

IMPACT NEWSLETTER

FALL 2016 | EXPANDING OPPORTUNITY FOR PEOPLE LIVING IN POVERTY

Our Opportunity in Africa

*By Aaron Nasurutia: VP, Lending
& Portfolio Management – Africa,
Global Partnerships*

It is exactly one year ago that Global Partnerships expanded its work to Africa. With the opening of our office in Nairobi, Kenya, we are investing in four East African countries: Kenya, Uganda, Tanzania and Rwanda. GP's entry into Africa comes at an opportune time, when many innovative solutions are aligning with our mission, especially in clean energy, financial inclusion and economic opportunity.

East Africa is at the center of global impact investing and development on the continent as investment has grown strongly throughout the region over the past five years. Kenya, and its capital city Nairobi, is the regional hub of East Africa where almost 50 impact fund managers have established a presence.

GP has expanded to Africa not only because innovation in the region is growing, but most importantly, because people have fought poverty for generations here, and markets must be pushed now to empower people in a sustainable way. Over 620 million people in Sub-Saharan Africa live without access to electricity. That's more than the rest of the world combined. In East Africa alone, more than 200 million people live without electricity - approximately 80% of its population. Financial exclusion also continues

to be a major hindrance to poverty alleviation, as well as lack of access to healthcare, clean water, proper sanitation, education and livable housing, among others.

Agriculture continues to be the main source of livelihood for the majority of rural families. Smallholder farmers depend on crop farming and animal husbandry. GP's work to improve the lives of people living in poverty through its smallholder farmer services and rural-centered finance with education investment initiatives is well placed to impact millions of people, beginning in the four East African countries.



Aaron (left) with Charles, a Kenyan farmer who is a client of Meru Greens Horticulture.

GP has made substantial progress in the past twelve months by making our first investments and identifying new investment initiatives. We have invested in three partners in Kenya: a women-centered microfinance institution, a distributor of small solar lights, and a rural-centered microfinance institution that focuses on financing smallholder farmers. And we have many more partnerships on the horizon.

As the leader of GP's Africa operations, I am greatly inspired by the opportunity we have to impact millions of people living in poverty. In my former career as a commercial banker, the objective was maximization of shareholder value. However, as an impact-led investor, GP is 100% focused on the household impact and on empowering people in a sustainable way. For me, the satisfaction of participating in such transformation is incredibly rewarding.

On a personal note, as a person who grew up in a family of farmers in rural Kitale in the North Rift region of Kenya, I am proud to be a part of a team enabling innovative change by providing much needed capital to social entrepreneurs in my home country and neighboring regions. This kind of impact changes lives and future generations. As an example, parents living in poverty can increase their income, giving them the opportunity to pay for their children's education.

We look forward to sharing with you the impact our partners are having in Africa in the years to come.

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An Impact Journey with My Daughters

By Mike Galgon - GP Donor, Board Member, Investor and Impact Journey Traveler

Ecuador is a staggeringly beautiful and rugged place. Straddling the Andes, its folded terrain creates towering ridges and deep valleys, punctuated by 15,000 foot volcanoes in the highlands and fertile access to the Pacific in the west. The tumult evident in the landscape evinces similarly turbulent circumstances for its people: uncertain economic conditions, earthquakes and eruptions, and challenging conditions for trade. In short, an environment that leaves many living on the margin, seesawing between viable and not.



(Left to right) Mike, Libby, and Edel.

and – perhaps most importantly, particularly for the women we met – dignity and equality. My youngest brother, and the girls' favorite uncle, Brian, has Down syndrome, so one client visit meant the most to me.

Far from the main road, our van stopped at a small stone home on dusty ground. Here, we met Marina Romero. Marina met us in her wheelchair, surrounded by her four children and husband, and shared her story with us. She is a client of Global Partnerships' partner, Fundación FACES, who first met Marina when she was 16 years old. She had lost her legs to polio when she was young and, being very poor, had no wheelchair or means of travel. Needless to say, in this very isolated community, without education or a means of getting around, she would have had little opportunity to learn, contribute, or reach her potential.

Through a grant program, Fundación FACES secured Marina a wheelchair. Next, they educated her on how to breed and sell chickens, and financed her start with small loans. As she grew more skilled and confident, and able to

access larger loans, Marina began to breed and sell pigs, which she continues today. She brings a new litter of piglets to market every eight weeks, earning money to feed her family and educate her children.

The Marina we had the pleasure to meet was a confident business woman, equal partner to her husband, and respected mother of her children. Her polio and wheelchair had become mere artifacts, not determinants.



Marina surrounded by her family.

Marina made me think about my brother, Brian. Despite his disabilities - because of where he was born - he's had a rich life with friends, goals, and growth. Marina clearly had a world of capability, grit and aspiration. Absent a wheelchair, training, and access to a loan, though, how would this have been unleashed? What would have become of her?

The fact that I was traveling with my daughters caused me similar reflections: in a country where boys historically come first and men control finances and decision-making, how will women earn equal say? Why should a family prioritize a girl's education? What will nourish girls' potential and aspirations? From the many women borrowers we met, earning income for their families and themselves rests somewhere near the center of the possible solutions. Microloans and education – because they unleash potential and aspiration that's brimming to be realized – help move women from the margin to the center, from reliant to independent, from vulnerable to in control. For my daughters, this is the least I would want.

Our Ecuadorian journey left me indelibly touched – memories, laughs, and profound stories shared with my daughters and fellow travelers. I left humbled by the resilience, aspirations, and innate joy of the people we met. Filled with gratitude for the plenty, equality, and opportunity we experience in the United States. And, lastly, hopeful and optimistic about the world in which my daughters and their children will grow up. Thank you, Global Partnerships!

WITNESS YOUR IMPACT FIRST-HAND: TRAVEL WITH US

An Impact Journey is more than a trip or a vacation: it's a unique opportunity to experience the power of your support. Donors and investors like you will meet our partners and their clients in Guatemala (late January

2017) and Kenya (late June 2017). Immerse yourself in the local culture and enjoy intimate access to landmarks and landscapes. To learn more about the journey of a lifetime, visit: www.globalpartnerships.org/get-involved/travel or contact Alison Driver at adriver@globalpartnerships.org or (206) 456-7834.

PERSPECTIVES

Here is what travelers are saying about our most recent Impact Journey to Ecuador...

"After completing an amazing Impact Journey to Peru with GP in 2013, my 17-year-old daughter and I decided to embark on a second Impact trip heading to Ecuador in June 2016. Not only is Ecuador a beautiful and historic country, but the people were very open and welcoming. As my daughter heads to college in a year, I know she will carry with her a deeper understanding of the problems in developing countries and the positive impact that GP is able to have towards improving the quality of life for thousands and thousands of people."

– Lisa Pattenaude and Katie Pattenaude



The group of travelers in Ecuador on GP's most recent Impact Journey.

"This was the first time I had traveled on an impact journey and with GP. I certainly had high expectations for seeing exactly how microfinance loans were helping to break the cycles of poverty – and those expectations were met, if not exceeded! What I had not anticipated was just how brilliant it would be to share this memory with knowledgeable, passionate companions, all seeking very much the same experience. GP's staff thought of every need before we did, and their thoughtful planning allowed all of us to completely immerse ourselves in this experience of a lifetime. GP, where are we off to next?"

– Ed Lazar

IMPACT IN ACTION



Peter on his farm in Kangari, Kenya.

Breaking the Cycle of Rural Poverty

Peter Macharia Mukenga is a farmer with his own land in Kangari, a rural town set halfway between Nairobi and Mount Kenya. He lives with his wife Catherine Wanjiku and their children: one son, age 17; and two daughters, ages 10 and 13. Peter provides for his family by producing milk from his four cows and from his five acres of crops including tea, bananas, tomatoes and avocados, which he can use to feed his family and sell at market for income.

For families living in rural areas like Kangari where most depend on farming for their livelihood, assets like livestock and land are critical. For Peter, it was a long hard road to work his way up over the years to gain these precious resources. The persistent cycle of poverty is that farmers lack collateral to gain the economic resources they need. This is where Juhudi Kilimo, Global Partnerships' partner in Kenya, steps in to break the cycle.

Juhudi Kilimo provides loans for high-quality agricultural assets like livestock combined with technical assistance to boost yields and income for smallholder farmers. Juhudi Kilimo has more than 30,000 clients across rural Kenya. With an average loan size of \$330, bundled with financial education and agricultural training, these farmers now have the opportunity to work their way out of rural poverty.

For Peter, tea farming is a challenging income cycle. Farmers receive only 50 KSh (\$0.05 USD) per kilo when they send tea to the distributor. They do not receive the bulk of their payment until a year later. In addition, the price of tea has been going down, so Peter is concerned about income diversification.

Peter is using loans from Juhudi Kilimo to increase his milk production for more reliable income. He most recently took out a loan for \$400 USD to buy another cow. Now Peter owns four cows, which produce 13 liters of milk a day. Peter's family earns diversified income from owning both cows and crops, as well as increased income from the improved farming knowledge and increased production.

A vast majority of Kenya's population and 100% of Juhudi Kilimo's clients make their living through smallholder farming. GP invests in partners like Juhudi Kilimo to increase food security and income for these rural communities and families like Peter's.

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Learn about GP's new opportunity to make an impact in East Africa.

Impact in Action

Meet Peter, a farmer in Kenya who has diversified his income sources to break the cycle of rural poverty.

Perspectives

Hear from GP supporters who just returned from our latest Impact Journey.



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REGISTER FOR OUR ANNUAL LUNCHEON ON OCT. 13TH

You're invited to bring your family and friends to join us on Thursday, October 13 for Global Partnerships' 14th Annual *World of Opportunity* Luncheon.

12:00 to 1:00 p.m.

Grand Ballroom of The Westin Seattle Hotel

To register, visit globalpartnerships.org/luncheon or contact Kim Pitre at kpitre@globalpartnerships.org or (206) 456-7865.

If you are unable to join us, we appreciate your gift to support our work. You can make your gift at:
globalpartnerships.org/donate

Gifts of \$1,000 or more will be matched 2:1

Gifts of \$500-\$999 will be matched 1:1

INSIGHTS IN ACTION: A CONVERSATION WITH GP

GP hosts a special series of events at GP's Seattle office that take a deeper dive into our work.

Economic Resilience: November 15th from 8:00 – 9:00 a.m.

Education: February 10, 2017

Investing with a Gender Lens: April 12, 2017

RSVP for any of these sessions with Kim Pitre at:
(206) 456-7865 or kpitre@globalpartnerships.org



Our keynote speaker at this year's luncheon is Rosemary Muthomi, the co-founder of Meru Greens Horticulture, an agricultural organization that supports Kenyan farmers.