

Q3 2016

QUARTER HIGHLIGHTS

- Charities and Societies Agency awards “A” grade to Nuru Ethiopia
- Nuru Kenya Country Director Pauline Wambeti meets with U.S. supporters
- Nuru Social Enterprises welcomes new president
- CEO Jake Harriman speaks at Republican and Democratic National Conventions
- New funding from Margaret A. Cargill Philanthropies and The Rees-Jones Foundation

**ENDING EXTREME POVERTY
IN REMOTE RURAL AREAS**



NURU MEMBER SPOTLIGHT by Kennedy Opondo



Eunice Matingi Marwa is nearing her 60th birthday. Though now a widow, she is proud to be mother to 10 children and grandmother to over 30 grandchildren. Since 2010 she has been a member of Nuru Kenya’s programs. Before, she would farm the whole long rains season and hardly get 3 bags of maize per acre. A few bags is precious little payoff for 6 months of hard labor—spending around 8 hours in the field every day, hoeing the soil, weeding by hand and praying for good rains.

Since Eunice started farming with Nuru Kenya her yields have increased to an average of 14 bags per acre—more than enough to provide for her family. Her highest recorded yield was 18 bags of maize on one acre of land. In 2016, she took a loan for two acres and harvested a record 28 bags!

Having achieved these high yields through her hard work and Nuru Kenya’s programming, the extra bags of maize are now on Eunice’s mind — how to transport them to market, how to get a fair price and how to not get ripped off by a middleman in the process.

A brand new partnership between Nuru Kenya cooperatives and Nuru Social Enterprises is giving Eunice a viable way to sell her surplus for income year after year.

KEEP READING 

LEADERSHIP

Equipping Nuru leaders to identify the needs of the community; design solutions to address those needs; and effectively and efficiently implement and scale solutions.



LEADERSHIP PROGRAM MANUAL

Nuru focuses on restoring agency in local leaders and building the opportunity structure necessary to sustain and scale programs.

The Leadership Program has provided a full overview of its philosophy, methodology, process, curriculum, monitoring and evaluation via a program manual, available for free online. [➔](#)



Leadership Sustainability Index

Ethiopia

Years in Operation	3
Overall Readiness for Expat Exit	●
Leadership	●
Cooperatives	●
Rural Livelihoods: Agriculture + Financial Inclusion	●
Healthcare	●
Education	●
Monitoring and Evaluation	●
Human Resources and Administration	●

- = staff ready and Nuru International can exit
- = working toward Nuru International exit
- = staff not ready for Nuru International exit

SERVANT LEADER SPOTLIGHT: KENNEDY OPONDO

As the Cooperative and Market Linkage Program Manager, Kennedy Opondo is responsible for overseeing the operations of Nuru Kenya's farmer cooperatives. Cooperative membership is generally a new experience for most farmers and therefore, many are skeptical about the benefits. However, Kennedy takes time to meet with all potential cooperative members, patiently listen to their questions and explain the benefits of joining the cooperative. Kennedy is passionate about improving cooperative members' sense of ownership.

Nuru Kenya cooperatives served thousands of farmers during the 2016 long rains planting season. Kennedy led the process of locating potential buyers and negotiating better prices to ensure Nuru farmers received value for the produce they sold for income. Kennedy also partnered with the Nuru Leadership Program to train cooperative leaders in technical business skills as well as leadership skills, such as listening to the needs of the community, giving and receiving feedback and empowering others. As a result, Nuru Kenya's cooperatives have seen high loan repayment rates for the 2016 long rains planting season.





Early reports indicate strong agriculture repayment rates from newly established Kenya cooperatives

QUARTER HIGHLIGHTS

The 2016 long rains maize harvest was strong! Agriculture loan repayment is also strong, which demonstrates farmers intend to continue their cooperative membership.

Nuru Kenya farmer cooperatives began selling surplus maize to Nuru Social Enterprises (NSE) to produce feed for the poultry business. By milling feed itself, NSE saved 30% on feed costs.

Moreover, eliminating middlemen provided Nuru cooperative members with an above market price on their grain. Nuru encourages farmers to save the income they earn, and 100 savings groups have now adopted mobile banking through Chama Solution.

NSE projects it will be able to buy all surplus maize for the foreseeable future. This business loop was fully conceptualized and designed by Nuru's local leaders. It offers extraordinary promise for sustained profitability through vertical integration.

Kenya

Select indicators are updated annually or semiannually rather than quarterly

AGRICULTURE

		Target	Actual
Number of Nuru farmers taking loan this season	Q1	2,500	2,125
Total number of acres farmed	Q1	2,500	2,339
Average loan per farmer (USD)	Q1	-	\$92
Repayment rate	Q4	97%	Q4
Percent increase in crop yield compared to baseline	Q1	32%	Q4

FINANCIAL INCLUSION

Total enrolled FI members ¹	Q3	2,000	820
Number of loans issued this quarter ²	-	-	-
Average loan size per client this quarter (USD) ²	-	-	-
Repayment rate ²	-	98%	-
Total savings deposits (USD)	-	\$9,600	\$2,661
Average total savings deposits per member per quarter (USD)	-	\$6.00	\$0.83

¹ The consolidation of FI savings groups to the Chama Solution mobile banking platform reduced membership to 820. ² Nuru Kenya paused issuing loans in Q2 and will resume loan activity when its new model, cooperative staff and mobile platform are fully in place.

HEALTHCARE

Total Nuru farmer households receiving home healthcare visits ³	Q2	1,250	998
Average number of home visits per household per quarter	-	3	3
Percent of deliveries in a clinic per quarter	-	85%	92%
Percent of newborns visited within first three days of life	-	90%	80%
Percent of new mothers practicing immediate breastfeeding	-	87%	100%
Percent of households treating water	-	80%	85%
Percent of households who are open defecation free	-	70%	93%

³ In May, Healthcare reset healthy behavior scores to match its new service population, a smaller group of active farmers.

EDUCATION

Number of children reached	-	4,000	4,494
Number of outreach sessions per class (cumulative per year)	-	30 per year	28 this year
Number of school teachers trained in literacy techniques	Q2	108	107
Average percent of Nuru students in classes 2-5 achieving the paragraph or above level ⁴	Q1/Q4	56%	46%
Average progress towards literacy score for Nuru students in classes 2-5 (0 being "none" and 5 being "literate") ⁴	Q1/Q4	2.7	2.4

⁴ These data represent averages across four schools in Kuria West, Kenya.



Indicators across all Nuru Ethiopia impact programs are up from Q2

QUARTER HIGHLIGHTS

Before Nuru Ethiopia, smallholder farmers often sold surplus produce to local traders and middlemen for low prices. By introducing primary cooperatives, Nuru farmers gained the opportunity to leverage their collective bargaining power at the regional level. For the first time this quarter, primary cooperatives banded together to form a cooperative union — an umbrella consortium that offers smallholder farmers legal presence and capital to reach national and even international markets with their surplus produce.

About 150 Nuru savers who received loans in Q2 successfully invested capital for income generating activities in livestock, goats and sheep rearing and other micro-businesses.

OUR LATEST POSTS

Charities and Societies Agency awards "A" grade to Nuru Ethiopia [▶](#)

Nuru Ethiopia introduces Hidota Union, run exclusively by farmer members by Biruk Abayneh [▶](#)

Here's how Nuru Ethiopia is encouraging girls to attend school by Jimmy Leak [▶](#)

Ethiopia

Select indicators are updated annually rather than quarterly

AGRICULTURE

		Target	Actual
Number of Nuru farmers taking loan this season	Q2	2,580	2,269
Total number of acres farmed	Q2	3,011	2,733
Average loan per farmer (USD)	Q2	-	\$88
Repayment rate	Q1	97%	Q1 2017
Percent increase in crop yield compared to baseline	Q2	32%	Q1 2017

FINANCIAL INCLUSION

Total enrolled FI members	Q3	1,068	777
Number of loans issued this year (cumulative per year)	-	356 per year	615 this year
Average loan size per client this quarter (USD)	-	\$71	\$87
Repayment rate	-	98%	100%
Total savings deposits (USD) for the year (cumulative per year)	-	\$6,619	\$2,646
Average total savings deposits per member per quarter (USD) ¹	-	\$2.29	\$3.41

¹Includes the total number of members, which now includes those who saved zero birr. Previously, the average included only members who saved more than zero birr.

HEALTHCARE

Total Nuru women participating in cooperative care groups	Q2	800	969
Percent of women who are on track to attend at least 4 antenatal care visits per quarter	-	70%	84%
Percent of deliveries in a clinic per quarter	-	50%	82%
Number of trainings given to community health workers	-	4	6

EDUCATION

Number of children in grades 1-4 reached	Q1	3,185	3,185
Number of teachers trained in "teaching literacy" best practices	Q1	87	87
Number of school libraries established	Q1	11	11
Number of latrines constructed at targeted schools	Q2	10	9
Number of book banks established at Nuru cooperatives	Q1	7	7
Percent of cooperative children participating in reading camps	-	50%	54%
Percent of cooperative children participating in book banks	-	50%	55%

WELCOMING PAULINE WAMBETI TO THE U.S.

In September, Nuru Kenya Country Director Pauline Wambeti traveled to the U.S. to keynote several events with Nuru supporters, including a lunch at Silicon Valley Community Foundation hosted by the Krishnan-Shah Family Foundation, Silicon Valley Community Foundation and Global Fund for Women.

Pauline and Jake spent a day on Capitol Hill advocating for increased development funding as a part of the U.S. National Security Strategy. They were well-received by both Republican and Democratic lawmakers, including by Sen. Patrick Leahy (D-VT) (pictured right) who is among the Senate's most ardent proponents of humanitarian and development aid to the world's poorest countries.

JAKE HARRIMAN PRESENTS AT GLOBAL OVAL SUMMIT AT RNC, DNC

The Global Oval Summit brought together U.S. leaders, celebrities, digital influencers and Republican and Democratic convention-goers to participate in a series of conversations on the next president's global development agenda. Key topics included national security, economic growth, investing in girls and women, global health, energy access and ending extreme poverty. Jake Harriman delivered a speech called "America Must Lead" to advocate for increased coordination between military and development strategies in order to promote national security and counter violent extremism.

2016 GLOBAL OVAL SUMMIT

[2016 Republican National Convention](#) ▶

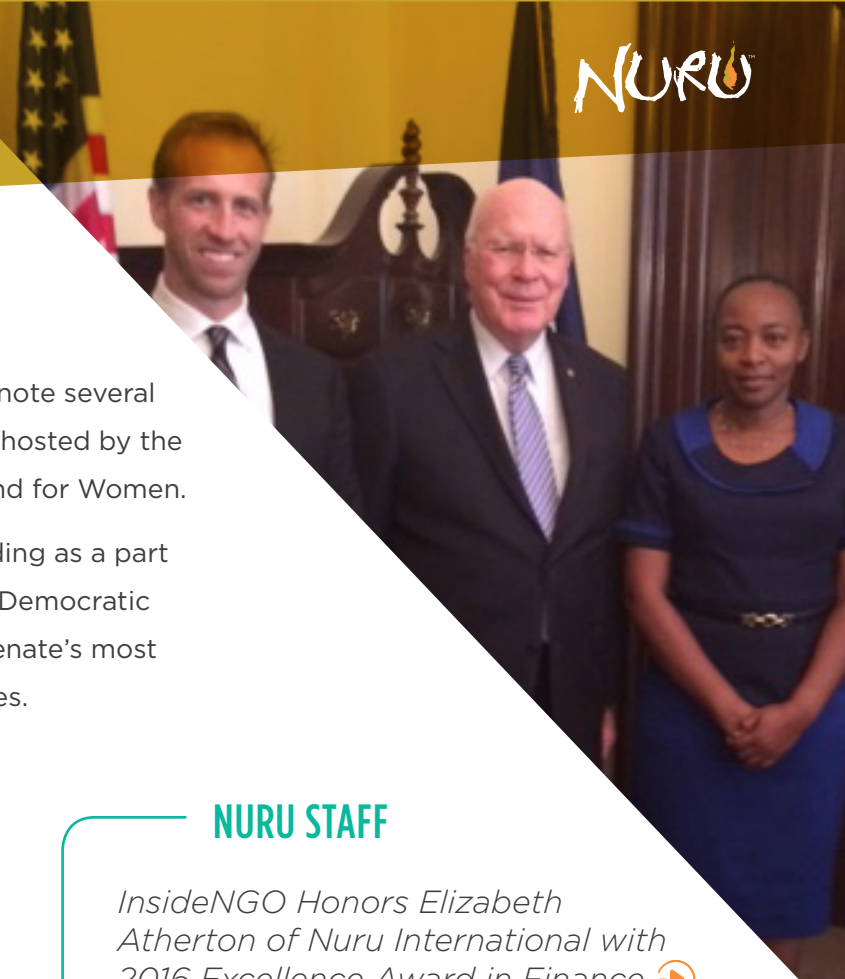
[2016 Democratic National Convention](#) ▶

NURU STAFF

[InsideNGO Honors Elizabeth Atherton of Nuru International with 2016 Excellence Award in Finance](#) ▶

[Emily McLaughlin presents '3 C's of Performance Development' at Nonprofit Learning Lab Institute](#) ▶

[How I found a rewarding pro bono consulting opportunity with lasting impact in Africa](#)
by Ioannis Meletiadis ▶



EXECUTIVE SUMMARY

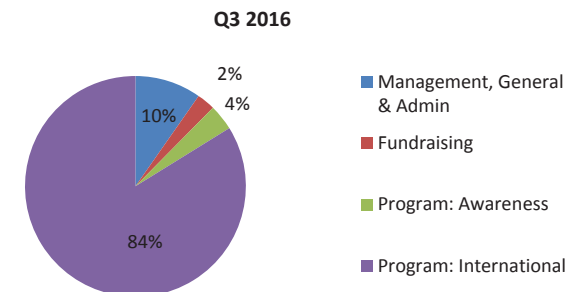
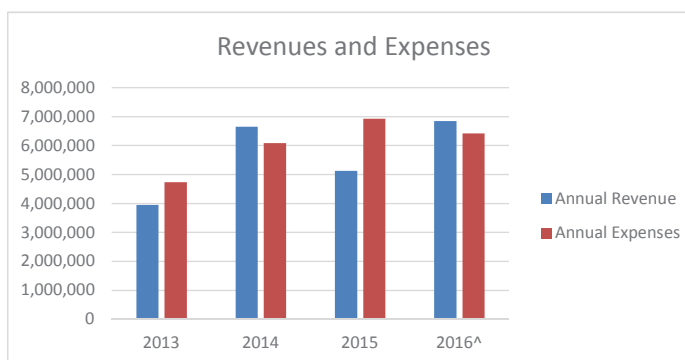
In Q3, Nuru secured two significant foundation awards from Margaret A. Cargill Philanthropies and The Rees-Jones Foundation, removing the cash gap for 2016 and providing additional funding for 2017.

Nuru is continuing to focus on careful cash flow and resource management as the team works to build a revenue pipeline for 2017 and beyond.

Financial Ratios		Q3 2013	Q3 2014	Q3 2015	Q3 2016
Program Efficiency Ratio	Program expenses/Total Nuru expenses	0.79	0.83	0.86	0.88
Operating Reliance Ratio	Unrestricted Revenue/Total Nuru expenses	0.86	1.11	0.99	1.13
Fundraising Efficiency Ratio	Unrestricted Revenue/Fundraising expenses	11.08	18.55	19.19	41.73

Balance Sheet	Q3 2013	Q3 2014	Q3 2015	Q3 2016
Cash Balance	287,509	695,465	352,091	351,579
Total Assets	896,679	3,897,672	1,969,476	1,096,460
Total Liabilities	86,588	157,675	150,908	140,111
Total Equity	810,092	3,739,997	1,818,568	956,350

	Revenue YTD ^a /Expenses YTD ^a			Annual Revenue*/Annual Expenses		
	Total Revenue* YTD	Total Expenses YTD	% of Expenses Covered	Annual Revenue*	Annual Expenses	
2013	3,081,931	3,588,090	86%	2013	3,948,053	4,734,499
2014	4,629,270	4,186,633	111%	2014	6,654,446	6,089,070
2015	5,240,441	5,315,880	99%	2015	5,121,285	6,928,487
2016	5,183,578	4,596,494	113%	2016 ^a	6,849,863	6,419,855



* Unrestricted

[^] Projected

^a Cumulative year to date

WELCOME FRANK KITONGA

Nuru Social Enterprises warmly welcomes Frank Kitonga as its new president!

Prior to serving as the President of Nuru Social Enterprises, Frank Kitonga built the BoP Innovation Center in the East African Region within the inclusive business industry. He successfully developed a high value portfolio with projects including NETFUND Award program, 2SCALE (Agribusiness Incubator), GAIN Market Place program, Unilever / DFID TRANSFORM project and the KMAP project with Farm Africa.

During his 15-year tenure in the corporate world, Frank was involved in many projects in the disciplines of supply chain, finance, procurement and information and communications technology. At Nestle, Frank was part of the International Nestle Group Audit team, implemented the SAP & TPM programs in 10 countries in Equatorial Africa and pioneered the Africa Sourcing Project. At Unilever, he implemented the Sankofa project which linked all Sub-Saharan countries into a single ERP system and also transformed the OMO brand from losing to growing market share as management accountant.

Frank is passionate about inclusive business. He is based in Kenya from where he works to transform lives through a pragmatic, boots-on-the-ground approach.



DAIRY

- The dairy farm piloted a new feeding strategy that increased daily milk production by 30%.



POULTRY

- 30,000 chickens are preparing to lay which means increased profits from egg sales.
- The feed mill is fully running in Kisumu which means NSE is no longer purchasing commercial feeds. NSE has created its own chicken feed using 90,270 kgs of maize purchased from Nuru Kenya cooperatives — a successful triple-bottom line partnership.



Overview*

Operational self-sufficiency

Profit

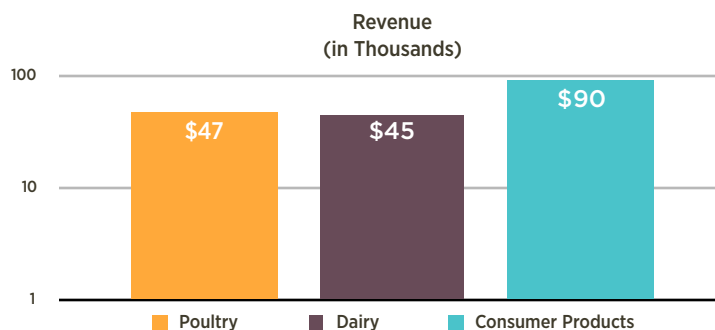
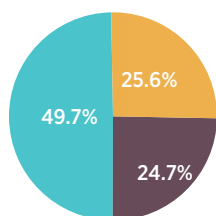
In-country NGO expenses

Financial Sustainability Ratio (FSR)

REPORTED ANNUALLY IN Q4

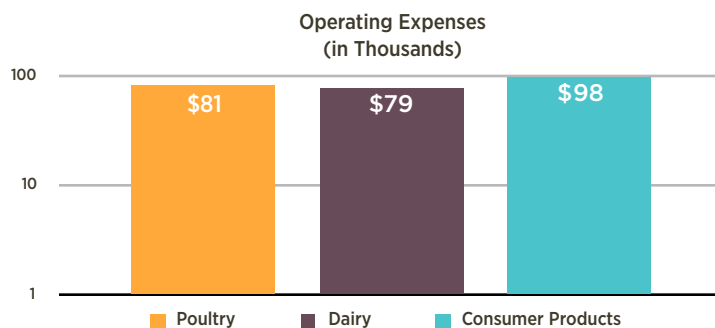
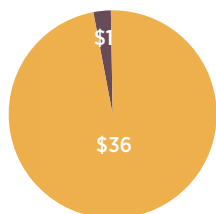
YTD Revenues*

Revenue



YTD Expenses*

Capital Expenses



Investment Portfolio

All Numbers in USD

Poultry	Q2	Q3
Total number of chickens	3,900	29,530
Number of eggs produced	242,160	271,270
Number of eggs sold	230,320	266,890
Revenue from eggs sold	21,000	46,550
Revenue from culling	-	-
Revenue from broilers	-	-
Gross margin	-16%	-233%

Dairy	Q2	Q3
Size of cow herd	20	20
Milk produced (liters)	35,000	47,000
Milk sold (liters)	24,600	37,000
Revenue from milk sold	28,500	41,100
Revenue from A.I. services	1,500	1,900
Gross margin	-6%	17%

Consumer Products	Q2	Q3
Total items sold	117,200	177,290
Total revenue	51,000	90,400
Gross margin	6%	5%

* Unaudited numbers