

# 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.
Pillar 1 - NRT Trading Businesses	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.
	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	<b>Thriving small &amp; medium enterprises (SMEs), conservancy and household businesses</b>

 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.