September 2026 / Year 1 Narrative & Financial Report

Composting as Community Development in Kilifi County, Kenya

Reporting Period: 1 April 2026 - 30 September 2026

Organization: RegisTree (RT) and Building Humanity (BH)

Grant Period: 1 September 2025 - 31 December 2028

Primary Contact: Erin Colshan & Fardosa Mustafa

I. Executive Summary

During the second half of Year 1, Building Humanity and RegisTree have made significant progress toward establishing the foundation for a long-term, community-led composting and sanitation system in Kilifi County. Major accomplishments include completion of the climate-resilient Black Soldier Fly (BSF) composting structure that is now operational, launching community education activities, purchasing a collection vehicle, signing additional clients, and building sanitation facilities at the site. Highlights include growing waste collection clients from 14 to 26 since our March report (exceeding the Year 1 target of 20), reaching 700+ community members through outreach and education, and increasing RegisTree's annual revenue by 466% (in KES) compared with the year before grant funding. This progress lays a strong foundation for supporting the project's broader three-year outcomes of improved sanitation, increased waste diversion, strengthened local livelihoods, and long-term environmental resilience in Kilifi County.

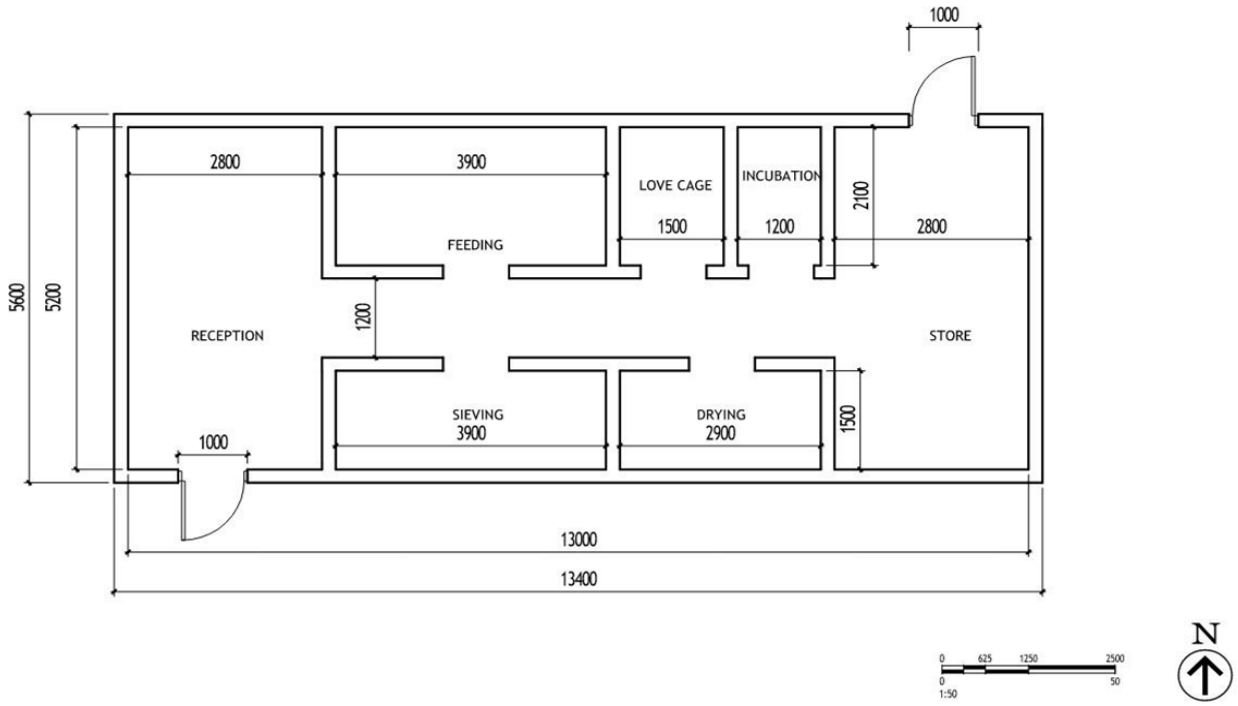
II. Progress Toward Year 1 Goals

Goal 1: Construct a Secured, Weatherproof Composting Facility

- **Planned:** Replace the tarp-and-wood structure with a permanent, ventilated building including BSF composting areas, solar dryer, concrete slab, and education space.
- **Status:** On track
- **Progress to Date:**
    - Since our last report, the BSF site has been constructed according to the BH design and is operational.
    - Local contractors were hired to construct the permanent facility.
    - The permanent structure is actively in use, generating revenue for the community.
    - An environmental and social impact assessment was completed and submitted to the National Environmental Management Authority and is currently under review.
    - The solar-powered food waste grinder was installed; after a brief delay it is now fully operational, with sufficient power to operate the equipment. This will provide for a significant increase in the site's output in the next reporting period.
- **Future Steps:**
    - Once the BSF Composting Facility license is approved, we will extend the license to include Material Recovery so as to support our work beyond composting.
    - Continue monitoring facility operations and incorporate lessons learned into future site improvements.

Figure 1: Completed permanent site for BSF facility.

Figure 2: Inside the BSF facility with the BH designs implemented



Drawing 1: sketch of new composting facility

Goal 2: Design and Build a Pilot Composting Toilet (Single Stall)

- **Planned:** Construct an on-site composting toilet to serve neighbors of the BSF site and test safe humanure management.
- **Status:** On track (scope modified)
- **Progress to Date:**

  The original objective was to construct a pilot composting toilet to demonstrate safe humanure management and assess its viability for broader community adoption. During implementation, RegisTree encountered challenges identifying local technical expertise and appropriate materials needed to design, construct, and maintain a composting toilet system. (Building Humanity had initially anticipated bringing in expert volunteer technical guidance during the construction phase, but we were prevented from doing so due to geopolitical instability; please see Section IV, Challenges & Mitigation Measures.) In addition, there was notable resistance among potential users regarding the introduction of composting toilet technology, highlighting the need for greater community education, engagement, and awareness before implementation.

  As an interim solution, the project team elected to construct a modern pit latrine with a separate bathroom area. While this was a pivot from the initial composting toilet plan, it successfully addressed immediate sanitation needs and provided valuable insights into local preferences, technical constraints, and adoption barriers.

In addition to supporting operations at the BSF facility, the latrine has provided nearby households and visitors with access to a safe, designated sanitation facility. Prior to its construction, sanitation options in the immediate area were limited, and the facility has helped improve access to hygienic toilet services for those regularly using the site. While no formal monitoring of open defecation rates has been conducted, the project team considers the provision of a clean, accessible sanitation facility to be an important step toward improved community hygiene and public health outcomes.

The current facility is intended as a temporary solution while the project team reassesses the design, implementation approach, and community engagement strategy for the coming year.

- **Future Steps:** During the next project period, RegisTree will reassess the composting toilet concept to identify solutions that are technically feasible, culturally acceptable, and sustainable in the local context. Efforts will focus on community education and engagement to better address concerns surrounding composting sanitation systems. Feedback from current users and stakeholders will inform design modifications and implementation planning. The existing pit latrine will continue to serve as a sanitation solution while long-term options are evaluated and refined.

Figure 3: Outside the modern pit latrine

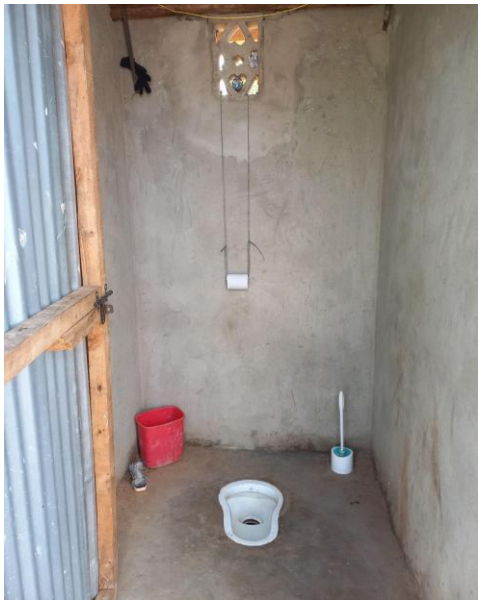


Figure 4: Inside the modern pit latrine

Goal 3: Reach 1,000+ Community Members Through Education (~1,200 by Year 3)

- **Planned:** Deliver education through waste-separation training, composting demonstrations, sanitation awareness, and service projects.
- **Status:** On track

- **Progress to Date:**
    - Due to the intensive construction phase between April and July 2026, engagement through monthly community clean-up events was temporarily reduced. However, community engagement continued through facility tours, training, workshops, and partnership activities. Altogether, we reached 420+ people through outreach, education and clean-up events in our first year, and we are confident that we will reach the full 1,200 community members estimated by the end of Year 3.
        - Highlights from the past reporting period include that we:
            - Hosted 42 community members through public participation meetings conducted as part of the Environmental Impact Assessment process between March and May 2026.
            - Participated in a 3-day exhibition for recyclers and upcyclers in Watamu (April 4-6, 2026). On the final day, RegisTree facilitated a waste management workshop attended by 27 participants who learned about waste management regulations and best practices.
            - Conducted a BSF production training for 33 community members at the new site, primarily women and youth.
            - Trained 17 staff members from newly onboarded client organizations between March and July 2026.
            - Partnered with Hydro Victoria and Friends of Arabuko-Sokoke Forest to strengthen local collaboration and community outreach efforts.
            - Scoped opportunities for waste education programs for students from two primary schools and one secondary school, with engagement activities planned for Q4 targeting approximately 200 students.
- **Future Steps:** Moving forward, we plan to:
    - Launch the school-based waste education program and engage approximately 200 students through hands-on learning activities.
    - Run community clean-up events and public education activities.
    - Expand outreach through partnerships with local organizations and community groups.
    - Continue tracking educational outreach and engagement activities.
    - Continue delivering waste management, composting, and sanitation training to community members, businesses, and institutional partners.

Figure 5: BSF Training for 33 community members in collaboration with Hydro Victoria under the YISA program.

Figure 6: BSF Training for 33 community members in collaboration with Hydro Victoria under the YISA program.

Figure 7: Community members visiting the new facility as part of the community engagement and public participation process.

Figure 8: Community members visiting the new facility as part of the community engagement and public participation process.

Figure 9: RegisTree CEO Fardosa at the Watamu Upcycling Exhibition in April 2026.

Figure 10: Waste management workshop participants.

Goal 4: Expand Waste Management & Fertilizer Production

- **Planned:**
  - Secure 20 waste-removal clients by end of Year 1
  - Divert 5 tonnes/month of organic waste (60 tonnes annually).
  - Produce 1 tonne/month of frass and 1.5 tonnes/month of BSF larvae.
- **Status:** On track
- **Progress to Date:**
  - Waste-removal contracts increased from 14 to 26 between March and July 2026, exceeding the Year 1 target of 20 clients.
  - The project successfully relocated operations to a larger permanent site, providing the infrastructure needed to support future growth in waste processing and BSF production.
  - During the transition to the new facility, time and resources were dedicated to site development, equipment installation, and operational adjustments, temporarily affecting waste collection and production volumes.
  - Original waste diversion projections were based on the collection capacity of a larger truck. During implementation, RegisTree purchased a new tuk-tuk instead, providing a more reliable and cost-effective transport solution but with lower collection capacity than initially anticipated.

- To address this limitation, RegisTree expanded its waste collection network and established new partnerships that are already increasing waste volumes entering the facility.
- Between March and July 2026, the project sold 235 kg of BSF larvae and 400 kg of compost, demonstrating growing market demand for products generated through the BSF system.
- In the final three weeks of September 2026 alone, the project diverted approximately 5 tonnes of waste, demonstrating significant operational improvement following the relocation and partnership expansion. As frass and larvae production are directly linked to waste volumes received, output is expected to increase significantly during the next reporting period.
- Staff received additional technical training through the Youth in Sustainable Aquaculture (YISA) program funded by the Mastercard Foundation, strengthening operational capacity and improving BSF composting practices.

- **Future Steps:**
  - Continue expanding waste collection partnerships and client outreach to secure a consistent supply of organic waste.
  - Scale BSF larvae and frass production in line with rising waste collection volumes and available feedstock.
  - Monitor waste diversion, production outputs, and product sales to track progress against Year 1 and Year 2 targets.
  - Build on recent operational improvements to maximize resource recovery, strengthen revenue generation, and improve long-term program sustainability.

Figure 11: Zawadi, employee of RegisTree, examines the BSF larvae

Figure 12: Emmanuel and Ben on RegisTree's collection day. They are currently collecting waste from 26 clients.

Figure 13: BSF frass produced at the new RegisTree facility

Figure 14: Zawadi inspects the mature larvae to see if it can be harvested for chicken feed.

Goal 5: Support Local Job Creation

- **Planned:** Maintain 10 direct and 15 indirect jobs through waste collection and BSF facility operations.
- **Status:** On Track
- **Progress to Date:**
    - Supported 8 direct jobs including the CEO, Operations Manager, 2 Site Workers, Driver, Collection Worker, and Accountant. Revenue generated since September 2025 has been reinvested into a poultry project, creating an additional community-based employment opportunity for a poultry keeper (this position does not receive any grant support, but has been enabled by the growing revenue derived from this grant).
    - Through construction of the new BSF facility and sanitation infrastructure, more than 40 indirect jobs were supported, including contractors, casual laborers, material suppliers, delivery drivers, and food and water vendors.
    - Seasonal increases in waste collection volumes, particularly during peak tourism periods, are expected to create additional part-time employment opportunities.
    - Expansion of waste collection services and facility operations has contributed to sustained employment and local economic activity.
- **Future Steps:**
    - Continue expanding waste collection services to support additional direct employment opportunities.

- Grow BSF production and associated business activities to create new operational roles.
- Monitor seasonal demand and utilize part-time staffing during periods of increased waste collection volumes.
- Explore opportunities to develop complementary income-generating activities, such as poultry production, that provide additional employment for community members.
- Track direct and indirect job creation metrics to measure progress toward the employment targets.

III. Key Activities Completed to Date

- Completed construction of the climate-resilient BSF processing facility.
- Completed construction of a modern pit latrine and bathroom facility to improve sanitation.
- Maintained staff positions throughout Year 1 and supported more than 40 indirect employment opportunities.
- Exceeded the Year 1 target of 20 waste collection clients, growing the client base to 26 contracted customers.
- Diverted over 12 tonnes of waste from disposal streams during Year 1 and sold more than 900 kg of compost and over 435 kg of BSF-derived animal feed products.
- Reinvested revenue generated through waste collection and product sales into a supplementary poultry-keeping project, creating an additional community employment opportunity and diversifying revenue streams.
- Reached 700+ community members through clean-up events, waste management education, exhibitions, public engagement activities, and on-site training programs.
- Established partnerships with local organizations and initiated discussions with Pwani University to explore circular economy research, student volunteer opportunities, and internship placements.

IV. Challenges & Mitigation Measures

In addition to the challenges outlined above, such as needing to improve the supply of electricity to the food waste grinder in order to improve production (now completed), there were a few other challenges to the project this year – the biggest of which was the impact of geopolitical instability on volunteer deployment and program delivery.

Challenge: Building Humanity originally planned to deploy an international volunteer construction team to Kenya in 2026, in order to assist with constructing the new BSF facility and composting toilet. However, geopolitical instability, rising travel costs, airline disruptions, and the resulting volunteer uncertainty created significant logistical, financial, and safety risks that led to the postponement of the volunteer deployment.

Mitigation: In order to address this setback, we undertook the following:

- Redirected construction activities to local contractors and suppliers, ensuring project implementation remained on schedule while supporting local employment and capacity building.

- Deployed Building Humanity's Director of Africa Sustainability & Community Impact, Leigh Lane, to Kenya to assess project progress, identify challenges, and explore opportunities for future support.

- Initiated discussions with local universities and vocational institutions to develop internship, volunteer, and experiential learning opportunities for students in environmental and sustainability-related fields.

- Shifted the future role of international volunteers from primarily construction-focused activities toward educational, cultural exchange, and short-term community support projects.

- Adopted a program strategy that does not rely on international volunteer deployment for critical project implementation, improving long-term resilience and sustainability.

V. Financial Report

Year 1 Budget Summary

Category	A&O Total Approved Budget	Total Project Expenditure	Remaining Grant Funding	RegisTree Contribution	Note on Variance
RegisTree Operations	$1,429.00	$2,230.58	$0.00	$801.58	Due to a combination of rising fuel prices and additional expenses associated with the new project site. Waste collection, transportation, and BSF production activities are highly dependent on fuel and water. Following the relocation, water and other operational services were not yet available, requiring expenditures. The overage was covered through revenue, and operational costs are expected to stabilize as we continue to develop the site.
BSF Breeding Unit & Larvae Rearing Shed	$3,046.00	$329.69	$2,716.31	$0.00	Funds carried into Year 2 following phased construction after relocation. This is currently under construction.
Food Shredding Machine	$469.00	$726.56	$0.00	$257.56	Machine was under-quoted and transportation costs were higher than anticipated.
Solar Dryer Materials	$2,234.00	$2,197.66	$36.34	$0.00	Essentially spent (98.4% of budget).
Permanent Structure (Materials), Pit Materials, Food Waste Pre-Processing Area & Machine	$5,946.00	$3,051.41	$2,894.59	$0.00	Everything was initially built under one structure, so not all funds were used. Remaining funds go to the food pre-processing area and the additional permanent larvae rearing structure in Year 2. The May move required adjusting project timelines.
Waste Transport Vehicle	$6,094.00	$4,570.54	$1,523.46	$0.00	A new tuk-tuk was bought instead of a second-hand truck (trucks available in the budget range were 1990s models, which would have had maintenance issues). Balance was reallocated to tuk-tuk maintenance and fuel in Year 2.
Sanitation Facility (Modified from Composting Toilet)	$1,563.00	$1,135.16	$427.84	$0.00	Latrine was built as an interim solution in place of the composting toilet pilot. Balance reallocated to a multi-stall toilet in a public area or school in Year 2; location is being scoped.
Training and Community Shelter	$1,218.00	$409.38	$808.62	$0.00	Construction deferred. Funds were used for ongoing community engagement and training hosted at the existing facility. A community room doubling as an office is planned.
License and Permit	$547.00	$628.67	$0.00	$81.67	The licensing and permitting process cost more than initially planned.
CEO	$9,376.00	$7,892.42	$1,483.58	$0.00	A portion of the planned salary had not yet been drawn. It is expected to be paid before the end of the year, so no overall savings are anticipated on this line.
Operations Manager	$2,063.00	$1,742.83	$320.17	$0.00	Savings due to temporary vacancy during staff transition.

Accountant	**$562.00**	**$421.88**	**$140.12**	**$0.00**	**Part-time engagement resulted in lower costs.**
Truck Driver	**$375.00**	**$622.12**	**$0.00**	**$247.12**	**Overtime for servicing the tuk-tuk and extra collection trips requested by clients.**
Part-Time Worker	**$557.00**	**$793.39**	**$0.00**	**$236.39**	**Increased waste volumes required casual labor support.**
Total	**$35,479.00**	**$26,752.29**	**$10,351.03**	**$1,624.32**	**70.8% of the approved budget spent**

Where actual project costs exceeded the approved grant allocation, the excess expenditure was funded through unrestricted RegisTree revenue and are reported separately from grant expenditures. During Year 1, RegisTree contributed $1,624.32 in additional project funding.

Budget Narrative

As the above budget shows, variances that occurred during Year 1 were largely a result of the May relocation of the BSF facility and subsequent adjustments to construction sequencing, staffing, and operational requirements. Following the move, the project prioritized establishing functional infrastructure that would allow waste collection and BSF operations to continue while creating a foundation for future growth. As a result, several infrastructure-related budget lines remain partially unspent, and we hope to carry these forward to support expansion activities already underway in Year 2.

At the same time, increasing waste volumes, growing demand for collection services, and expanded facility operations resulted in higher-than-anticipated expenditures in several operational categories, including labor and transportation. These variances reflect the project's successful growth and adaptation during its first year.

Our goal is that unused funds from deferred infrastructure activities will be reallocated to support approved Year 2 activities, ensuring full utilization of grant resources while advancing the project's long-term sustainability objectives, and we would be pleased to discuss this with the foundation. The remaining funds will be applied to the continued expansion of breeding and larvae rearing infrastructure, construction of the food pre-processing area, development of a multi-stall public sanitation facility, and creation of a multi-purpose office and community meeting space, all of which are planned or already underway as part of Year 2 implementation.

Year 1 Cumulative Results (September 2025-August 2026)

Month	'25-26 Revenue in KES	'25-26 Revenue in USD
September 2025	13,900	$106.92
October 2025	9,600	$73.85
November 2025	10,250	$78.85
December 2025	16,250	$125.00
January 2026	14,800	$113.85
February 2026	28,050	$215.77
March 2026	81,500	$626.92
April 2026	114,120	$884.65
May 2026	52,821.1	$409.46
June 2026	97,724.65	$757.55
July 2026	148,191.85	$1,148.77
August 2026	108,462	$847.36
Poultry rearing revenue (July-August 2026)	69,840	$537.21
Total	**765,509.60**	**$5,926.16**

Revenue Growth

	Prior to Grant Funding Sept 2024-Aug 2025	A&O Grant Y1 Sept 2025-Aug 2026	Change
Revenue (KES)	**135,203.00**	**765,509.60**	**+466.19% ***
Revenue (USD)	**$1,056.27**	**$5,926.16**	**+461.05% ***

**Differences in percentage growth reflect changes in the KES/USD exchange rate between reporting periods.*

Financial Performance Summary

The first year of implementation has demonstrated strong progress toward building a financially sustainable waste management and resource recovery enterprise. Grant funding enabled RegisTree to invest in critical infrastructure, including the waste collection vehicle, processing equipment, facility improvements, and operational capacity needed to expand services and increase revenue generation.

To assess financial performance, we compared RegisTree's revenue during the 12 months preceding project implementation (September 2024 to August 2025) with revenue generated during the first year of grant implementation (September 2025 to August 2026). During this period, annual revenue increased from USD $1,056.27 to USD $5,926.16. In local currency, revenue grew from KES 135,203 to KES 765,510, an increase of 466.19%.

This growth was driven by several factors, including the acquisition of the waste collection vehicle, expansion of waste collection services, growth in the customer base, and increased processing capacity at the RegisTree facility. The project has also established the foundation

for new income streams through Black Soldier Fly production, compost sales, and poultry rearing activities, which are expected to contribute more significantly to revenue generation during the next phase of implementation.

While some budget categories exceeded original estimates and others remain under budget due to implementation sequencing, overall expenditures have supported the successful delivery of Year 1 activities and have strengthened RegisTree's operational capacity. The organization is now serving more clients, diverting greater volumes of organic waste from disposal, and generating substantially higher revenue than prior to grant implementation.

The financial results achieved during the first year indicate that the project is progressing toward its long-term objective of creating a self-sustaining circular economy model that generates both environmental and economic benefits for the local community.

VI. Stories

This project is making an impact in the community; here are a few highlights.

Fig 15 & 16: 2 day training on BSF production hosted by RegisTree

"We had an exciting 2 days training in July on Black Soldier Fly (BSF) farming, hosted by RegisTree at Mchakato Hub, and facilitated by YISA (Youth in Sustainable Aquaculture). It was awesome to see our livelihood community members from Mida, Gede, Arabuko, and Jilore coming together. We learned some incredibly practical ways to turn everyday organic waste into high-protein, low-cost feed for our poultry and fish. We are glad that the knowledge gained is put into practice with 3 farmers sharing how they are already using BSF for their chicken projects." -Lydia Kayaa : Programs Manager at Friends of Arabuko-Sokoke Forest.

Figure 17: Zawadi Kombe, Composting Site Operator since April 2026

"I have worked with RegisTree for three months now and before then I was struggling with finances like food and school fees. Now, I get an income to sort out my personal needs and also help conserve the environment through waste management. Even though I lack a formal education, I have understood the life cycle of BSF. I feed, harvest, and separate them with ease. I feel excited because I can contribute something to nature."

Figure 18: Fardosa Mustafa - CEO of RegisTree

"What started as a passion for organising clean ups has turned into an impactful social enterprise. This support has enabled us to scale up our initiatives and efforts to normalise sustainable waste management practices. Our biggest challenges of transportation and staff salaries have been resolved by this grant, and this has given us the peace of mind to focus on reaching as many clients and community members as possible. More than anything, the belief in our work has continued to be our motivation. Thank you A&O!"

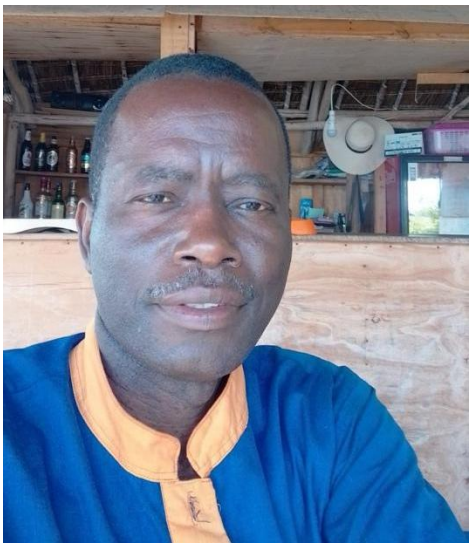


Figure 19: Shaha Kambi - Client and Manager of Prawns Lake Restaurant

"RegisTree has been offering waste collection service to us for eight months now and the service is good. They help us deal with our waste, so we don't need to worry about it. They are good time managers since they've never skipped the schedule. They keep their bins clean, and because of this, I have started ordering BSF from them for my chicken. I love how my chickens are growing. We look forward to continued partnership with RegisTree."

Figure 20: Tabitha Luchiri - Operations and Sales Manager at RegisTree since May 2026.

"I have worked with RegisTree for two months now, and I am thrilled with the experience and knowledge I'm gaining. As a passionate conservationist I enjoy anything to do with nature conservation and that's why I love what RegisTree does. We conserve nature through waste management and still add value to it through BSF production as an animal feed and frass/organic fertilizer production used in crop growing. Managing a good team makes it easier with expansion and the RegisTree is growing up as a result of team work and good management."

VII. Plans for the Next Reporting Period

- Reassess and refine the composting toilet design and implementation strategy, with the goal of constructing a multi-stall composting toilet at a public location such as a school or beach facility.
- Increase community education and outreach efforts, reaching additional community members through training, demonstrations, and awareness activities.
- Continue regular community engagement activities, including clean-ups, waste management education, and stakeholder outreach.
- Expand waste collection services and increase waste-removal contracts toward the target of 35 clients.
- Increase organic waste diversion, BSF larvae production, and frass production through operational improvements and expanded client partnerships.
- Strengthen partnerships with local educational institutions and technical experts to support skills development, research, and future composting toilet implementation.

VIII. Conclusion

We are deeply grateful to the Addax & Oryx Foundation for your support, which has enabled RegisTree to expand its waste management operations, create new income-generating opportunities, and strengthen its path toward long-term operational sustainability. During the reporting period, funding supported the construction of the BSF processing facility, sanitation solutions, expansion of waste collection services, community education initiatives, and the creation of direct and indirect employment opportunities within the local community.

While some activities required adaptation due to technical and logistical challenges, the project remains on track to achieve its long-term objectives and has successfully completed or substantially advanced the majority of its Year 1 activities. Lessons learned throughout implementation have strengthened our approach and informed future plans, particularly regarding composting sanitation solutions, community engagement, and local capacity building.

We look forward to continuing this work in the coming year through increased waste diversion, expanded community outreach, growth in production and sales, and the refinement and implementation of a composting toilet demonstration project. We are grateful for your partnership and are happy to answer any questions regarding this report.

Thank you again for your partnership and support.