

Vuwa Enterprise “Rainwater Enterprise”

Silviano Valdez ’14 at Earlham College

PROJECT BACKGROUND/ CONTEXT

Last summer in Kilifi, Kenya, I started a social business during the 2011 drought emergency. A social business is a non-profit that works from a business model where all profits go to further expanding the organization and its mission. With my business partner Cindy Khandokeer (UC Berkeley ’13), we created Vuwa Enterprise as a result of witnessing the effects of a drought has on a community. That drought displaced 8,000 Kenyans and left 3.2 million with food insecurity. Feeding centers witnessed a 78% increase in acute malnutrition.¹ Over the course of that summer, I witnessed farmers lose all their crops for the season, and multiple wells go dry as women had to walk further and further to fetch water. I remember writing in my journal, “I don’t know what is worse, seeing these women’s tired faces, or knowing that the water they were working so hard to take back to their families could cause diseases.” Allen Yaa Ngwaru, a co-founder of Vuwa Enterprise, and a nurse who opened his own private clinic says he has seen too many easily preventable waterborne diseases such as bilharzia, cholera, and in some cases typhoid in his community.

However, Vuwa Enterprise believes that water scarcity and lack of clean drinking water are part of the problem. Poor Kenyan families lack a system where they can invest to increase their standards of living, because their credit worthiness is unfairly assessed in western terms. Vuwa Enterprise corrects this by assessing credit worthiness in untraditional and innovative ways that embrace the cultural context. Vuwa finances two products; a shower water irrigation system and a household rainwater catchments-storage system, which help poor farmers increase their access to clean drinking water and combat hunger.

PROJECT DESIGN

-Financial Plans: Both of our products are about \$20 each, which is more than the average Kenyan farmer to afford. By installing the product and then letting customers pay over six months or one year with interest, we allow the product to be affordable. All of our products require a down payment, which indicates a person’s ability to save. If a customer can save money already, we feel confident that they will be able to pay a small weekly payment for the product. This means our customers only have to pay \$1.50 or .75 cents a week. Vuwa uses the excess money to pay salaries, cover restocking cost and adjust for inflation. As mentioned before, Vuwa Enterprise will contribute all profits to further growing the social business. We work from a business model because I want the project to remain self-sustaining.

-Assessing Credit Worthiness: The Vuwa Enterprise Team assesses credit worthiness in multiple ways. We use village elders as service officers because they are well networked, knowledgeable and respected in their communities; meaning customers do not want to let them down by defaulting. Vuwa also interviews local shop and kiosk owners to see if potential customers have any debt.

Vuwa Enterprise will not turn away any customers. In the event that our customers cannot demonstrate the ability to pay, we work with them more closely by placing them in a group lending structure of 24 customers. We have had zero defaults. When working in small communities community members do not want to let one another down which motivates them to work together to receive our products. As of now 19 of those 24 products have been installed and the rest will be installed by March.

-Two Products: We finance our products over a period of six months or one year depending on customer preferences. Service officers pick up weekly payments. All of our product materials can be bought in a nearby local market. Our partner, The Kalonei Hardware Store provides free transportation of materials, and the Vuwa Enterprise Team constructs and installs the products.

¹ USAID Report: BUUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE (DCHA)
OFFICE OF U.S. FOREIGN DISASTER ASSISTANCE (OFDA)

1. Rainwater Catchments-Storage System: Vuwa Enterprise installs a 10-foot gutter system and a 100-liter storage tank. This allows farmers to capture and store rainwater. Our service officers visit weekly to pick up payments and provide a 6-month supply of Waterguard, which is a local water treatment product. Service officers teach our customers about waterborne diseases and the different ways to prevent them. Service officers also survey our customers, asking them about symptoms that are potentially caused by waterborne diseases. We do this to make sure that customers are using the Waterguard correctly and to measure the impact of our product. After 6 months, Vuwa offers customers options to continue to finance more gutters on their houses or upgrade their storage systems to a 500-liter tanks.

2. Shower Irrigation System: Vuwa reconstructs shower systems for marginalized farmers in a way that allows shower water, cleaning water, and cooking water to go through plastic pipes that drip-irrigate nearby crops. The aim of this product is to improve subsistence agriculture methods. Increasing access to water will protect families from the food instability caused by droughts. Vuwa sets up the drip irrigation system to water the crops on a regular basis. Service officers check in weekly to pick up payments, make sure the product is working properly, and teach our customers about organic farming practices. In the long term we hope to introduce a cash crop to help families increase their incomes. This is a new product that has been successfully tested.

IMPLEMENTATION & IMPACT: As of now, Vuwa Enterprise has 30 customers and is working in two villages, Chanagande and Chilani. Last summer there was so much demand that I lacked the capital and time to finance all the customers that wanted these products. In addition, I was contacted by two other community leaders asking Vuwa Enterprise to expand to their communities, which I regretfully could not do at the time. I am hoping to use the 100 Projects of Peace Grant to provide products to additional customers in existing communities and the two communities, Kalonei and Makwanbawi that were turned away. The grant will be used to train management and loan officers. As part of their training they will lead workshops on organic farming and methods on how to treat water. In addition, I hope to finance an additional 250 products between the four communities. I remember the night in Kenya when I realized the potential these products had to make a difference.

I was listening to the radio updates about the drought on the BBC channel with my host father. The broadcaster counted the number of dead newborns that were left on the side of the road, as mothers displaced by the drought walked to refugee camps. The drought destroyed crops and those newborns died of starvation. A peace project must be about diverting the next conflict. The global water crisis is becoming worse. Already in some parts the world the lack of clean water and sufficient water has lead to water wars. Let's not let Kilifi, Kenya, escalate anywhere near a water war. Let's be prepared for the next life-threatening drought. I believe in the social business model because it can cause an organization to grow. All of the profits that Vuwa Enterprise makes go to financing even more life saving water catchments-storages systems and irrigation systems. It grows on the support of its own customers. My dream for Vuwa Enterprise is that one day the company will grow faster than water crises itself.

BIOGRAPHY:

Silviano Valdez: I am majoring in economics and, potentially mathematics as well. In high school I worked on an organic farm for two years. I did a gap year with Thinking Beyond Borders and traveled to seven countries doing service-learning projects on different international development topics with multiple non-profit organizations. For two years I have interned at Right Sharing of World Resources, a non-profit that funds startup microfinance organizations abroad. I read grants and evaluate their potential to be successful. I am part of Earlham College's Budget Committee and the Social Responsible Investment Advisory Committee where I have learned about strategic planning, budgeting, and how to read different financial documents. I hope these combined work experiences with international development and business will allow me to run Vuwa Enterprise, a social business, at its full potential.