Africa Development Promise Annual Report 2014

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I was born in The Seychelles, a small group of islands in the Indian Ocean. Before my first birthday, my parents moved to Uganda in search of better economic opportunities and there we lived for 15 years. My father who worked in the road construction sector had a nomadic lifestyle that took him to some of the most remote villages in Uganda. My mother and I remained in Kampala and during school breaks we would visit him all over the country. I remember traveling through stunning rural landscape, listening to the peaceful sounds in the air but I was also well aware of the contrast—barefooted mothers with babies on their backs, doing backbreaking work in the fields. I became aware of the hunger, disease, and illiteracy around me. With all its dichotomies this was my home; it was all I knew. Unfortunately without much notice the political situation under General Idi Amin, forced us to leave.

Almost 20 years later, through my work with Water For People, I returned to the continent. It was wonderful to see the progress and modernization in the cities but I was shocked when I went into the rural areas and saw the same things I had experienced in my childhood— it was as if it were suspended in time. With the rapid pace of global change, why were there still people who seemed untouched? I was saddened by what I saw because it was personal.

I am proud that some of the fastest growing economies are in tropical Africa. However, I recognize that rural farmers now, as in the past, are forced into subsistence farming because of underdeveloped markets, lack of access to land, resources, and improved seeds and fertilizer, making it almost impossible to break the cycle of poverty. It is in this space that I believe Africa Development Promise can make a difference. With the support of my husband, daughters, family and friends I embarked on this quest to support women farmers reach economic prosperity and improved livelihood through the cooperative model of enterprise.

As you read through the annual report, I hope that Africa Development Promise’s mission and vision will become evident through the stories highlighted. I hope you will be impressed with all we are striving to do!

“Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility”

—Ban Ki-moon, United Nation Secretary

Africa Development Promise’s Mission is to serve as a catalyst for economic growth by building well-managed, competitive, and profitable agricultural cooperatives aiming to strengthen the local economy. We are committed to the cooperative-enterprise model that is democratically owned, controlled and provides benefit to individual members and the greater community.

Our Vision is flourishing rural communities across Eastern Africa where the poor can harness their creativity, innovation and hard work to generate sustainable economic growth that brings prosperity and independence.
Dear Friends,

WELCOME TO Africa Development Promise’s first annual report! We are excited for this opportunity to share with you, our supporters, these stories of impact and hope and the progress we have made in addressing rural economic development in Rwanda and Uganda.

This is an historic time for African agriculture; with many countries embracing the market-friendly policies that we strongly believe are essential to sustainable development and poverty reduction; thus making our work timely and significant. On the regional front, the governments of Rwanda, Uganda, Kenya, Tanzania, and Burundi are in the process of signing the East African Community Cooperatives Bill (EACCB), a harmonized legislative framework for the facilitation of East Africa’s cooperative societies. Supporters of the bill view it as the vehicle that will drive existing economies to new levels of growth and prosperity. According to the Ugandan legislator, Mike Sebalu, cooperatives have the capacity to transform societies and reduce unemployment. “They are an entry point for primary producers to engage in regional trade and maximize the benefits of a common market.”

We see the EACCB as an opportunity to mobilize farmers – especially women farmers, who play a central role in agricultural production and food security. As a supporter of Africa Development Promise, you know that we are focusing all of our resources on building the capacity of agricultural cooperatives, so that farmers will have the resilience to face extreme challenges and a voice to advocate on their own behalf. With your support, Africa Development Promise is educating farmers on how to manage cooperative enterprises efficiently, by using improved agricultural technologies, growing appropriate crops, getting higher yields, and harvesting and storing their crops until the price is right for selling. All with the end goal of self-sufficiency and economic independence!

Africa Development Promise is a work in progress and we are proud of what we have achieved in just one year! We are deeply grateful to you and all our supporters for joining us on this journey with Africa Development Promise and the farmers of East Africa.

Sincerely,

Bjorn von Euler                                Monica LaBiche Brown
Chair, Board of Directors                       Founder and Executive Director

Meet The Leadership

Jean Nicholson
Board Member
Co-owner
RE for your home

Julie Labonte
Board Member
Sr. Vice President
MWH Global

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President
Brown/Barchetta & Co

Edward D. Breslin
Board Member
Executive VP
Wounded Warriors

Bjorn von Euler
Board Chair
Retired Director
Xylem Watermark
Year In Review

IN SEPTEMBER 2014, Africa Development Promise was officially recognized as a tax exempt 501(c)3 nonprofit organization allowing us to apply for registration at the national level in both Rwanda and Uganda; and opening doors to other collaboration and grant funding. Since then we have secured over $50,000 in contributions toward our program in Rwanda! Your incredible support has allowed us to accomplish the following in just one year:

• Identified and mobilized a group of 66 women farmers in Rwanda’s Bugesera District
• Organized Farmers Field Days for the women to visit various demonstration projects, giving them a better understanding of new techniques, technologies and farming options available. Armed with their new information, the cooperative members were able to determine the best way to meet their needs, opting for greenhouse farming over open field to grow their crops
• Provided a series of trainings on Cooperative Principles and Governance in collaboration with the Rwanda Cooperative Agency and the local district government
• Linked the cooperative with a local microfinance bank to obtain a loan resulting in the purchase of additional land
• Connected the cooperative with local hotels and restaurants as potential buyers
• Facilitated the construction of a greenhouse with a sophisticated and efficient irrigation system and contributed the first season of inputs including seeds, fertilizer and agro-chemicals
• Provided agronomic training on components of a successful harvest, including soil and seedling preparation, transplanting, watering, and disease management

<table>
<thead>
<tr>
<th>Capacity Building Activity</th>
<th>Target Audience</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer Field Days</td>
<td>Management Team</td>
<td>7</td>
</tr>
<tr>
<td>Cooperative Principles and Governance Training</td>
<td>All Members</td>
<td>61</td>
</tr>
<tr>
<td>Agronomy Training</td>
<td>All Members</td>
<td>66</td>
</tr>
</tbody>
</table>

Additionally, Africa Development Promise’s registration process in Uganda is well underway and we expect to be fully registered by the end of June 2015. We are excited that we have identified and mobilized a group, Epaphroditus Savings and Credit Cooperative Society, comprised primarily of women, who want to expand their small but successful mushroom business (for more information see article on page ten).

Africa Development Promise held it’s inaugural fundraising event “Rwanda on the Rise.” Despite the heavy rains, committed guests showed up to enjoy African drumming, African food, a silent auction and a beautiful slide show. Guest speaker, Adolphe Kajangwe, a successful accounting executive who now lives in Colorado talked about the six pillars of Rwanda’s development framework - The Vision 20/20.
Our Program Model

AFRICA DEVELOPMENT PROMISE was founded on the simple belief that we build our programs from within — on local knowledge, values and practices, to not only boost acceptance and adoption of our strategies, but to ensure our programming is locally appropriate and above all, desired by those we work to support.

We start with agriculture because it is a way of life in Africa, and over 70 percent of the rural poor rely on subsistence farming for food security and employment.

We promote the cooperative model of enterprise because it is a natural extension of the informal, traditional African social systems of reciprocity; sharing and reliance, practiced in rural communities that has helped communities survive for a long time. As a cooperative, members can pool resources (money, labor, and knowledge) to create economies of scale; thus reducing risks to individual members, and instead placing it on the enterprise itself.

We primarily support women farmers, as small-scale female farmers represent the majority of the rural poor in developing countries, yet they receive less productive support than male farmers.

Based on the research and feedback from our partner communities, we have adopted a fourfold strategy to propel cooperatives to success. This strategy includes the following:

Co-op Management Training

Africa Development Promise trains co-op leaders because we believe that members are best served when leaders understand cooperative principles; their roles and responsibilities and those of members; the importance of financial management and record keeping; and strategic planning.

Provide Farm Inputs

We provide cooperatives with an initial investment of inputs for the first year provided that management and leadership have attend cooperative governance and management training and members agree to continue to take the additional training offered.

Technical Assistance and Training

We provide specialized, hands-on technical training that addresses topics such as soil fertility and water resource management strategies, climate adaptation, use of reduced-toxicity pesticides, as well as techniques for successful harvests and post-harvest storage.

Build Networks and Partnerships

We help cooperatives build their networks to share market information, supplier, demand and distribution channels, and avoid duplication of efforts. Cooperative must see themselves a part of an larger network that includes businesses, government and other cooperatives.

This service package is tailored to the needs of the cooperative and allows them to conduct business more effectively, while enabling them to provide their members with basic tools to increase productivity, make better use of land, gain access to markets and obtain better bargaining positions within the local and regional economy.
WHERE WE WORK

AFRICA DEVELOPMENT PROMISE opened its first program in Rwanda in early 2014. We decided to start in Rwanda because we have close alliances in-country and because the current economic environment is particularly amenable to income generating initiatives. Although Rwanda has made significant economic progress since the 1994 genocide, it still remains severely under-developed in the rural areas. About 85 percent of the population depends on agriculture (mainly subsistence), with the majority being female-headed households. We currently support a women’s cooperative made up of 66 women in the Bugesera District of Rwanda.

Uganda is our Phase II country with plans to start work in 2015. Like Rwanda, Uganda has suffered from armed conflict and human rights abuses that have systematically and negatively impacted the lives of its citizens. Currently, about 25 percent of the rural population lives below the poverty line and about 80 percent of the population depends on agriculture for their livelihood and survival. Like Rwanda, the Ugandan government is promoting agricultural development policies and strategies aimed at transforming subsistence farming to commercial agriculture. Africa Development Promise is excited to begin working with a cooperative of 20 members (mainly women) in the Wakiso District in Uganda.

MEET THE COUNTRY DIRECTORS

Vincent Musoni, Country Director, Rwanda

Vincent has over 16 years experience in the development sector having worked with both local and international nongovernmental organizations. His experience includes CARE International and Rwanda Initiative for Sustainable Development. He is skilled at mobilizing local communities, coordinating collaborative efforts, and training communities on gender issues. Most recently, Vincent was the Business Development Support Consultant for Water For People—Rwanda’s business incubator “Sanitation as a Business” funded by the Gates Foundation. Vincent holds a Master’s degree in Project Planning and Management from Kabale University in Uganda.

Sherina Munyana, Country Director, Uganda

Sherina has over 10 years working in grants and financial management of development projects focusing on value chains and local capacity building. She served as Program and Communications Manager for Water For People’s market-based sanitation program, implemented across seven countries including Uganda. Her work involved collaborating with local Business Development Support (BDS) partners to develop sanitation business models and provide business planning support to local sanitation businesses. Sherina has a Master’s Degree in Development Management from The Open University in the UK and a Bachelor’s Degree in Social Work and Social Administration from Makerere University in Uganda.
A Story Worth Sharing from Rwanda

In 2011, 183 women with the shared goal of improving their standard of living in Nyamata, Eastern Rwanda, founded the Koperative Ingabo Ikingira Ubukene. These strong, motivated women were prompted to action by a seemingly simple and modest goal: acquiring mattresses for their families to sleep on. So why then, two years later, when Africa Development Promise was introduced to the cooperative only eight families had successfully purchased mattresses and the membership had dropped by more than sixty percent?

Cooperatives, structured to address member needs, community welfare, and the need for profitability, can be a fantastic way for communities to support themselves and take those first critical steps out of poverty. But, as is so often the case with rural cooperatives, the women of Koperative Ingabo, though driven by a need and armed with determination, encountered crippling obstacles that made success nearly impossible. And the fundamental word here is “nearly”!

Though highly motivated, the women of Koperative Ingabo were not equipped with the tools required for success: they did not understand the principles of managing a cooperative enterprise, lacked access to training and information, and had insufficient financial resources to obtain the seeds, fertilizer, and pesticides required for a lucrative harvest. However, since beginning a partnership with Africa Development Promise in 2014, this situation has changed.

The 66 women that remained in the cooperative have received extensive training on topics ranging from cooperative governance to seedling preparation and disease management. They have built a greenhouse with an irrigation system and former members are now asking to return to the co-op. In addition, as a result of Africa Development Promise’s work to connect them with a local microfinance bank, the women have secured a loan and successfully purchased additional land for expansion. Their latest endeavor? They want to build a facility that will serve as a training center, storage facility, office space, and community center — purchasing the land was the first step.

Africa Development Promise is deeply proud of the cooperative’s progress and thrilled by the momentum it has gained in the short span of our partnership. Marie Rose, President of the cooperative, wants “all members to have money for school fees for their children, health insurance, and be able to afford a good house.” Their aspirations have come a long way from simply wanting mattresses for their family to sleep on!

KOPERATIVE INGABO IKINGIRA UBUKENE (aka SHIELD TO PROTECT US FROM POVERTY)
A Story Worth Sharing from Uganda

Meet Deborah Serukeera: Mother, Community Member, Farmer, Breadwinner

Like so many people in rural areas around the globe, Deborah is faced with a decision: remain in the village of Kifumbiro, Uganda, where she was born and raised, where she has generations of family, friends, and ties to the community, or move to the city for its promising opportunities, like so many others have done. But for Deborah, the latter was never really an option. “Firstly, because this is home.”

With her deep attachment to and roots in Kifumbiro, Deborah was dismayed when the village began struggling to make ends meet, and felt compelled to action. Co-ops seemed like the best way for the community as a whole to develop and thus in 2009 the Epaphroditus Savings and Credit Cooperative Society (SACCO) was born, with the idea of pooling savings and slowly building toward profit. But almost immediately, it ran into trouble. Some members could not afford to honor their monthly contribution commitment, and for those that did, the co-op helped finance individual business ideas but was unable to provide the guidance and training that would bring them to fruition.

As Deborah recalls, “many of the businesses [failed] and recoverability was impossible. The co-op became dormant for some time.” In 2013, the struggling SACCO adopted a different model, and instead banded together in a common pursuit of a collective business, rather than supporting individual ones. Since the shift, it has been easier for everyone to get on an equal footing, and the co-op is able to support everyone in the same capacity. “The idea of carrying each other’s burdens keeps the motivation alive,” Deborah explains. “The members desire to see each other progress, not leaving each other behind.”

Epaphroditus now grows mushrooms for sale in the community, and Deborah and her seven children are able to remain in the village they call home. Under Deborah’s guidance as President, the co-op has rebounded. But she is not stopping there. The women are working on scaling up to meet demand from the nearby capital of Kampala, and will be exploring other opportunities in the value chain such as drying, processing, and packaging.

While the partnership between Africa Development Promise and Epaphroditus is still young, it is also very promising and already very productive. Together, we have developed plans to: securing cooperative land for a collective mushroom growing house, smaller growing houses at members’ homes to allow for additional production, and trainings in skills development for agriculture and business management.

With all of the incredible progress achieved so far, and the promise of a productive and exciting year of 2015, we can hardly wait to see what the future holds for this extraordinary new partner! Stay tuned to find out what’s next....
Independent Audit Report

Board of Directors
Africa Development Promise
Denver, CO

We have audited the accompanying financial statements of Africa Development Promise, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Africa Development Promise as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ICL, LLC
Chicago, IL
May 1, 2015
ASSETS

- Cash and cash equivalents: $19,209
- Pledge receivable: $1,010
- Total Assets: $20,219

LIABILITIES AND NET ASSETS

- Accounts Payable: $0
- Unsecured Note Payable: $1,760
- Total Liabilities: $1,760
- Net Assets: $1,759
  - Unrestricted: ($241)
  - Temporarily Restricted: $18,700
- Total Net Assets: $18,459

TOTAL LIABILITIES & NET ASSETS: $20,219
## Statement of Activities

**Year Ended December 31, 2014**

<table>
<thead>
<tr>
<th>Revenue and Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Contributions</td>
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<td>$17,572</td>
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<tr>
<td>Foundation Grants</td>
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<tr>
<td>Special Event</td>
<td>$ 7,255</td>
<td>$ 7,255</td>
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<tr>
<td>In-Kind Donations</td>
<td>$15,050</td>
<td>$15,050</td>
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<tr>
<td>Net Assets Released From Restriction</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>$39,877</td>
<td>$18,700</td>
<td>$58,577</td>
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<table>
<thead>
<tr>
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<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
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<td></td>
<td></td>
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<tr>
<td>Rwanda and Uganda Programs</td>
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<td>$17,197</td>
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<tr>
<td>Support Services</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Management and General</td>
<td>$ 3,451</td>
<td>$ 3,451</td>
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<tr>
<td>Fundraising</td>
<td>$20,196</td>
<td>$20,196</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$40,844</td>
<td>$40,844</td>
<td>$58,688</td>
</tr>
</tbody>
</table>

| Change in Net Assets | $ (967) | $18,700 | $17,733 |
| Net Assets, Beginning of Year | $ 726 | $ 726 |       |
| **Net Assets, End of Year** | $ (241) | $18,700 | $18,459 |
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African Eyes Travel

DBH Enterprise
Denver, CO
AFRICA DEVELOPMENT PROMISE
1031 33rd Street, Suite 174
Denver, CO 80205
720-951-2104
www.africadevelopmentpromise.org

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