

# Q2 2017

## QUARTER HIGHLIGHTS

- Nuru Kenya Healthcare and Education programs have fully transitioned to cooperatives
- Nuru Ethiopia works to protect farmers from Fall Armyworm pest
- Nuru CEO Jake Harriman featured in article on smarter ways to fight the war on terror
- Nuru Social Enterprises records highest sales since launch

## ENDING EXTREME POVERTY IN REMOTE RURAL AREAS



## A FATHERS DAY REFLECTION

by Victor Charo, Healthcare Program Manager, Nuru Kenya



I recently paid a visit to a friend of mine who had just been blessed with a baby girl called Joy in the outskirts of Kisii town in Kenya. While visiting, I had a conversation with him during which he shared with me how much his normal routine had changed since Joy came into his life.

“She is such a blessing to me, and I always long to meet her after work. It is so amazing being a father and I am proud to be one. She has taught me the value of time because I have to find time to spend with her after work and during weekends as well as holidays. Fatherhood comes with a sense of worth, responsibility, and sacrifice; and this is all I am striving to do in order to secure the future of my princess,” he said with a wide smile on his face while holding the little girl in his arms. I could see the happiness in him and the satisfaction that fatherhood had brought to him.

It was during this visit that I remembered my own experience as a young dad, blessed with a handsome baby boy named Prince. It was confusing and frustrating during the first few days of Prince’s life. I remember waking several times...

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**Nuru Kenya's Agriculture Program Team moved quickly to mitigate risk from a new threat, Fall Armyworm.**

## QUARTER HIGHLIGHTS

Over the past few years, Nuru Kenya has adapted and overcome many challenges including Maize Lethal Necrosis Disease (MLND) and drought. This year, a new threat emerged in Sub-Saharan Africa called Fall Armyworm (FAW). This fast-moving pest has done massive damage to maize crops in many African countries this year, and while Kenya has been hit hard, Nuru's Agriculture team was able to move quickly in coordination with farmers to protect their crops. When initially seen, 20-30% of farms had FAW and Nuru Kenya has brought that down to less than 1% currently. As a result, farmer households should have good crop yields and be better prepared for both addressing hunger and having surplus crop to sell.

Nuru's programs have fully transitioned to the cooperative structure, but will take another few months to be able to report metrics related to Financial Inclusion, Healthcare, and Education interventions in the new context. Savings are currently low for households as farmers are in the peak of the hunger season and using savings to buy additional food.

Nuru is also closely monitoring the security situation in Kuria and Kisumu as elections will take place on August 8, and these locations are potential hot spots for local and national elections.

### AGRICULTURE

Select indicators are updated annually or semiannually rather than quarterly

### FI

### HEALTHCARE

### EDUCATION

		Kenya		
		Target	Actual	
AGRICULTURE	Number of Nuru farmers taking loan this season	Q1	3,200	1,816
	Total number of acres farmed	Q1	4,200	2,053
	Average loan per farmer (USD)	Q1	\$113	\$97
	Repayment rate	Q4	97%	Q4
	Percent increase in crop yield compared to baseline	Q1	32%	41%
FI	Total enrolled FI members	Q3	1,816	954
	Repayment rate	-	98%	-
HEALTHCARE	Average total savings deposits per member per quarter (USD)	-	\$6.00	\$0.85
	Total Nuru farmer families receiving Nuru healthcare services	Q2	1,600	1,659
	Percent of Health Groups meeting monthly	-	90%	Q3
	Percent of deliveries in a clinic per quarter	-	85%	Q3
	Percent of households treating water	-	85%	Q3
EDUCATION	Number of children (Pre-Unit to Class 5) at targeted schools	Q2	5,992	5,992
	Number of teachers trained in best practices teaching literacy	Q2	96	96
	Number of school libraries established	Q2	24	24
	Number of book banks established at Nuru cooperatives	Q2	12	12
	Percent of children participating in reading camps	Q2	50%	Q3

*As Nuru Kenya brings the delivery of all of its programs into cooperatives in Kuria West and Kuria East, more metrics regarding Financial Inclusion, Healthcare, and Education interventions on these farmer households will be available in the coming quarter and year. The results of this adjustment will mean more tightly integrated programs moving forward in Kenya.*



**Nuru Ethiopia adapts to challenges around late rains and invasion of Fall Armyworm.**

## QUARTER HIGHLIGHTS

While Nuru Ethiopia has been able to successfully move its headquarters more centrally in Arba Minch and receive approval from the government of Ethiopia for its next five years of operations, it has also weathered some major challenges including the invasion of Fall Armyworm (FAW) and the late arrival of rains in the southern highlands.

Despite the inherent challenges of rain-fed agriculture and pests like FAW who have spread to the continent from the Americas, farmers returned to work with Nuru to improve their agricultural productivity in 2017. Nuru has enacted a contingency plan and budget to mitigate crop damage and spread of the pest. In addition to this response, Nuru's teams are instituting more broad risk management strategies through piloting livelihood diversification for households including fodder production as well as goat and sheep rearing.

Nuru's Healthcare Program has had incredible success in recruiting women to join Care Groups and in improving compliance with healthy behaviors. Nuru's Education Program has also been successful in constructing sex-segregated latrines (to improve attendance of girls in school) and has had very active participation in reading camps and literacy trainings.

## Ethiopia

Select indicators are updated annually rather than quarterly

		Target	Actual
<b>AGRICULTURE</b>	Number of Nuru farmers taking loan this season	Q2 4,000	3,435
	Total number of acres farmed	Q2 5,000	3,872
	Average loan per farmer (USD)	Q2 -	\$63.07
	Repayment rate	Q1 97%	71%
	Percent increase in crop yield compared to baseline	Q2 32%	-
<b>FI</b>	Total enrolled FI members	Q3 2,000	1,353
	Number of loans issued this year (cumulative per year)	- 1,700/year	277
	Average loan size per client this quarter (USD) <sup>2</sup>	- \$76	\$89
	Repayment rate	- 95%	50%
	Total savings deposits (USD) for the year (cumulative per year)	- \$22,857	\$3,061
Average total savings deposits per member per quarter (USD)	- \$2.86	\$3.14	
<b>HEALTHCARE</b>	Total Nuru women participating in cooperative care groups	Q2 1,600	1,877
	Percent of women who are on track to attend at least 4 antenatal care visits per quarter	- 70%	79%
	Percent of deliveries in a clinic per quarter	- 60%	60%
	Number of trainings given to community health workers	- 5	4
<b>EDUCATION</b>	Number of children in grades 1-4 reached	Q1 5,967	5,967
	Number of teachers trained in "teaching literacy" best practices	Q1 172	142
	Number of school libraries established	Q1 10	11
	Number of latrines constructed at targeted schools	Q2 10	9
	Number of book banks established at Nuru cooperatives	Q1 5	5
Percent of cooperative children participating in reading camps	- 55%	72%	

## QUARTER HIGHLIGHTS

Nuru has had incredible success over the last three months sharing its vision for Nigeria and attracting support and interest from new and existing funders as it works to formally launch its third project in northeastern Nigeria during the second half of 2017.

In addition, several Nuru staff were able to share Nuru's story in a variety of locations around the country. In May, Jake had the opportunity to present at the Kellogg Innovation Network and had an interview on Knoxville's Public Television. Nuru's Security Director Brian von Kraus and Philanthropy Manager Abe Sipe presented jointly to the Los Angeles World Affairs Council in June. Agriculture Program Strategic Advisor Casey Harrison gave a presentation at the Association for International Agriculture and Rural Development as well. These opportunities all reinforce Nuru's growing position as a thought leader in developing solutions to address extreme poverty in an effort to improve global stability and disrupt violent extremism.

### NURU ALUMNI

*After nearly nine years of ongoing operations, Nuru has launched a formal alumni network celebrating staff who have transitioned to work in the government, nonprofit, and for-profit spaces. These alumni are helping Nuru continue to elevate its brand of high-performing world changers.*

### SKOLL WORLD FORUM

*In April, Nuru team members Marc Rahlves and Aerie Changala joined Jake in attending the Skoll World Forum. The annual event provided Nuru with a great opportunity to engage many current and prospective funders and also share experiences with other forward-thinking NGOs working to serve communities living in extreme poverty. As Nuru sets the stage to begin working in northeastern Nigeria, Skoll provided a great opportunity to share our vision with potential new funders including Global Innovation Fund, Vitol Foundation, and Small Foundation.*

### HUFFPO INTERVIEW

*In May, Jake was interviewed by Huffington Post writer David Wood (along with Justin Richmond of Impl. Project) about Nuru's unconventional pathway to fight the War on Terror by addressing extreme poverty.*

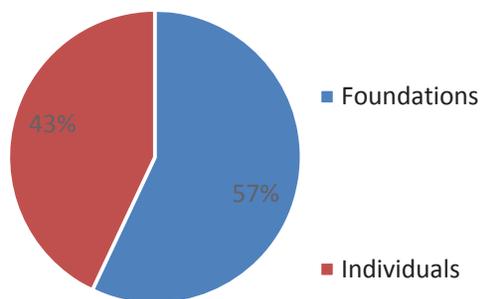
*Read the HuffPo article [here](#)*

## EXECUTIVE SUMMARY

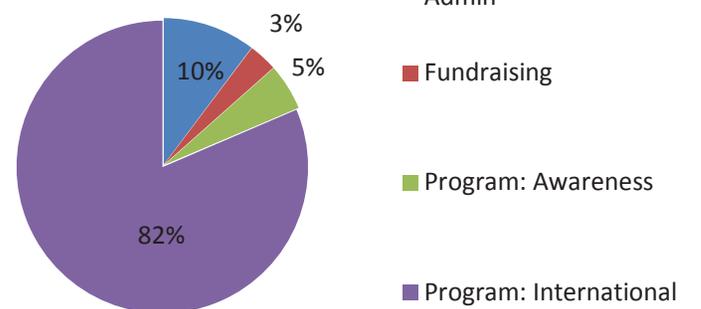
Nuru continues to focus on careful management of our resources and building a strong pipeline of donors for 2017 and beyond. In Q2, Nuru was under budget as we realized savings from reduced travel, some hiring delays, and delayed marketing costs. Throughout 2017, we are closely monitoring cash flow and prioritizing those costs that are most important to making progress in our programs.

Revenue		Expenses		Q2	Q2 %
		Q2 Actual	Q2 Budget	Variance	Variance
Foundations	1,600,780	323,440	446,988	(123,548)	-28%
Individuals	1,206,449	99,692	178,169	(78,477)	-44%
	<b>2,807,229</b>	<b>2,720,152</b>	<b>3,057,304</b>	<b>(337,152)</b>	<b>-11%</b>
		<b>3,143,283</b>	<b>3,682,461</b>	<b>(539,178)</b>	<b>-15%</b>

2017 Revenue



2017 Expenses



Over the last few months, Nuru has completed the implementation of Netsuite, a new financial reporting system. Since inception, Nuru used Quickbooks, which was simple to use and met needs well up to this point. The new NetSuite system, however, is a vast improvement. It is a more sophisticated system which allows staff to work in the cloud, create custom reports, add additional levels of detail to records for various projects, grants, etc. This improves Nuru's effectiveness and increases efficiency because finance staff can create reports and provide details that previously required manual preparation in Excel.

The new financial system sets up Nuru for success as we grow and take on more complexity in the coming years. Additionally, the nature of this cloud-based system means that we will continue to benefit from upgrades and improvements without incurring additional costs or effort. Nuru will continue to improve our financial systems in the coming months by building out custom reports in the system and by updating computers and hardware. Having made this move is tremendously helpful in allowing the finance team to continue to fully support Nuru's mission and prepare for the future.

## QUARTER HIGHLIGHTS

During Q2 2017, Nuru Social Enterprises (NSE) has achieved significant growth to both its dairy and poultry businesses. While it has had slight challenges related to increased cost of feed in East Africa due to drought, during the month of June, NSE achieved its highest level of sales since it launched in 2015.

NSE is also beginning to explore potential collaboration as a supplier for Sight and Life, an NGO dedicated to increasing egg consumption among pregnant women and children in Western Kenya.

Compared to the second half of 2016, Frank and his team have improved revenue growth by 99%, and have improved gross margins by 78% as a result of higher production of eggs in the Kisumu farm and better prices for Nuru Yogurt in supermarkets in western Kenya. The team is excited to continue growth over the rest of 2017.

### Priorities 2017



## DAIRY

- Nuru yogurt production has been steadily climbing during 2017 with production averaging approximately 7,000 liters per month.



## POULTRY

- Egg production increased from approximately 350,000 eggs per month during Q1 to 550,000 eggs per month by the end of Q2.

