

Q2 2016

QUARTER HIGHLIGHTS

- Nuru Kenya marks one year anniversary of expat exit
- Nuru Kenya farmers actively participate in first meetings of nascent cooperatives
- Nuru Ethiopia credits high farmer retention to effective drought response in 2015
- Nuru Ethiopia restores clean water access for over 1,000 households
- Nuru Social Enterprises welcomes 25,000 chicks to Kisumu poultry shed

ENDING EXTREME POVERTY IN REMOTE RURAL AREAS



BUILDING DEVELOPMENT WE BELIEVE IN

by Amy Sherwood, Nuru Ethiopia Team Leader



I came to this work the way many do - wanting to make a difference in the world, young, naïve. Despite challenges, failures and many mistakes, I am able to stay in this field by continuing to believe that development work can make a positive impact. I approach my work differently these days—with a tentative, stoic optimism.

Though success in this field is often hard fought, I continue to be amazed by the magnitude of impact when successes are achieved. During my first week in Ethiopia, I visited a Nuru training for local water infrastructure artisans. Over the last few months, Zelalem, Kevin and their team members have revived community water committees, mobilized resources and conducted training to repair water infrastructure that hasn't been functional for many years. The cost of this project was relatively low and provided access to clean, safe water for over 1,000 households—some of which were walking hours to the nearest water source. It also produced a team of trained artisans who can go on to fix water sources in other communities.

Big impact at a low cost does not imply that problems are simple or easily solvable, but it does mean progress is within our reach.

KEEP READING 

TEACHER TRAINING FOR LOCAL TEACHERS

To more effectively create sustainable impact, Nuru Kenya Education launched teacher training for public school teachers at Nuru partner schools. Nuru Leadership joined to support curriculum development in line with Nuru training methodology and its servant leadership philosophy. Together, Education and Leadership successfully conducted their first teacher training throughout April 2016 during the first school break of the year in Kenya.

OUR LATEST POSTS

Nuru Kenya helps teachers adopt new literacy training techniques

by George Baridi

60 new cooperative leaders trained in Nuru leadership philosophy

by Jane Omanga

Leadership Sustainability Index

Ethiopia

Years in Operation	3
Overall Readiness for Expat Exit	
Leadership	
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: TATEK AMATAW

Tatek Amataw is the M&E Field Manager responsible for managing large-scale evaluation surveys three times a year. Even though Tatek started at Nuru Ethiopia only five months ago, he has already made an impact. His organizational skills and dedication to learning about the program recently resulted in successfully overseeing his first evaluation survey at Nuru Ethiopia.

Much of Tatek's accomplishments are due to his modest acknowledgment that while he is the manager, he is also the newest member of the M&E team. He trusted and relied on the opinions and advice of his M&E Field Officers and does not make vital decisions without consulting his team first. Tatek's humility, however, does not prevent him from holding himself and his team to a high standard. Tatek is quick to provide feedback and provides the necessary support if his colleagues are struggling. Tatek's example helps Nuru Ethiopia better serve its farmers.





Local leaders continue to robustly implement project, one year after expat team exit

QUARTER HIGHLIGHTS

The maize harvest outlook in Kenya is strong. Farmers adopted millet and sorghum at considerably higher rates than in previous years, which reflects well on Nuru's crop diversification strategy. Nuru Kenya reduced staff count as a result of transitioning to offer its impact programs through cooperatives.

Financial Inclusion introduced mobile banking platform Chama Solution from Kenya Commercial Bank so farmers can more flexibly, safely and efficiently manage funds.

Healthcare facilitated focus groups to improve messaging around complementary feeding and developed an SMS reminder service for expectant mothers.

Education successfully trained 107 teachers across Kuria West during school breaks.

OUR LATEST POSTS

Improving agricultural value chains through farmer cooperatives
by Kennedy Opondo

Jane Omanga, a most inspiring Kenyan woman and mother
by Brian Viani

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%	13%
Total enrolled FI members	Q3	2,000	Q3

FINANCIAL INCLUSION

Number of loans issued this quarter ¹	-	-	-
Average loan size per client this quarter (USD) ¹	-	-	-
Repayment rate ²	-	98%	-
Total savings deposits (USD)	-	\$9,600	\$7,014
Average total savings deposits per member per quarter (USD)	-	\$6.00	\$3.15

¹ Nuru Kenya paused issuing loans in Q2 as it shifts to a cooperative-based model and Chama Solution. Once the new model, cooperative staff and mobile platform are in place, loan activity will resume. ² No repayment rate reported due to no loans issued in Q2.

HEALTHCARE

Total Nuru farmer households receiving home healthcare visits ³	Q2	1,250	998
Average number of home visits per household per quarter	-	3	3.6
Percent of deliveries in a clinic per quarter	-	85%	88%
Percent of newborns visited within first three days of life	-	90%	81%
Percent of new mothers practicing immediate breastfeeding	-	87%	100%
Percent of households treating water	-	80%	80%
Percent of households who are open defecation free	-	70%	92%

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	4,254
Number of outreach sessions per class (cumulative per year)	-	30 per year	18 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.



Farmer retention high! Integrated programs run smoothly for the second quarter in a row

QUARTER HIGHLIGHTS

Nuru Ethiopia helped establish a union to offer its constituent cooperatives higher level business services, large scale aggregation capacity and increased bargaining power.

Agriculture is closely monitoring livelihoods and crops as the planting season fluctuated between erratic dryness and excessive rainfall.

Financial Inclusion income generating loans are primarily being used to purchase livestock.

Healthcare launched Care Groups in seven kebeles, opened two maternal waiting homes and mobilized artisans to repair water sources that serve over 1,000 households.

Education opened book banks, hosted reading camps and constructed nine sex-segregated latrines at schools.

OUR LATEST POSTS

Overcoming drought, Nuru Ethiopia cooperatives launch 2016 planting season by Alemseged Lukas [▶](#)

Nuru is 'the best organization to explore my abilities to help farmers' says Berhanu Gumara by Kim Do [▶](#)

Ethiopia

Select indicators are updated annually rather than quarterly

AGRICULTURE

		Target	Actual
Number of Nuru farmers taking loan this season ¹	Q2	2,580	2,269
Total number of acres farmed ¹	Q2	3,011	2,733
Average loan per farmer (USD) ¹	Q2	-	\$88
Repayment rate	Q1	97%	79%
Percent increase in crop yield compared to baseline	Q2	32%	36%

¹ Numbers released in Q2 instead of Q3 since all 2016 inputs have been distributed. In 2016, Nuru Ethiopia issued inputs for belg season only and not also for the meher season.

FINANCIAL INCLUSION

Total enrolled FI members	Q3	1,068	Q3
Number of loans issued this year (cumulative per year)	-	356 per year	301 this year
Average loan size per client this quarter (USD) ²	-	\$71	\$78
Repayment rate	-	98%	95%
Total savings deposits (USD) for the year (cumulative per year)	-	\$6,619	\$1,981
Average total savings deposits per member per quarter (USD)	-	\$2.29	\$2.50

HEALTHCARE

Total Nuru women participating in cooperative care groups ²	Q2	800	969
Percent of women who are on track to attend at least 4 antenatal care visits per quarter ²	-	70%	60%
Percent of deliveries in a clinic per quarter ²	-	50%	55%
Number of trainings given to community health workers ^{2,3}	-	4	5

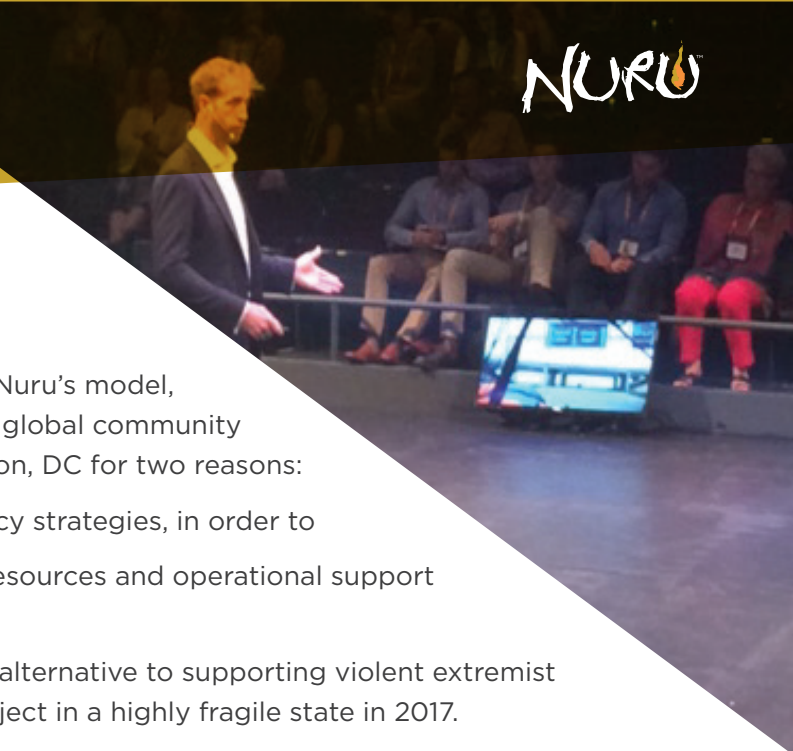
² These indicators only represent data from May and June.

³ This was incorrectly reported in Q1 as 28; the correct number is 3.

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 ⁴	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	Q2	50%	50%
Percent of cooperative children participating in book banks	Q2	50%	51%

⁴ Due to an additional library built in Q2, the number of libraries established has been updated from 10 to 11.



PREVENTING VIOLENT EXTREMISM

Nuru is gaining traction as a leader in integrated models and community-led development. Nuru's model, approach and vision is uniquely positioned to respond to a high visibility challenge that the global community faces—namely, the rise of violent extremism. The team has been spending time in Washington, DC for two reasons:

- 1) To influence the conversation around the United States' national security and foreign policy strategies, in order to
- 2) Advocate on behalf of the international development community for significantly more resources and operational support from the United States Government for sustainable development in highly fragile states.

Nuru believes that providing meaningful choices gives vulnerable communities a legitimate alternative to supporting violent extremist groups and other bad non-state actors. To this end, Nuru is preparing to launch its third project in a highly fragile state in 2017.

DC EVENTS

Jake Harriman to address 200+ organizations at Devex World opening assembly →

Jake Harriman joins veteran panel at 2016 USGLC State Leaders Summit →

Aerie Changala to present at first FHI 360 summit on integrated development →

CELEBRATING STRONG MOMS

The most powerful collective on earth: Mothers. by Pauline Wambeti via ONE →

Healthy moms, healthy communities! Nuru celebrates #IntIMHDay by Athena Childs Fleisher →

#MyMomsStrongBecause... by Jake Harriman →

#MyMomsStrongBecause... by Kavita Shah →

#MyMomsStrongBecause... by Pauline Wambeti →

IN THE PRESS

Marine Jake Harriman Left The Military To Fight Global Poverty via NPR →

Shout Out: Jake Harriman, nonprofit founder via Chicago Tribune →

Nuru International named finalist for 6th Annual Classy Awards →

EXECUTIVE SUMMARY

Throughout 2016, Nuru is closely monitoring cash flow and prioritizing those costs that are most important to making progress in our programs in Kenya and Ethiopia.

In Q2, Nuru was under budget as it experienced some funding delays and managed those by postponing some large expenditures, including a database project and marketing tools, within our U.S. headquarters and Social Enterprises.

In Q3, Nuru will continue to work toward our goal to build a three-month operating reserve. Though cash flow continues to be a challenge, the organization has a strong pipeline of new and renewing donors that it believes will help begin 2017 in a strong financial position.

Financial Ratios

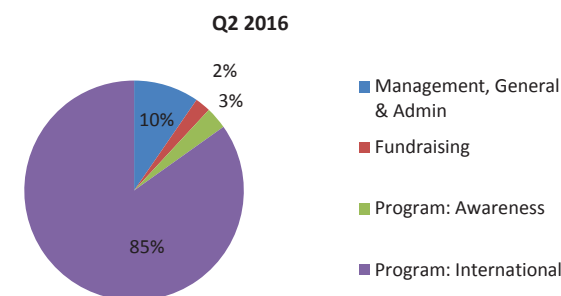
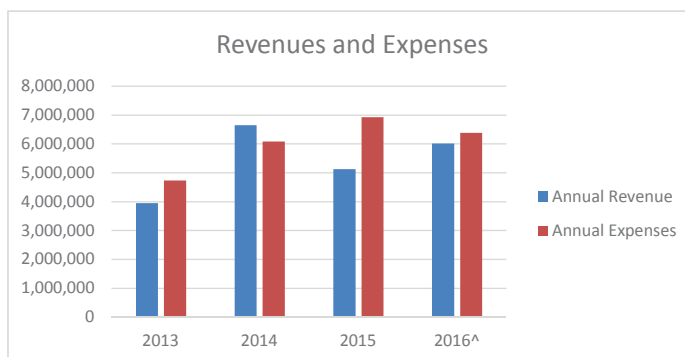
		Q2 2013	Q2 2014	Q2 2015	Q2 2016
Program Efficiency Ratio	Program expenses/Total Nuru expenses	0.76	0.87	0.85	0.88
Operating Reliance Ratio	Unrestricted Revenue/Total Nuru expenses	0.90	1.35	1.19	1.12
Fundraising Efficiency Ratio	Unrestricted Revenue/Fundraising expenses	9.40	28.04	26.98	48.01

Balance Sheet

	Q2 2013	Q2 2014	Q2 2015	Q2 2016
Cash Balance	509,492	1,186,538	1,135,429	159,681
Total Assets	1,195,017	4,551,859	2,727,281	884,238
Total Liabilities	103,018	165,298	177,650	137,733
Total Equity	1,091,999	4,386,561	2,549,631	746,505

Revenue YTD^a/Expenses YTD^a

	Revenue YTD ^a /Expenses YTD ^a			Annual Revenue*/Annual Expenses		
	Total Revenue* YTD	Total Expenses YTD	% of Expenses Covered	Annual Revenue*	Annual Expenses	
2013	2,084,892	2,314,790	90%	2013	3,948,053	4,734,499
2014	4,176,929	3,088,868	135%	2014	6,654,446	6,089,070
2015	4,145,782	3,490,157	119%	2015	5,121,285	6,928,487
2016	3,581,124	3,203,885	112%	2016 ^a	6,017,632	6,379,802



* Unrestricted

[^] Projected

^a Cumulative year to date

KISUMU POULTRY FARM

In 2015, NSE purchased 10 acres of land in Kisumu, Kenya with plans to expand its dairy, poultry and consumer products businesses. The land was at the intersection of major highways providing a significant opportunity for suppliers and buyers. The first business to be scaled in Kisumu would be poultry since NSE's poultry pilot in Isibania had been very successful.

While construction was scheduled to commence in the summer of 2015, it was delayed due to negotiations, weather and permit issuance. In May 2016, construction was finally completed and NSE has an amazing development that can house up to 100,000 chickens.

NSE's poultry farm was the first of the businesses to successfully launch in Kisumu. 25,000 chickens arrived in Kisumu in May 2016. NSE signed with its first distributor who will take 15,000 eggs a week. The contract can potentially grow to 60,000 eggs a week. NSE is simultaneously negotiating with other distributors to optimize price, quality and distribution channels.

Stay tuned as our businesses grow!



DAIRY

- After conducting a deep dive analysis, NSE delayed Dairy scaling in Kisumu to refocus on its core products of milk and yogurt.



POULTRY

- Poultry build out in Kisumu is now complete. 25,000 baby chicks have arrived!



CONSUMER PRODUCTS

- Customers are successfully ordering and receiving products via a mobile POS system and a Tuk-Tuk delivery system

Overview*

Operational self-sufficiency

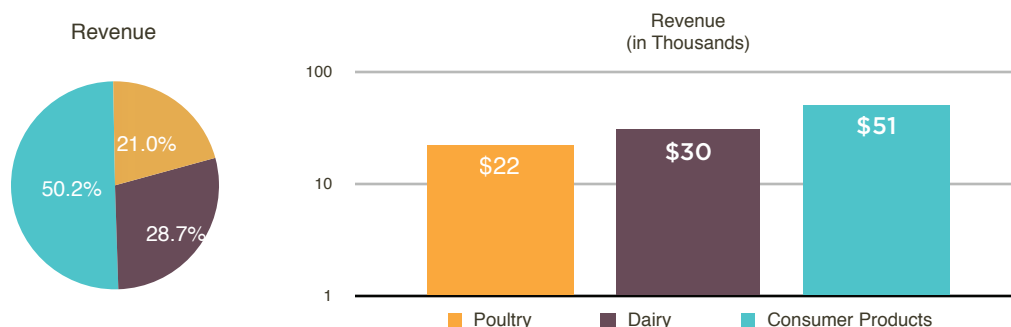
Profit

In-country NGO expenses

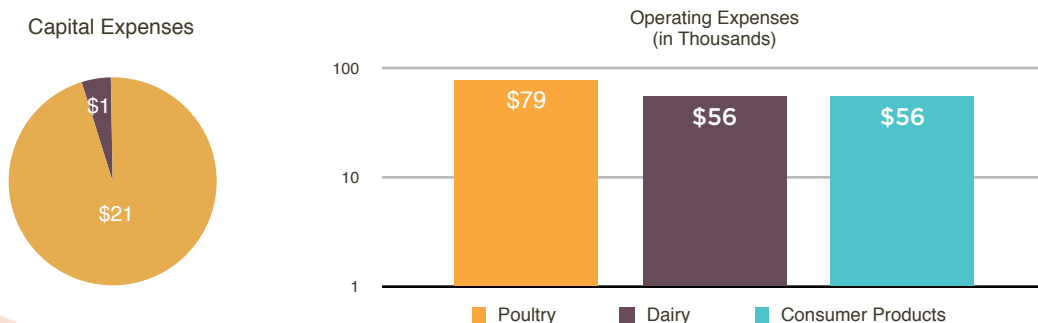
Financial Sustainability Ratio (FSR)

REPORTED ANNUALLY IN Q4

YTD Revenues*



YTD Expenses*



Investment Portfolio

All Numbers in USD

Poultry	Q1	Q2
Total number of chickens	3,970	3,900
Number of eggs produced	790	242,160
Number of eggs sold	210	230,320
Revenue from eggs sold	-	21,000
Revenue from Culling's	-	-
Revenue from Broiler's	-	-
Gross Margin		8%

Dairy	Q1	Q2
Size of cow herd	11	20
Milk produced (liters)	5,820	35,500
Milk sold (liters)	1,250	24,600
Revenue from milk sold	12,000	28,500
Revenue from A.I. services	650	1,500
Gross Margin		12%

Consumer Products	Q2	Q2
Total items sold	30,460	117,200
Total revenue	19,800	51,000
Gross Margin		15%

* Unaudited numbers