

PROJECT APPLICATION

About Hope Designers

Hope Designers was kick-started in 2015 by a community based organization Kar Geno Asembo using seed funding from an overseas donor. It started as a social project aiming to equip unemployed and HIV affected women with tailoring skills and provide them with a safe place to work and to earn an income.

Furthermore, the project seeks to end the stigma associated with HIV by demonstrating that HIV positive women are resilient, industrious and capable. Kar Geno's vision is to create a world where women can create social change through economic empowerment. To bring this vision into reality, Hope Designers help to empower vulnerable women in need of socio-economic independence through entrepreneurship.

Women are frequently the worst affected when it comes to unemployment and poverty. Without any income of their own, women depend on men for everything. If the men are also unemployed, matters get worse, and poverty can be severe. Empowerment of women through self-reliance and financial independence can be achieved by providing business skills and training. Using the skills and knowledge they have acquired, women can either start up their own small business or take a job.

Hope Designers produce original items such as handbags, purses, backpacks, aprons and skirts from African “Kitenge” prints that meet international standards and market demands. These products are unique and of good quality.

As a social enterprise Hope Designers tries to ensure that its members are paid a fair price for the products, which includes payment for pension contributions, sick and annual leave, and insurance contributions for medical expenses. All remaining profits are re-invested into the project. HIV positive women in our project are trained for embroidery, arts and design skills as well as tailoring. The course duration is 6 months for basic cutting and sewing. The participants can then progress to the next level which is training in detailed art and creativity.

Hope Designers is a supplier of seamstress products locally and globally through Kar Geno's partner organizations and volunteers.

Currently 20 women are participating in the programme and share 5 sewing machines in the Hope Designers workshop. 4 women left the programme voluntarily after obtaining the training as they moved away from Kisumu and were replaced by new members. In the current setup of the cooperative members are not obliged nor encouraged to leave the programme. When a member of the cooperative leaves, she is given a sewing machine using the funds of the cooperative's savings scheme. Many members have already finished their basic training but chose to continue working for the Hope Designers. The approximate capacity of the workshop is 40 persons, however, it is not fully exploited, as the equipment and furniture are inadequate and the profits are insufficient

to support such growth.

In 2018 the cooperative moved to a very basic new workshop which is offered by the Tailor Instructor on her land free of charge. This arrangement between the Tailor Instructor and Kar Geno is governed by a lease agreement of a period of 15 years and is renewable. The reason for this move was to save on workshop rental costs while continuing the work. The workshop does not have concrete walls or floors. Also, there is no electricity or water supply. The sewing machines are manually operated. Sometimes, when an order needs to be completed to meet a deadline women work in the evenings using kerosene lamps.

The programme and the workshop are located in the outskirts of Kisumu, in the Manyatta slums. All the members of the programme live in the slums. Kisumu is the 3rd largest city in Kenya, located on the shore of the Lake Victoria in the north west part of the country.

Problem description/ the need

Given the high levels of unemployment in the formal sector, more than 80% of population participate in the informal sector either by selling agricultural products or trading other food and non food items to earn an income.

Such economic engagement does not provide for health and social security and leave people exposed to uncertainties and instability of income generation. Women are particularly vulnerable to this situation as often they are sole income earners in their families in many cases with several children to feed, lodge and educate.

Hope Designers was set up to address these important social and economic problems of unemployment and absence of skills and training of the poorest women in the society. These women are often stigmatised because they or their family members are affected by the HIV and live in the slums. Formal work opportunities are very few and when they do come along, this social class is discriminated against the most due to the lack of education, working experience in the formal sector, social status and links to HIV.

Hope Designers programme addresses a number of these problems by providing training and skills, formal safe and remunerated working environment, destigmatization by helping to build status and visibility of women carrying this label, opportunity to save and borrow money and overall self-confidence to the most marginalised members of the society.

Currently the programme is benefiting a small number of women. However, with the help of the scaling up of this project, the number of beneficiaries would increase significantly, from only 20 to 220 in ten years time.

Considering their families and the society as a whole, the impact would be even greater, positively touching the lives of over a thousand people, as every income provider in one family on average supports 6-8 people, who are mainly their own or orphaned children of their siblings.

Country's economic and social overview

In 2016 around 6% of people were living with the HIV in Kenya. The western part of the country through Homabay, Siaya, and Kisumu are the most affected with HIV rates of 19-25%. The prevalence of HIV/AIDS in Kenya is higher for women than for men. Countrywide, women represent 60.6% of all adults of 15 and over living diagnosed with the HIV. The increasing number of widows and orphans resulting from the high number of HIV/AIDS cases has significantly increased both women's workload and their financial responsibilities and has impacted their ability to contribute to economic life in Kenya.¹

Furthermore, growing evidence indicates that gender-based violence contributes to the higher infection rates for women. Other reasons include traditional norms and cultural practices as well as women's economic dependence on men. HIV/AIDS is also having an impact on already insecure land rights for women. Widows and their children can be vulnerable in terms of potential loss of land rights on the death of male household head. Young widows were found to be more vulnerable than old ones.²

Kenyan women are making a large (although frequently “invisible”) economic contribution, particularly in agriculture and the informal business sector, while men tend to dominate in the formal sector. More than 75 percent of women live in rural areas, where they dominate the agricultural sector. Women in Kenya are also time-poor because of their dual roles in the household economy and the labour market. On average women work longer (12.9 hours) compared with those of men (8.2 hours) yet they earn less because more of these hours are not remunerated. In Kenya, 54 % of rural and 63 % of urban women and girls live below the poverty line.³

Women's limited land ownership restricts their access to formal financing mechanisms and decreases their contribution to Kenya's economic growth. Although access to finance is an obstacle for all firms, women rated it as a single biggest constraint that is preventing them from growing their businesses. The prevalence of a collateral-based banking system and lack of a credit bureau that could capture women's excellent repayment rates in microfinance are key constraints.

Women are major actors in the informal sector of the Kenyan economy. In informal sector represents over 80% of employment. The government's of Kenya statistics indicate that women own half of all micro-, small-, and medium-size enterprises in Kenya.

It is therefore beneficial to help women organise themselves into effective and sustainable organisations that can be used as vehicles for social and economic empowerment.

Project description

The objective of the project is to create enabling environment and opportunities for HIV-

¹Source: USAID

²Source: The World Bank

³Source: Government of Kenya

infected, low socio-economic class women in the slums of Kisumu, Kenya by increasing the capacity and enhancing sustainability of women's cooperative Hope Designers.

Specific objectives:

1. increase the number of women benefiting from the programme;
2. expand the programme into a mini vocational training centre;
3. upgrade the workshop with the necessary equipment;
4. train women how to setup and run a small business;
5. establish a microfinance loans fund for the members of the programme;
6. implement targeted business development activities.

The ultimate goal of the project is to promote the social and economic empowerment of HIV affected women who are, in most cases, also mothers to several children as they constitute a vulnerable social category. Women are the backbone of the Kenyan and African economy in majority of cases being the principal providers in the family.

The project will equally contribute to the improvement of livelihoods for targeted women who will be supported to establish and grow their businesses and income.

The aim of this project proposal is to request an investment grant needed to scale up the existing Hope Designers programme and help achieve its full potential. Currently there are 20 women who after the initial training decided to remain in the cooperative that provides a safe working environment. In order to have a positive impact on the lives of a larger number of women, via the means of this project, Kar Geno proposes to increase the turnover rate of the participants in programme. Thus, at the end of the 12 months practical tailoring skills and business skills trainings the women will be committed to leave the programme and start their own businesses or seek employment elsewhere. Upon graduation of the programme they will receive 2 certificates: 1 of tailoring skills and 1 of business training. Throughout the programme they will participate in the saving scheme of Hope Designers and upon graduation, they will be given a sewing machine in order to start their own micro enterprise.

The scaling up of the project will achieve the following expected results:

- number of women trained by the programme increased from 20 to 120 in 5 years and to 220 in ten years;
- entrepreneurship and business skills tailor-made training to all the participants provided;
- safety and working conditions of the workshop improved and necessary equipment used for tailoring, basic furniture and more tools purchased;
- microfinance loans and savings fund for the members kicked off;

- the social-enterprise business model diversified;
- targeted, proactive business development process developed.

In order to reach its objectives, the project will consist of the following distinct components:

Component 1: Workshop upgrade

At the moment the workshop contains 9 manual old-fashioned Singer sewing machines (of which only 5 are in good working order) which are shared among 20 members of the cooperative. These machines only perform the function of sewing and cannot perform more complex tasks. Therefore, for such functions as, for example, making the button holes or zigzag, the women need to take the items to another workshop in town and get it done for a fee.

It is proposed to make the following improvements to the basic infrastructure and working tools in order to expand the existing programme:

1. Tailoring equipment: purchase additional 11 standard sewing machines, 1 overlock and 1 embroidery machine to perform numerous specific tailoring functions. Purchasing of additional equipment will permit an increase in the capacity of the workshop from 20 to 40 participating women.

Furthermore, the cooperative will be able to provide a service of button hole making, overlock, etc. for a fee and will generate an extra income that will be returned into the Microfinance and Savings Fund (Component 4).

The so needed workbench for preparatory work of designing and cutting fabrics will be purchased. Currently the workshop lack a workbench.

Additional sewing tools, such as scissors, tracing wheels, seam rippers, drawing books, charts, iron will be acquired to fully complement currently available inadequate tools.

2. Infrastructure upgrades: the project will contribute to the improvement and safety of the working environment by making basic upgrades such as plastering the floors of the workshop which are currently made of mud/clay, installing windows and proper doors to secure the building.

Furthermore, it is proposed to bring electricity connection into the workshop from the nearby electricity transmission line as well as to install sockets and lights. This will be particularly necessary as the embroidery and overlock sewing machines will be powered by electricity and will also allow the women to work in the evenings when necessary.

As a part of the working environment improvements, it is proposed to install a 500L water holding tank to store rainwater for drinking and washing purposes, as lunches are always cooked in the workshop.

Component 2: Business and entrepreneurship training programme

In this component it is proposed to deliver a small business launch and management skills training to each member of the programme.

These will be monthly 2 hour classes over the 12 months period of duration of the programme and the syllabus will cover the following subjects:

- Starting a businesses
- Business management
- Marketing
- Costing and pricing
- Record keeping
- Business planning and expansion
- Access to funding.

To deliver the training programme Kar Geno will partner with Cherehani Africa. CA is a non-profit organisation holding expertise and long term experience in providing training in small business management and access to finance to numerous organisations.

Once a member completed the training, they will be issued a certificate of a course completion.

Component 3: Establishment of a Microfinance and Savings Fund (MSF)

Kar Geno has more than 5 years of microfinance and table-banking experience. It is a big success in Mabinju, where Kar Geno kick-started a microfinance fund for several of its cooperatives by making an initial seed funding investment.

The objective of the MSF is to encourage the participating members to save the money earned. By putting money into the Fund women will acquire shares proportional to their contributions. The Fund issues loans to those who need them every month. An interest rate of 2% is charged and when the loan is returned, the interest amount is converted into shares in the fund, which are then owned by the borrowing member. A member can redeem their shares and withdraw a more substantial amount of their accumulated savings when they need to for a bigger project, such as home renovation or make a substantial purchase.

Kar Geno will provide a basic accounting training for the members so that they can run the Fund independently. Usually there is a need to elect a Chair, a Treasurer and a Secretary.

Component 4: Business Diversification

With the help of funding of this project proposal it is proposed to convert the Hope Designers social-enterprise into a more sustainable and self-reliant business. Providing marginalised women with a cooperative where they can learn and work is a great social undertaking, however, ensuring a regular income stream is essential for such programme to thrive and have a positive impact on the livelihoods of the participating women and their families.

Kar Geno therefore proposes to diversify the business model of Hope Designers cooperative that now financially relies on product sales and donor's contributions. It is proposed to install a new line of business which would serve as a complementary business line to Hope Designers current work.

It is proposed to initiate a small business activity of importing better quality and more affordable sewing materials at wholesale prices from Uganda and resale of these products in the Kisumu market where Hope Designers have a stall.

As far as markets for fabrics goes, the Kampala market in Uganda has a long-standing reputation for its superior fabrics which are at the same time better-priced than those made in Kenya. Hope Designers enjoys its advantageous location in Kisumu, which is only 500 km drive from the market in Uganda.

The cost of this component will cover the initial investment needed to purchase the first batch of inventory: fabrics, threads, needles, zippers etc.

Two members of the cooperative most knowledgeable of the fabrics quality will travel to the market in Uganda to select the best products. The members of the cooperative will rotate in selling the fabrics in the market in Kisumu.

It is planned for this business line to self-sustain once kicked off making approx. 300-500 USD of profits a month. The profits made through sales of products will be reinvested to maintain adequate levels of inventory. Over time, when enough money is circulating in the inventory system, the profits will be put back to the Microfinance and Savings Fund. It will, if and when necessary, be used to cross-subsidise the running of the Hope Designers seamstress programme.

Initiation of this activity will have direct secondary effects on the current financial flows of the cooperative. Fabrics made in Uganda are generally priced lower than those in Kenya and, in addition, buying wholesale will generate a discount. As a result, this activity will provide cheaper and better quality fabrics to be used for Hope Designers items and will therefore improve overall quality and look at a reduced production cost.

Component 5: Business development - new markets

Currently the Hope Designers products are sold to partner organisations that send them overseas. There also is a Hope Designers stall in the Kisumu market where the items are sold.

Hope designers currently enjoy relatively good stream of sales, however, with the scaling up of the programme, the sales too have to be boosted. First, there will be more items made, and second, there will be more members who will need to earn an income.

In this business development component it is proposed to invest into activities that would potentially help increase the sales of Hope Designers products.

Kar Geno performed a preliminary market analysis for Hope Designers products. As these are mainly traditional fashion items, they are rather popular with visitors and tourists. It is therefore proposed to initiate Hope Designers items sales in places frequented by tourists, such as souvenirs shops in Mombasa, other coastal cities like Diani, Kilifi, Lamu, the shops in the international airports in Nairobi and Mombasa.

This will require a Kar Geno coordinator to travel to these tourist places, speak to the shops owners and initiate agreements of products supply.

After the initial business investigatory activity and agreements with the retailers, the products can then be shipped to the points of sale by land transport.

In addition, Kar Geno will undertake a more proactive targeted search for new markets, such as the fair trade artisan shops in Europe and the USA, online sales like Etsy and Not on the High Street.

Table 1: Project components, cost and activities

Project component	Cost Ksh/USD	Activities
Component 1: Workshop upgrade	226 700/ 2267	<p>Tailoring equipment purchase:</p> <ul style="list-style-type: none"> • 11 standard sewing machines • 1 overlock machine, • 1 embroidery machine • 1 workbench • 28 scissors • 10 tracing wheels • 28 seam rippers • 30 drawing books • 2 charts • 1 iron. <p>Additional inventory purchase:</p> <ul style="list-style-type: none"> • Fabrics, zippers, threads, elastic bands, etc. <p>Workshop infrastructure upgrades:</p> <ul style="list-style-type: none"> • Plaster floors • Install windows and doors • Install electricity and light • Install water holding tank

Component 2: Business and entrepreneurship training programme	18 000/ 180	<ul style="list-style-type: none"> Deliver a tailor-made monthly business training to each member throughout the duration of 18 months of the programme. The training will consist of the following subjects: Starting a businesses; Business management; Marketing; Costing and pricing; Record keeping; Business planning and expansion; Access to funding.
Component 3: Establishment of a Microfinance and Savings Fund (MSF)	50 000/ 500	<ul style="list-style-type: none"> Establish a Microfinance and Savings scheme for the members of the programme using seed funding as an initial investment.
Component 4: Business Diversification	200 000/ 2000	<ul style="list-style-type: none"> Initiate a new and complementary line of business activity importing better quality and more affordable sewing materials (fabrics, zippers, threads, etc.) at wholesale prices from Uganda. Resale of these products at the Hope Designers stall in the Kisumu market.
Component 5: Business development – new markets	48 000/ 480	<ul style="list-style-type: none"> Initiate Hope Designers items sales in highly touristic places in Mombasa and other coastal cities Diani, Kilifi, Lamu; also the shops in the international airports in Nairobi and Mombasa. Hope Designers' representative travel and stay in these locations showcasing the products and making arrangements with shop owners.
Total	542 700/ 5427	

Project Outcomes

Key project outcomes include increased economic activity and employment of disadvantaged group of women affected by the HIV/AIDS, increased household income, reduced poverty, and increased school attendance of beneficiaries' children, improved nutrition and health of the beneficiaries and their families.

The envisaged enlarged and improved cooperative setup will enable Hope Designers to train and prepare for business or employment more economically and socially disadvantaged women, who, in turn, will have positive spill-over effects on their families and communities they live in.

The project will, in the long term, contribute to capacity building and training in functional business areas in Kenya for the poorest segment of society and of creation sustainable

employment opportunities through the support for the establishment and development of small enterprises.

In ten years the number of direct beneficiaries would increase tenfold – from 20 to 220, whereas the number of indirect beneficiaries from 140 to approx. 1540 as each principal income provider supports some 6-8 family members, who are mainly children.

Policy Framework

The proposed project is in line with the funding criteria laid down by GG. The scaling up of Hope Designers cooperative is a local project providing opportunities to marginalised group of society – women living in the slums and infected by the HIV/AIDS.

The project's target group are women who had to quit education early for economic reasons. They will be provided with vocational training and professional skills without having had an opportunity to attend secondary school. They will also be given an opportunity to start their own business after having received a business training and a sewing machine as a work tool to start with.

Furthermore, the project corresponds to the economic and social objectives of Kenya Vision 2030 aiming at improving resource distribution between genders, improving livelihoods of vulnerable groups, such as women and poor by providing the disadvantaged groups with business opportunities.

Sustainability of the project

The combination of well-designed components will help to ensure the sustainability of the expanded Hope Designers programme after this project is implemented.

The diversification of Hope Designers business from one line to two lines of business will provide a buffer in case one of the two businesses experience difficulties. The cooperative has earned its good name over the years and is now known by its frequent buyers and donors. With the help of this project, Hope Designers will become more professional at the same time able to reduce the production costs using the wholesale materials imported from Uganda.

The increased production due to the increase in number of sewing machines as well as the participating members will lead to more products to sell. The increased sales thanks to the new business development activities will generate more profits.

The ensemble of measures put in place will work in synchronicity ensuring constant flow of resources. The Microfinance and Savings Fund will be the key to managing these financial flows and ensuring that the members are adequately contributing and benefiting from the cooperative's profits.

