



African PRIDE Centre

Zero Poverty (ZEPO)
Social Enterprise

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BUSINESS PLAN 2019-2025

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EXECUTIVE SUMMARY

African PRIDE Centre (APC) was founded in 2006, and believes in the ability of poor people, if well facilitated, to scale out of poverty and its associated challenges. APC undertakes social programs in education, health and wellness, livelihoods, and environmental health. These programs are however frequently challenged because of funding gaps, which have made the organization adopt the concept of social enterprise so that it can engage in business ventures that in turn support the social programs.

While social enterprise will be valuable to sustainability of APC's work, the people and communities that we work with require similar business thinking. To inculcate this, APC will facilitate processes that deal with poverty, hunger, disease, malnutrition, environmental degradation that have a social enterprise drive, aptly known as the Zero Poverty (ZEPO) Social Enterprise Program or Plan.

In this Plan, APC proposes to work with communities in Vihiga and West Pokot Counties in Kenya to graduate the ultra-poor out of poverty. This will be achieved through distribution of BRAC's Graduation Approach to combating poverty. The approach is multifaceted: comprised of the livelihoods, skills training, safety net, savings promotion, coaching, and health components.

Under the livelihoods component, targeted individuals are provided with productive assets like goats or business stock to spur income generation. Skills training focuses on managing the assets chosen, while safety nets comprise of cash of food consumption support to stabilize targeted households and reduce the need to sell the new productive asset in an emergency. Promotion of savings helps targeted participants have access to savings accounts to help them put away money to invest or use in a future emergency. Coaching is in life skills, accountability, and general encouragement. This is undertaken at a pre-determined frequency, usually weekly, to reinforce skills, build confidence, and help the participants handle challenges. The health component focuses on healthcare access and health education. Good health is important to program targets so that they stay healthy and be able to work.

APC will distribute the Graduation Approach in Sook and North Bunyore Ward in West Pokot and Vihiga Counties, respectively. It will target 1,540 ultra-poor people (those who survive on less than \$1.90 a day). These will be supported to acquire productive assets like chicken, goats, etc., based on existing contexts, provided with skills on how to manage the assets, given consumption support, facilitated to save, coached in life skills and accountability, and encouraged through frequent visits to reinforce acquired skills, build confidence and, helped to handle challenges, and provided with health education and facilitation to enable them stay healthy to work.

To enhance social capital among the participants, they will be facilitated to form self-help groups (also known in APC circles as Local Level Associations (LLAs)) will be formed. These will be facilitated to establish outlet stores for the products that the individual ZEPO participants will be developing (e.g., selling chicken and poultry products, selling bead works, etc.). LLAs will also be empowered to mobilize savings from their membership and loan them out, with profits from the loaned out amounts

being distributed as dividends to members at an agreed time. Planned activities under ZEPO will fall under four key thematic areas, namely, mobilization of leadership commitment, capacity building, direct support, and monitoring and evaluation.

To ensure that APC is strengthened to implement its social programs without challenges that arise due to lack of funds, the organization will seek to engage in business ventures whose revenues could be ploughed back into the programs to guarantee sustainability. Strengthening of the Eduventure Edge and establishment of value-adding enterprises that link the enterprises of targeted individuals, groups, and communities at grassroots levels to city and international markets.

This ZEPO Social Enterprise (or simply, Business) Plan is estimated to cost Kshs. 61,865,100 (\$618,651). To effectively roll it out, the period June 2019 to December 2019 will be dedicated to resource mobilization (both finances and human and material resources). This will entail mobilizing resources through online and crowdfunding means, establishing revenue generating enterprises, seeking for and engaging in consultancy work, buying and selling, grant proposal writing and responding to funding calls, joining fundraising platforms, event organization, etc. About 11 million is what is expected to be raised during this period to enable the ZEPO Social Enterprise Plan to begin rolling out in January 2020.

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1. OVERVIEW OF AFRICAN PRIDE CENTRE & THE SOCIAL ENTERPRISE

1.1 About African PRIDE Centre

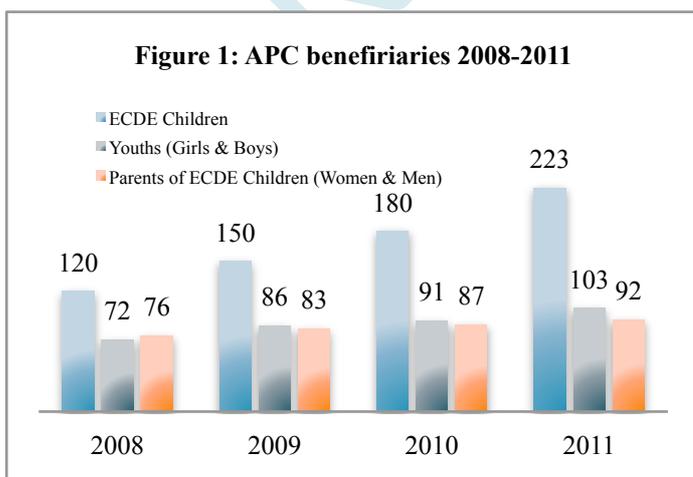
African PRIDE¹ Centre (APC) was founded in Kenya in 2006 to enhance the quality of life for the poor and persons at the margins of society through interventions that enhance livelihoods, graduate people out of poverty, foster financial inclusion of the poor, promote access to quality healthcare by the poor, and nurture environmental stewardship by people at grassroots level. It was registered as a Society under the Societies Act, Laws of Kenya, in 2010.

APC believes in the poor and persons at the margins of society: their strength, resilience, and capacity to create a better future for themselves and others. Through grassroots-based interventions, we walk alongside people (children, women, girls, boys, and men) and their communities in linking education to work; championing alternative occupations, promoting health and wellbeing, and fostering environmental stewardship. In doing this, we contribute to eradicating poverty and hunger, and contributing to the attainment of the Sustainable Development Goals (SDGs).

1.2 History

APC began its interventions in 2007, following a scoping study that was undertaken early in that year with the aim of establishing a programme to combat poverty in slums and marginalised areas in Kenya. The scoping study identified family challenges, extreme weather, lack of productive assets, lack of income streams, inadequate access to education opportunities, inadequate access to government services, and lack of financial inclusion as the major breaks holding the poor in their poverty. To deal with these, a programme was designed to provide education, starting with early childhood development and education (ECDE); skills training for women and youths (with attention being given to mothers and elder siblings of the children targeted under the ECDE program so as to enhance synergy and impact), formation of self-help groups (SHGs) – which are aptly referred to as Local Level Associations (LLAs) through which members (women parents/guardians and elder siblings of the children under the ECDE program) were coached to save and borrow for enterprise development; and sourcing for job opportunities and pacing those in our skills training program.

Skills training comprised of tailoring and dressmaking, competency in computing and its applications, rearing chicken, horticulture, making and selling compressed earth bricks, making and selling bio-briquettes, gym, and performing arts. Figure 1 indicates



the number of beneficiaries of APC’s work from 2008 when the Centre started its operations on a leased piece of land in Kawangware informal settlements in Nairobi, to the year 2011 when the Centre in Kawangware closed down owing to challenges related to sustainability, which were deepened by visibly intemperate demands by the landlord, coupled with a violent robbery at the Centre in 2009 that saw the Centre lose solar panels and system that the Centre was

operating on, generators that provided alternative power when the solar system was inadequately charged to power the Centre’s operations, computers, etc.

¹ Practical Research, Innovations, Developments, and Enterprises

To nurture the practice of saving, APC organised an awareness session on this that was facilitated by Barclays Bank of Kenya, Kawangware Branch. Following this initiative, the Bank, in collaboration with APC, organised for government officers to help fast track the issuance of birth certificates to ECDE children in the Centre. The certificates were used to open accounts for the children into which parents deposited some money for the future education of the children. APC provided some start-up capital to the LLAs, which was used to scale up loans to parents to start or grow their businesses. Many of the young people trained at the Centre are benefiting from the alternative occupations that the training introduced to them. Those trained at the gym are providing security services in many entertainment joints in Nairobi, while those that were trained in performance arts have ventured into fruitful television productions and other modes of entertainment.



Pictures that illustrate aspects of our ECDE intervention. From top left and clockwise – some of our ECDE children after collecting their nutritious porridge (that is served at break time); a visiting student from Netherlands and a youth in our performing arts training pose for a photo with some of the ECDE children; ECDE children in a computer class; visiting students from Netherlands entertain ECDE children; ECDE children welcome visiting Netherland students to APC; and ECDE children in class.



Above: Some of the youth trainees under our performance arts during a training session. Right: Mchungaji, one of our performance arts trainee on television (he has become a household name in the Kenyan 'Laugh Industry.' Below: Youths during gym training (many are 'bouncers' in city entertainment places).





A meeting of APC parents underway.



A training of parents underway.

Besides the intense programmes targeting ECDE children, their older siblings (youths), and their parents/guardians (women and men), a proactive outreach programme aimed at distributing the knowledge, skills, and lessons in designing and implementing interventions at APC was developed and implemented.

In Sook Ward of West Pokot County, APC has worked with *Dini ya Roho Mafuta Pole ya Africa* (DRMPA) in undertaking a scoping study in the area, which led to the development of a programme informed by priorities that were identified by women, youths, and men. Having a school in Sook area was highly prioritised by all the interest groups. This is because the nearest school was about 20 Km away and accessing it meant crossing a dangerous river that suddenly got violent due to waters from flush floods. This made it impossible for children to go to school unattended, a role that women parents or the children's elder siblings had to shoulder every mornings and evenings, which reduced their time for attending to other chores. For children in upper classes (standard 7 and 8), particularly girls, parents decides to hire rooms for them on the side of the river where the school was as a way of making them have more time concentrating on their education rather than worrying how to safely trek to school and back every day. These children would go home on Fridays to restock their food requirement and go back to the shopping centre on Sundays in readiness for school on Mondays. The danger with this arrangement was that men predators preyed on the innocent girls and, with small gifts, lured them into immoral pathways that affected their education.



APC worked with DRMPA to construct a block comprised of 4 permanent classrooms and an office. ECDE teachers from the Kawangware Centre were facilitated to travel to the area and help recruit and train dedicated secondary school leavers that were identified by DRMPA to initiate ECDE training in the new school (Sakale School). They also helped the newly recruited teachers to make wall charts using sacks, beads, bottle-tops, etc. APC also helped to pay the teachers and an overall administrator of the school, for a period of one year as they planned on how to handle these going forward. APC also helped DRMPA to lobby for support of the school by the West Pokot County Government. The County Government responded favourably and had helped the school in infrastructure development, which has made the school start primary and secondary sections, resulting in an overall population of over 1,000 learners. To ensure that these developments are sustained, and aware of the poverty situation in the area, APC organised a 3-day sensitisation and planning meeting that brought together leaders of DRMPA, parents of Sakale School, and youths from the community on sustaining the educational developments by diversifying income and revenue sources. The need for productive assets both at individual and institutional levels was underscored.

APC work in Vihiga County began with support for Mwitukho Primary School to acquire chairs and desks for the school's ECDE class. With a \$2000 grant from Trellis Fund (of the University of California, Davis), APC piloted a Feed the Future project on increasing food security, by promoting the growing and use of orange-fleshed sweet potatoes. Gift boxes sourced from students in the Netherlands have also been distributed by APC to learners in Mwitukho Primary School, Ebbitsi Primary School, etc. within Vihiga County.

Outside Vihiga and West Pokot Counties, APC has supported research on renewable energy options in Wajir and Kajiado Counties. The research sought to stimulate the agenda for low-cost climate-smart energy solutions toward clean energy for all. It focused on thin-film solar photovoltaic solutions that could be adopted toward fighting the reported deprivation from clean energy in poorer and historically marginalised areas of Kenya, as well as combinations of the agricultural residues in those areas that could be focused on to yield bio-briquettes of commendable calorific values. Findings from this study reveal promising results that could be used by communities in poverty and at the margins of society to design climate change mitigation-related enterprises that could serve as productive assets for the communities' graduation from poverty. APC also supported the feeding programme of Joy Divine Children Home, and helped St. Catherine School in Kibra, Nairobi, to develop their human resources and finance manual, with gift boxes sourced from students in the Netherlands, and to develop proposal and negotiate for funds from Edukans Foundation for renovation of infrastructure in the school.

Besides setting trends as an innovative grassroots organisation, APC diligently follows, and analyses, emerging trends that promise to shape the trajectory of the social enterprise system. Key trends that the organisation has kept on its radar include the digital and sharing economies, and the role of the 'empty nesters' and 'millennials' in the social enterprise industry. To leverage these trends, APC started an Eduventure Edge Initiative (EEI), which organises for visitors from all parts of the world that would like to come and experience education, community, and culture in Kenya, especially in the communities where APC has interventions. We believe that by so doing, the visitors

are able to participate in the interventions and hence learn the challenges that we, and the communities we work with grapple with. They could therefore become our ambassadors back home and, help us to market our interventions in the targeted communities. Since conceptualisation of the EEI in 2009, APC has hosted over 100 European visitors, over 70 regional (Africa) visitors, and many Kenyan visitors that have visited our project areas in Nairobi, West Pokot, and Vihiga Counties. A mechanism to ensure that these visits lead to guaranteed tangible benefits for the communities APC works with is required.

1.3 APC Mission

APC seeks to kindle and strengthen innovation and implementation of robust solutions to hunger, poverty, and disease, and foster environmental stewardship in African communities.

1.4 APC ZEPO Social Enterprise Mission

APC Zero Poverty (ZEPO) Social Enterprise seeks to distribute the BRAC's Graduation Approach to lifting people out of ultra-poverty, and toward climate change action, in African communities.

1.5 Key Domains of APC Service

1.5.1 Basic Education & Skilling

APC aligns with the finding that the emotional, social, and physical development of young children correlates positively with their overall development and the kind of adults they eventually become. This is why investing in children is a priority focus area for APC. This is achieved promoting access to good quality ECDE, primary, and secondary education, especially for children from poor and disadvantaged households and communities.





1.5.2 Women Empowerment

As is the case in Kenya, most African communities that have a history of deprivation and marginalisation could easily be characterised by their acute levels of poverty, hunger, disease, malnutrition, and disproportionately huge negative impacts of climate change. Women the most affected gender. Poverty among women is synonymous with poverty for their associated families, and vice versa. Women in poverty have children that struggle to achieve in their education due to lack of education enablers. They, and their children, have high incidences of malnutrition, which is a serious health concern and has such nutritional problems as Vitamin A deficiency. Vitamin A deficiency restricts growth, weakens immunity and eyesight, and contributes to increased childhood mortality. In women, Vitamin A deficiency could lead to miscarriage of pregnancies.

Hunger, on the other hand, breeds sexual and gender-based violence (SGBV), which in turn perpetuates poverty, hunger, disease, malnutrition, and the negative impacts of climate change. Women in poverty rely on fuel wood and paraffin for their cooking and lighting, respectively. In Kenya at present, 80% and 90% of Kenyans in urban and rural areas, respectively, rely on biomass in form of wood and charcoal for domestic use. 64.6% of the country's 8.7 million households depend entirely on firewood. Each of these households consumes between 10 Kg and 20 Kg of firewood daily. This is equivalent to between 3 and 6 fast-growing trees. It is therefore a threat to both tree cover and forests that are key carbon sinks. To counter this, APC focuses on promotion of bio-briquetting, with particular attention on agricultural waste as feedstock. Bio-briquetting is two-pronged – it helps reduce appetite for firewood thus helping improve the health of, and time spend in collecting firewood by, women, and takes cognizance of climate change action and environmental stewardship to grassroots levels. APC regards bio-briquetting as a productive asset in its localisation of the BRAC's Graduation Approach to combating ultra-poverty in targeted communities.

APC works with women from a position of strength rather than weakness. We leverage the unique strengths that women have, including their ability to build social capital, and effectiveness in providing conflict early warning. In any community, careful regard for actions by women could pre-warn on impending conflict. This strength arises from the varied roles that women have, which expose them to deep secrets and information about possible conflicts. They therefore provide useful insights to our programming. Our women empowerment programme therefore aligns with the United Nations Security Council Resolution (UNSCR) 1325, and integrates response to SGBV.

1.5.3 Alternative Occupations

Unemployment is the root cause of the many challenges that communities in Africa grapple with. Unemployment among women and youths has never before been as high in many African communities as it is now. The problem is that most elites in Africa do not endeavour to solve the unemployment challenge, but become part of the unemployment statistics. In 2016, it was estimated that Kenya had about 495,000 people with at least one degree, against a population of 48.46 million (about 20 million aged 18 years and above). If the 495,000 graduates in Kenya could turn their academic projects into employment creation ventures, each employing about 41 Kenyans, the challenge of unemployment would be surmounted. Graduates are however busy seeking to be employed.

At APC, we nonetheless believe that there has never been a better time to be young, or a woman than now. The world is bursting with opportunities and, every day, new interventions that answer the questions that we had never thought of asking are emerging. It is time to tackle women and youth unemployment in this spirit. We accordingly challenge women and youths to stop asking “why me?” and embark on developing mind-sets that are positive in outlook and global in ambition. We challenge women and youths to appreciate that the ‘job-for-life’ has gone, but opened up new opportunities. We have spotted opportunities for women and youths in such alternative occupations as beadwork, performing arts, bodybuilding, martial arts, online and digital jobs, tailoring and dress-making, and, horticulture, chicken farming, bio-briquetting, among others.

If the 495,000 graduates in Kenya could turn their academic projects into employment creation ventures, each employing at least 41 Kenyans, the challenge of unemployment would be surmounted.



1.5.4 Community Renewable Energy Systems

Energy supplies are entering a period of significant transition. They are moving from a situation where using cheap fossil fuels has been the acceptable norm, with climate change and oil peak not being a concern, to a future that will have large proportions of energy sources that are renewable. Communities will be a solid pillar in this transition, with generation of renewable energy expected to be driven by communities that seek to autograph themselves as being smart and environmentally-conscious. Having communities at the centre of renewable energy systems will ensure that the communities redeem their ecological footprints by cutting back their practices that contribute to climate change and its adverse impacts. APC believes that having community renewable energy systems is empowering for the communities since the systems ensure that the money associated with use of the energy stays local, thus emboldening their resilience. We therefore work in partnership with communities and, in collaboration with other stakeholders to design and implement projects in this realm.

1.6 Present Objective

To engage in selling of goods and services in the open market and, reinvest the profits into businesses that align with BRAC’s Graduation Approach to tackling such social problems as poverty, hunger, disease, malnutrition, and environmental degradation amongst poorer and marginalised communities in Kenya, and increase life chances for over 4,620 ultra-poor people (women, children, men, and youths) in the targeted communities by the end of 2025.

1.7 Financial Status to Date

Table 1 presents APC Receipts and Payment Account for the Year Ended 31.12.2018.

Table 1: APC Receipts and Payment Account for the Year Ended 31.12.2018.

	Budget (Jan. – Dec. 2018) Kenya Shillings	Actual Payments (Jan. – Dec. 2018) Kenya Shillings	Variance Kenya Shillings
Receipts:			
Balance bf	57,229.80	57,229.80	0.00
Grants	540,605.00	635,000.00	(94,395.00)
Others (Services)	3,543,000.00	3,448,375.20	94,624.80
Total Receipts	4,140,834.80	4,140,605.00	229.80
Payments:			
<i>Pillar 1: Education & Skilling (EDS)</i>			
EDS 1: Sensitization	1,943,900.00	1,930,400.00	13,500.00
EDS 2: Capacity	797,100.00	580,350.00	216,750.00
EDS 3: Advocacy	580,986.20	789,931.60	(208,945.40)
	<u>3,321,986.20</u>	<u>3,300,681.60</u>	<u>21,304.60</u>
<i>Pillar 2: Health & Livelihoods (HEAL)</i>			
HEAL 1: Sensitization	191,200.00	193,657.00	2,457.00
HEAL 2: Capacity	108,467.70	121,772.30	13,304.60
HEAL 3: Advocacy	169,180.90	158,741.90	10,439.00
	<u>468,848.60</u>	<u>474,171.20</u>	<u>5,322.60</u>
<i>Pillar 3: Energy & Climate Change Mitigation (ECCM)</i>			
ECCM 1:	261,200.00	294,867.00	(33,667.00)

Sensitization	82,691.70	34,603.00	48,088.70
ECCM 2: Capacity	6,108.30	20,300.20	(14,191.90)
ECCM 3: Advocacy	350,000.00	349,770.20	229.80
TOTAL PAYMENTS	4,140,834.80	4,140,605.00	229.80
Excess of Receipts over Payments	0.00	229.80	(229.80)
REPRESENTED BY:			
Cash at Bank		229.80	
Cash on Hand		0.00	
		229.80	

The Financial Statement was approved on 30.3. 2018 and signed for, and on behalf of, APC by:

.....*Abdullah M. Mueke*..... **CHAIRMAN**

.....*[Signature]*..... **TREASURER**

.....*[Signature]*..... **SECRETARY/CHIEF EXECUTIVE OFFICER**

DATED 15th February 2019.

2. DESCRIPTION OF THE ‘ZERO POVERTY (ZEPO)’ INITIATIVE

2.1 United Nations Agenda 2030

In slightly more than ten years from now, the report on achievements made toward the United Nations Agenda 2030, known also as the Sustainable Development Goals (SDGs), will be delivered. Goals No. 1 and No. 2 require that the world should have no poverty, and zero hunger, respectively, by 2030. This ‘Zero Poverty (ZEPO)’ Initiative seeks to contribute to the achievement of the SDGs in Kenya.

2.2 Disrupting Kenya’s Clandestine Rural Poverty

At present, statistics indicate that 45.2% of Kenyans can barely afford the minimum basic basket of food and non-food items. More than half (50.5%) of people living in rural Kenya (about 70% of the population live in rural Kenya) are poor, with a poverty gap of 14.1%. Efforts to combat poverty in rural Kenya are not bearing fruit – rural poverty reduced from 53.1% in 1997 to 49.7% in 2005/2006, but hiked again in 2009 to 50.5%. The situation in urban Kenya is however different, as poverty reduced from 50.1% in 1997 to 34.4% in 2005/2006, and further to 33.5% in 2009. This could be attributed to the many opportunities that development agencies have helped to foster in urban areas, including spending their resources in urban areas and on the elite that live

in such areas. Opportunities for services in areas like consultancy work remain a preserve of very few well-known consultants that help direct development resources to established organizations and individuals. Unless courage is gained to break this cycle, trends in rural poverty may not be interrupted and, delivering the SDGs will remain a pipedream for Kenya.

Poverty insults people's dignity. Extreme poverty is experienced as a dehumanising condition. Poor people often feel ashamed of their condition because they see themselves as having personally failed. Many resent being dependent on assistance and, feel dehumanised by their deprivations and being subjected to public contempt or even reprobation. This makes poverty not only an economic and social condition, but also one that affects individual psyche, self-esteem, and self-confidence. Hoff and Pandey (2012) have acknowledged and empirically tested that self-confidence and self-esteem impact individual performance, and that self-esteem itself reflects others' opinion about self. The experience of poverty also impacts one's relationships and social behaviour.

2.3 Poverty Oils Corruption in Kenya

Corruption in Kenya has reached levels never witnessed in previous times. Looting of public resources is happening at all levels of government. This is significantly impacting service delivery, with the poor disproportionately affected. Even so, Gubrium, Pellissery, and Lodemel (2013) opine that poor people welcome corruption in service delivery as a mitigating factor for the stigma they experience in their categorisation (thanks to deliberate errors of inclusion). Unfortunately, shame and lack of self-esteem by the poor could also induce withdrawal from social or political participation, which further emboldens personal sense of powerlessness that lead to political alienation and its dangerous manifestations in democratic regimes.

2.4 Stop Punishing the Poor

While corruption clandestinely punishes the poor, historically, Geremek (1991) posits that societies have often condemned poverty while punishing poor people as idle, criminal, or disruptive of social and public order. Poor societies have often turned out to be places where the poor are physically punished and morally redressed. This has fanned the often-mixed feelings that poverty inspires both compassion and repulsion. To date, poverty reduction efforts, including policies, have largely betrayed such ambivalence. While always normative, most values attached to anti-poverty efforts are often rooted in discourses ranging from the positive and compassionate to those that portray people living in poverty as idle, feckless, and in need of corrective measures. Even so, poor people are not obvious to the implicitly disparaging judgement conveyed by anti-poverty efforts (including policies), which hold poverty not only as a condition, but also as an individual or group identity. They contend that anti-poverty efforts framed according to essentialist notions concerning how and why they are living in poverty are often degrading.

This account invites relieving that more arbitrary and shaming aspects of discretion and conditionality and, embracing dignity-based anti-poverty interventions. This is why APC stands for shared prosperity as an engine of social integration and a necessary tool for informed poverty reduction. The Graduation Approach has been adopted and adapted to APC's approach to working with communities because it aligns with this understanding.

2.5 Distributing the Graduation Approach to Combating Poverty in Rural Kenya

Under this ZEPO Social Enterprise, APC will distribute the Graduation Approach to ultra-poverty that was developed by BRAC. Figure 1 illustrates the Graduation Approach, while Figure 2 shows the condition of the beneficiaries before and after the Graduation.

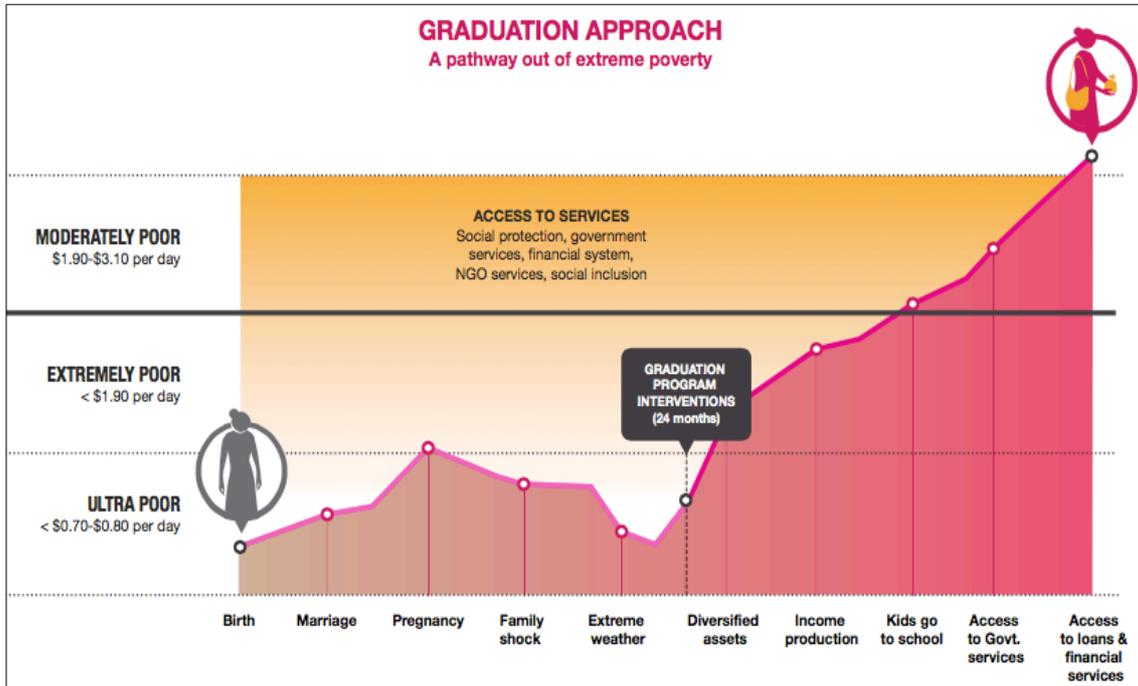


Figure 1: The Graduation Approach illustrated (Lamia, 2017).

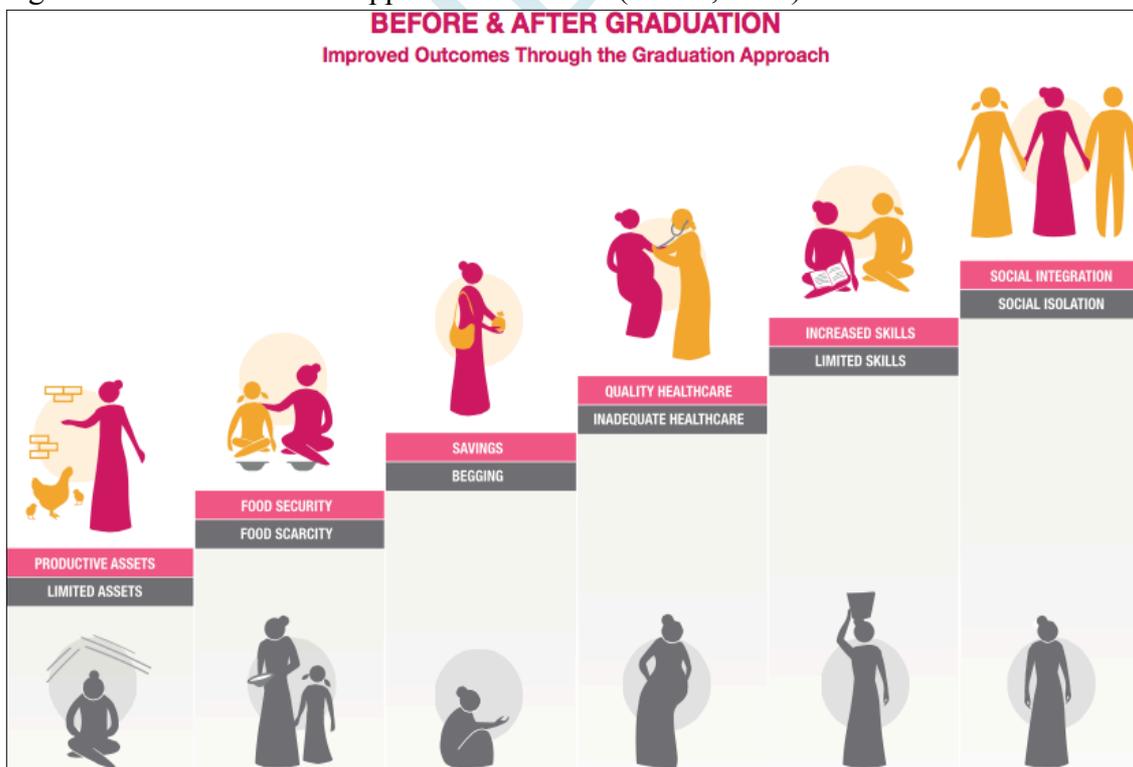


Figure 2: The condition of targeted people before and after graduation (Lamia, 2017).

The Graduation Approach is a comprehensive, time-bound, and sequenced set of interventions aimed at graduating people from ultra-poverty, to sustainable livelihoods. Working together, interdependent interventions lead to strong outcomes at the household level, including increased or improved assets, food security, savings and financial inclusion, health outcomes, social integration, and productive skills.

The targeted population will be carefully segmented using locally relevant inclusion and exclusion criteria, so as to identify participants that are unable to pursue a livelihood without receiving a grant, and those who, with the right hands-on approach, may be equipped to repay a soft loan over time, often featuring more flexible terms such as smaller loan amounts, longer grace periods, and/or lower interest rates. Two approaches as utilised by BRAC, namely, the Specially Targeted Ultra-Poor (STUP), and the Other Targeted Ultra-Poor (OTUP), will be utilised.

STUP comprises of the most destitute ultra poor, who lack access to any productive assets or safety nets. Under the Graduation Programme, these receive physical productive assets, life skills and technical skills training, weekly stipend, regular home visits, tailor-made health care, and community support. OTUP, on the other hand, comprise of participants considered marginally less deprived than STUP, but still are firmly among the ultra poor. Under the Programme, these receive soft loans for the equivalent of the major portion of the asset required to start their enterprise, in addition to all other components of the Programme. The soft loans are a potential avenue for introducing the ultra-poor populations to gradual repayment mechanisms that may build a bridge to microfinance and other services. APC will seek to improve on the Graduation Approach through leveraging technology, particularly M-PESA and, the self-help group (SHG) approach to fostering a community of practice around the work. Already, a rapid scoping study has been undertaken in Vihiga and West Pokot Counties. These, together with a diagnostics undertaken in 2018 on APC and its interventions, informed the formulation of this Plan and its associated Budget Projections.

2.6 Description of the Criteria for the ZEPO Social Enterprise

2.6.1 Social Criteria for the ZEPO Social Enterprise

Given the exposition in 2.3, and 2.4, extreme caution will be taken when recruiting and working with the poor under the ZEPO Social Enterprise. Table 2 presents the social criteria for the ZEPO Social Enterprise.

Table 2: The social criteria for the ZEPO Social Enterprise.

Barriers to zero poverty for the targeted population(s)	The population(s) to participate in the ZEPO Social Enterprise will comprise of the ultra-poor living on less than \$1.90 per day. The barriers that these populations will have when they first enter ZEPO will include disconnection from markets, not covered by social protection programming or efforts by NGOs, insecure livelihoods, limited assets, food scarcity, begging, inadequate healthcare, children not attending (good quality) school, limited skills, and social isolation. Surmounting all these barriers will be indicator of achievement of the ZEPO Social Enterprise.
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<p>Skills/Talents that the targeted population(s) / APC personnel must learn for effective delivery of ZEPO</p>	<p><i>Skills that the targeted ultra-poor must learn:</i> market intelligence, critical scanning of trends and emerging issues in social programming, securing livelihoods, asset accumulation, food security, saving, healthcare, value of education, and life skills (HIV/Aids, communication, social networking, SBGV prevention, peace & security).</p> <p><i>Skills/Talents that APC staff and volunteers must have/ learn:</i> Market assessment; innovation; flexibility, empathy, and responsiveness; resilience; achievement and results-focused; listening, hearing, and connecting easily with others; high energy, adaptive, and positive outlook; teamwork and mentorship; self-discipline; integrity; optimism and future thinking; social intelligence; dexterity; decency, and open & clear communication (written and spoken).</p>
<p>Requirements for participation and staffing</p>	<p>Participants live on less than \$1.90 per day, are willing to be led through the 24-month Graduation Programme, are respectful to APC staff and volunteers, and are willing to learn and graduate out of poverty.</p> <p>To keep administrative expenses minimal so that most of mobilised funds go to direct support for people and communities, APC will maintain a lean staff of 3 (Manager, Accounts Officer, and Office Support Officer) at the Head Office. These will be supported by the APC leadership that form the Executive Committee, and where applicable, by interns and volunteers. In the field, each targeted county will have a Coordinator, and village-level Field Marshals, as analyses will call for.</p> <p>The number of participants and APC staff (employees and volunteers) will progressively evolve as the ZEPO Programme develops. It will commence in 2019 with 240 participants and 90 participants in West Pokot and Vihiga Counties, respectively and progressively increase the number and geographic spread, as resources will permit. APC employees in 2019 will be the 3 at the Head Office, 2 County Coordinators, and 5 Field Marshals. Staff establishments will be reviewed as the programme progresses. Placement will be in terms of performance-based contracts. Remuneration and benefits to staff will be as provided for in the APC Human Resources Policy and Financial Manual.</p>
<p>Required work conditions</p>	<p>The number of hours per week that APC staff shall be required to work under the programme, as well as the time of the day that the work is to be undertaken, drive time, public interaction, etc., will be as stipulated in the APC Human Resources Policy. It is stressed that alcohol consumption, violation of APC values, child abuse, and</p>

	SGBV, including work-place sexual harassment, will not be tolerated (APC will develop a code of conduct to deliver this requirement).
Operational requirements	Working with grassroots communities requires people-related skills sets, language skills, and high stress levels, among others. Participants and staff are called upon to be goal-oriented in their dealings and interactions, and desist from ‘ <i>fitna</i> (sowing discord)’.
Post-ZEPO Social Enterprise goals	Upon graduation of each cohort of ZEPO participants, it is expected that they will have acquired important socio-political, economic, technical, and environmental skills necessary for self-propulsion into further prosperity, and for mentoring others in the Graduation journey. Staff will also be expected to have initiated enterprises that help generate opportunities for earning revenue/income for women and youths at community level.

2.6.2 Business Criteria for the ZEPO Social Enterprise

Table 3 highlights the business criteria, comprised of the capital, breakeven, income for APC, and envisaged customers, for the ZEPO Social Enterprise.

Table 3: Business criteria for the ZEPO Social Enterprise.

Capital requirements	Capital required for the ZEPO Social Enterprise, from 2019 to 2025, is Kshs. 61,865,100 (\$618,651). Start-up capital for 2020 is Kshs. 10,816,200 (\$108,162). June to December 2019 will be a period of preparation and fundraising, including development and rollout of an informed investment and fundraising strategy. APC will endeavour to generate at least 25% of the budget by aggressive sourcing of consultancy opportunities, and seek for partnerships, including via fiscal sponsorship, soliciting for online and crowdfunding donations, and grant applications, to realise the other 75%.
Breakeven	The amount that APC can spend to cover possible financial losses of the enterprise will be 5% of annual budgets. ZEPO should be self-sustaining after 5 years.
Income for APC and its social enterprises	The ZEPO Social Enterprise will fully support APC’s social costs, while the organization will endeavour to also initiate enterprises to support its administrative component.
Customers	Participants in the ZEPO Social Enterprise will be facilitated to form SHGs or Local Level Associations (LLAs). The participants will save through their LLAs, and request for loans from a ZEPO Fund that will be created at the Head Office. Over 1,540 ultra-poor women and men, 1,540 youths (girls and boys), and 1,540 school-going children in ECDE, primary and secondary (girls and boys) are expected to have participated in the enterprise by 2025.

3. MARKET ASSESSMENT

3.1 Introduction

ZEPO Social Enterprise will engage in businesses that straddle different sectors, including agriculture, manufacturing, services, and creative and cultural. The businesses that were prioritised (during the diagnostics and prioritisation process that preceded the development of this Plan) in these sectors are presented in Table 4.

Table 4: Sectors of primacy and the prioritised business ideas for APC and participants.

Services Sector	Agriculture Sector
<ul style="list-style-type: none"> ▪ Offer hospitality services (tours, guides, homestays, voluntourism, cultural experiences, etc.) to local and foreign tourism (APC runs an EDUVENTURE EDGE Initiative through which it interests visitors from abroad, especially students, to come and experience how their peers in Kenya are taught, as well as interact with the rich Kenyan cultures; ▪ Engage in income/revenue-inspired defence exercises like gym and martial arts, and selling associated services to individuals, entertainment joints, and corporates; ▪ Engage in event organisation, including, supply of tents, tables, and chairs, and catering services, etc.; and ▪ Offer consultancy services to individuals and corporates, including in documentation, strategy, monitoring and evaluation, etc. 	<ul style="list-style-type: none"> ▪ Rear and sell such productive assets as farm animals (chicken, goats, cattle, rabbits, etc.) and their products; and ▪ Grow marketable horticulture, tubers, and nutritious and drought resistant and hunger-combating crops and, sell them to individuals and organizations.
Manufacturing Sector	Creative & Cultural Sector
<ul style="list-style-type: none"> ▪ Add value to agri-products and beadwork and, sell them; ▪ Make and sell bio-briquettes, soap, etc.; and ▪ Engage in income/revenue-earning tailoring and dress-making 	<ul style="list-style-type: none"> ▪ Engage in income/revenue-generating visual arts, performing arts, heritage, music, book and press, and designs (including garment designs).

3.2 Industry Analysis

We analyse the sectors of interest to the ZEPO Social Enterprise using Porter’s 5 forces, as presented below.



3.2.1 Services Sector

As APC and participants in the ZEPO Social Enterprise seek to supply hospitality services; defence services to individuals, entertainment joints, and corporates; event organisation (through supply of tents, tables, and chairs, as well as catering services, etc.); and consultancy services (including documentation, strategy, M&E, etc.) to individuals and organisations, Table 5 highlights findings of the analyses of the services sector in Kenya and, how they inform positioning of the ZEPO Social Enterprise.

Table 5: Findings of the analyses of the services sector in Kenya.

Who the suppliers are	<p>Suppliers in the Kenyan hospitality sector are challenged in supplier power. A diagnostics of the ailing Kenyan tourism sector in 2016 reported that the country is losing out to comparator tourist destinations because of a ‘dinosaur’ approach to tourism. The National Tourism Blueprint 2030 (NTB2030) calls for creation of emotional connections, and notes that tourists of today want to experience life in communities – they want homestays rather than hotel-stays, want to engage in community service (voluntourism and giving back to society), and want to participate in remedying what past generations have done to put the environment at risk. NTB2030 also calls for focus on sustainability in tourism by embracing community tourism. Unfortunately, majority of Kenyan tourism suppliers are Europeans that have invested heavily in hotels, lodges, and other forms of tourism infrastructure. They could therefore be ill prepared to promote community-based tourism as it takes visitors from hotels and lodges to home and community stays.</p>
	<p>Because visitors want memorable experiences in communities, having tourism experiences that achieve forward integration with what visitors desire will thrive. Threats from other community-based tourism entities will be inconsequential because tourism experiences under the ZEPO Social Enterprise will clearly appeal to visitors more because most of them are inclined to contributing to social transformation, which is our priority objective. Regarding costs related to changing to our model, visitors would definitely pay less than what they do under conventional tourism packages and, experience more (incl making better lasting relationships and visiting areas never marketed in dominant tourism packages).</p>
Flexibility in selecting suppliers	<p>Supplier power for the planned services could however face strong resistance because known markets for Kenyan tourism are tightly controlled by a small number of individuals, organizations, and companies and, this reality is emboldened by the Kenya Tourism Board (KTB). To offer alternatives as APC is proposing under the ZEPO Social Enterprise would mean interesting tourists in the source markets to change suppliers – an exercise that requires dedicated people from the source markets to market the idea, which could be costly, but returns are sure. The same argument applies to other envisaged services like consultancies, provision of event organisation services and protection services.</p>
Trends	<p>An analysis of the trends in the services sector, particularly in tourism</p>

	<p>hospitality, provision of consultancy and event organisation services, and provision of protection services indicates that there exist forward integration potentials from suppliers of the opportunities into these spaces. They are therefore Greenfields that are ready for investment in.</p>
<p>Barriers to entry</p>	<p>The following could be the barriers to entry into the services sector, particularly in the indicated areas of tourism, consultancies, event organisation, and provision of safety and security services:</p> <ul style="list-style-type: none"> ▪ High investment costs for start-up; ▪ Long-set-up time for some of the ventures; ▪ Substantial expertise is required; ▪ Changes in technology; and ▪ Customer resistance to trying new suppliers of tourism experiences and services, event organisation, and safety and security, as well as the cartel-controlled practice of awarding consultancies in Kenya.
<p>Competitive rivalries</p>	<p>Size and growth: Rivalry is intense when excess capacity exists. In Kenya, due to high levels of unemployment, many people have entered the services sector, which has increased levels of competitive rivalry. Furthermore, the size and growth of the Kenyan services sector, particularly the hospitality industry has been small due to perceptions about insecurity. This is recipe for competitive rivalries. While perceptions of insecurity may have been the reason for reduced visitor numbers to Kenya, no incidents of insecurity involving visitors have happened among visitors staying in communities. In fact, since its inception in 2008, the APC Eduventure Edge has received over 100 students and adult visitors, mainly from Holland, and none of them has experienced any insecurity issue in the communities they lived in or visited, because the communities protect them as their own visitors. Since the Kenyan services sector is still realising small growths, rivalry from the established actors is bound to be felt as APC advances its services sector program. Our value system, differentiated services, and the social nature of our work will however help to drive demand for our services. We will work with the partners of our social interventions to drive visits to Kenya through our platform as a way of more support to our work.</p>
<p>Substitutes</p>	<p>In an environment where unemployment is rife, substitutes to working interventions would be common. However, APC has made firm learnings in its work with communities since its founding in 2007, which will set its interventions and enterprises apart from any substitutes. The organization’s commitment to continual learning and innovation will also ensure that it scans for latest best and emergent practice for integration in its work so that the work remains ‘a cut above the best.’ Consequently, switching from products and services of APC and ZEPO participants will not be easy their clients.</p>
<p>Buyer power</p>	<p>Having few buyers or consumers of our (APC and ZEPO participants) products and services could be a threat to the sustainability of the enterprise. Other threats could arise from buyers being well informed about competitors’ products and services, and if these are readily available; low switching costs; customers being able to provide the services themselves; competition being on a cost-basis; and many</p>

competitors not being profitable.

To surmount these threats, APC will prioritise training of its staff and ZEPO participants in social intelligence and market assessments to ensure that the products and services offered appeal to a large number of buyers. Marketing techniques to reach out and increase source markets for buyers of products and services offered by APC and the ZEPO participants will continually be enhanced, including through use of digital platforms. Since buyers will always search for alternative products and services, APC will undertake continuous scanning to know what its competitors and comparators are doing to attract buyers of products and services and those of its ZEPO participants on their side and, make necessary innovations to keep the buyers. It will also seek to develop products and services that buyers may not be able to provide themselves, while ensuring that the products and services are affordable in the market.

3.2.2 Agriculture Sector

APC and participants in the ZEPO Social Enterprise seek to rear and sell such productive assets as farm animals (chicken, goats, cattle, rabbits, etc.), and grow marketable horticulture, tubers, and nutritious and drought resistant and hunger-combating crops, and sell them to individuals and organisations. Table 6 highlights findings of the analyses of the agriculture sector in Kenya and, how they inform positioning of the ZEPO Social Enterprise.

Table 6: Findings of the analyses of the agriculture sector in Kenya.

Who the suppliers are	Demand for farm animal products (meat and eggs) is very high in Kenya, and gets even higher during festive seasons and occasions like weddings, parties, and other types of celebrations. Suppliers of these products often tend to be brokers that analyse trends and take advantage of grassroots farmers' ignorance and inadequate bargaining power to buy the animals from the farmers and supply them to where they are in demand. Facilitating the ultra-poor with productive assets in form of such animals makes them candidates for manipulation by brokers. To counter this, the participants will be trained in accessing markets via their LLAs so as to maximise profits from their efforts.
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Marketable horticulture is also an area that is lucrative in Kenya. Horticulture products like tomatoes, kales, spinach, onions, traditional vegetables, etc., are highly demanded in the country's urban areas. Suppliers to direct consumers are usually small stall owners and supermarkets. Suppliers to markets where the owners of stalls sell to final consumers are often brokers that take advantage of the supply chain, often to the disadvantage of the farmers in terms of accrued incomes. ZEPO participants will be encouraged to market their horticulture produce through their LLAs for better bargaining power.

Tubers, like orange-fleshed sweet potatoes, arrowroots, cassava, etc., are attracting significant interest and demand especially in urban areas

	<p>in Kenya. Nutritious and drought-resistant crops like sorghum and millet are increasingly being demanded by the older generation for health purposes. Suppliers of these products are often brokers that buy them from farmers in rural areas with their intervention being having them access markets where they are in high demand. Innovations to remove brokers from the supply chain of these products would mean better incomes/revenues for farmers/APC.</p>
Flexibility in selecting suppliers	<p>The market for agri-products is very flexible in Kenya with regard to supplier selection. As long as the products are healthy and of good quality, they will be demanded. Having designated areas where the ZEPO participants could take the farm products they need to sell so that buyers identify with the place will ensure that the customers captured by the participants or their LLAs remain faithful to them.</p>
Trends	<p>Trends indicate increased demand and prices for traditional chicken and fertilized eggs. Suppliers of these products, as well as other farm animal products (e.g., butcheries, entertainment joints, event organizers, etc.) seek for these animals deep into villages, which illustrates the existence of forward integration potentials into the ZEPO Social Enterprise’s idea to capitalize on this high demand for increased incomes/revenues to the participants/APC.</p> <p>Preference for tubers, like sweet potatoes, arrowroots, cassava, etc., as well as traditional vegetables and nutritious products like sorghum products, is becoming a major trend in urban areas in Kenya. Eateries that specialize in traditional foodstuff are attracting significant interest. People in urban areas want to increasingly identify with their communities’ traditional foodstuff. This is an area that ZEPO Social Enterprise will leverage.</p>
Barriers to entry	<p>The following could be the barriers to entry into the agriculture sector, particularly in the indicated areas of rearing and selling agri-productive assets:</p> <ul style="list-style-type: none"> ▪ High investment costs for start-up; ▪ Long-set-up time for some of the ventures; ▪ Substantial expertise is required; and ▪ Changes in technology.
Competitive rivalries	<p>Size and growth: Competitive rivalry could be expected from some suppliers. Incidences of theft of farm produce, including farm animals have severally been reported in rural areas. Many have been alleged to have origins in competitive rivalry. Cases promising entrepreneurs being killed in what points to competitive rivalry have also been reported. For participants in the ZEPO Social Enterprise, working through LLAs will spread the risks and provide them a community for safety and protection. It has also been observed that in most communities in Kenya, competitive rivalry forces locals to shun businesses of locals for those of non-locals. ZEPO Social Enterprise will leverage this to the advantage of the participants by encouraging LLAs to set up enterprises in non-local markets, or employ non-locals.</p>
Substitutes	<p>Substitutes to the products provided by ZEPO participants could include fast-maturing grade products. These are ordinarily cheaper than</p>

traditional nutritious products. APC will continuously monitor the market. And appropriately work with the ZEPO participants to differentiate their products so as to cater for the various preferences by consumers.

Buyer power To maintain customers and attract new ones, ZEPO participants will be encouraged to establish selling points where the buyers could readily purchase the products. Differentiating the products will be done so that they cater for as many categories of buyers as possible. Various forms of marketing, including digital marketing, word of mouth, referrals, emotional connection with buyers, etc., will be encouraged so as to maintain customers and attract new ones.

3.2.3 Manufacturing Sector

APC and participants in the ZEPO Social Enterprise seek to add value to agri-products, make bio-briquettes and sell them to individuals and organisations, and engage in income/revenue-generating tailoring and dressmaking ventures. Table 7 highlights findings of the analyses of the manufacturing sector in Kenya and, how the analyses inform positioning of the ZEPO Social Enterprise.

Table 7: Findings of the analyses of the manufacturing sector in Kenya.

Who the suppliers are	A number of suppliers of value-added agri-products exist in Kenya. These, however, inadequately cater for agri-produce targeted under the ZEPO Social Enterprise, like orange-fleshed sweet potatoes and traditional vegetables. APC seeks to encourage participants in the ZEPO Social Enterprise to add value to tubers through making such products as crisps and other nibbles, and packaging and branding them to attract higher incomes/revenues.
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Due to climate change and the need to mitigate its impacts, there is increasing consciousness on the need to getting alternatives to wood for cooking. Considerable attention is being accorded to use of bio-briquettes made out of agricultural residues. As the people that are normally most affected by impacts of climate change, people at grassroots levels can play a huge role in dissuading their peers from cutting down trees for use as firewood through manufacturing bio-briquettes and selling them for sue in cooking. APC will promote this through the LLAs formed by participants in the ZEPO Social Enterprise.

It is appreciated that branding is very important in presenting a manufactured product to the market. It sets a product apart from that produced by competitors. APC will therefore ensure that the products manufactured under the ZEPO Social Enterprise are appropriately branded, and marketed as a ZEPO Brand. Such branding will ensure that the products are easily recognized when marketed on digital platforms.

Flexibility in selecting suppliers	The market for value-added agri-products and bio-briquettes is very flexible in Kenya regarding supplier selection. APC will ensure that the manufactured products meet high standards of quality and
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	consumer expectations, and they are appropriately packaged to ensure buyer loyalty.
Trends	Market drivers for increased value addition in agri-products in Kenya include the rapid urbanization witnessed in the country, and changes in dietary preferences. There is also increased awareness about the health benefits of some foods and cooking practices. There are also increased signs of a ‘quiet consumer revolution’, i.e., the tendency for consumers to continuously demand more from suppliers, e.g., demands for continuous supply of fresh agri-products throughout the year. Perishable agri-products, like tomatoes frequently get spoilt and can be seen thrown in dumping sites, which illustrates losses for farmers. Tubers also get spoilt due to poor post-harvest handling, storage, and value-addition. Efforts to deal with this challenge have been minimal in rural areas. Regarding bio briquetting, there are trends toward increased environmental stewardship and concern for the health of women and children exposed to smoke during cooking with firewood. These realities help position the business case for ZEPO Social Enterprise’s focus on value adding interventions in selected agri-products, as well as on bio briquetting.
Barriers to entry	The following could be the barriers to entry into the manufacturing sector, particularly in the indicated areas of adding value to agri-products, and making and selling bio-briquettes: <ul style="list-style-type: none"> ▪ High investment costs for start-up; ▪ People’s preference for fresh rather than processed (value-added) goods – e.g., tomatoes to tomatoe-paste/sauce; and ▪ Substantial expertise is required.
Competitive rivalries	Size and growth: There is likely to be inadequate competitive rivalry in manufacturing of value-added products, from targeted agricultural produce, and in beadwork and bio-briquetting, at local levels. What will be required is for the ZEPO Social Enterprise participants to innovate in interesting customers to like value-added products as opposed to raw agricultural products. Regarding bio-briquettes, rivalry from firewood suppliers could be emboldened by the fact that bio-briquettes require additional investment in appropriate cooking stoves, whereas firewood only required the assembling of three stones to start a fire. To deal with this, efforts will be made to increase customers’ access to affordable energy-saving bio-briquette stoves.
Substitutes	As indicated above, firewood, which is an easy substitute for bio-briquettes, is already the most used source of cooking fuel in Kenya. Though it has health effects and has been reported to contribute to greenhouse gas emissions, people, especially those at grassroots level strongly identify with it. To make bio-briquettes be preferred over firewood or charcoal, marketing for them should include awareness on the health and environmental risks associated with firewood use, as well as making costs of switching to bio-briquette use affordable.
Buyer power	To maintain customers and attract new ones, ZEPO participants will be encouraged to identify unique selling points for different market segments in value added agri-products. This will ensure that they segment the market and provide bespoke value-added products and

experiences for the different markets. In this way, buyer power will be used to influence how the value-addition will progress.

Regarding bio briquetting, feedback from buyers will be used to continuously improve the product. This will increase buyer loyalty.

3.2.4 Creative and Cultural Sector

APC and participants in the ZEPO Social Enterprise seek to engage in income/revenue-generating visual arts, performance arts, heritage, film and video, music, publishing, and design. Table 8 highlights findings of the analyses of the creative and cultural sector in Kenya and, how the analyses inform positioning of the ZEPO Social Enterprise.

Table 8: Findings of the analyses of the creative and cultural sector in Kenya.

Who the suppliers are	A number of suppliers of creative and cultural products and experiences exist in Kenya. They include Churchill Show, Zangalewa Dancers, Akamba Handcraft, etc. Though adequately crowded, the creative and cultural industry arena in Kenya is promising in terms of creating opportunities for the youth. APC will seek to promote marketable visual arts, performing arts, heritage, film and video, music, publishing, and design.
Flexibility in selecting suppliers	The market for creative and cultural products in Kenya is fairly flexible in selecting suppliers of the services. Participants in the creative and cultural economy have many opportunities through which they can earn incomes, provided that they differentiate the products from what exists at present.
Trends	Trends in the creative and cultural industry in Kenya are that alignment with known brands helps one to scale the celebrity ladder quicker. If one is looking to get rich quick, then the performance sector is not the place to be – the highest paid actor/actress pockets about Kshs. 5,000 per play, and this is dependent on if the show has a major sponsor. In fact, some top actors earn an average of Kshs. 2,000 per play. Not many people and organizations in Kenya believe in theatre. It is therefore important for those intending to engage in performance arts to be innovative so that they utilize existing trends to their advantage. Tourism offers great opportunities for forward integration of creative and cultural industry products.
Barriers to entry	The following could be the barriers to entry into the creative and cultural sector, particularly in the indicated areas of performance arts: <ul style="list-style-type: none"> ▪ High investment costs for start-up; ▪ People’s preference for established brands; and ▪ Substantial expertise is required.
Competitive rivalries	Size and growth: The market for products from the creative and cultural economy is growing in Kenya, and entrants are many. The increased entry of visual and performance artists designers, and makers of films and videos, and musicians, has increased rivalries. Innovations are required to identify niche markets for upcoming artists so as to minimize ugly incidences of competitive rivalries.
Substitutes	Substitutes to products and services in the creative and cultural industry in Kenya are many. They include fitness and wellness

activities, participation in social ventures, etc. To create a dependable market for products and services in the creative and cultural sector, therefore, innovation, including through differentiation will be key.

Buyer power To maintain customers of products and services in the creative and cultural industry, and attract new ones, ZEPO participants in this will be encouraged to target markets that have not been reached, e.g., children and new tourism experiences. Use of social intelligence will be critical toward this.

4. STRATEGIC POSITIONING

4.1 ZEPO Social Enterprise Strategy

4.1.1 Goal

To contribute to poverty reduction, food security, better health, reduction in environmental degradation, reduction in violence and crime, and improved children's educational attainment in Kapenguria Sub-County in West Pokot County, and Emuhaya Sub-County in Vihiga County through distribution of the Graduation Approach to get at least 3,080 ultra-poor women, men, and youths out of poverty and, 1,540 school-going children supported to access good quality education and skilling, by 2025.

4.1.2 Scope

The Programme will target the ultra-poor in Vihiga and West Pokot Counties with assets to spur income generation, skills training to manage the asset, consumption support, savings promotion, frequent coaching (in life skills, accountability, and encouragement), and health (health education, and access to healthcare to stay healthy and able to work). Productive assets have been discussed at the prioritisation workshops in the target communities, with those in Vihiga prioritising chicken as the priority assets for individual participants and bio-briquetting for their LLAs and, those in West Pokot prioritising chicken or goats as priority assets at individual level and beadwork at LLA level. Technology, particularly M-PESA, will be used in undertaking money transfers, to enhance transparency and strengthen follow-up processes, while APC will strive to ensure that value addition is integrated in the work at all levels.

4.1.3 Competitive Advantage

APC has competitive advantage in the targeted communities because, in West Pokot, it has helped to establish a school, and in Vihiga, it piloted orange-fleshed sweet potato farming.

The prioritised productive assets are also competitive in their respective regions because, culturally and structurally, they are highly demanded in those areas but supply is low. Also, the assets have huge forward integration prospects, as adding value to them could help yield significant benefits for the participants. For example, beadwork is a natural practice among pastoral communities in Kenya (including in West Pokot), however, women that make the beadwork earn peanuts while brokers that buy from them make considerable profits when they transport them to markets in urban areas or export them. Also, traditional chicken fetch significant profits for brokers that transport them to urban areas while those that rear them sell them to brokers that sell them in urban areas for little money.

4.1.4 The Logic

Traditional social protection interventions like food aid, cash transfers, school feeding, etc., aim to facilitate effective access to essential goods and services, and enable the poor and vulnerable to cope with the precarious circumstances of life. Though impactful, these interventions are often inadvertently out of reach for the ultra-poor. Where they reach them, resource constraints often only allow for benefits to be delivered as long as the intervention lasts.

The Graduation Approach is a concept underpinned by a belief that poor and vulnerable households can and must be equipped to do more than just cope. Interventions therefore need to build their skill sets and asset base, as well as their confidence and social capital so that they can remain food secure, lead sustainable economic lives, and ultimately, become more resilient.

APC ZEPO Social Enterprise aligns with this. Graduation has been proven to make economic logic in that it starts with consumption support involving dealing with survival-level issues like food security. Participants will be helped to identify a sustainable livelihood that could be anything from poultry farming to briquetting. The program will then help develop that livelihood through financial and technical training, and provide seed capital to get going. The final component is in-person mentoring. The idea is that this mix of interventions gives people the first foothold they need to graduate out of extreme poverty and keep climbing. The catch, however, is that these facets of the program are complex, personalised, expensive, and long running.

To scale them to reach more people, APC will engage in ventures to raise revenues to be ploughed back into the program. Table 9 is the overall logical framework for the ZEPO Social Enterprise.

Table 9: ZEPO Social Enterprise Logical Framework.

African PRIDE Centre ZEPO SOCIAL ENTERPRISE PROGRAMME LOGFRAME

Project Summary	Indicators of Performance	Means of Verification	Key Risks & Assumptions
<p>Goal To contribute to poverty reduction, food security, better health, reduction in environmental degradation, reduction in violence and crime, and improved children’s educational attainment in Kapenguria Sub-County in West Pokot County, and Emuhaya Sub-County in Vihiga County through distribution of the Graduation Approach to get at least 1,540 ultra-poor people out of poverty by 2025.</p>			
<p>Purpose o To enhance revenue generation by APC for sustainable facilitation of</p>			

<p>social programs</p> <ul style="list-style-type: none"> ○ To provide awareness and knowledge on the Graduation Approach to poverty eradication among leaders in Vihiga and West Pokot Counties ○ To develop the technical capacity at APC, and in Vihiga and West Pokot Counties, for the Graduation Approach to poverty eradication ○ To provide support (productive assets, skills training, consumption support, savings promotion, coaching, and health) to 1,540 ultra-poor in Vihiga and West Pokot Counties to graduate out of poverty, using the Graduation Approach. 			
<p>Outputs</p> <ol style="list-style-type: none"> 1. African PRIDE Centre Local Front Office established in Nairobi, Kenya by 31 December 2019 2. An African PRIDE Centre Empowerment Arena & Innovative Enterprise Yard established by 31 December, 2020 3. Commitment to the Graduation Approach to combating extreme poverty mobilized in Sook and North Bunyore Wards in West Pokot and Vihiga Counties, respectively to at least 150,000 residents of the target areas by 31 December 2020 4. 15 APC personnel and local trainers drawn from the 6-targeted villages trained in the Graduation Approach and ZEPO by 31 December 2019. 5. At least 1,540 women and men from 3 villages each in Sook and North Bunyore Wards empowered with skills, productive assets, health training, consumption support, and coaching by 31 December 2025 	<ul style="list-style-type: none"> ✓ African PRIDE Centre Local Front Office established/Equipped in Nairobi, Kenya ✓ The African PRIDE Centre Empowerment Arena & Innovative Enterprise Yard established ✓ No. of successful revenue-earning enterprises operated by APC. ✓ No. of events held to distribute the Graduation Approach to combating ultra-poverty in the targeted areas ✓ No. of residents of Sook & North 	<ul style="list-style-type: none"> ▪ APC Project Reports ▪ Reports/ records by/of targeted groups ▪ Reports/ records by/of targeted schools ▪ Government (National & County) reports ▪ Media reports 	<ul style="list-style-type: none"> ✓ If the programme is not implemented the risks are that some ultra-poor will not be pulled out of their poverty, and the goal of attaining Zero Poverty by 2030 will be elusive ✓ The ZEPO Social Enterprise is unique. It focuses on the ultra poor, but also on the education of their children and alternative occupations for their older siblings. It enhances synergy at household level, which is key to igniting success. If the initiative fails to be implemented, the risk will be immense lost opportunity to learn from the unique concept. ✓ A major risk to successful delivery of the programme would be lack of funds at the time they are needed. It is therefore assumed that the fundraising strategy that employs a myriad of approaches like joining funding platforms, online fundraising, crowdfunding, concept/

<p>6. At least 1,540 school-going girls and boys (early childhood education, primary, and secondary, i.e., basic education) from 3 villages in Sook and North Bunyore Wards provided with school uniforms and scholastic materials and critical lifeskills 31 June 2025</p> <p>7. At least 1,540 older siblings (youths) of the school-going girls and boys targeted under the ZEPO Enterprise supported to further alternative occupations of their choice</p>	<p>Bunyore Wards to whom the Graduation Approach to combating extreme poverty has been introduced</p> <ul style="list-style-type: none"> ✓Quality of awareness introduced on consumptive assets, and productive assets ✓No. of APC personnel and local trainers trained in technical skills related to the ZEPO Social Enterprise. ✓No. of women and men empowered with technical know-how on prioritised income generating enterprises, including bio-briquetting ✓Quality of training provided to the 1,540 women and men in ZEPO ✓No. of children provided with uniforms and scholastic materials, as well as critical lifeskills ✓Quality of uniform and scholastic materials, as well as the lifeskills provided to the school-going girls and 		<p>proposal development, engagement in enterprises, consultancy, etc., as well as creating a window for fundraising before roll out of the programme in January 2020, will help to consolidate the resources required and identify valuable funding paradigms</p> <ul style="list-style-type: none"> ✓ Credibility is key to ZEPO success. It is assumed that leveraging the services of credible institutions and mechanisms like MPESA, Barclays Bank, established brands like Global Giving, the Kenya Association of Travel Agents (KATA), etc. will add value to our fundraising enterprise. Having local women and men from targeted areas on the APC leadership and decision-making bodies is also assumed to be of help in enriching the enterprise and making it unique.
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	<p>boys</p> <ul style="list-style-type: none"> ✓No. of groups/local level associations provided with training and equipment/resources for various enterprises ✓Type and quality of enterprises initiated by the LLAs ✓No. of youths (girls and boys) supported to further alternative occupations of their choice ✓Type and quality of alternative occupations offered to targeted youths 		
<p>Activities</p> <p>1.1 Search for property to serve as the Front Office for African PRIDE Centre in Nairobi (At least 3-roomed self-contained house – to be partitioned appropriately to accommodate all front office operations)</p> <p>1.2 Purchasing</p> <p>1.3 Equipping & Occupation</p> <p>2.1 Acquire land on which the African PRIDE Centre Empowerment Arena & Innovative Enterprise Yard is to be developed</p> <p>2.2 Develop designs of the Arena & Yard, to include a mini-training hall, a residential quarter (able to accommodate up to 12 visitors-sharing), a store (container), workspaces for bio-briquetting, beadwork, bakery, soap-</p>	<p>Inputs/Resources</p> <p>Required Amount: Kshs. 61,865,100 (USD 618,651)</p>		

<p>making, gym, performing arts, making cookies, tailoring and dress-making, poultry farming, diary farming, and digital enterprise.</p> <p>2.3 Establish the Arena & Yard</p> <p>2.4 Launch and promote use</p> <p>3.1 Undertake a rapid baseline study on the awareness on the poverty status in targeted areas, and existing opportunities for the Graduation Approach to combating extreme poverty.</p> <p>3.2 Design & print IEC materials on the Graduation model and the business case for prioritised productive assets (poultry and diary farming, soap making, bead work, bio-briquetting, etc.)</p> <p>3.3 Undertake visits to community gate-keepers in the targeted areas to share with them about the intervention</p> <p>3.4 Organize at least 10 ward-based events to help in distributing information on the Graduation Approach to ending ultra-poverty</p> <p>4.1 Develop materials for training 15 APC personnel and trainers from villages in targeted areas on the Graduation Approach and ZEPO</p> <p>4.2 Print the training materials</p> <p>4.3 Organize for the training (logistics)</p> <p>4.4 Execute the training</p> <p>5.1 Develop minimum criteria to be used in recruiting the 1,540 women and men to participate in the ZEPO Enterprise</p> <p>5.2 Recruit the 1,540 women and men participants in the ZEPO Enterprise.</p>			
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<p>5.3 Induct the 1,540 women & men that will directly benefit from the project</p> <p>5.4 Support the 1,540 women & men in 4.3 with capital for/productive assets</p> <p>5.5 Facilitate the formation of self-help groups/local level associations comprised of the 1,540 targets (at least 20 members per group)</p> <p>5.6 Conduct structured critical consciousness trainings for the 1,540 women and men on group dynamics, business value chains in prioritised productive assets, and on health and well-being.</p> <p>5.7 Support the LLAs to establish innovative joint ventures for group income generation and for peer-to-peer monitoring, and in negotiating for group medicare and saving/loan schemes</p> <p>5.8 Conduct 6 exchange visits for linking and learning on business in the prioritised productive assets</p> <p>5.9 Support the 1,540 ZEPO Enterprise primary targets with digital/technology-based services, like online marketing, filing of tax returns, fundraising, etc.</p> <p>5.10 Monitor and support-supervise the activities of the 1,540 ZEPO Enterprise primary targets and those of their LLAs</p> <p>6.1 Develop minimum criteria to be used in recruiting the 1,540 school-going children (girls and boys) to participate in the ZEPO Enterprise</p> <p>6.2 Recruit the 1,540 school-going children (girls and boys) to participate in the ZEPO Enterprise.</p> <p>6.3 Induct the 1,540 school-going children (girls & boys) that will directly benefit from the project</p> <p>6.4 Support the 1,540 school-</p>			
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<p>going children in 5.3 with scholastic material, uniforms, fees, lifeskill trainings, etc.</p> <p>6.5 Facilitate the formation of peer-to-peer clubs comprised of the 1,540 targeted school-going children (at least 20 members per group)</p> <p>6.6 Conduct structured and segmented lifeskills trainings for the targeted 1,540 school-going children</p> <p>6.7 Support the school-going children's peer-to-peer clubs to establish innovative joint ventures for linking and learning, group income generation and for peer-to-peer monitoring, in negotiating for group medicare and saving/loan schemes, etc</p> <p>6.8 Conduct 6 exchange visits for linking and learning by the school-going children's peer-to-peer clubs</p> <p>6.9 Monitor and support-supervise the activities of the 1,540 school-going children and those of their peer-to-peer clubs</p> <p>7.1 Develop minimum criteria to be used in recruiting the 1,540 youths (girls & boys) to participate in the ZEPO Enterprise</p> <p>7.2 Recruit the 1,540 youths (girls & boys) participants in the ZEPO Enterprise.</p> <p>7.3 Induct the 1,540 youths (girls & boys) that will directly benefit from the project</p> <p>7.4 Support the 1,540 youths (girls & boys) in 7.3 with capital for/productive assets</p> <p>7.5 Facilitate the formation of self-help groups/local level associations comprised of the 1,540 targeted youths (at least 20 members per group)</p> <p>7.6 Conduct structured critical consciousness trainings</p>			
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<p>for the 1,540 youths (girls & boys) on group dynamics, business value chains in prioritised alternative occupations, health and well-being, etc.</p> <p>7.7 Support the LLAs to establish innovative joint ventures for group income generation and for peer-to-peer monitoring, and in negotiating for group medicare and saving/loan schemes</p> <p>7.8 Conduct 6 exchange visits for linking and learning on business in the prioritised productive assets</p> <p>7.9 Support the 1,540 targeted youths (girls & boys) with digital/technology-based services, like online marketing, filing of tax returns, fundraising, etc.</p> <p>7.10 Monitor and support-supervise the activities of the 1,540 youths (girls & boys), and those of their LLAs</p>			
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4.2 ZEPO Social Enterprise’s Ability to Achieve Venture Criteria

4.2.1 Social Criteria

The poor have historically been condemned as being idle, criminal, and disruptive of social and public order. APC however regards the poor as valued participants in its social agenda. Based on our history of working with the communities targeted in this Plan, and the success in the social services that we started in the communities, we have reputation in the communities that will make the delivery of ZEPO Social Enterprise successful. We also have excellent understanding of the populations in the targeted areas, as well as their social needs.

4.2.2 Financial Criteria

APC will achieve the financial criteria, including financial stability, operational effectiveness, fundraising ability, and business expertise by adopting a variety of approaches, including grant proposal writing, fiscal sponsorship, seeking consultancy services, etc. We will also seek to engage in partnerships that help us achieve the ZEPO Social Enterprise Goal.

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