lot of improvement in terms of improving access for students in under-served areas. However, LEAP's objective is to fill funding gaps for high achieving students in highly employable fields who would otherwise not complete their education due to financial challenges. LEAP is not catered towards the neediest students because of the risk of overburdening students with loans they will struggle to repay and as such, LEAP not reaching students in the most rural areas is not necessarily an indicator that the model is not working as intended.

Employment, learning and economic outcomes

While LEAP provides critical support for students to access higher education, and has notably helped students improve their financial literacy, fitness, and certain skills linked to employability in line with its ToC, LEAP could become stronger when it comes to linking fellows with employers and adding/improving certain skills related to employability. On a similar note, while LEAP is well-respected among its current partners, there is room for improvement to enhance understanding and appreciation from stakeholders on LEAP's mission and financing approach. In assessing the benefits and gaps that exist in LEAP's education-to-employment programme activities, the research team asked:

1. How can LEAP's education-to-employment activities be improved and graduates' skillsets be made more relevant to match the employment market place?

The highest satisfaction levels among fellows were observed in terms of LEAP's education-to-employment programme activities. The majority of the partner survey respondents believe LEAP is very important for reducing skill gaps and improving the employability of graduates. 80% of students consistently reported that they feel better equipped to find a job after LEAP training (2019-2021).³

Female fellows placed a higher value on LEAP's employer linkages, career readiness coaching, financial literacy training and peer-to-peer training than their male counterparts. On the other hand, male fellows ranked leadership skills training and student chapter groups higher than female fellows. Current fellows reported having much more satisfaction with LEAP's financial literacy training and alumni/peer-to-peer mentoring than former fellows. A few recommendations given for the improvement of these activities include: *introducing entrepreneurship coaching,*

³ LEAP Completion Report, 2021

funding short skill-based certificate courses, involving alumni in mentorship programmes, and increasing physical training sessions.

2. How can LEAP be integrated in an ecosystem to link tertiary education and TVET with employment opportunities addressing the systemic education-to-employment challenge?

A key reason for LEAP beginning to support TVET institutions as they diversified their portfolio was the employer linkages that most TVET institutions have.⁴ LEAP currently supports students from 6 TVET institutions, and although the sample size is currently small, graduated fellows from TVETs were able to secure jobs much more quickly, relative to their university peers. LEAP intends to continue these linkages and strongly focus on onboarding students from TVET providers with existing linkages to employers, and as a result will likely be in a better position to achieve a sustainable and scalable student financing model. As part of these efforts, LEAP could also form strategic partnerships with local non-profits such as the Youth Entrepreneurship and Leadership Development (YELD) whose mandate is to economically enable empowerment programmes for youth and women and guide micro-entrepreneurs towards building sustainable businesses.⁵ LEAP can also partner with the Kenya Institute of Business Training (KIBT) that offers training programmes with short courses for aspiring entrepreneurs.⁶

Sustainability/Scalability

LEAP has gotten off to a strong start in creating a sustainable student financing model, even with the major economic and logistical challenges presented by Covid-19. The LEAP team has been active in engaging with key learnings and strategising on-the-go to confront such challenges, such as adapting the types of programs they fund. With this in mind, repayment still remains a large obstacle for LEAP, and there are additional areas the program should address as they consider scaling over the next few years.

LEAP's internal data demonstrates that even before the pandemic, LEAP was deliberately slowing down its scaling in order to ensure it was building the right portfolio for sustainability through assessing factors such as what types of students/programs have best employment outcomes, the strongest credit behaviour and the largest need for LEAP's type of lending.⁷ As an outcome in the ToC, achieving scalability in other regions in Kenya might take a much longer time than earlier anticipated, which should be considered before expanding to other countries. With the right partnerships, adaptations, and targeted outreach approach, however, LEAP's model stands to make a positive, sustainable, and scalable impact, especially within the larger regional context where LEAP has not yet had the chance to reach.

⁴ *Ibid*

⁵ ["YELD Kenya – Mentorship for Entrepreneurial Impact."](#) .

⁶ [Kenya Institute of Business Training \(KIBT\)](#)

⁷ *Ibid*

Recommendations

The following is a concise summary of key recommendations identified by the research team:

Access/Equity

- LEAP's educational partners recommended more loan flexibility, based on the partner type and the context. This flexibility included a disbursement schedule that accounts for the different academic schedules in different institutions, as well as considering increasing loan limits for fellows in private institutions.
- In line with LEAP's strategy for 2022, fellows also recommended that LEAP diversify its courses and offer funding outside the STEM sector in order to attract more female beneficiaries, hence expanding access for female students.

Communication/Student Relations

- One of the main grievances from fellows was the poor response time and rate from LEAP staff regarding their concerns and questions. Several fellows reported feeling ignored and recommended that LEAP create a toll-free hotline number dedicated solely to listening to fellows' concerns. Another recommendation was that LEAP increase its staff members in order to adequately attend to fellows' needs.
- Involvement of student chapter leaders in planning and decision-making and incorporating more physical training sessions were recommended as ways of increasing the integration between fellows and LEAP staff, therefore improving the relationship.

Employment, learning and economic outcomes

- Fellows expressed interest in several other trainings aside from the ones already offered by LEAP, including: *communication skills, interview skills, entrepreneurship, digital skills and mentorship programmes*. They also proposed that physical training sessions be reintroduced to foster more interaction and engagement among fellows and that audio-visual tools be used more as a medium of training.
- Particularly, fellows surveyed for this evaluation recommended that career readiness coaching and financial literacy trainings be increased in frequency per semester, even though LEAP's internal data shows that a majority of fellows have consistently not been turning up to existing trainings. LEAP might have to find creative ways of incentivising attendance for trainings in order to make sure that resources are not being underutilised.
- Both LEAP partners and fellows proposed that employer linkages could be strengthened through: *liaising with companies to create internship opportunities for fellows, holding regular networking events, creating networks with employment agencies and providing them with a database of potential candidates when hiring needs arise, and forming informal partnerships in rural areas*. Fellows also recommended that LEAP loans be restructured from loans to full or partial grants, and that the grace period for repayment of loans be increased.

Sustainability/Scalability

- Both fellows and LEAP's partners suggested that LEAP should create more awareness of its programme, for example through visiting high schools, referrals and advertising.
- The need for more fundraising in order to sustain a self-revolving fund was also emphasised. Forming strategic partnerships in the sector might expose LEAP to potential investors who believe in LEAP's mission and are willing to be more patient for returns on their investment.

LEAP Management Response

Prepared by the LEAP Executive Committee

March 2022

In Q4 of 2021, LEAP commissioned monitoring and evaluation firm Samuel Hall to conduct a formative evaluation to make a qualitative assessment of its progress against its theory of change. We are grateful to the Samuel Hall team for their efforts in creating this first independent evaluation for LEAP, and have found its findings useful to us as we continually improve the programme. Given the complexity of the LEAP programme and the limited scope, timeframe, and budget of this evaluation, however, the LEAP Executive Committee would like to provide a brief response to accompany this evaluation in order to detail some important context for the findings and recommendations and offer a few pieces of feedback that we feel readers of this evaluation should take into account, as outlined below.

LEAP places the highest value on its ability to reach its intended impact in line with its Theory of Change, which underpins its strong impact management system that is embedded in all of LEAP's operations and processes. As part of its impact management approach, LEAP sought out this independent formative evaluation with the objective of getting a third-party perspective on LEAP's progress against its theory of change and to extract learnings to help us continually improve.

It should be noted up front that this is just the first of LEAP's planned independent evaluations of its programming, and this will be built upon in much more depth in future evaluations we have planned as part of our ongoing impact management processes. As part of this effort, LEAP has recently joined a [consortium with NORRAG, the University of Cape Town, UBS Optimus Foundation, and the Tata Institute](#) that is researching innovative financing mechanisms for education, with LEAP as one of its key research subjects. Funded by the Swiss Agency for Development and Cooperation (SDC), this 5-year research project has planned both summative and formative evaluations for LEAP that will engage in much more in-depth qualitative research, as well a more rigorous quasi-experimental/experimental evaluation to build off and deepen the findings of this initial formative evaluation.⁸

The rest of this document outlines aspects of the evaluation that the LEAP team would like to clarify and provide feedback on for the reader's attention.

Methodology

First, it should be noted that due to time and budget constraints this formative evaluation by Samuel Hall was only a snapshot, high-level assessment of progress against LEAP's theory of change at the time the evaluation was carried out. While the evaluator mentions one of their objectives was a "comprehensive formative evaluation", we would instead caution that given this was conducted only over a few short months with a quite small sample of interviews, focus groups, and survey responses, the views gleaned from their primary data collection do not provide a comprehensive view of the opinions of LEAP's diverse group of Fellows and partners.

As the evaluators note in the evaluation report, because of the short timeframe for data collection, the primary data collection efforts understandably did not include a full representative range of opinions. Indeed, their data collection consisted of 3 focus groups with a total of 20 Fellows, 8 key informant interviews with LEAP staff and partners, 6 attendees at an interactive workshop, and a survey completed by only 20% of all Fellows. While the evaluators acknowledge these limitations, we still found that some of the conclusions and recommendations made in the evaluation report are based closely on what one or a few respondents said rather than a synthesis of inputs that takes into account the nuances of LEAP's operational model and impact objectives, as outlined below.

We would also like to note that LEAP regularly runs its own surveys, focus groups and feedback channels with Fellows, typically getting response rates between 60-80%. Our frequent reporting to funders and LEAP's Board of Directors and Credit Committee capture the detailed feedback we regularly collect from our Fellows, partners, and staff, and outline the frequent reflections and lessons learned we collect that inform our adaptive management approach. We, along with our colleagues at FCDO that provided seed funding for LEAP through the SPHEIR program, feel our internal reports offer richer and more nuanced reflections on LEAP (i.e. our quarterly reports to

⁸ Note that the stated intention at this time is to use an experimental or quasi-experimental evaluation approach that utilizes a comparison group to whatever extent possible. However, the detailed planning and design has will only begin in Q2 of 2022, and the evaluation design is subject to change.

fundings and semi-annual MEL reports) given these build on our internal data, analyses, and know-how over the years since LEAP has been in existence. It was our ambition that this formative evaluation would provide a more nuanced review of all these internal documents and learnings, but this was beyond the scope of this engagement due to time and budget constraints.

As such, while this evaluation has provided useful although rather limited qualitative insights.

Access & Equity

The evaluator notes that while LEAP has done a good job targeting financially disadvantaged students there is room for improvement in its reach to the most marginalized students such as those from very low-income backgrounds, students with disabilities, and students from more remote/rural areas. While all of this is very important for us to consider, we want to make it clear that LEAP's stated purpose is to support high-achieving, financially disadvantaged students who are at risk of dropout, but not necessarily a nation-wide coverage and inclusion of the poorest students, those with disabilities, or those from very rural areas per se. LEAP does already support many students with disabilities, from remote areas, and from the lowest wealth quintile, and makes social inclusion of these groups an important part of its mission. However, we also have learned that there is a clear tension between supporting the most financially needy students while also ensuring that we don't actually overburden them with unmanageable amounts of debt.

Indeed, from our learnings to date, we have determined LEAP is not always the most appropriate funding source for the most needy, particularly those studying very expensive degrees at private institutions without any other sources of support. We have learned that for such students a loan can in the end actually have a negative impact if the student finds their debt burden is too high post-graduation. As guiding principles of our loan offerings, we aim to keep Fellows' total debt burden less than 20% of their future earnings. Adhering to this important balance of credit risk and social impact has meant that we necessarily cannot support every needy student and that we must place caps on the total amount of funding we provide to avoid Fellows taking on excess debt. Indeed, it is not our mission to support all students, but rather to serve as a complement to other sources of financing already available in the market for particular types of students who are struggling to pay now, but can pay back later without jeopardizing their upward economic progression and social mobility.

This principle also dovetails with another recommendation in the evaluation that states, "LEAP's educational partners recommended more loan flexibility, based on the partner type and the context. This flexibility included (i) a disbursement schedule that accounts for the different academic schedules in different institutions, as well as (ii) considering increasing loan limits for fellows in private institutions."

As noted above, from our examination of the key informant interviews and survey results, it appears that this recommendation came from the opinion of just one stakeholder at a private university, and as such we do not feel it is representative of most stakeholders LEAP works with. On point (i), every LEAP loan schedule is already tailored closely to the academic schedules of each institution and the individual students' need, which is necessary given the diversity of institutions we work with from short-term TVET courses to 6-year medical degrees at universities. On point (ii), while we appreciate the desire for LEAP to support all students, we will not consider increasing loan limits due to our strong focus on not overburdening students, as noted above. It is also important to note that the other private university LEAP works with has not had any such issue with LEAP's loan terms, and has worked collaboratively with us and their students for the past 4 years.

Gender

Gender is a centrally important impact theme for LEAP that cross-cuts all its activities and processes. As such, we duly note the recommendation that, "... LEAP diversify its courses and offer funding outside the STEM sector in order to attract more female beneficiaries, hence expanding access for female students." To add context here, we would like to note that LEAP is constantly considering diversifying our supported courses, with the key criteria for supported courses being those with the highest demand in the market, and therefore the strongest likelihood of improving Fellows' livelihoods and allowing them to comfortably manage their loan. To date most of these are in STEM fields, which tend to be male dominated. That being said, LEAP's strategy for 2022 is to focus almost exclusively on TVET health sciences courses, which are in very high demand in the economy and also tend to have much higher rates of female participation. Indeed, we have already seen the overall proportion of female Fellows in LEAP increase from 26% to 30% since we started onboarding new Fellows again in September 2021.

As we clearly highlight in all of our internal reports and strategy documents, however, LEAP does not simply look at our gender impact as a headcount of how many female Fellows we have in the program. On the contrary, we take a nuanced look at each of the particular programs we support and what the existing gender benchmarks at those institutions are, and work to understand how we are performing against those existing benchmarks. We also have conducted a full, detailed gender analysis that examined reasons for LEAP's underrepresentation of female Fellows, looked at any biases in LEAP's processes, and made recommendations going forward. To date, we have not uncovered any significant biases in our processes, but this is an area we continue to monitor.

In line with the spirit of the recommendations in this formative evaluation for increasing female participation, LEAP's gender analysis recommended that we first design programmatic interventions in areas where LEAP clearly has direct control, including doing a full overhaul of its marketing and outreach approach and materials to more purposefully engage female applicants across all our programs. This includes engaging programs that work with young women at the secondary level and engaging female mentors and champions, all of which is already underway. LEAP has also secured additional funding for a dedicated gender technical assistance (TA) program funded by US DFC to roll out in 2022, as well as the SDC-funded research consortium with Norrag and the University of Cape Town mentioned above, which will also have a strong focus on gender.

Employment, learning, and economic outcomes

It is well noted that one of the recommendations of the report notes that Fellows asked for more training modules and materials, which we find encouraging to hear Fellows value these supports. We already offer a robust package of supports and resources free to all Fellows that we have consistently been improving and building out. However, as outlined in previous reports, we still have relatively low Fellow participation in these activities, leading us to question whether this comment is representative of the majority of Fellows' views or was skewed by the small sample size. We will continue investigating this with our own surveys and focus groups to constantly improve fellow engagement and the supports we provide.

All other findings and recommendations are duly noted and well received, and we are actively using these as part of our ongoing feedback loops and impact management processes to ensure LEAP is continually improving. We thank Samuel Hall for all their efforts and look forward to more independent evaluations of LEAP going forward to help us continually improve.