



JAMII BORA AND KAPUTEI TOWN: Affordable and Sustainable Housing for Urban Slumdwellers

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A TEACHING CASE

Abstract

In late 1999, Ingrid Munro founded a microloan organization in Nairobi, Kenya with 50 women who had previously been desperate street beggars. The organization, “Jamii Bora” (which means “good families” in Kiswahili), is based on the premise that very poor people can lift themselves from poverty through saving and business development. It grew rapidly, in part because it employs only members and is thus able to quickly and appropriately innovate to respond to members’ needs. Because the majority of the Jamii Bora members live in deplorable conditions in Nairobi’s most dense and dangerous slums, the organization worked to create Kaputei, an innovative socially and environmentally-sustainable new town designed by members with their priorities at the forefront.

This case presents the challenges of a social venture that is preparing to scale. The case also presents the risks and hurdles inherent in creating a sustainable business in a developing country. Through this case, students may gain insight into both the challenges and significant opportunities in addressing the needs of low-income consumers in emerging markets.

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Keywords

Social entrepreneurship, base of the pyramid, sustainability, microfinance, sustainable development, and international development.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdweller

Introduction

Riding along the dusty road from Kaputei Town back into Nairobi, Ingrid Munro listened as others in the car discussed the Jamii Bora housing development they had just toured. She was pleased that they had compliments for the new construction, the innovative wetlands and the on-site production of supplies. But as a key Jamii Bora leader she also worried about the challenges to overcome before thousands of families could move into Kaputei and leave the slums forever. Although construction began in earnest in 2007, the project had been in the planning stages for almost five years. In 2002, Jamii Bora Trust acquired approval to change zoning on the 293 acre parcel from agriculture to business/commercial—and with that victory, the journey toward creating sustainable, affordable, innovative housing for the poor had begun. The Kaputei project was intricately tied to Jamii Bora's microfinance project and its other programs—in particular because this housing project was being co-designed and built by "members." Members had designed almost every aspect of the housing development, they could qualify for special loans to move in to Kaputei and they had priority for occupancy. While Kaputei was the most recent innovation in the organization, Munro wondered about the long-term prospects for the microfinance organization she had built with 50 former street beggars. How sustainable was the housing development and how did it relate to the organization's social entrepreneurial model? How much of the Jamii Bora model could and should the organization scale for other locations? Given Jamii Bora's organic process of building a set of poverty alleviation products, could the business model be successfully replicated by others?

Ingrid Munro - Helping to Lead an Exodus Out of Poverty

Munro, now in her late sixties, is a soft-spoken Swedish architect with a long career in activism and advocacy—due in part to her deep and early respect for individuals who have achieved much without the advantages of formal education. After graduate school, she worked for eight years for the Swedish government in the bureau of housing research. In 1985 she had the opportunity to work for United Nations Habitat to research and prepare for the International Year of the Homeless. Based in the capital of Kenya, she traveled the world to research the linkages between poverty and housing, as well as to identify innovative solutions to the housing problems of the very poor. "My father was a missionary and medical doctor in Rhodesia [now Zimbabwe] and he brought my brothers and sisters up to have enormous respect for Africa and African culture. That is part of how I came to work in Africa."¹ While in Kenya she used her position and the United Nations (UN) forum to work for housing policy reform and she was instrumental in convincing 36 countries to overhaul their housing policies.² Munro had only planned to stay in Nairobi for two and a half years, but in 1987, after leaving the UN, she was asked to remain in Kenya to work on a pan-African housing association. As the head of the African Housing Fund (AHF)—an advocacy group for

¹ Chevenee Reavis, "Off the Streets and into a Good Family: A Conversation with Ingrid Munro, Founder, Jamii Bora," *Microfinance Insights*, 1 November, 2008. https://www.microfinanceinsights.com/articles_new.asp?member=nonmembers&id=345

² Personal interview with Ingrid Munro, Nairobi, Kenya, November 20, 2008.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdweller

the homeless, she began her next career phase as an advocate for the poor, pressing for their right to housing. She spent much of her time looking for practical solutions and studying best practices that could help people improve the housing situation. After a meeting in 1988 with Muhammed Yunus, founder of Grameen Bank and one of the fathers of microfinance, Munro began to see how microfinance could go beyond just housing.

Munro soon began working with about 50 women beggars to found a savings club. She came to know the women after she and her husband adopted first one boy who had lived on the street, then his two brothers—a family-building process that began in 1988. Munro has said: "it was a small seven-year-old boy who more or less adopted us.... And later found his two brothers and adopted them. With a situation like that, like in all great love stories, in literature and in real life, you are a helpless victim."³ Working with friends of her children and mothers of other street children, she created a program where she would loan participants twice what they saved. As for herself, she thought she would retire and write a book about individual empowerment in development assistance. However, the mothers and other community members she had been working with noticed her absence—they searched for her, missed her presence on the streets, and asked her sons to "tell Mama that we are dying." Munro says that she thought she would hand the program over to younger people, but the group of women refused to give up on her and the dream they had all started together.

The savings club started by offering small loans where the loan amounts were contingent on savings. The women met once a week in small room that Munro rented. Supplies consisted of her home computer and a receipt book. She started recruiting in earnest for the savings club in July of 1988, and by October the interest had "spread like wildfire." The crowd was a bit rough at first—Munro says that they were "so smelly and dirty and occasionally foul-mouthed that not even the Catholic Church would let them in their building"—they had to meet outside on the grounds. But from the beginning, Munro believed that the best way to have a significant social impact was by working with the poorest of the poor, despite the conflicting interests of potential donors. "I think donors can play a very negative role here when they push microfinance institutions too hard to be profitable and demonstrate sustainability—interpreted entirely as financial sustainability. This measure of success often promotes dropping the very poor to appear more successful since small loans are always going to cost more to manage and administer. To us, success is to support the very poor and to assist them in climbing out of poverty."⁴

Jamii Bora: Serving, Employing, and Promoting Beggars and (Ex)Thieves

Jamii Bora grew rapidly. Early members begged her to have no staff due to prior negative experiences with staff from other nonprofits. When Munro explained to the members the dire need

³ Wikipedia

⁴ Chevenee Reavis, "Off the Streets and into a Good Family: A Conversation with Ingrid Munro, Founder, Jamii Bora," *Microfinance Insights*, 1 November, 2008. https://www.microfinanceinsights.com/articles_new.asp?member=nonmembers&id=345

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdweller

for additional staff, they suggested a simple solution: employ us and employ our children. And Munro did. She says simply- "we started that way- kids and beggars."⁵ One of the first staff members was Nancy Reiremo, now a branch manager of a major inner city branch. Hannah N., another early staff member was also the first Jamii Bora member and one of the organization's founders. She has since passed away, but her daughter Agnes, one of her five surviving children, has told many that she wants to work hard in school and to help people, just like her mother. Because of this foundational decision to only hire and promote from within the organization, all members know they have a hand in the development of the organization. Elector Atieno, Jamii Bora's Director of Research says that "by doing this we give our members ownership of the organization and the opportunity to participate in the decision making process. They are burning with enthusiasm and determination to bring more members out of poverty as they have done themselves. Our staff and members constantly plant new dreams and assure members."⁶

Most of the members are ex-street beggars who now run viable businesses. Munro claims that nobody is too poor to become a member of Jamii Bora. "Many members are on their way out of poverty. They are now the mentors of those who are still very poor. Mentor members help a lot by being an example. They are living proof that however poor you are, you can get out of poverty if you are determined enough."⁷ For Jamii Bora, microfinance is not just about providing a loan, but creating jobs and opportunities for entire communities. Successful microfinance is when one loan leads to a business that then creates jobs. Members are organized in credit groups with five members in each group. The group members guarantee each other's loans and provide important moral support to each other. All five members must save, but only one member at a time can take the first loan. Another innovative element of the Jamii Bora model is the mandatory but responsive savings requirements. Munro explains their position: "Without savings, a member is not able to get a loan since the loan is issued against the member's savings. With the savings, our members are able to get loans even if they have no assets to use as collateral and this is usually the case with the poor. This promotes a saving culture among our members and savings is necessary for the poor."

By November 22, 1999, Munro had registered the organization with Kenyan officials and the organization had a name-- "Jamii Bora." The word means "good families" in Kiswahili, referencing how the participants repeatedly told Munro that she was one of the only people who understood that they were good women working to be good mothers with good families. Officially registered, Jamii Bora closed out 1999 with 1,000 members and a vision to build a sustainable business model that would successfully pull thousands of people out of poverty. "Our mission is not to be profitable ... We cover our costs and make a little plus so we can keep investing in the organization such as new technology, which of course helps us to reduce costs even more. Microfinance organizations are

⁵ Personal conversation with Ingrid Munro, Nairobi, Kenya, November 20, 2008.

⁶ Interview with Elector Atieno, Jamii Bora's Director of Research, November 2008.

⁷ Internal Jamii Bora document entitled: "Jamii Bora Trust, Information and Financial Position, 30 April 2008."

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdweller

social organizations and they must stay true to that. To reach more people, grow the organization, cover costs, and be sustainable, you must subsidize new members with successful members. That is the model.”⁸

Growth of an Organization and a Movement

As of November 2008, Jamii Bora had 84 branches, over 150 outreach centers and 180,000 members across Kenya⁹ all built through a process of constant growth and adaptation. The organization has learned to adapt the services offered to different regions. The organization makes an effort to listen to members and to understand their needs. Jamii Bora hires and promotes from within the membership and the management team is composed of Munro, several Jamii Bora members and other members who were once staff from Munro’s work at the AHF.

Jamii Bora’s lending is concentrated on the needs of the members. The majority of the loans are very small. The average loan size in 2008 is 7,209 Kenyan Shillings (approximately US\$ 90). Almost 80% of the loans are less than 10,000 Kenyan Shillings (approximately US\$125) many of them starter loans that could be as small as a few hundred shillings. These first loans can have a dramatic effect on the lives of the members. Consider a street vendor who sells potatoes and who has saved 400 Shillings. She can borrow 800 Shillings and buy a 130 kg sack of potatoes. Instead of having only 5-10 kg to sell, she now has 130 kg for sale. She also earns dramatically more for every potato she sells because she bought the potatoes at wholesale price and is still selling them at the same price as before. After 3-4 weeks she comes back for her next loan, having saved 800 Shillings and now able to borrow 1,600 Shillings to buy 2 sacks of potatoes. Jamii Bora has many members who started with loans of less than 1,000 Shillings and who in one to two years grow into big businesses.¹⁰ Most members close out their first loan within six months-- even though they are given 50 weeks¹¹. In 2008 the standard interest rate is fixed at .5% per week.

Jamii Bora has learned that to get out of the vicious cycle of poverty, people do need more than just access to finance. They also need insurance, education, healthcare, housing and more. The organization now offers a package of microfinance products, health and life insurance, business loans, agriculture loans, housing loans, water development and infrastructure loans. Early on, the Jamii Bora team studied the reason why some members defaulted. The team found that 93 percent of all defaulting members had the same problem: one of their family members was very sick and in the hospital. When this happens, members sell everything they own, leaving them without money to repay their loans. Looking for innovative solutions to such challenges, the organization decided to offer its members affordable health insurance.

⁸ Chevenee Reavis, “Off the Streets and into a Good Family: A Conversation with Ingrid Munro, Founder, Jamii Bora,” *Microfinance Insights*, 1 November, 2008. https://www.microfinanceinsights.com/articles_new.asp?member=nonmembers&id=345

⁹ Internal Jamii Bora document entitled: “Jamii Bora Trust, Information and Financial Position, 30 April 2008.”

¹⁰ Jamii Bora website, accessed 10 October, 2008, <http://www.jamiibora.org/memberstats.htm>

¹¹ Personal conversation with Phillip, November 20, 2008, Nairobi, Kenya office visit.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

Jamii Bora has been through an iterative adaptation process resulting in a broad range of resources that complement and strengthen the loan products. The organization has a comprehensive livelihood strategy which makes it different from most other microfinance institutions that largely focus on credit and savings alone. Jamii Bora offers a unique package of microfinance products and loans with conditions for the loans that are adapted to the purpose of the loan. However, one of the most responsive adaptations that Jamii Bora enacted was the decision to develop the Kaputei housing project.

Kaputei Town: Creating stability and business opportunities through housing

The Jamii Bora management team determined that the poor consider housing one of the most important factors in bringing a family out of poverty. Elector Atieno recounts: “most studies addressing the cause and solutions to poverty have come to the conclusion that housing for the poor is of crucial importance. After all, health depends on decent housing, most of the urban poor are petty traders and vendors at the street, and they need to keep any remaining stock in their own houses over night. Yet, housing is the biggest expense in the household budget.”

In 2002 Jamii Bora began to develop the Kaputei Town development to provide employment and commercial opportunities and to assist members to achieve their dream of better and secure housing. Atieno believes “that in order for our members to climb out of poverty, they have to be out of the slums and able to live in decent housing while also maintaining their already developed social and informal networks which they rely on for their survival.” Jamii Bora purchased 293 acres in a rural location 25 kilometers outside of Nairobi. The land is on a semi-arid plain, some of it used by Maasai tribes (an indigenous African ethnic group of semi-nomadic people many of whom are cattle herders). It sits on the southern border of the Nairobi National Park with the impressive Ngong Hills in the background. Jamii Bora elected leaders chose to name the new town “Kaputei,” the original Maasai word for that region.

Resistance: Early and Long-Lasting

The group met with resistance almost immediately after the purchase of the land. A small coalition consisting of a Maasai group and two NGOs insisted that the development would destroy the traditional way of life, increase crime, and block a corridor of animal migration.¹² However, news reports on the controversy suggest that the wildlife conservation community itself was divided about the state of the park. The former head of KWS, the Kenyan Wildlife Services, said “I don't think a corridor is a realistic option. Development has already gone too far.”¹³ Also, Kaputei is

¹² News report from Reuters, Published December 30, 2007. See Barry Moody, “Unique Kenyan game park under human threat.” Accessed at: <http://www.enn.com/wildlife/article/28362>.

¹³ Ibid.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

outside of the zone located 26 km south of the National Park and 4 km away from the planned corridor—according to KWS' own maps.¹⁴

A much larger number of Maasai herdsman and chiefs support the project, indicating that the negative spokesperson is not representative of the local people and their feelings. The leader of the nearby Kisaju Maasai community of 500 families says that "we all support the town because of development and employment." All 500 families have become Jamii Bora members. Kaputei will include a milk cooling plant for the Maasai and Jamii Bora is working with the Maasai women to sell their traditional beadwork to retailers. Munro insists that the town will be a model for a society free of ethnic tensions. She also shares her sentiment that the resistance is really funded and fueled by a select group of wealthy individuals who resist the progress and proximity of the (previously) urban poor. Some of her supporting evidence comes from a statement made by the Director of KWS in February, 2005 in a letter to the National Environmental Management Authority (NEMA) designed to block the project. In it he said: "Jamii Bora should be advised to relocate the project to a more suitable site such as Kibera or Methare" (the two most dense and dangerous slum locations within Nairobi). Munro sees this as a "born-in-the-slums-stay-in-the-slums" argument suggesting that good women and men should not be allowed to save up to escape their origins.

Resistance moved from being vocal to legal in January of 2005. After three years of work where boreholes, factories, impact assessments and infrastructure contracts had been established according to legal requirements, NEMA announced a new decision to reject the project. Jamii Bora appealed in March of 2005 and after 13 months of hearings, all of which ended with rulings in Jamii Bora's favor, the issue was settled permanently. Judges in a National Environmental Tribunal rejected NEMA's decision in April of 2006. Appeals and counter-appeals ended and construction finally began again in earnest in May of 2007. The inhabitants of the first 500 houses will move in to their homes at the end of 2008.

More Than Just Houses: A Complete Community Plan

When Jamii Bora started the development of Kaputei, they began by asking members what they wanted in a community. As a result, Kaputei Town is designed around eight autonomous neighborhoods each composed of 250 families. The town has its own primary schools and there is reserve land for a future secondary school. The schools can house 40 students per room (by government standard) and they have 12 rooms, so they can currently serve 480 students. They also plan facilities for security committees, a police post, banking, health, a market, milk collection stations, fish sales, and handicrafts. The center of town has extensive playgrounds and sports facilities and adequate space for commercial and cultural activities. Each neighborhood elects a management association to develop and maintain their facilities, open spaces, parks and playgrounds. The town will have a Town Management Board with representatives of all

¹⁴ Internal Jamii Bora document entitled: "Jamii Bora Housing Kaputei New Town, April 30 2008."

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

neighborhood associations that reports to Jamii Bora Trust. According to Munro, “we are creating a new middle class in a way.”¹⁵

Early in the planning stages, the biggest challenge was infrastructure such as water, roads, sewers and in particular wastewater containment, treatment, and recycling. The Kaputei planning team developed very innovative solutions such as recycling methods to clean sewer water and recycle it back into clean water for the town. Hydrogeological studies revealed a water source at 85 meters depth, and boreholes were drilled to supply sufficient water and to ensure that the groundwater was not overused in a particular area. Jamii Bora contacted two Kenyan universities to assist in the construction and monitoring of a major wetland project that will ensure that 70% of the water is reclaimed and recycled via natural methods. The rest will be lost to evaporation. The wetland project is the first of its size in Kenya. Unlike the mud, sticks, and tin-roofed shacks in the slums, the new concrete houses contain running water and flush toilets. Current practice in the slums, by necessity, involves the constant hazard of “flying toilets”¹⁶ – an unsanitary and unsavory threat to all.

Garbage, and the lack of any collection and removal options, is a major and related problem in the slums of Nairobi. Jamii Bora staff and members, anxious to avoid that fate in Kaputei, have plans to sort, collect, and treat solid household waste for maximum sustainability and household economy. There are already pilot programs in the slums, like a “garbage is money” campaign, where children are paid a small wage for collecting solid waste, but it is too early to know whether and how this new habit change will take hold in the new town.

Despite the presence of contracts with Kenya Power and Light, electricity is not yet available in the area. This stumbling block has not substantially slowed the progress of the town, and hopes of city-supplied electricity remain. Undaunted, Jamii Bora uses generators to power the electric manufacturing equipment on site, and each of the homes constructed thus far has a solar panel linked to low-wattage LED inside lights. Since there are frequent power losses even with a grid system, the solar supply will eventually serve as a viable backup.

The building materials are produced on site by the Kaputei employees, the majority of whom are Jamii Bora members. Maasai members from different tribes also work side by side with urban poor in the on-site production of building supplies and on quality control projects. The factory both provides employment to members and enhances the families’ capacity to repay their housing loans. Another outcome of the project has been that it brings people together regardless of their ethnic group, no small feat in a country with a history of brutal ethnic conflict.

Jamii Bora has a department of experts that is dedicated to and exclusively deals with Kaputei matters. The department is made up of architects, engineers and various other professionals in matters of construction. For example, while Jamii Bora can manufacture many

¹⁵ Chevenee Reavis, “Off the Streets and into a Good Family: A Conversation with Ingrid Munro, Founder, Jamii Bora,” *Microfinance Insights*, 1 November, 2008. https://www.microfinanceinsights.com/articles_new.asp?member=nonmembers&id=345

¹⁶ “Flying toilets” refers to the practice of using a plastic grocery bag as a toilet, and the subsequent flinging of it through the air to get it away from oneself.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdweller

materials onsite, they still need to obtain foundation quarry stones, sand for the concrete, timber, and raw cement. The rainy season added delays when it flooded foundations, roads, and the wetlands excavations. Other challenges included the geography of the site, as the foundations needed to be deeper than planned and the excavations took longer. With the economic problems of 2008 and fuel price increases, they have also seen steady increases in the costs of raw materials. So far, Jamii Bora has not raised the prices on the houses, but instead absorbs the costs or defrays with further innovations in their own manufacturing abilities.

To be eligible to buy a home in Kaputei, a potential borrower has to have been a member of Jamii Bora for at least three years and have at least three successfully managed business loans. Once enrolled in the housing program, members choose the house they prefer in that neighborhood (there are 2 bedroom and four bedroom houseplans, all houses of each type are the same dimensions). Members' savings and loan repayments cover 25% of the development costs. Shareholders in Jamii Bora Trust provide another 25%. The remaining 50% has been secured through loans. The total cost of the 2,000 houses is 300,000,000 Shillings and the infrastructure is 300,000,000 Shillings. The members will receive loans from Jamii Bora with favorable conditions enabling them to live in a modern house with toilet, showers, and kitchen facilities at a cost of 3,000 Shillings per month, plus a 500 shilling monthly maintenance fee. Jamii Bora is working with a utilities company to manage the infrastructure maintenance and provide services to the residents.

Scale: The quest to reaching half a million people

One of the fastest-growing MFIs in Kenya with a goal of reaching half a million people, Jamii Bora's current challenge is managing the growth and scale of the organization. According to Munro, "we are very focused on growth into very remote areas. Growth is our biggest challenge now, because we have the technology, MIS, tested methods, and a strong group of experienced staff. We are ready to grow. There are so many people that say they need us." ¹⁷ In 2006, Jamii Bora began experimenting with mobile point-of-sale devices, magnetic-stripe cards and fingerprint authentication to take its remote branches online to allow them to bring financial services to anyone, with any literacy level, anywhere that cellphone coverage exists. In 2007, the organization rolled out the service across the whole country. The system allows clients in the countryside to make loan repayments, receive disbursements and do other business electronically. "This is the most inexpensive way of being linked," Ms. Munro says. "Every loan officer and man on a bicycle is online with our central server in Nairobi. And at the end of each day, we know the cash position of each branch... By being on the cutting edge of technology, we have the capacity of reaching the poor and remaining financially viable. What many organizations do is raise the interest rate." ¹⁸ The

¹⁷ Chevenee Reavis, "Off the Streets and into a Good Family: A Conversation with Ingrid Munro, Founder, Jamii Bora," *Microfinance Insights*, 1 November, 2008. https://www.microfinanceinsights.com/articles_new.asp?member=nonmembers&id=345. In addition, Jamii Bora receives a multitude of visitors to Kaputei and the volume may become difficult to handle as they grow.

¹⁸ Chris Nicholson, "In Poorer Nations, Cellphones Help Open Up Microfinancing," *The New York Times*, July 9, 2007, http://www.nytimes.com/2007/07/09/business/worldbusiness/09micro.html?_r=2&oref=slogin

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

technology has allowed Jamii Bora to centralize operations creating increased efficiency, reducing operating costs, and making the organization more sustainable. Jamii Bora could lower the size of its average loan and still break even.

Leveraging technology and the power of word-of-mouth, Jamii Bora has spread throughout the country. Says Munro, "someone goes home to a funeral to their rural village and they are able to help out with the coffin and people ask them how they are able to manage this, at which point they tell them that they are a member of something called Jamii Bora. It doesn't take long before two to three people get on a bus to Nairobi and come to ask if they can have Jamii Bora in their village... We are a movement more than an institution. Every branch we set up is the same thing. Once there is a new branch, they can then explain Jamii Bora to people in their home village in a way that they understand."¹⁹

Despite a very innovative approach utilizing technology to greatly expand the reach of the program, Jamii Bora has resisted standard impact metrics. Munro insists that Jamii Bora knows whether their members are climbing out of poverty by the relationships they have with them. "We have never felt it was important to develop research or a measuring stick to determine whether someone is still poor or not... If someone with the external measuring stick defines this woman as still being poor even though she feels her life has improved, you take away her pride, and that is very damaging. Ultimately, I think it is the people themselves that have to decide whether they are better off or not."²⁰ There is consensus among the members that they will be better off once Kaputei is up and running. Jamii Bora determined to make the project work and prove that quality, affordable housing for the poor is possible. Kaputei is not going to be the last Jamii Bora town. Once the town is full, Jamii Bora had plans to develop others.

But, how does Jamii Bora ensure that the Kaputei project is sustainable and does become "sold out?" Once Kaputei is full, where does Jamii Bora go next? How does the organization continue to scale its business model to reach its goal of half a million people (or more) pulled permanently out of poverty?

¹⁹ Chevenee Reavis, "Off the Streets and into a Good Family: A Conversation with Ingrid Munro, Founder, Jamii Bora," *Microfinance Insights*, 1 November, 2008. https://www.microfinanceinsights.com/articles_new.asp?member=nonmembers&id=345.

²⁰ Ibid

Appendix A: Member Profiles

Claris Adhiambo, a Nairobi beggar for many years, is a proud member of Jamii Bora. She started her first steps out of the streets frying fish and chips for workers who needed an inexpensive lunch. Although her income was roughly the same as what she made as beggar, she regained her dignity and self-confidence. As her business grew, she was able to take larger loans. Today Claris has a wholesale business selling fish in Nairobi's Gikomba which serves many shops, hotels and restaurants. She has inspired others to join Jamii Bora.

Another Jamii Bora mentor is **Beatrice Ngendo**, a single grandmother who lives with her 12 grandchildren in Mathare Valley, the second largest slum in Nairobi. Her children and their spouses have died from AIDS. Now the grandchildren only have her to care for them. She joined Jamii Bora in 2000 and today operates three successful businesses – a grocery store, butchery, a restaurant and a stone house which allows her to rent out rooms. Her grandchildren are in school and the oldest has just graduated as a qualified nurse and has joined the staff in Jamii Bora's outpatient clinic in Mathare.

Only a few years ago **Wilson Maina** was a violent criminal. He chose that destructive type of life because he thought it would be better to be shot dead by a policeman than to slowly starve to death from poverty. He joined Jamii Bora in early 2000 and today he is a husband and father, he is running four small businesses and owns two rental properties. He started with a loan of 2,000 Shillings (US\$ 29) and by the end of 2006 he had borrowed 18 times. He has taken out a housing loan, but now dreams of moving to Kaputei Town. Having changed his own life, Wilson is now active in counseling other young men to get out of crime.

Joyce Wairimu was one of the many victims of ethnic clashes of 1992 in the Molo District of Kenya. She fled Molo with her children and was forced to leave behind her farm with a cow and goats. Like many others in her situation, she ended up begging in the streets of Nairobi. She learned of Jamii Bora from other members and was encouraged to join. She started with a loan equivalent to US\$ 25. Now, seven years and 11 loans later, Joyce and her sons have built up a "business empire" in the slum of Soweto Kayole. Joyce and her sons are running a successful video show nicely organized as a cinema, and two restaurants. They have also established a mobile catering service distributing lunches to schools, and the latest family business is a production of soft drinks. The family is earning good money and has 45 employees from the community. Joyce has encouraged and inspired hundreds of people to join Jamii Bora.

Source: The Jamii Bora website, www.jamiibora.org.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdweller

Appendix B: Jamii Bora Products and Services

Product/Service	Description	Cost
Life insurance	In case of death or permanent disability, Jamii Bora pays outstanding loan balance in full and the next of kin receives the member's savings plus an equivalent amount from Jamii Bora. The family will remain with twice the member's savings and has no responsibility for loan. Started March, 2001, contribution to the Life Benefit is mandatory for a member with a loan.	1% of the loan amount.
Health insurance	All inpatient costs including maternity. No exclusion of people with HIV/AIDS. No upper limit on costs. Started March, 2001. Includes 41 partner hospitals across country (usually mission hospitals with lower costs). Covers member and four children. Can add spouse or additional children with fee. Often wrapped into loan.	1,200 Shillings per year covers one mother and up to four children under 10 years of age. Spouse and additional children can be added at prorated price.
Tumaini Peer Counseling	Program offers counselling and mentoring to street beggars and plantation workers.	None
Levuka Alcoholism Counseling and Treatment	Program offers counselling and outpatient treatment for alcohol and drug addiction to promote an alcohol and drug free society among our members.	None
Business School	Entrepreneurship training, leadership training, and now expanded health related offerings are planned.	Pricing still being tested. Have priced at 500 Shillings with loans available to cover costs.
Children's Home	Home for orphans of Jamii Bora members. Home currently serves 300 children.	None.
Microbusiness Loans	Business loans between 1,000 and 60,000 Shillings. The borrower must have the equivalent of 50% of the loan in savings with Jamii Bora.	50 weeks to pay. Terms = 0.5% per week fixed.
Duraja (Bridge) Loans	Business loans between 60,000 and 700,000 Shillings. A crossover product for members who have the security of a mortgage or property.	24 months to pay. Terms = 0.5% per week on a declining balance.
Housing Loans	For up to 2 million Shillings. For permanent or semi-permanent housing on the lenders own plot. The borrower must have the equivalent of 10% of the loan in savings. The title is collateral.	60 months to pay. Terms = 9-10% fixed.
Top-Up Loans	A new plan for the poorest whereby if they can save 500 Shillings, Jamii Bora will "top up" and add 500 Shillings so that 1000 Shillings can be borrowed to start. Philanthropic funding for this special product was provided by a board member.	500 Shillings per loan.
School Fees Loans	Covers registration, uniforms and some materials fees. The loan helps parents to spread out the cost of school fees over fifty weeks.	Terms: 0.5% per week.
Disaster Loans	Major disaster loans include up to a 15,000 shilling grant to savings to allow member to qualify for bigger loan to clear old and get new funds. Given upon approvals.	Terms = 10% flat. 5 years to repay.

Note: See authors' other cases for more information on: home improvement loans, business investment loans (for building infrastructure, structures, or more property), microdisaster and duraja disaster loans, higher education loans, welfare loans for weddings and funerals, Levuka loans, agricultural loans and medical loans for non-covered family.

Appendix C: Supplies Manufactured on Site

Roof Tiles - Workers at Kaputei can make 1,200 roof tiles per day. They cost 35 Shillings to make and it takes 8 to cover 1 square meter. One two bedroom house requires 780 roof tiles. The workers randomly give samples from each batch of roof tiles a series of tests: a "ring" test to make sure that the tile is dense enough with no trapped air; a stress test where the tile withstands heavy weight for one full day; a retest of both; and an impact test (to represent stones thrown by children and the impact of storm debris). The oxides used to dye the cement are non-toxic, so it is safe to collect and consume run-off water.

Laundry and Kitchen Sinks - Competing products cost 2,000 Shillings on the open market and they are heavy and bulky to transport. When the Kaputei manufacturing site makes the sinks onsite, they can do so at a cost of 500 Shillings.

Cinder Building Blocks - The two bedroom house plan requires 1,480 cinder building blocks. Workers have determined that block houses last longer and insulate better than termite prone wooden houses. The teams can manufacture 2,400 blocks per day – or enough for 1.5 houses. The center "holes" in the blocks create a soundproof vacuum and they save 40% on materials cost because they don't require fill material. The total cost of manufacture is 40 Shillings per block which includes the 6 Shillings per block that workers are paid. These bricks retail for at least 55 Shillings. When the workers are done making the bricks for the development, they plan to continue making bricks for commercial sale where they can earn a 15% profit. They have a 2008 year-end inventory of over 3.5 million bricks.

Manhole Covers/Window Frames/Door Frames - The Jamii Bora manufacturing team has reverse-engineered a commercial manhole cover so that they could manufacture their own at lower cost. Each neighborhood drainage system has multiple manholes that require covers, and Jamii Bora research indicates that they can fabricate their own metal and cement manhole covers for 50% savings and added employment. The metal-smithing skills extend to the manufacture of window frames and door frames, all made on site. The workers also craft individual re-bar rods into reinforced re-bar "cubes" for reinforcing the roof joints. This also saves money and provides employment.

Solar panels - Solar panels are not made onsite but they are inexpensive, as 8,000 Shillings covers the cost and the battery can last 7 hours powering 15 watt bulbs.

Appendix D: Calendar of Major Decisions and Events: Kaputei Housing Project

1. 18 January 2002: Olkejuado County Council approved the change of users for parcel Kajiado/Kisaju/58 from Agriculture to Business cum Residential use (Physical Planning Act no 6 of 1996) registered No 1/2002.
2. 5 February 2002: Jamii Bora Trust purchased the parcel Kajiado/Kisaju/58 from the previous owners; Mrs. Naisenya Waiyaki, Mr. Nathan Kahara and Mr. Wambaa who had been the owners of this land for 20 years.
3. August 2002: Hydrogeological Study for parcel Kajiado/Kisaju/58 was carried out by the University of Nairobi Prof. Barongo and Dr. Mathu.
4. 16 September 2002: Groundwater Survey Report for parcel Kajiado/Kisaju/58 was presented by W.W. Karanja (Hydrogeologist) to the Ministry of Environment and Natural Resources for approval of drilling a borehole for water.
5. 11 October 2002: Ministry of Environment and Natural Resources grants authorization to drill a borehole on parcel Kajiado/Kisaju/58 (permit number WD/WAB 13800).
6. 15 September 2002: The first version of the total lay-out plan is ready following consultations with interested families among Jamii Bora members as well as with the local residents in Kisaju. Based on members' ideas the plan was founded on a unique neighbour-hood concept.
7. 3 October 2002: Jamii Bora Trust opened the list for Jamii Bora members to register for a home loan in Kaputei housing project. More than 1000 families from the major slums registered within the first 4 weeks.
8. 27 January 2003: The Ministry of Water Resources Management and Development assigns serial number C-13737 to the Jamii Bora Trust's water borehole on parcel Kajiado/Kisaju/58.
9. January to December 2003: Extensive consultations with the members who had registered for the Kaputei project and with the local residents in Kisaju sub-location regarding designs and costs for houses, the neighbour-hoods, business center, cultural and public center, schools, play grounds and sports facilities as well as the solid and liquid waste management and the entire town concept. Never before in Kenya has a town been planned by the people themselves with the assistance of the best experts in the country. Detailed engineering and architectural drawings and studies were carried out and very innovative ways of achieving the highest quality at the lowest costs were developed in close consultation with the local community and the 2000 Jamii Bora members that had registered for home loans in the Kaputei housing project. In December 2003 the plans were presented to the District authorities.
10. January 2003 to December 2004: A temporary factory for building materials production was established at the end of 2002 and members and local residents were trained to produce building blocks and roofing tiles for their future homes. By the end of December 2004 building materials for 900 homes had been produced on site by the Jamii Bora members themselves. This has provided job opportunities and income for more than 100 families.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

11. 22 June 2004: The Olkejuado County Council approved the development of Kaputei new town on parcel Kajiado/Kisaju/58 as per Jamii Bora Trust application of 23 January 2004.
12. 7 July 2004: Advertisement by the County Council in the Nation of the proposed plans for Kaputei new town.
13. 5 August 2004: The Director General of NEMA Professor Ratemo Michieka advises Jamii Bora Trust to proceed with EIA study directly, in a meeting held in his office.
14. 6 August 2004: Jamii Bora Trust commissions the EIA study report with Professor E. Biamah Nairobi University as a lead Expert. The team included 5 renowned experts from several Universities in Kenya.
15. 12 August 2004: Meeting of the District Physical Planning and Liaison Committee chaired by the DC discussed issues raised by complainants following the advertisement on 7 July 2004. The complainants as well as representatives of Jamii Bora Trust and the EIA lead expert were present in the meeting.
16. 17 August 2004: A Memorandum of Understanding between Jamii Bora Trust and the Local Community of Kisaju was signed by among others the Area Councillor and the Managing Trustee of Jamii Bora Trust and witnessed by the District Officer Isinya division and the Senior Chief Olturoto location. This was the conclusion of 8 months of negotiations with the local community lead by the Area Councilor.
17. 2 September 2004: A revised detailed plan for subdivision and change of user for the parcel Kajiado/Kisaju/58 was presented by Jamii Bora Trust to the District Physical Planner Kajiado district. The revised Plan had taken into account all the detailed recommendations and observations made by the District Physical Planner in several meetings and summarized in her letter of 25 August 2004.
18. 15 September 2004: The EIA study report is presented to the Director General of NEMA. The report describes the project as unique and a model for similar developments in the rest of the country. Jamii Bora Trust paid the mandatory fee of 600,000 Shillings to NEMA.
19. 17 September 2004: Approval of the detailed engineering designs and documents for the Access road to the Jamii Bora Housing Development project by the District Works officer Kajiado district. The letter of approval urges Jamii Bora Trust to "please expedite works".
20. 17 September 2004: Confirmation by the Kenya Power & Lighting Co Ltd that they had prepared a provisional scheme to supply electricity to the Jamii Bora housing scheme. They requested Jamii Bora to pay 600,900 Shillings to cover initial surveying and related costs. Jamii Bora Trust made this payment on 21 September 2004.
21. 21 September 2004: Following two months of negotiations and the approval of the Land Control Board Jamii Bora Trust acquired a further 40 Acres of land, parcel Kajiado/Kisaju/2995, neighboring parcel Kajiado/Kisaju/58. The purpose was to fulfill all requirements raised by District Physical Planner.

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

22. 21 September 2004: Meeting of the District Physical Planning and Liaison Committee chaired by the DC. The meeting concluded that Jamii Bora Trust had now fulfilled all the requirements of the Physical Planning Act and the Plan for subdivision and detailed change of users was approved. The complainants as well as representatives of Jamii Bora Trust and the EIA lead expert were present and heard in the meeting.
23. 21 September 2004: Olkejuado County Council approves, as recommended by the District Physical Planner and the District Physical Planning and Liaison Committee chaired by the DC, the detailed subdivision scheme plan and change of users as presented by Jamii Bora Trust in the amended plan of 2 September 2004.
24. 24 September 2004: The advertisement by NEMA in the Nation of the EIA study report announcing its availability to be scrutinized by the public for 60 days.
25. 28 September 2004: The Clerk to Olkejuado County Council, requested Jamii Bora Trust to pay 1,000 Shillings per plot or a total of 1,957,000 Shillings in plan approval fees and 1,500 Shillings per plot or a total of 2,935,500 Shillings in subdivision fees.
26. 30 September 2004: Jamii Bora Trust paid a total of 4,892,500 Shillings in plan approval and subdivision fees as per Olkejuado County Council's request.
27. 11 November 2004: Approval by the Ministry of Roads and Public Works, the Chief Engineer (Roads) to construct the Access Road from Namanga road to Jamii Bora Housing Development project.
28. 11 December 2004: A public hearing was organized by NEMA at the project site. Almost 4000 stakeholders were present. They represented the 2000 families who have registered and saved for this project and have applied for housing loans to live in the area. There were also representatives from the local residents of Kisaju sub-location and about 20 representatives from a few small NGOs and CBOs from areas outside Kisaju. All the genuine stake-holders were positive to the project. Only the people from other areas expressed negative views. (The entire proceedings are available on video tape)
29. 27 December 2004: A meeting was held on Jamii Bora's site without Jamii Bora's presence. The meeting was attended by the local Area councilor and around 50 Masais from other sub-locations. Numerous inflammatory and defamatory statements were made at the meeting and in conclusion the meeting stated that they would destroy the building materials produced by Jamii Bora members for their own housing (value approximately 40 million Shillings). They also threatened to destroy the machines for road construction (value approximately 35 million Shillings) and would chase away any Jamii Bora member, staff or donor that would approach the site.
30. 29 December 2004: Jamii Bora Trust's Norwegian donor the Stromme Foundation and the two largest daily news papers in Norway received a document from the main opponents of the project urging them to stop funding this project and presenting the project as a "social, environmental and economic disaster".

Jamii Bora and Kaputei Town: Affordable and Sustainable Housing for Urban Slumdwellers

31. 5 January 2005: The local community from Kisaju sub-location presents to the Director General of NEMA a document in support of the Jamii Bora project and takes great exception to the meeting of 27 December 2004. They state that those opposed to the project are not from Kisaju sub-location.
32. 5 January 2005: The Board of Trustees of Jamii Bora Trust presents an official request for security to the DC of Kajiado district in view of the threats that had been raised on 27 December 2004.
33. 17 January 2005: NEMA announces its decision to reject the Jamii Bora Trust housing project for the poor referring only to the views of the few small negative NGOs and ignoring totally all previous approvals, their own EIA experts' report and the views of the genuine stake holders.
34. 18 January 2005: The Board of Trustees of Jamii Bora Trust decides to appeal against NEMA's decision to the National Environment Tribunal.
35. 11 March 2005: Jamii Bora Trust appeals NEMA's decision to the National Environment Tribunal.
36. 12 April 2006: The National Environment Tribunal rules in favor of Jamii Bora Trust and issues the environment license for the project. During the hearings a group of NGOs including Friends of Nairobi National Park, KILA, Kiserian Isinya Pipeline road association as well as KWS appeared as interested parties and were heard by the Tribunal. Their case was dismissed as it had been earlier by the District Physical Planning Authorities and Olkejuado County Council. The Tribunal ruled in all aspects in favor of Jamii Bora Trust.
37. 12 May 2006: The NGOs the interested parties and KWS appealed to the High Court of Kenya against the ruling of the National Environment Tribunal's decision. It should be noted that NEMA accepted the decision and did not appeal against it.
38. 21 March 2007: The High Court of Kenya rules in favour of Jamii Bora Trust and dismisses the appeal by the NGOs and KWS with costs.
39. 23 March 2007: The Managing Trustee of JBT pays a courtesy call on the DC Kajiado District to hand over a copy of the decision of the High Court of Kenya that Jamii Bora has all approvals to start construction.
40. 25 March 2007: A Thanksgiving Service was held at the site in Kisaju sub-location and was attended by more than 4,000 local residents and future residents.
41. April 2007: The factory resumes production of building materials.
42. May 2007: Excavation for roads and foundations start.
43. June 2007: Construction of houses starts.