



NRT Trading Strategic Plan

2020-2025 Transforming lives through enterprise

Part A: Transforming Lives Through Enterprise

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Message from the CEO

In Northern Kenya, people, wildlife, and landscapes are threatened by a rapidly changing environment, economic isolation, persistent insecurity, and harsh social conditions. Northern Kenya is also a place full of diversity, energy, and opportunity. Its future depends on the ability of the people who live here to earn sustainable, environmentally responsible incomes. That means sustainable business.

NRT Trading believes the future of northern Kenya lies in the hands of the people who live here - in the enterprise, aspirations and empowerment of hard-working local men and women.

NRT Trading empowers local communities to help them achieve a productive, self-reliant future. **We build and operate sustainable businesses, facilitate new enterprise development and employment, and empower people through income diversification and growth. We train women and youth in vocational and entrepreneurial skills, and connect them to financial resources.**


I am inspired by the resilience and creativity of the people living in northern Kenya. I invite all stakeholders - communities and conservancies, Kenya's local and national government foundations, donors and investors - to engage with us to bring lasting, transformational change to Northern Kenya.

Vishal Shah,
CEO, NRT Trading.






NRT Trading is a business accelerator for social and conservation impact enterprises.



Our vision is to accelerate the development of sustainable and resilient commerce across northern Kenya, which will empower people, improve livelihoods, conserve nature, and contribute to peace and stability.



We accelerate businesses at all levels of the social spectrum: from household businesses run by women and youth, to conservancy-based businesses that leverage community assets, to businesses operated by NRT Trading to improve value chain dynamics and connect people to distant markets.



Part A.

Context

Operating Model

Structure

Introduction

Northern Rangelands Trading (NRT Trading) is a business accelerator for social and conservation impact enterprises operating in northern Kenya.

Our vision is to accelerate the development of sustainable and resilient commerce across northern Kenya, which will empower people, improve livelihoods, conserve nature, and contribute to peace and stability.

We accelerate businesses at all levels of the social spectrum, from household businesses run by women and youth, to conservancy-based businesses that leverage community assets, to businesses operated by NRT Trading to improve value chain dynamics and connect people to distant markets. We do this by:

- Providing the inputs and support necessary for business to germinate and grow
- When needed, participating and operating businesses ourselves

NRT Trading **bridges critical gaps in value-chain knowledge, commercial skills, financial resources, and market connections** through our 3-pillar + BASE model (page 3).

We meet people and communities where they are on the journey toward economic self-reliance and use iterative, lean methodologies to develop sustainable enterprise.

Businesses developed, operated, and supported by NRT Trading explicitly **seek social and environmental returns**, and must have a **trajectory to sustainability**.

NRT Trading is a **blended finance** business accelerator that provides communities and individuals with grant-funded business development services along with **impact investment and ongoing mentorship** and oversight to businesses that generate measurable social, conservation and financial returns.

Origins

NRT Trading's history begins with its founder, the Northern Rangelands Trust (NRT) and its mission to develop resilient community conservancies which transform people's lives, secure peace and conserve natural resources. NRT is a non-governmental organisation founded in 2004 by a coalition of visionary local leaders and conservation advocates to support the growing number of community conservancies in northern Kenya. Rooted in the local communities and guided by their priorities and needs, NRT is a rare example of conservation for the people and by the people.

From the beginning, community leaders were clear that economic opportunity and empowerment were key to

their region's future. Poverty, lack of resources, persistent vulnerability to drought, disease and inter-cultural conflict were at the heart of their problems. For conditions to improve, people need ways to earn more money, diversify their incomes and build resilient livelihoods.

To fulfil this mandate, in 2006, with funding from The Nature Conservancy (TNC) and Flora and Fauna International (FFI), NRT piloted a Livestock to Market program designed to raise the price that herders received for their cattle. A year later, with backing from Safaricom and Tusk Trust, NRT started a women's micro-credit and bead craft project to help women earn money using their traditional beading skills. As communities began protecting their wildlife, NRT facilitated tourism development which created jobs and generated revenue for the conservancies.

In 2014, NRT spun off NRT Trading as an independent social enterprise with the mission to identify, incubate, pilot and scale sustainable businesses to increase incomes and grow commercial revenue within the NRT member conservancies. TNC provided

NRT Trading with a USD 3.1 million loan to scale the Livestock-to-Market business and establish its position as a meaningful player in northern Kenya.

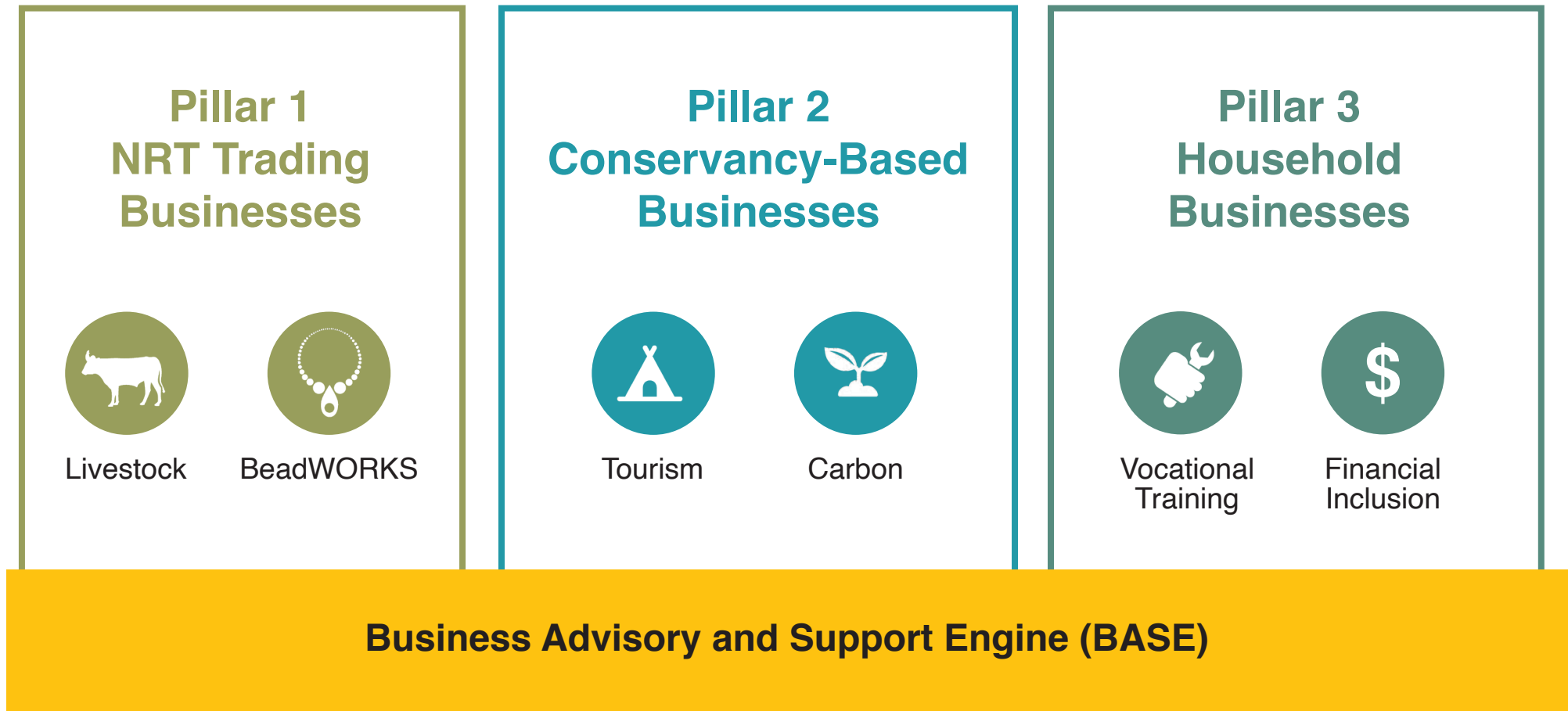
The NRT and NRT Trading Partnership

NRT Trading, with NRT, is an innovative, transformative partnership. The NRT - NRT Trading alliance combines the insights, access, and influence of a trusted, community-owned institution with the disciplines, systems and management capability of a market-facing social enterprise. Together, NRT and NRT Trading are finding innovative, new ways to work with local communities to transform lives and landscapes in northern Kenya.



Robin Downs

Operating Model



Business Advisory and Support Engine (BASE)

The NRT Trading BASE is a business incubation and support facility for all levels of business. This critical structure houses the responsibilities and functions that provide the leadership for all pillars.

Since its inception, NRT Trading has participated in the evaluation of eleven value chains:

1. **Cattle trading**
2. **Supplemental feeding of livestock**
3. **Fodder banking**
4. **Women's bead craft**
5. **Tourism portal**
6. **Cooperative banking**
7. Meat production
8. Mango trading
9. Sustainable fisheries
10. Bio product sourcing
11. Carbon sequestration

It has taken a position in eight of those value chains and is currently pursuing or scaling six of them (bold). There continues to be a rich pipeline of additional opportunities.

The BASE brings three key areas of value:

1 CAPABILITY

Bringing business thinking, administration, and discipline to all NRT Trading enterprise development investments through:

Management capability:

Strategy, planning and governance, financial and risk management and compliance.

Business analysis: Business and market analysis of value-chains and business proposals.

Execution excellence:

Ability to implement financial, operational and human resource systems and processes, including HR and operations capability.

2 TECHNICAL SUPPORT

Providing the investment, advisory and technical assistance needed to businesses and projects in all three pillars:

Investment: Generates and structures blended finance, including grant, debt or equity opportunities.

SME Start-ups: Identifies innovative business ideas and partnerships, develops value-chains, pilots and positions businesses ready for investment and independence.

Brokerage: Brokers deals between investors and conservancies. Provides due diligence.

Financial instruments: Guides savings and loan schemes and business support for the NRT Conservancy Livelihoods Fund and develops investment partnerships.

3

RESEARCH & COMMS

Undertaking research and provides thought leadership to improve the effectiveness of its mission:

Impact measurement: develop best-practice Environmental Social Governance (ESG) guidelines and Monitoring and Evaluation (M&E) to measure the social and conservation impact of business.

Communication: Distil and disseminate insights and recommendations from NRT Trading activities for consumption by the wider development economics community.

Pillar 1: NRT Trading Businesses

NRT Trading develops, pilots, and operates stand-alone, sustainable businesses in key value chains and economic sectors. By being “in the ring,” NRT Trading develops, markets and operates sustainable businesses, bringing four key areas of value:

1 VALUE CHAINS

Understand value chain dynamics and underlying attitudes

2 BUSINESS MODELS

Build sustainable, transferable business models

3 ECONOMIC BENEFITS

Deliver earned economic benefit to individuals and communities

4 CREDIBILITY

Develop on-the-ground credibility among the communities of northern Kenya



Roshni Lohia | TNC



Juan Pablo Moreira

Pillar 2: Conservancy-Based Businesses

NRT Trading works with community conservancies to develop conservancy enterprises in five principle ways:

1 COMMUNITY ASSETS

We identify community assets with commercial potential, such as landscapes, wildlife, culture, grasslands, bio-products, energy

2 BUSINESS PROPOSALS

We evaluate business proposals to develop those assets

3 CONNECT TO INVESTORS

We connect communities with investors and financing options

4 UNDERSTANDING BUSINESS

We facilitate the structuring of business proposals and negotiation of contract terms between communities and investors. We build community understanding of modern business practices and improve conservancy stewardship of commercial enterprises

Currently, tourism and grassland resource development represent the largest opportunities for generating commercial revenue for most conservancies.

Pillar 3 Household Businesses

NRT Trading develops the capacity of men, women, and small groups to start and manage enterprises with a view toward diversifying household income and increasing economic resilience. We focus on:

1 SKILLS AND ATTITUDES

Our empowerment model focuses on changing mindsets using a structured graduation-based process.

2 SMALL BUSINESS START-UP

The program combines training, business development and business mentorship to build diverse business skills. We also inculcate a savings and borrowing culture through tailor-made intensive financial literacy trainings.

3 FINANCIAL INCLUSION

The program utilizes tools such as savings, loans, mobile banking and the NRT Savings and Credit Cooperative to bring young men and women into the modern economy and gives them hope for the future.

It the only program in northern Kenya with programs and services that focus on young men as well as women.



Jeff Maweru

Blended Finance

NRT Trading was originally structured as a taxable social enterprise in Kenya to set it apart from its NGO parent and enable it to attract private-sector talent, establish and enforce commercial disciplines, and to open avenues to a diverse set of investors. With our two main operating businesses – Livestock to Markets and BeadWORKS – we have proven our ability to enter markets, establish and serve customers, manage resources, achieve break-even profitability, and develop pathways to scale.

However, we have also learned the downsides of operating in a financial structure that focuses exclusively on financial returns. The realities of economic development in northern Kenya require a broader and longer-range approach to investment and funding than acceptable to most commercial capital; an approach that recognizes an environment where the early stages of business development involve high-risk experimentation and business model iteration. Evaluating business proposals based on their projected financial returns led to a risk


aversion that is counter to achieving our mission. It also produced negative consequences in the conservancies as people misconstrued NRT Trading's for-profit status as a way for the organization to take advantage of the people.

As a result, with this Strategic Plan NRT Trading is adopting a blended finance model that emphasizes a combination of social and financial returns and utilizes the right funding for the right purposes:

- **Grants to support capacity building, underwrite initial risk, and monitor and evaluate progress.**
- **Commercial financing to fund growth and ensure accountability.**

Theory of Change

| Underlying issues: | | Manifestation (symptoms): Limited participation in the Kenyan economy | Strategy Stage 1 MINDSET CHANGE (1-3 years) | Strategy Stage 2 NURTURE LEADS (3-5 years) | Strategy Stage 3 EXPAND SUCCESS (5+ years) | Outputs: Enabled business environment | Outcomes: Empowered people engaged in market-oriented production & trade | |
|-----------------------------------|---|---|---|--|---|---|---|---|
| Pillar 3 - Households | Lack of savings and investment culture. | Limited funding and infrastructure for business. | Forging links in communities, creating awareness, building confidence | Encourage saving for business. Kick-start businesses with soft-funding. | Increase capacity of successful initiatives with support and funding. | Education on sources of blended funding at larger levels. | Increased access to capital and savings for enterprise and SME development. | Enabled business infrastructure, creating jobs. |
| | Low Human Capital. Disengaged youth and women. | Traditional, rather than commercial or vocational skills. Gender disparities. | | Train and develop local talent in skills that are in demand in the economy. | Identify 'entrepreneurial stars', make them mentors. | Empower 'model villages' to integrate into small and medium enterprises (SMEs). | Talent trained in commerce and demand-led skills. Gender equity. | Empowered people. |
| Pillar 2 - Communities | Communities without capacity to negotiate with investors. | Few successful community-investor partnerships | | Sensitisation and exposure for leadership and community members. | Institute governance structures. | Negotiate for equitable distribution of benefits for long-term viability. | Clear and positive partnerships with investors. | Community-owned assets generating incomes. |
| | Short-term, scarcity-based mindset. | Informal and inconsistent trade. | | Identify market opportunities to link supply and demand; Review historical failures. | Test hypotheses. Pilot business models, and refine towards profitability. | 'In-the-ring': Secure market access, and reinforce commercial disciplines for sustainability. | Consistent players with commercial mindset. | Access to larger markets due to quality and reliability. |
| Pillar 1 - NRT Trading Businesses | Limited competitiveness, low production and resulting low market power. | Few successful businesses and jobs. | | Critical mapping and research on value-chain competitiveness. | Experimentation and proof-of-concept, and data collection. | Planning and projections for larger investment. | Competitive and productive human and capital infrastructure | Thriving small & medium enterprises (SMEs), conservancy and household businesses |

 Many 1-3 year aid programs exit at this stage, hence no long-term benefits from the investment are realised.

 'Enterprise-Development' Aid programs do not engage in business, and miss out on critical learning and improvement opportunities.

Part B.

Strategic Plan

2020 - 2025

Vision

Sustainable and resilient commerce operating across northern Kenya, with empowered people, improved livelihoods, conserved nature, and peace and stability.

Mission

To incubate enterprises that create employment, increase household incomes, and generate commercial revenues for NRT member community conservancies.

Value proposition

NRT Trading is a business accelerator that creates entrepreneurship and economic development in the vulnerable communities of northern Kenya.

We use our unique understanding of the complexities of doing business in this area to create interventions that respond to specific challenges found at the local level.

Our programmes empower and grow women, youth, and entrepreneurs and enable them to generate the employment and income their communities need.

By using enterprise to transform lives we deliver the local economic development objectives for our local communities, our Government, and our development partners.

NRT Trading Staffing



Business Advisory & Support Engine (BASE)

2020 - 2025
STRATEGY

NRT Trading's BASE combines a disciplined investment framework with a decade of "in the ring" experience growing businesses in the region.

BASE Strategy

| | Concept Identify opportunity | Feasibility Develop initial business plan | Pilot Test and refine model | Launch Establish operations | Scale Commercial investment | Expansion Growth capital |
|--|--|--|--|---|---|--|
| Pillar 1: NRT Trading Businesses | <ul style="list-style-type: none"> • Small stock • Bio Products | | <ul style="list-style-type: none"> • Mangos to Market • Fish to Market | | <ul style="list-style-type: none"> • Livestock to Market | <ul style="list-style-type: none"> • Bead-WORKS |
| Pillar 2: Conservancy- Based Businesses | <ul style="list-style-type: none"> • Fodder Banks • Solar Energy | | | <ul style="list-style-type: none"> • The Big North (tourism) • Grass Carbon | | |
| Pillar 3: Household Businesses | | | | <ul style="list-style-type: none"> • Ujuzi Manyattani (vocational training) | <ul style="list-style-type: none"> • Micro-finance, co-operative banking | |



2020 - 2025 STRATEGY

GOAL: A successful BASE will result in result in more enterprise in all three Pillars, through better strategies, execution, successful investment generation and effective monitoring, evaluation and communication to guide business growth



FINANCIAL & SOCIAL IMPACT 2025

1. All concept ideas moved to feasibility and pilot stages.
2. Pilot ideas moved into launch.
3. All businesses already launched are moved into further scaling and expansion.
4. Effective and informative M&E and communication that distils the lessons learned and guides future expansion.

| Phase | Current businesses |
|---|--|
| Concept | |
| <ul style="list-style-type: none"> • Identify opportunity • No capital deployed | <ul style="list-style-type: none"> • Small stock (sheep & goats) |
| Pipeline | |
| | <ul style="list-style-type: none"> • Grass Banks • Feed Supplies • Bio Products • Solar Energy |
| Feasibility | |
| <ul style="list-style-type: none"> • Develop initial business plan • Time investment | <ul style="list-style-type: none"> • Carbon Credits |
| Pilot | |
| <ul style="list-style-type: none"> • Test & refine model • USD 20,000 to 50,000 | <ul style="list-style-type: none"> • Tourism |
| Launch | |
| <ul style="list-style-type: none"> • Establish operations • USD 500,000 to 1 million investment | <ul style="list-style-type: none"> • The Big North • Tourism Portal • Ujuzi Mayanttani |
| Scale | |
| <ul style="list-style-type: none"> • Commercial investment • USD 1 million to 5 million | <ul style="list-style-type: none"> • Livestock to Market |
| Expansion | |
| <ul style="list-style-type: none"> • Growth capital | <ul style="list-style-type: none"> • BeadWORKS • Tourism |



**Pillar 1:
NRT Trading
Businesses
2020 - 2025
STRATEGY**





Marcus Westberg



Livestock to Markets (LTM)

Livestock trading is the economic driver in pastoralist Kenya. LTM is a respected cattle trading business and the largest non-governmental trader in northern Kenya. LTM's cattle trading business increases individual and conservancy income and it is leading the way in transforming attitudes and improving livestock practices within the conservancies.

Impact to date:

Since 2014, LTM has purchased over **14,000 cattle from over 7,000 pastoralist sellers** in 22 NRT member community conservancies, injecting **USD 4.7 million directly into the local economy**, benefitting 42,000 household members generating USD 37,000 in County Government cess taxes, and **USD 370,000 in levies to the conservancies.**

LTM uses its methods for success in its own business to demonstrate to pastoralists the value of modern methods. During two significant droughts, where hundreds of thousands of livestock perished in Kenya, LTM did not lose a single cow to starvation. It led the region in feed production, fodder banking and supplemental feeding trials and it exited the last drought with 600 acres under cultivation and a full grass bank, providing feeds over 5 -10 years.

LTM is conducting supplemental feeding trials and research, and has a regional position of influence for feeds, fodder, and animal drought resilience. Other improvements adopted by LTM include beef traceability through RFID chipping (these are 'Radio Frequency

Identification' tags attached to the cattle that use electromagnetic fields to automatically identify each individual cow), transparent and market-based pricing, weight-based purchases, cashless payments, and improved animal husbandry. We have also improved the availability of information and tightened linkages between pastoralists and commercial markets in Nairobi. By demonstrating demand for larger, healthier cows and implementing transparent pricing practices, LTM gives pastoralists more power to break the hold of cattle barons and retain a greater portion of their animals' value.



2020 - 2025 STRATEGY

GOAL: LTM will be bottom-up movement for morans and women for livelihood improvement combined with a standalone break-even market access, research and extension business. LTM will bring change from within by bridging traditional and modern knowledge by embracing the best from both, in tandem with the ecological and social realities of the communities. LTM will empower morans to make their herds, rangelands, and lives,

more productive through the power of information, education, and analysis and better decision making.

Due to the unique circumstances of North Kenya (uncertain rainfall, the need for ever stronger governance over open access pastures, enduring cultural traditions, and marginal infrastructure in a remote environment), the LTM business cannot deliver on both financial returns and social and conservation objectives without explicitly grant-funded contextual support.

From 2021, LTM will pivot from its strictly commercial business model into a blended business model designed to increase social and sustainable economic returns. It will comprise:

- Grant funded investment into capacity development, extension services, consulting, research and community outreach activities aimed at improving livelihoods and rangelands.
- A 'market connector' trading business that maintains an operating herd for the purposes of continued supply chain influence, to keep a pulse on the market with "in the ring" insights, research and knowledge transfer.



FINANCIAL & SOCIAL IMPACT 2025

1. Connect **10,000 cattle** from conservancies to markets over 5 years.
2. Enable 1,000 households (over **6,000 beneficiaries**) to benefit from income annually.
3. Deliver **USD 4 million** earned income to households.
4. Set up conservancy-based 'livestock sellers societies' and increase the number and quality of **conservancy grazing committees** and grazing practices.
5. Train **10,000 men, women and youth** in livestock production.
6. 15 conservancies have implemented **fodder banking projects**, 10 have initiated **legume production** and 5 have piloted **grass pelleting** for the benefit of 5,000 pastoralists.
7. 15 conservancies have **supplemental feeding projects**, which benefit 1,500 pastoralists.



KEY STRATEGIES

Financial performance

1. Strengthen market focus and brand:

LTM will further penetrate and service the growing demand for high quality, premium priced beef in Kenya.

2. Match supply to demand by managing to commercial quality specifications:

LTM's goal is to enable communities to consistently be able to produce 175 kg dressed weight carcasses. Processors pay more for heavier animals as butchers and end-consumers prefer larger cuts and slaughter costs are roughly fixed. We will do this by:

- a) Connecting market demand to supply by utilizing a combination of technology and direct relationships with pastoralists.
- b) Increasing dressing ratios and apply management practices to optimise price.
- c) Enabling communities to reduce

cost per kilo weight gain by:

- i) Working with NRT rangelands and conservancy livestock keepers to optimize use of grass to improve and maintain consistent supply.
- ii) Expanding LTM's supplemental feeding program into conservancies and improving supplemental feeding mixes and practices to reduce costs while maintaining weight gain.
- iii) Improving access to, and use of, alternative feeds, including bales stored in the field, other feeds, like grains, molasses, and crop residues will be investigated.

3. Look for inroads to goat, sheep and camel markets:

LTM will continue to look for financially sustainable inroads into other livestock value chains (milk and meat). We will do this by:

- a) Developing market information
- b) Conducting feasibility studies and executing revenue generating business pilots in value chains, with an orientation to scale up.

- c) Creating the business case for investment into environmentally and financially sustainable production, processing, and marketing.

Social impact & improving the livestock value chain

1. Create multiple touch points:

LTM will create opportunities for frequent interaction with conservancy-based pastoralists. This will help to build trusted relationships, underscore the value of NRT Trading, and enable LTM to identify issues in the pastoralist cattle value chain.

2. Listen, advise and empower:

Set up conservancy-based 'livestock sellers societies' with voluntary membership from livestock owners. This will allow LTM to listen to and respond to the needs of the livestock owners in the conservancies, and ease communication and market linkage.

3. Deliver livestock production training:

We will conduct commercial, market-based, intensive and experiential training on livestock nutrition, feeding, and husbandry which will enable pastoralists to make informed decisions on cattle management. This training will be modeled on Ujuzi Manyattani (village-based vocational training - Pillar 3).

3. Encourage fodder production and banking:

LTM will increase the number of pastoralist communities that treat grass and climatically adapted legumes as agricultural crops. They will have parcels of land dedicated to growing highly productive fodder, and be able to harvest and store grass and legumes for sale or use in harder times. We will offer conservancies lessons in the science and manufacturing of grass pellets and follow up on pellet-feeding in lean times.

4. Demonstrate supplemental feeding models:

LTM will build supplemental feeding projects to demonstrate livestock weight gain trials to morans and

women. We will demonstrate the methodology on both calves and lactating cattle/goats to teach its impact on productivity. The on-site (farm) learning will encourage pastoralists to adopt and replicate the same on a wide scale.

5. Launch the Livestock Business Incubation Centre:

LTM will create an incubator center to demonstrate new livestock business models to selected youth with an entrepreneurial orientation. They will be offered coaching, networking, shared facilities, and lessons in commercial quality, regulatory requirements and business development. They will also be offered marketing support and financial services. This will equip beneficiaries to adopt and benefit from modern supply chains.

6. Offer research & development:

LTM will partner with leading universities, research institutions and feedlots to develop insights on livestock nutrition and health for the northern Kenya environment.

7. Offer monitoring & evaluation:

LTM will create and implement a data gathering system that provides rigorous monitoring and evaluation of program effectiveness, as well as generates the data necessary to build knowledge regarding environmentally and economically sustainable livestock production in northern Kenya.



Roshni Lodhia | TNC



BeadWORKS

BeadWORKS is a handicraft business that harnesses the rich beading tradition of the women of northern Kenya.

BeadWORKS is about more than beads. It is about empowerment. When a woman understands how BeadWORKS works as a business, she can apply the same principles to other parts of her life. BeadWORKS develops women who can speak for themselves, who have savings, who can think about the future, who can plan for their kids. Empowered women have the confidence to stand for Board seats in their Conservancies, advocate for conservation and promote investments that improve livelihoods.

Impact to date:

BeadWORKS' unique production system, builds leaders (Star Beaders) who lead small groups of women beaders in their localities. Star Beaders coordinate the orders, payments and quality control. 1,300 women participate in the system, with annual sales over \$350,000.

BeadWORKS provides women with a reliable income that they use to pay for their children's education, better nutrition for their families, medical bills, and household improvements such as sanitation, solar lighting, and non-charcoal cookers. BeadWORKS also helps bring women into the 21st century by connecting them to the outside world, giving them access to financial services and cell phones and empowering them to earn respect and influence in their communities by contributing 5% of annual revenue directly to community conservancies.

Earning money through handicrafts is one of the most environmentally sound source of income available to women in northern Kenya. Incomes from BeadWORKS reduces participation in activities such as charcoal burning and

illegal alcohol production which destroy the environmental and social fabric of local societies.



2020 - 2025 STRATEGY

Goal: A successful BeadWORKS will result in an active, trained, and empowered beader network of 3,000 women and annual sales of \$600,000. We will deliver positive financial results in all years and over \$1,000,000 in income to artisans. BeadWORKS will provide its members with access to savings and credit services, and support leadership training among Star Beaders.



FINANCIAL & SOCIAL IMPACT 2025

- 1. Constantly rising sales** revenue rising from USD 250,000 in 2020 to USD 600,000 in 2025.
- 2.** Positive financial results in all years.
- 3. \$1,000,000** in cumulative income to beaders over the 5 years.
- 4.** Increased number of women beaders from 1,300 to 3,000.
- 5. Upskill** all the women through training.

- 6. Increase savings and assets** with the Northern Rangelands SACCO.
- 7. Leadership training** and roles for star-beaders and beaders.



KEY STRATEGIES

Financial performance

- 1. Grow BeadWORKS B2B (business-to-business) sales channel by:**
 - a) Continuing our strong relationships with the Australian Zoos, with a conservation message of how BeadWORKS benefits communities that host wildlife.
 - b) Increasing sales through American and European zoo customers.
 - c) Increase revenue from designers, component production, and bespoke orders by cultivating the fashion and handicraft goods markets through collaborations with design houses.
- 2. Launch BeadWORKS B2C (business-to-consumer) eCommerce strategy by:**

- a) Enhancing eCommerce capability to address emerging shopper trends through a website that can support B-to-C capability.
- b) Establishing an active presence on social media platforms.
- c) Establishing a B2C fulfillment capability in the USA (capability to store and ship products from the USA vs. from our site in Kenya).

3. Expand the product line of beaded leather products

4. Expand production systems and facilities through:

- a) Funding and building an expanded production, warehouse and office facility.
- b) Revising production systems to optimize efficiency and improve quality.

5. Decrease production rejection rate and improve on-time product delivery:

We will be able to meet the higher quality specifications demanded by discerning customers by investing in training for women in leather

beading and needlework/tailoring.

Social impact

1. Expand the number of active beaders in the BeadWORKS network from 1,300 to 3,000.

2. Expand the number of Star Beaders from 125 to 300.

3. Increase women’s income potential through skill training and increase the average income earned by beaders by 50%.

4. Increase women’s savings and assets by:

- a) Providing access to the NRT SACCO to all women.
- b) Connecting women to income diversification opportunities through Biashara Mashinani.

5. Increase the number of BeadWORKS women who hold positions of responsibility and leadership in their communities.

**Pillar 2:
Conservancy-
Based
Businesses**

**2020 - 2025
STRATEGY**





Juan Pablo Moreiras



Tourism Development

Conservation-based tourism has the potential to generate enough commercial revenue for conservancies to achieve economic sustainability and provide critical service and infrastructure to their people.

Tourism provides an accepted, complementary form of land use in northern Kenya, that can be pursued in parallel with the existing pastoralist lifestyle, provide youth and women an alternative income source to pastoralism, and encourage communities who have peacefully co-existed with wildlife for centuries to re-energize efforts to steward their dwindling precious resources.

Conservation-based tourism works through various models in member conservancies: community-owned and run assets, privately owned and run assets, and community-owned but privately run assets (with an agreement on fees). There is a mix of these models in the NRT landscape. Many factors contribute to the success of a lodge, including location and accessibility, the tourism/conservation product, and the marketing power of the investor/operator, and their commitment to positive relationships with the community.

Impact to date:

Since 2012, 10 tourism facilities have generated **159 jobs** and a total of **USD 6,050,000 in direct income** from bed-night fees for the 10 Conservancies. A further 10 Conservancies have explored mobile camps and community lodges, but have suffered from lack of investment, insecurity, and lack of overall marketing and destination branding. These efforts have generated an additional USD 180,000 since 2012.

Funds generated through tourism have been widely distributed by the community conservancies into **community development priorities** including education, health, water and infrastructure - benefitting the poorest in the community and providing a lifeline of alternative employment opportunities.



2020 - 2025 STRATEGY

Goals: A successful tourism outcome will result in northern Kenya, branded The Big North, becoming complementary to and an important component of Kenya’s wider tourism. Market and demographic research dictate investment in a two-pronged approach with appeal to a wide audience: campsites and bandas (self-catering stone houses) for a local audience, and development of lodges for international high-end tourists over a longer time horizon.



FINANCIAL & SOCIAL IMPACT 2025

- 1. Increased tourism revenue** to communities in northern Kenya.
- 2. Increased investment and jobs** in tourism in northern Kenya.
- Increased conservation across the full ecosystem, through wildlife conservation, environmental regeneration and restoration, and through the footprint of tourism activities.

Towards the realization of the NRT and NRT Trading 2030 Vision for Tourism

| Current State 2020 | Vision 2030 |
|--|---|
| 10 lodges/bandas | 35 lodges/bandas |
| 6 conservancies | 21 conservancies |
| 138 beds | 428 beds |
| 159 jobs (estimate) | 417 jobs (forecast) |
| USD 8 million in commercial revenue (estimates based on number of bed nights sold) | USD 27 million in commercial revenue (forecast based on projections) |
| USD 1.3 million in revenue to conservancies (2019)* | USD 3.5 million in revenue to conservancies |

** This includes full revenue to Il Ngwesi, which is run by the conservancy and does not get a separate conservancy fee.*



KEY STRATEGIES

1. Establish a partnership with NRT, with defined roles and responsibilities:

NRT, with its access and oversight over community conservancy governance structures, will enable the environment for tourism investments. NRT Trading will handle the market-facing commercial aspects including marketing, working with investors.

2. Create and pursue a defined number of tourism products that leverage the potential of The Big North, and initiate projects for 20 of the facilities envisioned in the strategy:

- a) Further refine the sites in conservancies that have been evaluated for suitability of tourism products which will form the basis for tourism development over the next 10 years.
- b) Create a process to identify sites with appeal for high-end lodges and to promote the sites to potential operators and investors.

3. Create the underlying supporting logistics and infrastructure.

4. Build out and launch The Big North tourism portal to offer the one-stop marketing services for northern Kenya, under the umbrella of the 'Big North' brand to supplant information, provide a conduit to channel bookings, and complement the expertise of individual tour operators.

5. Attract and structure investment into the sector:

By identifying a suitable investment and advisor partner, creating an investment prospectus.

6. Maintain continual and deep engagement with communities.

7. Leverage our relationships with a wide spectrum of stakeholders and make them partners in the strategy.





Grass Carbon Trading

Grasslands have carbon-sequestration qualities which are an important contributor to global climate goals. NRT and The Nature Conservancy have designed a program to benefit 14 conservancies with income from carbon credit sales with a reliable yearly income.

Partners that are leaders in this field have been enlisted to bring it to fruition. Verified Carbon Standards (VCS), has been contracted to certify that the program is legitimate through regular audits, and have established carbon baselines in the Conservancies through a rigorous process. The validation process of the first set of credits (2013-2016) is near completion. The second validation (for the period 2017-2020) will begin in 2021.

On the sales side, Native Energy has been contracted to sell the carbon credits on the international market. There is potential for a credit yield to be approximately 3.4 million tons for the last period. However, the revenue realized will be dependent on the status of market price for Carbon Offsets.

For Conservancies to realise revenue for the program, every conservancy has to raise awareness within the community about the program, and plan their grazing to effectively grow more grass, and submit monthly livestock movement reports.

The 'Net revenue' (funds remaining after payments of costs) from the Grass carbon sales will be split between the Conservancies to operations and community projects, into a bonus pool for exceptionally performing conservancies, and into an endowment fund for future sustainability.

NRT Trading will assist NRT in the commercial aspects of enabling conservancies to earn USD 2 million annually in carbon credit sales (from Nil in 2019).

**Pillar 3:
Household
Businesses
(Biashara
Mashinani)**

**2020 - 2025
STRATEGY**





Biashara Mashinani (business at the grassroots) develops individual and group capacity of people to start and manage enterprises. We use a structured graduation-based process that combines training, business development, business mentorship and financial literacy tools such as savings, loans, mobile banking and a savings and credit cooperative. Biashara Mashinani is about bringing the women and youth of northern Kenya into the economic mainstream. A whole generation needs preparation to be more resilient to shocks, withstand the effects of climate change, and embrace a new future with diversified incomes sources and an asset base that is not solely reliant on livestock. Biashara Mashinani is the only program in northern Kenya that focuses on young men as well as women.

Impact to date:

Biashara Mashinani develops individual and group capacity of men and women to start and manage enterprises. We use a structured graduation-based process that combines training, business development, business mentorship and financial literacy tools such as savings, loans, mobile banking and a savings and credit cooperative.

There are two elements to Biashara Mashinani.

1. Micro-credit loans provided through the Northern Rangelands SACCO (NR SACCO)

Established in 2016 by NRT Trading, The Northern Rangelands SACCO, an independent, community-owned Savings and Credit Cooperative Organisation for conservancy members, acts as the crucial financial intermediary providing access to financial services in the form of savings and loans. The NR SACCO now has over 3,300 members (60% women) in 32 conservancies with savings of USD 125,000 and has disbursed USD 585,000 in loans

to 2,001 small businesses started by women and youth. All members receive tailored business and financial literacy training, and 29 Community Enterprise Agents have been trained to recruit members, generate new business ideas, and follow up on loan repayments.

2. A skills development and entrepreneurship programme that trains women and youth in business and vocational skills (branded as Ujuzi Manyattani)

Started as a pilot in 2019, Ujuzi Manyattani has trained 60 youth in motorbike repairs, welding, masonry and mobile phone repairs, further increasing job and business opportunities by creating specific vocational skills that respond to growing market demands.

Biashara Mashinani is indeed changing mindsets. There is growing empowerment of women, to control their lives and invest in their families; and a growing realization in young men on reducing the dependence of livestock keeping as the only

livelihood, and that there are alternatives to fighting other tribes. There are significant potential knock-on effects on reducing conflict and preventing radicalisation – creating peace and stability in a volatile region.

household level through 10,000 new members recruited into to the SACCO, with a target of USD 2,500,000 in the savings and loan facility.

c) Establishing a SACCO Front Office Services in conservancies with a high concentration of SACCO members.



2020 - 2025 STRATEGY

Goal: 20,000 community members trained in entrepreneurship and financial literacy, of which 10,000 will have joined the Northern Rangelands SACCO to start saving. 1000 ‘star entrepreneurs’ will have grown businesses that have generated jobs beyond sole proprietorship. This whole network will be powered by 200 Community Enterprise Agents (CEAs) who will serve as grassroots mentors.

3. 5,000 diversified informal jobs in conservancies through people who have been trained in vocational skills, and a corresponding increase in non-livestock/natural-resource related income of USD 4,000 per trainee per annum. (An increase in USD 20 million in income to families representing 30,000 beneficiaries).

3) Expand vocational training

By building out the infrastructure to be able to carry out Ujuzi Manyattani vocational training in villages at a cost-effective scale, and mainstream Ujuzi Manyattani in the Technical and Vocational Education and Training (TVET) National Policy.

4) Use monitoring to coaching to amplify the programs:

Identify exceptional entrepreneurs at the village level to expand the network of CEAs to 200 who can serve as mentors to others.

5) Create role models:

Build capacity of 1,000 star entrepreneurs to graduate their business from solely owned and run, to a level where they can generate jobs. Provide internships for 500 graduates from conservancies.



KEY STRATEGIES

1. Increase financial literacy:

Through continual sensitization, entrepreneurship and financial literacy training.

2) Grow the Northern Rangelands SACCO by:

- a) Recruiting new members to the NR SACCO.
- b) Fundraising to be able to capitalize the SACCO.



FINANCIAL & SOCIAL IMPACT 2025

1. 20,000 community members trained on entrepreneurship and financial literacy
2. Greater financial inclusion, better business and resilience at the

Measuring Impact

Measuring impact is key to performance management and accountability to investors and donors for delivering financial and social returns on investment. We will measure higher level (vision related) and business and income related metrics.

Vision: Sustainable and resilient commerce operating across northern Kenya, which will improve livelihoods, contribute to peace and stability, and conservation of nature.

| Metrics | Outputs | 2019 baseline | 2025 target |
|--|--|--|--|
| Commerce: Income to Households that creates resiliency to economic, climatic and political shocks | <ul style="list-style-type: none"> Increase in annual household income | <ul style="list-style-type: none"> USD 0.73 million (<i>income transferred to communities from NRT Trading business (LTM and BeadWORKS)</i>) | <ul style="list-style-type: none"> USD 21 million annually* |
| Peace secured through business: Employment created to encourage economic incentives to maintain stability and give alternatives to conflict | <ul style="list-style-type: none"> # new employment opportunities | <ul style="list-style-type: none"> 2,633 individuals in formal or informal employment (<i>total of cattle sellers, beaders and owners of business financed through NRT Trading</i>) | <ul style="list-style-type: none"> 20,000 individuals in formal or informal employment |
| Conservation / natural resources conserved through business: positive attitudes to wildlife and influences on conservancy governance | <ul style="list-style-type: none"> Proportion of people reporting a positive attitude to wildlife | <ul style="list-style-type: none"> 61% of Conservancy members believe that the benefits of wildlife outweigh the cost (<i>SocialCOMMS 2014-2020 report</i>) | <ul style="list-style-type: none"> 75% of Conservancy members believe that the benefits of wildlife outweigh the cost (<i>SocialCOMMS 2014-2020 report</i>) |
| Livelihoods transformed by business: # morans engaged in alternate livelihoods for income diversification, creation of business tools, assets and human capital | <ul style="list-style-type: none"> # morans engaged in alternate livelihoods | <ul style="list-style-type: none"> 60 skills graduates (<i>Ujuzi Manyattani graduates in 2019</i>) USD 0.6 million in loans | <ul style="list-style-type: none"> 5,000 skills graduates USD 2.5 million in loans |

* income earned by communities from LTM, BeadWORKS, tourism jobs, and small business income from vocational skills and micro-finance loans

Mission: To incubate enterprises that create employment, increase incomes of community conservancy households, and generate commercial revenues for community conservancies.

| Metrics | 2019 baseline | 2025 target |
|---|----------------------|--------------------------------------|
| Pillar 1: NRT Trading Businesses | | |
| Livestock sellers benefitting from LTM | 570 | 500 annually (3,000 beneficiaries) |
| Earnings by livestock sellers from LTM activities | USD 600,000 | USD 800,000 annually |
| Beaders earning incomes | 1,200 beaders | 2,500 beaders (15,000 beneficiaries) |
| Earnings by beaders | USD 91,000 | USD 250,000 annually |
| Pillar 2: Conservancy-Based Businesses | | |
| P2: Conservancy tourism revenues | USD 1.3 million | USD 3 million annually |
| Employment in tourism | 159 | 417 |
| P2: Conservancy carbon revenues | 0 | USD 2 million annually |
| Pillar 3: Household Businesses | | |
| Businesses financed | 803 | 10,000 |
| Value of business loans | USD 0.58 million | USD 2.5 million |
| Individuals trained in financial inclusion | 803 | 10,000 |
| Savings generated | USD 53,000 | USD 0.5 million |
| Individuals trained in vocational skills | 60 | 5,000 |
| # community conservancies | 20 | 500 |



EMBASSY OF DENMARK
Danida



EMBASSY OF SWEDEN



