



IMPACT REPORT
— 2015 —

Equity Group Foundation Annual Impact Report 2015

Our Vision

To champion the social and economic transformation of the people of Africa.

Our Mission

We champion the transformation of lives and livelihoods through the development and implementation of innovative programmes that leverage existing infrastructure and link partners to the bottom of the pyramid.



Foreword by The Executive Chairman	2
Annual Message by The Managing Director	5
Overview of Equity Group Foundation & Equity Group Holdings Ltd	7
EGF Programmes	8
2015 Highlights	9
• Education & Leadership Development	12
> <i>Wings to Fly</i>	15
> Equity Leaders Programme	19
• Entrepreneurship	24
• Financial Inclusion & Literacy	32
• Health	42
• Agriculture	48
• Environment	56
• Innovation	62
Monitoring & Evaluation	68
Audit Report	70
Financial Statement	71
Board Members	72
The Executive Team	75
Donors & Partners	79

FOREWORD

BY THE EXECUTIVE CHAIRMAN

Equity Group Holdings set an audacious goal at the end of 2014 to grow its customer base from 10M to 100M by 2024 through expansion into 10 new countries in Africa. It also launched its MVNO (Equitel) to deepen financial inclusion and drive the expansion through digitization. As a corporate foundation of the Group, Equity Group Foundation set a similar target, to impact the lives of 100M people through social investments in individuals and communities, supported by Equity Group Holdings and a growing partnership base.

The growth of the Bank over the last 10 years, powered by the strategy we developed at the time gave us confidence to set these new ambitious goals. We set similar high goals for EGF because we believe that investing in removing or reducing the

social barriers that afflict the poor is key to social and economic advancement of societies. The results EGF has achieved thus far gave us the confidence that with greater support from the Group, especially the additional infrastructure capability we are availing to them through the Equitel Mobile, they too can reach these ambitious targets. The shift to e-government in Kenya and countries in the region; the growth in use of mobile money; the launch of Equitel and the ongoing shift towards digitization of our banking services all point to the need to digitize communities.

EGF has a principal role to play through an opportunity availed by Equitel. To take advantage of this opportunity, EGF began testing the use of mobile

Dr. James Mwangi

Executive Chairman



technology to reach communities in financial literacy, education content for high school learning, availing information to pregnant mothers through MAMA and much more. The results are promising and the Group will work with EGF in 2016 to deploy the mobile service across all pillars supported by Digital Champions deployed around the country to further stimulate the use of digital platform.

In 2015, I hosted The MasterCard Foundation Board and senior staff who included President Festus Mogae, Dr. Jendayi Frazer and Ms Peggy Woo to meet families of *Wings to Fly* class of 2015. We wanted them to experience first-hand the odds the young students face and to appreciate fully the transformative power the *Wings to Fly* scholarship will have on the individual children and their families. They came face to face with challenges of early marriages, some cultural beliefs that deepen poverty for children and much more. What was gratifying was to hear of the hope and the inspiration the programme is providing in many areas and helping to improve the standards of primary school learning in places like West Pokot. Students work hard with the hope that they will secure a scholarship in *Wings to Fly* for high school education.

I also had the privilege of hosting President Bill Clinton and his daughter Chelsea, with the President of The MasterCard Foundation, Reeta Roy.

In 2010, with The MasterCard Foundation, we made a commitment to support 672 students with high school scholarships and leadership training at the Clinton Global Initiative. We have seen how powerful and compelling *Wings to Fly* has become and how much more we would be able to accomplish. In 2015 we reached 10,377 bright students from poor families thanks to The MasterCard Foundation, USAID, DFID and KfW. President Bill Clinton, who was the first in his family to go to university, was so inspired by the programme and the transformation it was beginning to have on these young people that he decided to come hear their stories first hand.

*The growth of the Bank
over the last 10 years, powered by
the strategy we developed
at the time gave us confidence to set
these new ambitious goals.
We set similar high goals for EGF
because we believe that investing
in removing or reducing the social
barriers that afflict the poor is key
to social and economic advancement
of societies.*

We celebrated the exemplary performance of the 2011 class who followed in the footsteps of the 2010 class. 30% achieved an A- grade and above, 94% attained

a C+, the university entry grade in Kenya. Over 70% of the students had held leadership positions in their schools before graduation. We admitted 340 *Wings to Fly* scholars into the Equity Leaders Programme to join the 254 top performers in the country, taking the total admission into the programme to 594. Sixty five from this class made it to top universities in the world and we celebrated their achievement too. To honour the 65 global scholars, President Uhuru Kenyatta hosted them at State House, Nairobi before they left and encouraged them to use the opportunity to bring new knowledge to help change the country.

We have also made significant progress in reaching more farmers through the Dutch Government partnership targeting medium sized farms and Kilimo Biashara for small-scale farmers. We trained over 6,000 new microbusiness owners and reached more people with financial inclusion programmes.

We are grateful to our partners who have continued to work with us in the various pillars including The MasterCard Foundation, USAID, DFID, KfW, Embassy of the Kingdom of the Netherlands and countless others for your belief in us. On my part as the Executive Chairman of the EGF and the CEO of Equity Group Holdings, I will continue to steward the Foundation to reach 100 million people around Africa with programmes that will forever change their lives.

Annual Message

BY THE MANAGING DIRECTOR

Under Equity Group Holding's 3.0 Strategy, Equity Group Foundation, as part of the Equity Group family set a target to impact the lives of 100 million people over 10 years through its social programmes. The process necessitated a re-examination of our programmes and the principles that need to guide their selection, design and execution going forward. From this process several key principles emerged: that programmes must be designed for scalability; sustainability must be built into the programmes from the outset; EGF must leverage better the Bank's capability for scaled execution and it must better engage stakeholders both internal and external to achieve greater success. The power of this has been clearly demonstrated with our *Wings to Fly* programme through the engagement of Community Scholarship Selection Boards (CSSB) across the country. The principles also require that EGF begin to explore seeding models that include development of sustainability mechanisms during the seeding phase.

Since 2010, we have reached over 5 million people through education and leadership, financial inclusion,

entrepreneurship, environment and agriculture. All the programmes have used time intensive face-to face methods designed to help Equity Group better understand the social challenges people struggle with, deepen connections and create strong emotional bonds.

From the programmes we have implemented, we are beginning to understand what works and what does not. We have also had the opportunity to scale some of them using our now well-tested methods. However, critical to reaching 100 million people with our social programmes is the use of mobile and other digital platforms and tools to inform, educate and empower those who most need our support. This will require that we blend touch-intensive capacity building programmes with light touch methods to bring down the cost per beneficiary and to reach these

Dr. Helen Gichohi
Managing Director



transformative numbers. The acquisition of Equitel by Equity Group and its eventual launch last July presented EGF with an amazing opportunity to fully utilize it alongside other digital platforms to reach its audiences.

During 2015, we were delighted to receive President Bill Clinton and Ms. Chelsea Clinton who visited the *Wings to Fly* scholars in order to meet the beneficiaries and hear firsthand their unique and inspiring stories. We celebrated the exceptional Kenya Certificate of Secondary Education Exam performance from our 2011 class of *Wings to Fly*. 30% of this class of 1,155 scholars achieved an A-grade and above. 93% had a C+ and above, the grade required for university entry in Kenya. The ELP scholars also did us proud with 65 of them matriculating into global universities. In honour of this performance, they were hosted by President Uhuru Kenyatta at State House.

Our Entrepreneurship Programme rolled out a new three-tiered programme redesigned with lessons from the pilot phase which ended in 2014. The new programme is designed to embed learnt business practices to assure businesses stability, introduce ICT tools and to help the growth of promising small and micro businesses. Over 3,700 farmers were trained on soil care, production practices and agribusiness, and are receiving support designed to link them to markets through the Agriculture Growth Accelerator. Support to small scale farmers also continued through various partnerships.

The early years of the EGF focused on piloting programmes and proving concepts within each pillar. This enabled us to learn how best to target societal pain

points, while building credibility through demonstrating implementation capability leading to social impact. The front runners graduated into the scale up phase starting in 2011. We are happy to report that effective 2015, all our pillars now have solid programmes with the last entrant being the Health pillar which has moved from research, design and early preparatory phase into piloting a health franchise under Equity Afia. USAID and Equity Bank have partnered to support Equity Afia to undertake this pilot and to then roll out the programme depending of the early lessons from the pilot.

We partnered with MicroEnergy Credits to improve access to clean energy products. From the initial pilot in 2014 and 2015, it is clear that there is a huge unmet need for clean energy products for cooking and lighting. We are delighted to report that this work will now be supported for the next few years from carbons sales under an agreement with the Swedish Energy Agency.

We thank our partners for their continued support of our programmes throughout 2015. We are particularly indebted to The MasterCard Foundation for continuing to anchor *Wings to Fly*; USAID as an anchor partner in Equity Afia and the second largest partner in *Wings to Fly*; KfW and the German Government for their support to *Wings to Fly*; the Embassy of the Kingdom of the Netherlands for anchoring our Agriculture programme; IFAD and European Union through the Government of Kenya and countless other partners for their belief and support of our programmes.

Overview

Equity Group Foundation

Equity Group Foundation (EGF) is a not-for-profit operating Foundation established in 2008. It seeks to transform the lives and livelihoods of low-income people in Africa. Its vision, in common with Equity Group Holdings Limited, is to champion the social economic prosperity of the people of Africa.

EGF implements high-impact development programmes by leveraging Equity Group's infrastructure and resources and forging strategic partnerships with development partners, government, the private sector as well as local and international organizations. EGF strives to create change through seven strategic pillars – Agriculture, Education & Leadership Development, Entrepreneurship, Environment, Financial inclusion and Literacy, Health and Innovation.

Headquartered in Nairobi, Kenya, EGF currently delivers innovative programmes throughout Kenya and has begun to expand its work to the rest of East Africa. Over the course of six years, EGF has impacted five million people and plans to deploy new tools and platforms to reach 100 million by 2024.

Equity Group Holdings Limited

Equity Group Holdings was founded in 1984 as Equity Building Society (EBS). The Vision of the Group is to champion the social economic prosperity of the people of Africa. Its Mission is to offer inclusive financial, customer focused services that socially and economically empower our clients and other stakeholders. The Group

has recorded various key milestones over the years. In 2004 it converted to a fully-fledged commercial bank, Equity Bank Limited (EBL). In 2006, the Group was listed at the Nairobi Securities Exchange where it has become the largest bank by market capitalization. On 31st December 2014, the Group finalized an internal restructuring that culminated in its conversion to a non-operating holding company, Equity Group Holdings Limited (EGHL) in order to further meet its objectives. The Group has banking subsidiaries in Kenya, Uganda, South Sudan, Rwanda Tanzania and Democratic Republic of Congo (DRC) with a customer base of over 10.3 million. It has several non-banking subsidiaries which include Equity Insurance Agency Ltd, Equity Investment Bank, Equity Group Foundation and Finserve Africa Ltd. The Group's transformation into a rapidly growing Pan African banking group has been an inspiration to many. Over the years, the Group has built a strong social and economic brand by providing financial services to the masses through a diversified distribution network.

While the Group has made great strides to expand financial inclusion in Africa, people living in poverty often require other non-financial services to reduce the social barriers that often impede social and economic transformation. EGF was established to provide these critical services.

Leveraging Equity Group

By leveraging the Group's infrastructure and resources, EGF is able to keep overhead costs low while effectively and efficiently scaling high-impact social programmes. EGF, therefore, offers funding partners a particularly good value for programme execution.

EGF Programmes

EDUCATION AND LEADERSHIP DEVELOPMENT



EGF increases access to and transition through secondary and tertiary education and provides leadership and career development in order to break the cycle of poverty and develop the next generation of leaders.

FINANCIAL INCLUSION AND LITERACY



EGF improves financial capability and individual and household financial security by connecting women, youth and communities to expert financial education training as well as expanding access to financial services to the bottom of the pyramid.

ENTREPRENEURSHIP



EGF stimulates job creation and economic growth by providing micro and small entrepreneurs with advice, mentorship and entrepreneurship training.

AGRICULTURE



EGF helps create jobs, improve market access and expand agricultural production by working in partnership with small and medium-sized farmers to increase their production capabilities, business acumen, and access to technology and financial services.

ENVIRONMENT



EGF promotes the conservation and smart use of natural resources by expanding forest cover, improving water security and promoting the use of renewable energy and energy-efficient technologies.

HEALTH



EGF increases access to comprehensive health financing and private sector-led, affordable, high-quality and standardized health services for poor and middle-income families.

INNOVATION



EGF promotes new ideas, experimentation and solutions that promise to increase our impact and scale.

2015 Highlights

EDUCATION AND LEADERSHIP DEVELOPMENT



1,988

commissioned into the 6th *Wings to Fly* cohort

10,377

scholarships provided to bright but needy children

2,673

ELP scholars

263

global scholars

FINANCIAL INCLUSION AND LITERACY



1,239,034

cumulative beneficiaries trained in financial education

Kshs 3.3 billion

295,000

families receiving regular emergency cash transfers

ENTREPRENEURSHIP



6,781

MSEs provided with entrepreneurship training and mentorship

18,281

cumulative MSEs trained

AGRICULTURE



3,725

trained in crop and business management

437,886

smallholder farmers supported cumulatively

ENVIRONMENT



Over
10,000

clean energy products have now been sold

HEALTH



**Preparatory work
for Equity Afia successfully completed**

INNOVATION



12,000

Wings to Fly Scholars received curriculum-aligned digital learning resources

170,000

financial education content use

Education and Leadership Development

- 1,988 students commissioned into the 6th *Wings to Fly* cohort;
- 10,377 scholarships provided to bright but needy children to study in top public boarding secondary schools in Kenya surpassing the target of 10,000;
- Outstanding KCSE performance by 2011 *Wings to Fly* class with 7% attaining an A grade compared to the national tally of 1%; 30% had an A- and above, gaining admission to the Equity Leaders Programme; 93% attained C+ or above, qualifying for admission to public universities compared to the national tally of 27%; 98% secondary completion rate for this cohort and 69% gaining admission to local universities;
- President Bill Clinton addressed 4,500 *Wings to Fly* scholars;
- *Wings to Fly* Learning was rolled out on mobile phones, IT labs in 10 secondary schools and in 190 Equity Bank Agents ;
- *Wings to Fly* Learning content in USBs distributed to 9,000 current scholars;
- 2 leadership congresses were held and 9,009 career books distributed to scholars to further guide them on career choices;
- 594 scholars joined the Equity Leaders Programme, including 340 *Wings to Fly* high school scholarship recipients;
- 65 scholars were admitted to international universities in North America and Africa with full scholarships from the respective universities and were hosted in a send-off event by President Uhuru Kenyatta at State House, Nairobi; and
- Piloted an Equity Tech Hub – a modest effort with great potential to bridge the gap between education and industry in the tech sector.

Financial Inclusion and Literacy

- 175,000 beneficiaries trained on financial education, increasing the number of beneficiaries reached to 1,239,034;
- Completed digitizing financial education content for Equitel:
 - Reached 170,000 mobile users;
 - 27,671 people subscribed to be receiving weekly financial education tips;
 - 446,400 tips sent through SMS format.

Support to subsidiaries

- **Rwanda:** Trained 20 Equity Bank staff in financial literacy to help extend the Fanikisha programme in the country.
- **Tanzania:** Carried out a financial education needs assessment research study in Tanzania during the month of October 2015 in readiness for the launch of a Financial Literacy Programme.
- 85,000 households received regular cash transfers in Phase 2 of Hunger Safety Network Programme (HSNP) across Marsabit, Mandera, Turkana and Moyale Counties;
- 210,000 additional households received emergency cash transfer for weather emergencies such as drought; and
- KSh 3.3 billion in social payments to date.

Entrepreneurship

- Launched the scale up of entrepreneurship education programme targeting 22,000 Micro and Small Enterprises (MSEs);
- Development of a customized entrepreneurship curriculum;
- Trained 7,332 new entrepreneurs;

- Pilot blended training with 50 women-owned MSEs in partnership with the Africa Management Institute (AMI) and Equity Bank. Training focused on access to finance; and
- Launched Lundin Equity Emerging Entrepreneurs Fund (LEEEF) Programme.

Agriculture

- Baseline survey of 2,599 medium sized farmers completed-609 of them are female;
- Facilitated formation of 248 peer groups and 138 business groups;
- Facilitated capacity building of over 3,725 farmers, including 1,145 females in 2015;
- 2,559 farmers supported to develop their farm business plans. 30% immediately began to implement their plans and maintain their farm records;
- Finalized study on return on investment on soil analysis and correction; 550 farmers out of 3,725 who were trained on soil health management did their soil analysis;
- Led development and digitization of a Good Agriculture Practices (GAP) manual that can be used in the agriculture sector in Kenya;
- Developed farm records keeping book for the farmers;
- Successfully piloted a small internship programme with 6 agriculture students from the University of Nairobi; and
- Mapped all the farms in the programme, markets and service providers working with the farms.

Environment

- Over 10,000 clean energy products have now been sold through the Eco Moto Programme;
- Carbon deal worth over US\$4.5 million signed with the MEC and Swedish Energy Agency to support the Equity Energy programme;

- 120 Equity Bank branches activated for Eco Moto loan disbursement; and
- 30 university interns created awareness with Bank staff and educated consumers on clean energy technologies.

Health

- Preparatory work for Equity Afia in 2015 included:
 - Identification, hiring and training of staff to provide technical services across Equity Afia;
- Assessment of prospective clientele and further customer segmentation;
- Financial modelling and forecasting for Equity Afia;
 - Setting up for a governance structure which included clinical and non-clinical policies and procedures; and
 - The development of a communications strategy and framework.
- EGF's work profiled in The Rockefeller Foundation's report on the health needs of urban informal workers globally.

Innovation

- Developed and piloted supplementary digital learning resources for 12,000 *Wings to Fly* learners;
- Provided EGF strategy for My Life on Equitel-a unique place for relevant content, tools, and engagement to improve lives, families and businesses;
- Content created for the affordable access project-an experiment among 200 Equity Bank agents under the affordable access WiFi hotspots to innovate new models and solutions of affordable data access for low income users; and
- Commenced development of digital strategies to effectively expand and scale its previously analogue programmes beginning with Education and Financial literacy pillars.





Education & Leadership Development

10,377

**scholarships to bright but
needy children**

1,988

**students commissioned
to the *Wings to Fly* Programme**



Education & Leadership Development

Nearly half of Kenya's population of 43.2 million people is children below the age of 18. The Government of Kenya introduced free, universal primary education in 2003, and since 2008, the government has supported secondary school tuition costs. Kenya's net enrollment rate is approximately 86% (UNICEF) and nearly 3 million more children are enrolled in primary school now than in 2003, while secondary school enrollment more than doubled between 2003 and 2009 (USAID, 2014). UNESCO in its report (Education for All Global Monitoring Report, 2012) states that secondary school education is out of reach for many poor households, irrespective of the academic promise and potential displayed by individual students. Therefore many challenges remain in delivering quality, comprehensive education beyond primary school level to all children, especially to those from poor and vulnerable households.

Approximately 1.2 million school-aged children still do not attend primary school and only one in four eligible young people are enrolled in secondary school. Kenya Vision 2030 aims at "transforming Kenya into a newly – industrialized, middle income country providing a high quality of life to all its citizens in a clean and secure environment" (Republic of Kenya, Vision 2030, MoP, 2007).



10,377
cumulative number of
scholars supported

1,155

Sat for KCSE

98%

Secondary School
Completion Rate

93%

Attained a C+ or above

69%

Admitted to local universities

30%

Received an A- and above

7%

Received an A

EGF increases access to and transition through secondary and tertiary education providing leadership and career development in order to break the cycle of poverty as it develops the next generation of leaders. EGF's programmes, *Wings to Fly* Programme and the Equity Leaders Programme (ELP) focus on secondary and tertiary education to fulfill a large and constantly growing unmet need for increased and more equitable access to education.

***Wings to Fly* Programme**

Launched in 2010, the *Wings to Fly* Programme provides education opportunity and enhances academic success for secondary schooling for academically promising yet financially disadvantaged students from across Kenya. The Programme provides comprehensive scholarships covering tuition, room and board, books, transportation, uniforms, health insurance, transport to and from school, and incidental expenses for the duration of students' secondary school tenure. The *Wings to Fly* Programme also provides leadership development training through Annual Education and Leadership Congresses as well as wrap-around support services which include: medical check-ups, psycho-social counselling, ongoing mentorship from university and community role models, including Equity Leaders Programme scholars and Equity Bank staff. Since its inception in 2010, the programme has grown from an initial commitment of 166 scholarships to 5,000 scholarships, initially as a partnership between Equity Group Foundation, Equity Bank and The MasterCard Foundation, and on to 10,377 scholarships in the first phase with support from USAID, DFID, UKAID, the German Cooperation KfW Development Bank and numerous individual scholarship sponsors.

2015 *Wings to Fly* Commissioning

In 2015, His Excellency President Uhuru Kenyatta commissioned 1,988 students into the 6th cohort of the *Wings to Fly* scholarship programme at Moi International Sports Centre, Kasarani. The commissioning followed a successful countrywide selection process designed to find the most needy qualifying students. With this commissioning, the scholarships awarded surpassed the 10,000 initial target set in 2010. In total, 10,377 bright but needy children were sponsored to study in top public boarding secondary schools in Kenya, courtesy of the *Wings to Fly* partners.

Performance of the Graduating Class of 2011

In 2015, we also had the opportunity to celebrate the outstanding performance of our 2nd cohort of *Wings to Fly* scholars, Class of 2011, in their Kenya Certificate of Secondary Education Exam. The class sat the examination during the last quarter of 2014 and their results were announced in March 2014. Like the class before them, the 2011 class did not disappoint. Of the 1,155 who sat for their KCSE in 2014, 7% received an A grade compared to the national tally of 1% and 30% had an A- and above, gaining admission to the Equity Leaders Programme. 93% got a C+ or above, compared to the national tally of 27%, qualifying for admission to public universities. This marked 98% secondary school rate for this cohort, with 69% gaining admission to local universities. This remarkable performance is attributed to the hard work of the students, excellent teacher support in their respective schools and access to supplementary revision content developed by EGF Education Innovation in partnership with others.

Supplementary Revision Content on Equitel

EGF worked with Eneza Education to complete its offering of mobile revision content to cover Forms 1 through 4. In 2014, content was provided to Forms 3 and 4 and in 2015 to Forms 1 and 2 via SMS/USSD. Currently *Wings to Fly Learning*/Eneza provides zero-rated SMS revision content covering 6 subjects across the entire secondary school curriculum from Form 1-4 with the goal of providing important learning resources in a way that scholars can easily and freely access during school breaks. In addition to providing valuable curriculum-aligned revision content to scholars, EGF has made this content zero-rated and availed it to any Equitel user. In 2015 alone, the platform reached 113,044 users on SMS and USSD. In 2016, we look forward to exploring opportunities to provide scholars with smartphones and integrate this revision content into an Android App for the benefit of our scholars and youth beyond the *Wings to Fly* scholarship programme.

Digital Content: *Wings to Fly Learning* is a collection of exciting, high-quality content aligned with the Kenyan education curriculum that is designed to offer engaging, practical and relevant learning opportunities to *Wings to Fly* scholars and wider audiences. The content is supplementary to the core curriculum and intended to help build 21st Century skills, knowledge and attitudes that better equip learners for the workplace and world. In 2015, EGF expanded *Wings to Fly Learning* to include content covering Forms 1-3. The content includes past KCSE exams, a video library with over 500 lessons targeting the most challenging topics across the curriculum, interactive science

practicals, e-textbooks, and an expanded collection of inspiring talks on leadership, service, innovation, and technology all offered on USB sticks.

EGF distributed USB sticks to its 12,000 current scholars over the course of 2015 and 2016. The USB sticks are intended for use in schools where scholars have access to computers through their schools IT Labs and outside of school during holidays. Feedback on the content has been extremely positive, and teachers and principals have asked for more USB sticks.

School IT Labs: EGF also established digital hubs in 10 secondary schools, with the goal of impacting teachers and learners beyond the scholarship program. Schools have gained access to the *Wings to Fly Learning* content using a customized solution that provides local cached content and satellite backhaul funded by UK Space Agency as part of a wider pilot. Intensive monitoring and evaluation about use and impact is ongoing.



Annual Leadership Congress

The Annual Leadership Congress is a component of the *Wings to Fly* Programme aimed at providing a platform where scholars have the opportunity to learn from and interact with successful professionals from the public and private sectors. The Annual Leadership Congress is now held twice a year.



*President Clinton addressing **Wings to Fly** scholars at the 2015 Annual Leadership Congress*

annual event. The climax of the April congress for 4,500 scholars was the visit and plenary presentation by the 42nd President of the United States of America, Bill Clinton. President Clinton shared his personal story and implored the scholars to take pride in creating and telling their own stories and learning from them.

Drawing from his own upbringing in rural America, President Clinton emphasized the values of industry and integrity. Listening to the testimonials of the scholars, Chelsea Clinton who accompanied her father during this visit observed that she had never seen her father “so inspired”.



*President Clinton and daughter Chelsea receiving a commemorative plaque from **Wings to Fly** scholars alongside Dr. James Mwangi, Executive Chairman of the Equity Group Foundation*

During the 2015 congress, the scholars covered a range of topics that were intended to enhance the scholars’ leadership, academic and personal growth. Importantly, a lot of emphasis was placed on integrity, hard work and community giveback. The scholars were also exposed to digital technology and the growing opportunities in the digital space. Key speakers addressed the congress across different topics, one of which was the Chief Justice of the Republic of Kenya. At the end of the congress, the scholars exuded confidence and committed to performing better both academically and in their social interactions.

2015 highlights

- 1,988 students commissioned into the 6th *Wings to Fly* cohort;
- 10,377 scholarships provided to bright but needy children to study in top public boarding secondary schools in Kenya surpassing the target of 10,000 scholarships; and
- Outstanding KCSE performance by the 2011 *Wings*

to Fly class with 7% attaining an A grade compared to the national tally of 1%; 30% had an A- and above, gaining admission to the Equity Leaders Programme; 93% attained a C+ or above, qualifying for admission to public universities, compared to the national tally of 27%. With 98% secondary school completion rate for this cohort and 69% gaining admission to local universities.

My story

Secondary School: The Salvation Army – Thika School for the Blind



Grade: Form 4

School Leadership: Chapel Prefect

Abed comes from a family of ten children. His parents earn their living from subsistence farming in farms located near their home. Abed, who is partially visually impaired, used a magnifying glass to read while he was in primary school because his parents could not afford the Braille machine. He has since been accepted into

the *Wings to Fly* Programme and is currently enrolled

at Thika School for the Blind.

He is the school's chapel prefect and leads other students in church devotions. He was among the scholars selected to attend an inaugural The MasterCard Foundation Scholars' Convention in Rwanda, which brought together 50 scholars for a 3-day community-building and networking event for the various MCF partners based in Kenya, Rwanda, Uganda, Ethiopia and Nigeria. The convention gave the scholars an opportunity to build and strengthen their identity and explore values associated with transformative leadership as well as giving back to their communities. Abed aspires to be a lecturer after his secondary education and to be given the opportunity to support other special schools in society.

Wambui Elliman

I am a daughter of a *mama Mboga* (a vegetables hawker) as they call her in my village – Kasambara in



Gilgil. I am the third born in a family of three. During my childhood, life appeared so unfair. Challenges were

many for all of us and I was not sure how my own life

would unfold. I nevertheless worked hard driven by hope that one day I would wake up to find life has changed for the better.

Having been brought up in a humble background, getting school fees was a ripe dream and particularly as I approached class 8 to sit the Kenya Certificate of Primary Education exam. The phrase, “the last hour before dawn is always the darkest” rang true on completing the last paper and suddenly it dawned on me that I might never see the doors of secondary school.

Wings to Fly was a guardian angel sent to rescue me. With determination, support and motivation from Equity Group Foundation and my mentors, I worked hard and smart throughout my high school life at Butere Girls High School in Mumias in Western Kenya. I am grateful for the support I received from the school which enabled me to score a mean grade A- (minus) in the Kenya Certificate of Secondary Education (KCSE) exam.

That performance is the key that opened my admission to the Equity Leaders Programme offered to the best performers in KCSE across the country. I, Wambui have seen transformation of my life before my very eyes. I was posted to the Equity Bank branch in my hometown of Gilgil where I have the invaluable opportunity to serve my community.

I aspire to be an entrepreneur. I am ready to pursue a Bachelor of Commerce to embark on the journey of entrepreneurship to create employment and reduce

poverty in the community of Kasambara. My eyes

are set on eradicating poverty in Africa guided by the words of the Indian rights activist Mahatma Gandhi, “In a gentle way you can change the world.”

2016 Programme Goals

- To expand access and inclusion to secondary and tertiary education through the launch of Phase II of the *Wings to Fly* scholarship programme;
- To support personal development & career readiness through career books;
- To inculcate ethical leadership skills through high profile key note speakers during congress;
- To enhance the quality of education through *Wings to Fly Learning* and digital hubs; and
- To maintain or improve performance in KCSE.

Equity Leaders Programme

Across the continent, unemployment is most dire among university graduates, with 46% of young people with university degrees unemployed, compared to 42% of youth with high school degrees and 27% of youth with primary school qualifications, according to the African Economic Outlook. Beyond unemployment, Kenya is faced with a leadership challenge in all sectors of the society. A critical mass of visionary, ethical, and transformative leaders will be required in order to achieve the country’s ambitious development goals going forward. With proper education and mentorship, Kenya’s youth is poised to produce the next generation of values-based leaders needed to drive positive change.

To address the challenges of employability and leadership among young people, Equity Group

developed the Equity Leaders Programme with the aim of creating a community of transformative leaders who work together across borders and across sectors to drive sustainable economic growth and social progress in Africa. To do so, the Equity Leaders Programme has been developing academically bright high school graduates across five dimensions: values, skills, education, work experience and networks. The core component of the programme is the pre-university internship that is offered in the interface period between high school and university. It provides opportunity for the brightest students selected from across Kenya and now from *Wings to Fly*, to build professional skills and mindsets while earning enough money to put them through their first year of university in Kenya. Throughout a scholar's time in university, the programme continues to offer leadership development training and scholar support through major initiatives like the international college counseling programme and our university chapter network that spans all major public universities in Kenya.

The Equity Leaders Programme was founded in 1998 with a single scholar, who has since gone on to become the Managing Director of Equity Bank's Uganda subsidiary. The programme has scaled up over time, with an intake of 594 scholars in 2015, and has now impacted 2,673 scholars over the course of the programme lifetime, including 454 *Wings to Fly* high school scholarship recipients, with 263 students attending global universities including Stanford, Yale, Columbia, Toronto and University of Cape Town and many others.

2015 Highlights

- Inducted 594 scholars, including 340 *Wings to Fly*

high school scholarship recipients;

- 65 scholars admitted to international universities in North America and Africa were hosted in a send-off event by President Uhuru Kenyatta at State House;
- Held employability workshops at 8 university chapters in Kenya;
- Placed 42 interns in 3 high schools to serve as residential mentors in our Centres of Excellence Programme; and
- Founded Equity Tech Hub to bridge the gap between education and industry in the tech sector.

Abdinur Hussein

Student, Arizona State University

Abdinur was born to a pastoral family of 11 at the heart of Kenya's arid North Eastern region – Wajir County. His early childhood years were spent herding his father's



livestock. At the age of 8, he enrolled in school and is the only one in the family to have attended formal schooling.

His determination to succeed saw him emerge as the best student in the region in the Kenya Certificate

of Secondary Education (KCSE) exam scoring an A-grade of 80 out of 84 points. His exceptional academic performance enabled him to join the competitive Equity Leaders Programme and intern at Equity Bank Wajir Branch. While at Equity, Abdinur participated in the College Counselling Program which assisted him to apply to international universities.

In September 2015, Abdinur joined Arizona State University in the U.S. under a full scholarship from The MasterCard Foundation Scholars Program to pursue an undergraduate programme in civil engineering. Upon completion of the course, he plans to spearhead social and economic transformation of his region.

Eunice Wambui

Alumni, University of Nairobi

Eunice joined the Equity Leaders Programme in 2010 after emerging the top girl in the Kenya Certificate of Secondary Education (KCSE) from Karoti Girls High



School in Kirinyaga County. Eunice went on to study

Economics at the University of Nairobi, where she

graduated with a second-class, upper division honours degree in 2015. During her time at the University, Eunice participated in several Equity Leaders Programme initiatives to develop her leadership skills and sharpen her business acumen.

In 2014, Eunice served an internship with Philips as a marketer through an internship partnership with Equity Group Foundation. At Philips, Eunice learned key marketing skills by working with a team to design the company's marketing strategy and implementation at the Medic East Africa Exhibition in order to establish relationships with healthcare professionals in the region. Eunice also participated in a blended-learning programme run jointly between Equity Group Foundation and BizCorps Kenya, a non-profit programme that connects MBA graduates with SME entrepreneurs in emerging markets. Participating in this program gave Eunice real world experience doing a short term consulting engagement with a local startup, informed by her participation in an online course from the University of Virginia.

Upon graduation in 2015, Eunice put the skills she had developed in the Equity Leaders Programme to work, immediately securing a job with a boutique consulting firm in Nairobi that specializes in development finance and training professionals in investment management. Eunice hopes to use this platform to grow and support sustainable businesses in East Africa, and continues to develop her skills as she pursues a Chartered Financial Analyst (CFA) designation.

2016 Programme Goals

- Place over 1,000 paid interns across Equity Group;



Equity Leaders Programme Class of 2015 in a group picture following their commissioning at a ceremony presided over by First Lady, Margaret Kenyatta, seated centre.





Entrepreneurship

22,000

Micro and Small Enterprises (MSEs)
targeted for entrepreneurship education

6,781

entrepreneurs trained





Entrepreneurship

Equity Bank's core business practices and service offerings are geared towards helping Micro, Small and Medium Enterprises (MSMEs) grow in order to drive economic development and create jobs in Kenya. Equity Group itself started as a small business over 30 years ago and therefore understands the hurdles that MSMEs face including limited access to capital and markets, lack of business management knowledge and skills as well as the potential of many to grow and flourish as centres of production, jobs and innovation.

EGF Entrepreneurship pillar aims to accelerate the growth and development of micro and small enterprises, to help them create jobs - particularly to increase business stability, business performance and productivity and provide jobs for youth through basic entrepreneurship training, mentorship, business groups and introducing basic information communication and technology practices into their businesses. EGF entrepreneurship pillar mainly focuses on youth and women entrepreneurs striving to accelerate the growth and development of micro and small enterprises. Since 2011, EGF in partnership with The MasterCard Foundation and the International Labour Organization (ILO)



6,781

micro businesses provided with entrepreneurship training and mentorship

50

women-owned Micro and Small Enterprises trained

has been working to eliminate some of the barriers which limit micro and small-scale enterprise growth by offering a suite of entrepreneurship education as well as business advisory services and mentorship to build the capacity of promising micro and small entrepreneurs. EGF launched a pilot entrepreneurship curriculum in 2012 and trained 11,500 micro businesses owners. While an evaluation of that programme showed that it was successful and had achieved its objectives, review of specific data a year later indicated that extended support was required to help effect behaviour change. Some of these changes also arose from the structure of business relationships. This information helped to inform the design of the programme resulting in a three-tiered training programme and a more customized curricula to address entrepreneur's specific entrepreneurial training needs.

In 2015, following a successful redesign, EGF flagged off three programmes: the Winning Women Programme in partnership with the African Management Institute (AMI) and Equity Bank Kenya (EBKL), the Accelerating Growth and Business Development in partnership with The MasterCard Foundation and EBKL and the Lundin Equity Emerging Entrepreneurs Fund (LEEEF) programme in partnership with Lundin Foundation and EBKL.

These programmes provide a suite of services to the beneficiaries which include entrepreneurship training, mentorship and SMS business tips based on a three tiered customized training; Level 1: Basic training, Level 2: intermediate training and Level 3 Micro enterprise accelerator. Training is followed by individualized

business mentoring and advisory services to support entrepreneurs in applying elements of the training and best practices to solve problems specific to their business. These elements are further supplemented by peer learning, group mentoring and the use of electronic media to share additional business tips, advice and sector trends.

Through the three initiatives, 50 women-owned SMEs were trained on access to finance through a pilot blended training model in partnership with AMI. In addition, 6,781 youth, women and emerging entrepreneurs in Kenya were trained in basic entrepreneurship skills including entrepreneurial competencies, record keeping, marketing, costing, ICT for business, business financing and managing a family business.

As a result of these efforts, beneficiaries have demonstrated improved business practices, increased profits and incomes and are enjoying increased access to finance. Under the LEEEF Programme, which is being implemented in 3 Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor counties, 381 entrepreneurs were trained in the basic entrepreneurship skills. Cumulatively, the Entrepreneurship pillar has provided training and business support services to over 18,000 Micro and small enterprises since inception.

During the year, EGF began to explore the idea of facilitating rapid business growth by providing support towards digitizing small businesses coupled with provision of digital literacy to entrepreneurs and equipping them with simple digital tools. In July

2015 Equity Bank began to enjoy the benefits of its own digitization primarily through the use of its mobile platform. This validated EGF's confidence on the direction taken to help more small businesses move into the digital space to improve efficiency and increase their visibility to large numbers of customers through use of social media and other digital communication channels. By the end of the year EGF was in discussions with several partners to determine how to test a programme that would provide the dual support.

Simultaneously, EGF also began to think of how to scale its training to reach larger numbers of micro and small business. It is estimated that in Kenya alone there are 1.6 million registered SMEs and of these, 85% have not received formal training and suffer from the capacity challenge that we have identified in all our trainees. In order to achieve a target to impact several millions of SMEs in the next 10 years, EGF's current design of touch intensive training will need to evolve into a blended online and face-to-face training model.

EGF plans to pilot the blended training programme in 2016 and to also support these businesses with digitization and training on the use of ICT tools with an intended programme rollout in 2017.

My story

Joel Makau Nyamu



Joel making fodder using machinery bought as part of his diversification strategy

Joel owns Alfa fresh horticultural farming Enterprise. Alfa fresh horticultural farming sits on 20 acres of lease land in the outskirts of Athi River town. Before venturing into serious horticultural farming, Joel was employed at Export Processing Zone (EPZ). He used the savings from his earnings to lease a half-acre lot, where he grew onions and tomatoes. Upon realizing returns from the farm were much better than what he earned in employment, he decided to quit and go full time into farming.

He started farming in 2007. After a year he increased the acreage to one acre and also introduced more horticulture crops. After two years he increased his farm to eight acres and ventured into large scale farming of French beans. It's at this point that he got into contract with Woni Exporters Company Farming

french beans. The company assured him of ready market and constant supply of inputs as well as good prices.

Joel attended a three-day EGF Entrepreneurship training held in Kitengela Town, where he learned about record keeping, savings and investments, financial management, budgeting, marketing, and stock taking and control how to write business plans and others.

He alludes to the fact that the topic on budgeting has helped him to separate the business and family incomes and expenditures. He learnt how to invest business returns into business development, business diversification and asset acquisition under the topic savings and investments. He is also proud of the networks he developed during the business interest groups where they shared ideas, experiences and challenges with other entrepreneurs and in the process created a network that has kept him abreast with market and business information.

Joel mentions the following as some of the key Lessons he learnt from the programme:

- Good record keeping for his farm and to update them regularly;
- Preprinting accounting books like balance sheets
- Calculating gross margins;
- Diversification opportunities and strategies – This is how he diversified into dairy farming and currently has two dairy cows in a zero grazing unit;
- Competitive product pricing whilst getting maximum profit; and
- Carrying out the entire farm income analysis.

One of Joel's business milestones is a time that farm produce was rejected for containing a banned pesticide. At the time Joel had begun putting into practice record-keeping skills gained in the training.

He was able to produce the evidence in form of records of his farm inputs showing the kind of pesticides he was using in his farm and on further testing his produce were accepted, securing him as a reliable supplier with Woni Exporters. The training also exposed Joel to the importance of customer care. He has since then strived to ensure customer satisfaction through provision of excellent services. This has seen him increase his customer base through referrals.

Joel's level of investment has continued to experience gradual growth; currently he has employed 63 staff 40 casual and 23 on permanent basis. The business has a monthly sales turnover of KSh 1.4 million and a profitability of KSh 30,000 per acre which translates to Ksh 600,000 per month. The business performance is backed up by an asset base of KSh 10 million.

This success earned Joel an opportunity to showcase his farm at the ILO/ YEF meeting in 2015 as a beneficiary of the entrepreneurship training. Notable during the exhibition at the Green Businesses Forum held at Safari Park Hotel in Nairobi is that his farm was been certified by Global Gap to supply directly to the European Market securing his future business growth.

Phillis Ng'endo Nderi

Pro Act Medical and Wellness Centre



Dr. Helen Gichohi visits Phillis Ng'endo at Pro Act Medical and Wellness Centre

As a medic, Phillis worked for many years in the emergency department. She always felt compelled to help people be proactive with their health status rather than waiting until an emergency occurs. She decided to start a business aimed at creating awareness on the importance of preventive medical care. She started by seeking opportunities to have short seminars to educate people on health matters in schools, churches, women groups and corporates.

Initially, the journey was not all smooth. Many target clients hardly perceived health education as a priority and were therefore unwilling to spend money on the service. Her resilience and persistence paid off and eventually the demand for her services surpassed her capacity prompting her to re-strategize to meet the emerging demands. She decided to start a

physical medical facility, Pro Act Medical and Wellness Centre to enable her meet the growing needs of her customers and also broaden her services.

After opening the centre the business struggled to break even. The turning point for Phillis came when she attended entrepreneurship training offered by EGF where she learnt business skills that helped her turn around her business. Some of the things she learned were marketing, record keeping, costing and business planning.

Phillis testifies that marketing skills are what she needed as a priority for her business to turn around. The centre has now become well known to the community and her customer base has increased dramatically. Her record management and service

costing also improved. At the close of 2015, Phillis testified that her business has grown exponentially and is working on establishing a maternity wing based on new demand that has emerged due to achieving registration as a vaccination centre for babies and children. As a result the clinic has attracted young and first time mothers who are now demanding maternity services as she builds trust relationships with them.

2015 Highlights

- Launch of scale up phase of entrepreneurship education programme targeting 22,000 Micro and Small Enterprises (MSEs);
- Development of a customized entrepreneurship curriculum;
- Training of 6,781 entrepreneurs;
- Pilot of blended training for 50 women owned Micro and Small Enterprises in partnership with the Africa Management Institute (AMI) and Equity Bank. Training focused on access to finance; and
- Launch of Lundin Equity Emerging Entrepreneurs Fund (LEEFE) Programme targeting 650 Micro and Small Enterprises (MSEs) in three Lamu Port–South Sudan–Ethiopia– Transport (LAPSSET) Corridor counties i.e. Lamu, Isiolo and Turkana Counties.

2016 Programme Goals

- Roll out interactive entrepreneurship SMS content training;
- Pilot blended entrepreneurship training for 1,000 MSEs;
- Provide entrepreneurship training and mentorship to 20,000 micro businesses and 5,000 small businesses;
- Provide digital literacy and digitization support to 5,000 MSEs;
- Build more partnerships to support EGF fully, in order to realize the 2016 and 2017 goals; and
- Conduct programme evaluations and document above initiatives.



Dr. Helen Gichohi MD, EGF, addressing women entrepreneurs



Financial Inclusion and Literacy

1,239,034

cumulatively trained on financial education

175,000

beneficiaries have access to financial education





Financial Inclusion and Literacy

The current financial crisis, the rapid change in the finance landscape compounded by low levels of financial literacy have brought about a renewed focus on the importance of people having financial knowledge and information about their financial options as well as being able to access appropriate financial services. For the nearly 3 billion people living at the bottom of the pyramid, the ability to make good financial decisions and access appropriate financial services is particularly important.

Financial Literacy and Inclusion pillar empowers low-income individuals and families to create a pathway to financial capabilities (knowledge, skills, attitudes and behaviour towards money management) and greater financial access in order to grow their incomes and ultimately improve their lives and livelihood. Equity Group Foundation Financial Inclusion programme integrates financial capability and inclusion. The programme has been in existence since 2010. EGF's 12-week financial education programme which covers 4 modules – Budgeting, Savings, Debt Management and Financial Services – was delivered through a classroom-based model. However, with the new ambitious target EGF has set for this programme, it has been exploring how to best use the Equitel mobile platform to reach more people



3.3 billion
in social payments

85,000

households received regular cash transfers

27,671

mobile users subscribed to weekly financial education tips on Equitel

20

Equity Rwanda staff received financial education training of trainers

with the literacy programme. To do this the content for the programme was successfully converted into a mobile user format. All Equitel users can now access this content through their mobile phones. The content is embedded in the SIM card and will be updated and improved as we learn about user needs and best ways to deliver it. This content is displayed in form of tips, FAQs, quizzes and financial terms. By end of December the content had 170,000 users, 27,671 subscribers to tips and 446,400 SMS tips sent out.

2015 Highlights

- **175,000** beneficiaries trained on financial education, increasing the number to **1,239,034** beneficiaries reached.
 - 4,966 through face to face training; and
 - 170,000 Financial Education users on Equitel mobile application.
- Completed digitizing financial education content for mobile application. The content is in four modules, budgeting, savings, financial services and debt management. This content is in form of USSD and SMS format in four areas: Tips, questions, answers and financial education terms:
 - 27,671 people subscribed to be receiving weekly financial education tips; 446,400 tips sent through SMS format.

Support to Subsidiaries

- **Rwanda:** Staff capacity building; provided trainers of trainers training to Equity Rwanda staff and knowledge to administer financial education in Rwanda under the Fanikisha programme.
- **Tanzania:** carried out a financial education need and level research study in Tanzania during the month of October 2015.
- Developed Tanzania base financial education curriculum

In 2015 several activities of note took place.

Support to Youth in the fashion Industry

In an effort to seek-out, harness and develop real talent among our youth and explore ways of strengthening the fashion sector, EGF in partnership with Equity Bank under the Vijana na Equity programme held a five-day training forum in February 2015 for 32 budding fashion designers in Nairobi. The training was geared towards empowering them with knowledge, attitudes and skills to better manage and grow their fashion businesses. Part of the training included financial education. A design competition was held and the winning designer was awarded startup capital to take to production the winning designs. They also won an all-expenses-paid trip to attend the 2015 Hub of Africa Fashion Week in Ethiopia to showcase the winning design in the trade fair.



Winner of Design your Destiny competition Arnold Muriithi (23 years old) describing his winning design to Equity Group Foundation Executive Chairman Dr. James Mwangi. Looking on is Sally Karago, Chairlady, Association of Fashion Designers of Kenya and the Managing Director of Mcensal Fashion House



Arnold receiving his financial education certificate from EGF Executive Chairman.

“Through the Vijana na Equity initiative, we are setting off on a journey to help the youth transform their dreams to be entrepreneurs in the creative scene, which is in line with Equity’s purpose to transform lives,” said Dr. James Mwangi during the Financial Education Graduation Ceremony.

Kenya Cereals Enhancement Programme (KCEP)

This programme is a three-year partnership between Equity Bank, Equity Group Foundation, Government of Kenya and IFAD. It is funded by European Union through IFAD and the Government of Kenya and targets 100,000 small-scale farmers growing maize, sorghum and millet in eight counties in Kenya. Equity Group Foundation will provide financial education training to the small-scale farmers. Equity Bank Kenya and EGF successfully bid for this programme in 2014 and spent part of 2015 making preparations with all key partners in readiness to launch the programme in early 2016.

Support to Equity Subsidiaries

Support to develop capacity to deliver financial education commenced in 2015 in two subsidiaries, Equity Bank Rwanda and Tanzania.

- i) In Rwanda, 20 Equity Bank staff was provided with Training of Trainers (TOT) guidance to deliver financial education under the Fanikisha Women’s programme. Fanikisha is an Equity Bank women programme tailor-made for female entrepreneurs. It integrates access to financial services, financial literacy, entrepreneurship training and business coaching. The programme also has designed specific Fanikisha loan products that are tailored towards financing
 - start-up businesses in groups;
 - growing clients for group lending;
 - individual lower SMEs;
 - upper SMEs; and
 - corporate clients.

The product is distributed using Equity Banks’ branch network targeting women entrepreneurs. The training was held in October, 2015 in Kigali Rwanda. This training was intended to directly contribute towards enhancing financial inclusion for women through Equity Bank Rwanda’s Fanikisha programme.

- ii) In Tanzania, Equity Bank Tanzania, Equity Bank Kenya’s Research Department and Equity Group Foundation (EGF) jointly conducted research and mapping to understand the level of financial education needs in the country. This was undertaken in October 2015 with funding from Financial Sector Deepening Trust – Tanzania (FSDT) (T), an organization whose mission is

to generate sustainable improvements in the livelihoods of poor households through reduced vulnerability to shocks and increased incomes and employment achieved through providing greater access to financial services for more men, women and enterprises. It covered Zanzibar, Mbeya, Morogoro and Dodoma.

The main research objectives were:

- a) To determine the levels of Financial Literacy in Tanzania;
- b) Identify existing Financial Education needs and potential areas for Financial Education delivery among the Tanzanian people;
- c) Identify existing FE curriculums and models in Tanzania; and
- d) Establish the definition of youth in Tanzania and financial services available for youth.

Findings indicated that there exists low levels of financial literacy in Tanzania, hence a high level of need for Financial Education among the Tanzanian population.

My Story

Laurine Anyango – Kisumu



When Laurine Anyango's husband passed away, the family's fortunes were thrown into a tailspin. With two children and no means to earn a living, Laurine, who lives in Kasule village in Nyamasaris, Kisumu stared at a bleak future. Laurine moved in with a relative in Kisumu town to seek opportunities for a livelihood.

Laurine is a member of Care for Aids organization—a Kisumu-based NGO which caters for people living with HIV and AIDS. It is through the organization that Laurine attended the financial literacy training in May 2013. The coordinator of the organization gave her some kilos of maize and beans to start a food business specializing in the traditional dish *githeri*.

By applying skills she learned during the financial education training, Laurine has seen her business blossom and has since diversified her menu to include the popular omena (silver cyprinid) and green groceries.

“I have opened an account for my son,” she says proudly, adding that saving money for her son’s future aligns with the savings and planning lessons offered during the training.

Laurine acknowledges that her savings culture has made her stand on her own two feet, pay her rent and pay school fees for her children, which she could not do before. Laurine is happy with her increasingly empowered life since she attended the financial literacy training and her hopes of building a bright future for her two children.

“The step might be small but I know that if I maintain a saving culture and budget properly, in a few years I will be a completely different person from who I was before I had this knowledge.”

Steven Okinyi

Oriwo Youth Group – Suba



For the time he has been in business, Steven Okinyi has had mixed fortunes, but inability to separate personal

and business finances has been the biggest challenge for the Suba-based tailor. But recent financial education training offered by Equity Group Foundation is turning the fortunes of Okinyi and members of Oriwo Youth Group, where he is chairperson.

Since receiving financial literacy training, Okinyi says he has gained new perspective on money spending. “I am now able to differentiate between business money from my personal money,” says Okinyi. “Budgeting and learning to live within my means has many benefits; it reduces the amount of stress.”

Okinyi has been enthusiastic about sharing the knowledge he has gained with others to help them make progress in their business as well as personal lives, saying that there is a direct relation between proper management of money and familial harmony.

“There is increased happiness when families learn to budget their income and live within the budget,” says Okinyi.

Okinyi is now aware of several channels through which he can access financial services.

“Agency banking has changed my attitude on banking,” he says adding that the bank is located far away and members of his group are forced to travel long distances to Mbita to seek banking services. “Individuals are able to do banking very conveniently.”

Mary Akoth Odongo

Live with Hope Group – Kisumu



"Financial Literacy has been an eye opener to me, it actually impacted my life; and life has never been the same since then. It was a unique experience of its own kind. I thought I knew a lot about the aspects of managing finances. From my primary education, I have never been taught how to manage my money wisely. The training pin pointed loopholes I had neglected which as I see now contributed to my downfall. I never used to plan nor budget for my inflow well, often spending my business capital."

Alfrine Katana – Malindi



"Knowledge is power. Debt management was new to me, I never knew there were good and bad loans. I utilized the financial education knowledge and decided to take a loan of KSh 70,000, added little savings and purchased a motorbike. I never used to save, but today, with the knowledge from Equity Foundation, I plan for my savings and have a savings plan which I follow to the later."

Alfred Dominic Njenga – Kericho



"Financial literacy has truly changed my life in many ways and has changed my way of life in many ways. I have never regretted having attended financial literacy classes. The fact that I had never had an intensive training from my previous schooling on how to spend money wisely in a practical way makes it a unique experience for me. I now realize that small money is big money. I used to spend money carelessly but after the topic on budgeting, the simple steps of record keeping and tracking of expenses, I am now able to track my expenses. It made me count to the last coin every shilling that comes in and goes out."

2016 Goals

- Reach 270,000 beneficiaries through face-to-face and digital content delivery.
- Deliver financial education and financial include 20,000 small scale farmers under the GOK, IFAD and EU partnership Kenya Cereals Enhancement Program (KCEP) programme.
- Subsidiaries:
 - Deliver of financial education to 100,000 Tanzanians;
 - Deliver financial education to 2,000 Rwandese;
 - Improve and develop innovative digitized financial education solutions; and
 - Find resources to translation of the financial education content to Kinyarwanda and Swahili.



Beneficiaries receiving their MasterCard EMV smart cards after the roll out of Hunger Safety Net Programme (HSNP)

Social Payments

To broaden access for financially excluded low income populations, EGF and Equity Bank together with partners jointly implements two Government of Kenya funded social payment programmes: the Hunger Safety Net Programme (HSNP) and the Orphaned and Vulnerable Children (OVC) Programme.

Hunger Safety Net Programme (HSNP)

HSNP is a Government of Kenya social protection intervention in collaboration with development partners, DFID, AusAID and FSD Kenya. The Hunger Safety Net Programme (HSNP) is part of the National Safety Nets Programme (NSNP), which is coordinated by the National Social Protection Secretariat and

reflects the Government of Kenya's commitment to improving social welfare systems as outlined in the National Social Protection Policy. It is executed by Equity Bank.

When HSNP payments were introduced five years ago, Equity Bank pioneered an efficient and secure financial delivery model for 40% of the poorest households or 69,000 beneficiaries in Turkana, Wajir, Marsabit and Mandera.

In 2015, the Hunger Safety Net Programme had transitioned to Phase 2 where approximately 310,000 households were registered across the four counties. The total number of households that receive regular

cash transfers in Phase 2 is 85,000 across the four counties. Beneficiaries received an increase in the cash transfer to Kshs. 5,100 every two months since the beginning of 2015. Another 210,000 received emergency scale up due to increase in weather emergencies such as drought. Equity has already paid 5 emergency cash transfers with the largest being during El Nino late last year.

This programme has demonstrated a cost effective way of transferring cash to the poorest in some of the most challenging environments in Kenya with limited infrastructure and insecurity among nomadic communities.

Orphaned and Vulnerable Children (OVC) Programme

The programme is a partnership between the World Bank and the Government of Kenya, with financial

support from DFID, to provide bi-monthly cash transfers to vulnerable households in 25 districts in Kenya. The programme was established to provide a social protection system through regular and predictable cash transfers to families in order to encourage fostering and retention of children within their families and communities, increase school enrolment, attendance and performance, reduce the rates of child mortality and morbidity and to promote household nutrition and food security.

Since 2011, the OVC Programme has been executed by Equity Bank using a network of agents equipped with biometric smart cards and POS terminals. 57,547 beneficiaries have so far received the aid. Total payments to date amount to Kshs. 3.3 billion.

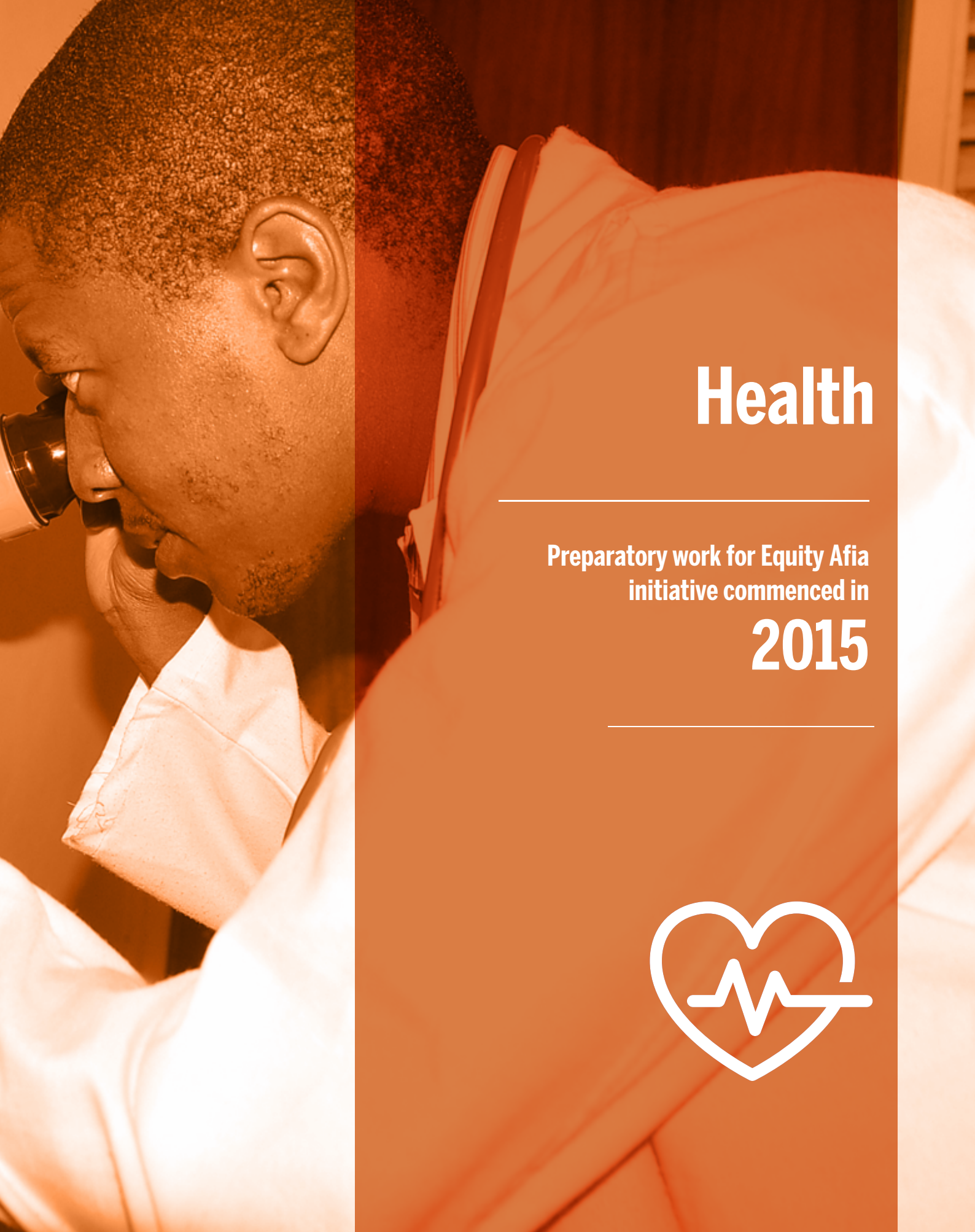


A beneficiary receiving OVC payments at an Equity Agent

and
gement

- ② Instructions on taking medication and follow-up
- ③ Education and counseling
- ④ Condoms





Health

Preparatory work for Equity Afia
initiative commenced in

2015





Health

Globally, Kenya ranks 145 out of 186 countries on the UN's Human Development Indicators' Health Index, placing it in the lowest category of human development (2012). The low levels of public expenditure on health cannot address its disease burden as these levels are unable to link the general population to quality preventive and curative care. Private healthcare facilities fill some of the access gap, but large facilities are expensive while small facilities which provide fragmented care are often poorly managed and have limited access to finance needed to scale.



Equity Group Foundation has developed Equity Afia as a sustainable, integrated health model that will train and monitor a network of clinician entrepreneurs to increase access to standardized, high-quality and affordable health care throughout the country.

Kenya as a whole is not equipped with:

- 1) The availability and utilization of efficiently-run facilities that provide affordable high-quality and comprehensive health services; and
- 2) Sufficient health financing initiatives, either through public provisions and/or through the uptake of comprehensive and affordable private health insurance schemes that can sustain the financing of care.

Additionally, the lack of comprehensive and affordable health insurance schemes limits the uptake of health insurance.

Without health insurance, Kenyans are unprepared for illness and disease. Negative economic consequences follow including missed work, loss of income, depleted savings, loan defaults, hasty borrowing and suspended financial plans. Approximately 18% of Kenyans have public insurance through the National Health Insurance Fund while less than 2% of the Kenyan population have private health insurance.

Although numerous insurance companies and medical insurance providers operate in Kenya, the lack of innovative, low-cost health insurance schemes tailored to the health needs of Kenyans and commensurate with their ability to pay, impedes private health insurance uptake. In addition to limited breadth (number of people covered), many existing insurance schemes have limits on depth (which services/benefits are covered) and height (what proportion of costs is covered) which further limits uptake of private health insurance.

Equity Group Foundation has developed Equity Afia as a sustainable, integrated health model that will train and monitor a network of clinician entrepreneurs to increase access to standardized, high-quality and affordable health care throughout the country. Different from other clinical franchises and other social enterprises, Equity Afia will also co-design and offer innovative health insurance schemes that are tailored to providers' behaviours and the health demands and purchasing power of consumers, as a key means to achieve the health care system's long-term financial sustainability and solvency. The overall goal of this five-year project is to increase the

health status of Kenyans by increasing access to and utilization of quality healthcare and affordable, private health insurance. Central to the initiative's objective is to also increase health literacy and health insurance literacy. To achieve this, Equity Afia will leverage the existing brand, resources and networks of Equity Bank with the aim of engaging at least 20% of Equity's nine million Kenyan customers in the initiative. Equity Group has a vested interest in ridding Kenya of debilitating and costly diseases such as HIV/AIDS and increasing access to affordable, high-quality, comprehensive health systems with continuity of care; improved health literacy; and the uptake of affordable and comprehensive health insurance among Kenyans.



Dr. Bola Tafawa, GM Health, addressing a key stakeholders conference at Equity Centre

In 2015, EGF and Equity Bank partnered with the United States Agency for International Development (USAID) Kenya in a five-year alliance to execute Equity Afia. With this multi-million dollar partnership, alliance members will pioneer private-sector led solutions to increase the scale and impact of affordable and standardized preventative health care services and sustainably financed and data-informed health insurance schemes benefiting all Kenyans. Preparatory work to support Equity Afia included identification, hiring and training of staff to provide technical services across Equity Afia. The newly hired team executed operational activities, which included assessment of prospective clientele, market research, further segmentation of prospective customers and financial modelling and forecasting. They also set up the governance structure which included clinical and non-clinical policies and procedures.

Through USAID-supported SHOPS (Strengthening Health Outcomes in the Private Sector) programme, EGF worked with a communications firm to develop a comprehensive communications strategy for this initiative. SHOPS also supported EGF with developing a strategy to select its sites for the health facilities. This strategy focused on leveraging the strength of Equity Bank's network, socio-economic and demographic information of short-listed places and populations, causes of diseases and death across the areas, availability of health facilities and proxies for health seeking behavior. EGF also began remodeling the first health facility in Ongata Rongai with a few other premises already selected for the next set of health facilities.

In 2015, EGF also concluded its short-term research engagement with The Rockefeller Foundation to understand the health of a growing socially disadvantaged group – informal workers in urban areas. EGF planned several research activities, including ethnographic studies, focus groups, stakeholder workshops, and a Computerized-Assisted Telephone interview (CATI), and convened several stakeholders to increase their understanding of the needs of the target population. EGF shared its results in a dissemination workshop attended by stakeholders across various sectors in Kenya.

Results from EGF's work culminated in a multi-modal, clientele-focused, market-based sustainable model that leverages social networks, mobile technology and the delivery agents to channel important information about health, health insurance, health service providers, health products and services,



Dr. Bola Tafawa, General Manager-Health Pillar of Equity Group Foundation (extreme right) with a team of medics during a health clinic held in Kitengela town

including health micro insurance for urban informal workers. EGF's work was profiled in The Rockefeller Foundation's report on the health needs of urban informal workers globally.

2016 programme goals

- Piloting 6 Equity Afia health facilities to fine-tune its business model and services;
- Developing and executing an entrepreneurship training program to increase business acumen and management skills of health entrepreneurs;
- Engage clientele to result in 20,000 patient visits;
- Refinement of franchise offerings;
- Partnering with organizations to develop and deliver health literacy and health insurance literacy initiatives; and
- Engaging other like-minded partners including, academic, research and policy institutes, medical equipment suppliers, pharmaceutical firms and government actors to scale Equity Afia.



Medical doctors conduct screenings during a health drive organized by the Equity Group Foundation's Health Pillar.



Agriculture

2,559

farmers supported to develop
farm business plans

3,725

trained in crop and business
management





Agriculture

- Continue to grow our college counseling to reach 80 international admissions;
- Build our online presence by launching innovative scholar learning portal;
- Conduct employability and leadership trainings at all 10 university chapters; and
- Continue developing technological literacy and entrepreneurship skills through real-world projects.

Over 80% of Kenyans live in rural areas derive their livelihoods directly or indirectly from agriculture. Despite its importance to Kenya's economy, the agriculture sector is continually plagued with systemic challenges that affect farmers and value chain actors, including low productivity, limited access to markets and post-harvest management technologies, weak business management systems, use of outdated technology & skills and limited use of irrigation and rain water harvesting technology.

To remedy challenges in the sector and to improve agriculture incomes and livelihoods, EGF partnered with the Embassy of the Kingdom of the Netherlands in Nairobi and Equity Bank to launch the *Agriculture Growth Accelerator*



248

peer groups formed

550

farmers out of 3,725 trained on soil health management did soil testing

in 2014. The initiative aims to commercialize agribusinesses by providing capacity building, linkages and innovations to farmers, in collaboration with the Ministry of Agriculture, research institutions, input and technology companies, market buyers and other agriculture development projects. The Growth Accelerator's objectives are to:

- Increase production and yield through quality input usage, soil health management and good agricultural practices;
- Improve agribusiness management skills by offering training and use of management systems and business decision making tools;
- Enhance access to markets along the value chains and establish linkages to various quality markets;
- Reduce farming costs through more efficient farm operation practices and improved technologies; and
- Reduce risks through crop diversification, policy advocacy, insurance and irrigation.

Growth in the agriculture sector in Kenya has the potential to ensure food security for its fast-growing population; reduce the cost and reliance on food imports; lower food prices and create employment. Medium sized farms are essential for Kenya's rapidly urbanizing population to achieve food security and can have an unlocking effect on the sector. While medium-size farms are limited in number, they cover a large proportion of underutilized farmland and possess the potential to rapidly increase food production by increasing on-farm production and engaging smallholder farmers. This group of untapped medium-size farms are referred to as the '*missing middle*', because they are ignored by development programmes due to their large land holdings and lack the resources to engage private sector extension and

service providers. The goal of the Growth Accelerator is to commercialize over 2,000 medium-size farms that will eventually support neighboring smallholder farmers in 10 counties in the Rift Valley, Central and Eastern regions of Kenya.

The Growth Accelerator is delivered through a robust extension platform that provides demand-driven support through extension officers, business groups, agro dealers, mobile tools and Equity Bank Branches & Agents. EGF manages 27 agriculture extension officers and managers knowledgeable in grains, horticulture, dairy and poultry. Business groups organize farmers and provide trainings, mentorship linkages to input suppliers and market buyers, field days and bulk input buying programmes. Mobile tools provide business training tips, weather information and management systems for farm operations and financial records. Lastly, Equity Bank Branches and Agents provide credit, savings and loan products to agribusinesses.

Programme Activities

In 2015, the first year of field implementation, the programme recruited over 3,000 farmers and completed a baseline survey of 2,559 medium sized farms with land holdings between 3 and 100 acres. According to the baseline survey, major re-occurring challenges on-farm included, use of low quality inputs; inadequate knowledge on soil fertility; low agriculture yields; limited record keeping and management practices and limited access to information on available markets.

The Accelerator facilitated the formation of 248 Peer Groups, composed of 8-15 farmers that live in close

geographic proximity to one another and 138 Business Groups made up of 30–60 farmers, market buyers, input suppliers and private service providers. 3,725 farmers were trained by EGF Extension Officers, in collaboration with input suppliers, Ministry of Agriculture and market buyers, on soil health management, inputs and usage, crop management, post-harvest handling and storage, water management, dairy production management and feeds management.

2,559 farmers were trained on agribusiness



enterprise development. The farmers conducted gross margin analysis of their farm enterprises that guided them to pick top three profitable enterprises; developed business planning and were trained on financial management, marketing and human resource management. The Farmers were trained on maintaining daily, monthly and annual production and financial records. Over 1,900 farmers were linked to input suppliers and more than 80 farmers benefited from discounted inputs.

Impact

The training and linkage programmes have already

produced positive results. Approximately 60% of farmers reported an average of 30% increase in yields by the end of the first season as a result of adopting good soil management practices, purchasing quality inputs and implementing good agriculture practices. Farmers who tested their soils and adopted the soil analysis recommendation, like soil liming, correct type and quantity of fertilizer blends and good crop management practices are expected to see a steady increase in yields as soil PH balances are restored to a normal level.

Farmers have also adopted good planning and management practices. Prior to joining the programme, majority of the medium-size farms decided on crops and varieties based on historical practices or based on what neighbors were growing. After receiving training on agronomy, markets and business planning, farmers appreciate the importance of developing a crop calendar, timing market sales and selecting crop varieties based on market demand. Market linkage meetings between farmers and market buyers have enabled farmers to better understand market demands and post-harvest handling practices. Farmers in the programme now have a better understanding of the cost of production through the gross margin analysis and have started to improve operational practices; purchasing inputs in bulk and exploring mechanization. Through the business groups the farmers are able to purchase inputs in bulk, resulting in lower cost of production and higher margins. Farmers who purchased lime directly from Homalime benefited from a 20% discount per 50 Kg bag of lime. Training on agribusiness helped farmers develop farm business plans, understand the importance of keeping farm records, and optimize

the mix of value chains through a profitability analysis matrix. Farmers in the programme are able to concentrate on the value chains that are making business sense while eliminating risky or unprofitable value chains.

My story

Nathaniel is a crop and dairy farmer from Embu County. Before joining the programme, he struggled with



low crop and dairy yields. The quality of his produce was very poor. He did not meet market requirements and often had to rely on brokers to sell his produce, thereby significantly reducing his profit.

“With increased farm production I have enough money to cover the household consumption and my family’s nutrition has improved. Farming has now become a real source of livelihood and I plan to aim even higher and achieve even greater things”.

Upon joining the program, Nathaniel went through business planning training, enterprise development

training, production training with EGF and collaborating partner PAFID, dairy management training and marketing and post-harvest handling training. In addition to the trainings, Nathaniel was linked to a University of Nairobi intern who helped him develop his farm plan and crop rotation for three seasons. Nathaniel experienced remarkable results after the trainings. The farm’s dairy production doubled from an average of 3 litres per cow per day to 7 litres per day as a result of improved animal feed management. Nathaniel can now produce his own animal feed from high nutrition fodder that he grows on his own farm, reducing the cost of production by approximately 50%. EGF has also linked Nathaniel, and his fellow farmers in the region, with Brookside Dairy.

By adopting the soil testing recommendations, Nathaniel now produces 15 bags (90 Kg) of maize per acre, an increase from 8 bags of 90(Kg). His farm is now a demo farm for other medium and small-scale farmers. He is extremely passionate about the programme and would gladly advise other farmers to join the programme. He is now able to pay his children’s school fees with ease and inject some more money into the farming business.

Etherose Kagendo Nyaga – EMBU

Etherose Kagendo Nyaga is a medium-sized farmer from Embu County engaging in mixed farming. Before



the programme, Kagendo faced quite a number of challenges including low yields in maize, banana and dairy value chains, poor pest and disease management, very low market prices for her produce, high production costs. She barely managed to break even.

Upon joining the programme, Kagendo enhanced her agriculture production practices. She actively participated in most trainings including, soil health management training, pest and disease management training, conservation agriculture training, water management training, record keeping, marketing and post-harvest handling training and business planning training.

Kagendo experienced incredible results – an increase in the maize production from 7 to 25 90Kg bags per acre. The Accelerator linked Kagendo with quality input suppliers that helped her to eliminate nematodes and root fusarium infestation of her banana crop, thereby increasing the price of bananas from Ksh 7 to Ksh 15 per Kilogram. She has also seen an increase in milk production from 7 litres to 15 litres per day after receiving training on dairy feed production.

Kagendo is a member of Kilimo Biashara Farmers Group

and was linked with market buyers of French Beans and butternut squash. She is now able to make good use of the underutilized land while steadily increasing her income. She has ventured into commercial poultry farming which has also increased her income by Ksh. 9,000 per month.

In Kagendo's words, "With the help of the programme I have been able to develop a lot as a farmer and have become a role model to my fellow farmers. My neighbours and relatives turn to me for advice on Kilimo Biashara which has resulted in my farm becoming an agro-tourist location. They have embraced the programme. Farming has now become a business to me. I am able to pay school fees easily. I have also been able to acquire ½ acre of land thus increasing my business. I am now living healthy as we are using biogas, which is environmentally friendly and cheaper. I have acquired good farm management skills and I now have a consistent income which has enabled me to pay my loan."

2015 Programme highlights

- Conducted a baseline survey of 2,559 medium-sized farms of acreage between 5 and 100 acres in 10 counties in Rift Valley, Central and Eastern regions;
- Facilitated formation of 248 Peer Groups, composed of 8-15 farmers that live within geographic proximity to one another and 138 Business Groups made up of 30 -60 farmers, market buyers, input suppliers and private service providers;
- Provided capacity building to over 3,725 farmers, including 1,145 females;
- Conducted 550 soil tests on farms, trained majority of farmers in the programme on the correct use of fertilizers and placed bulk orders of lime from Homalime to correct their soil PH in the next planting season;
- Held 3 staff training sessions on Dairy Management,

Good Agricultural Practices (GAP) and Horticulture and Cereals Production;

- Developed a GAP manual and over 20 crop protocols that will be used in the agriculture sector in Kenya. Partners involved in compiling of the manuals are the Ministry of Agriculture, Embassy of the Kingdom of the Netherlands, Horticultural Crops Directorate, Kenya Agricultural and Livestock Research Organization (KALRO), Fresh Produce Exporters Association of Kenya (FPEAK), SNV, Alliance for a Green Revolution Africa (AGRA), Syngenta, Real IPM, Yara fertilizer, GIZ among other partners;
- Developed an easy to use farm records-keeping book that includes general ledgers, cash books, daily operational records, production records and financial records;
- Piloted a new internship program with the University of Nairobi, Faculty of Agriculture. The pilot included 6 students that are now acting as ambassadors for the programme; and
- Built good working relationships with over 40 private companies to offer training to farmers, including Syngenta, Bayer Crop Science, Yara, Kenya Seed, Royal Seed, Soil Cares, Crop Nuts, Pannar Seed, Juanco, Real IPM, Affirm Global, Homalime, Coopers, Kenya Highland seeds, Amiran, Osho, Murphy Chemicals among others.

2016 Programme Goals



- The Agriculture Growth Accelerator will continue to enhance its programme offering and scale-up the number farmers impacted;
- The Accelerator will build on its model farm programme, Agrodealer programme and Industry Partnership programme;
- The Accelerator will also continue to strengthen its partnership with the University of Nairobi, Faculty of Agriculture. It will engage more than 5 MSc and PhD students to conduct research and develop policy advocacy reports for the Ministry of Agriculture and private sector;
- The Accelerator will deploy a pilot mAgriculture platform that provide agriculture tips and training, a production management system and a linkage to input suppliers;
- The Accelerator will also release its blended financial product, in conjunction with Equity Bank and Equitel, that combines agriculture credit with capacity building, linkages to input suppliers and markets, insurance and mobile tools;
- The goal in 2016 is to impact over 4,000 medium sized farmers, 20,000 smallholder farmers, 25 market buyers and 200 agrodealers; and
- Over the next five years, EGF seeks to enhance the Agriculture Growth Accelerator programme and expand the platform across East Africa, starting with Tanzania, Uganda and Rwanda.

The Foundation is enormously grateful to its numerous funding partners for their generous support that has

A Gilgil farmer, Martin Gathogo inspects his cabbage crop in his Kingdom Farm.



Environment

Over 10,000

clean energy products have been sold
through the Eco Moto Programme

120

Equity Bank branches
availing Eco Moto loan facility



Environment

Access to Clean Energy

Biomass energy provides 68% of Kenya's national energy requirements. It is expected to remain the main source of energy for the foreseeable future. In 2000, Kenya was reported to use 34.3 million tonnes of biomass for fuel, 15.1 million tonnes was in form of wood fuel while 16.5 million tonnes was wood for charcoal processed in kilns with only 10% efficiency (International Institute for Environment and Development, 2010). Up to 43% of the national consumption was from sustainable supplies while 57% was from unsustainable supplies. Of Kenya's total land area of 57.6 million hectares, only 6% (3,456,000) is forest cover and is estimated to be decreasing at the rate of 52,000 hectares (0.09%) per year. According to FAO (2011), Kenya lost 6.5% of its forest cover in 20 years (1990 to 2010), equivalent to a loss of 241,000 hectares. Although biomass is a renewable resource, the high rate of its extraction and inefficient utilization renders it non-renewable, a trend that needs to be reversed.

According to the World Energy Outlook (2012), a staggering 2.6 billion people still depend on traditional cook stoves or open fires for cooking and heating their homes. The health



USD 4.5m

signed with Swedish Energy Agency
to support Eco Moto Programme

10,000

clean energy products sold
through Eco Moto programme

and environmental risks of this are considerable. Every week, 75,000 people – mostly women and children – get sick or even die as a direct result of inhaling smoke. And each day, 3.9 million tonnes of wood fuel is burnt, contributing to the daily loss of 200 in kilometres square of forest (Global Forest Resources Assessment, 2010). In Kenya, 13,900 people die annually as a result of complications caused by indoor air pollution (IAP). But despite the availability of cleaner and more efficient cooking solutions, communities in rural areas do not know the benefits of clean cooking and/or cannot access or afford to invest in them. Equity Group Foundation realizes that this is a huge challenge that confronts society today but also acknowledges that it has the capacity to play a significant role in increasing awareness of the benefits of clean cooking and clean lighting as well as in providing access to them in order to directly impact peoples' health, incomes and the environment.

Globally, 1.3 billion people have no access to electricity and 600 million of those live in Sub-Saharan Africa (International Energy Agency, 2015), with 200 million in countries where Equity Bank has presence. For these people, nighttime means either darkness or the flickering light of a candle or kerosene lamp. The disadvantages of kerosene lanterns are many, including safety, health risks and high costs. In addition light output of these lanterns is very low making visibility almost impossible at times. Children are not able to study well under these poor lighting conditions and are exposed to health and safety risks. Using the energy of the sun to power lighting and

provide mobile phone charging solutions can make a true difference to these communities. The cost of connecting to the country's national grid is restrictive for the average Kenyan. Even though the government has reduced the connection fee from KSh 35,000 to KSh 15,000, this is still prohibitive for majority of Kenyans.



In the absence of electricity, majority of Kenya's population rely on alternative energy sources which include charcoal or firewood for cooking and kerosene for lighting. Meanwhile, the average urban household spends around 12,000 KSh a year on charcoal (GVEP, 2014). Money spent on these fuels, could be spent on renewable energy sources such as solar power and improved cook stoves, which are cheaper in the long run, more environmentally friendly and are better for the health of Kenyans.

Power in Africa:

Only 4% of electricity generated worldwide is produced in Africa
Sub-Saharan Africa has the world's lowest electrification rate at 25.9%
Rural electrification rates in Sub-Saharan Africa are only 8%
70% of household income in Africa is spent on energy (diesel, kerosene, charcoal)
80% of Africans rely on biomass for energy (wood or charcoal fuel)
4 million hectares of forest are felled each year in Africa, twice the world average

Source: The World Future Council (2015)

The Eco Moto Programme

In late 2014, EGF, Equity Bank and MicroEnergy Credits (MEC) launched a clean-energy programme with the goal of enabling one million households to access clean energy in three years. The programme sells improved cook stoves, solar lighting systems and water purifiers to Equity Bank customers. These clean energy products help households directly by significantly reducing household expenditure on domestic energy consumption in cooking and lighting, health improvement due to less exposure to indoor air pollution, safer environment and decrease in deforestation in the local areas. By ensuring that forests remain intact, households are protected from climate risks as adequate forest cover is an important part of ecosystems-based adaptation to climate change.

The programme offers a simplified clean energy loan for Equity Bank customers to buy products in installments. The one page loan application can be processed in 2 days thereby eliminating the usual burdensome requirements of other loan products. This loan enables customers to benefit from an improved cook stove or a solar lighting system for as little as KSh 25 a day.

A survey carried out at the end of the pilot in 2014 revealed that each family experienced annual savings of KES 12,048 from an investment of KES 3,600, which translates into a Return on Investment (ROI) of 334% in the first year. If one million Equity Bank customers had access to a clean energy product during that timeframe, they would collectively have saved KES 12 billion.



Cooking using biogas installed at a farm in Gilgil.

Women represent the major purchasers of Eco Moto clean energy products as per field data. Females also make up the majority of staff working at the programme, resulting in improved female employment prospects. Gender related impacts to the tracking software, are in the process of being incorporated, for better reporting.

2015 Programme Highlights

- Over 10,000 clean energy products had been sold through the Eco Moto programme. Clean cook stoves garnered the highest sales volume making up 70% of the total product portfolio sold;
- The Eco Moto loan facility was available in 120 Equity Bank branches;
- 87 Equity Bank Agents are now stockers for clean energy products – These small-medium term businesses benefit from an additional revenue stream; and
- Approximately 75% or 6,500 households of Eco Moto customers who are located in rural benefitted from the programme. In addition, 6,000 households from arid and semi-arid locations also benefited. Major arid and semi-arid locations where these clean energy products were sold include Kajiado, Kengeleni, Eldama Ravine, Kilifi, Lamu, Wote and Hola.

Carbon Finance

In December 2015, MicroEnergy Credits signed an Emission Reduction Purchase Agreement (ERPA) with the Swedish Energy Agency to support Equity and its Eco Moto programme. The ERPA is one of the largest carbon purchases the Swedish Government has made in Africa and is intended to cover solar, efficient stoves and water filters across the region. This ERPA will generate additional revenue for the Eco Moto Programme and be reinvested back into the clean energy initiative. Currently, Equity Bank and MEC are also moving forward with the development of a clean energy mobile phone loan, which will be available on Equity's Equitel platform, which has acquired 1.2 million users since its launch in June, 2015. This will be the first clean energy mobile phone loan of its kind in the world, which will dramatically decrease loan acquisition time.

My story

Christine Wambui Eco Moto Customer



"I save KSh 50 per day. The jiko has less fumes so it is safe for my family"

Christine, from Ngong, is a mother of three. She has been using a clean cook stove (jiko) since 2015. When asked about the jiko, Christine said that the product is great and quite economical. She also noted that "It holds a lot of heat, so it is faster," and "It has less fumes and so it is safe for my family." Christine learned about the jiko from Equity Bank staff and stated that she trusts Equity Bank, "because they cannot sell bad products to the community." Christine recommends the Jiko to her friends and encourages them to get an Eco Moto Loan.

2016 Programme Goals

- Develop the Eazzy Eco Moto Loan on the Equitel Platform, the first clean energy mobile loan in the world;
- Reach **300,000 households** with clean energy by leveraging the Equity Bank Branch and Agent Network, bringing together marketing, finance and distribution logistics; and
- Add further clean energy products to the range, such as water filters and biogas.



Innovation

200

**Equity Bank Agent kiosks under
the affordable access
WiFi hotspots**

12,000

***Wings to Fly* scholars received
digital learning resources by 2016**





Innovation

EGF has a strong commitment to innovation in all its programme areas in order to promote new ideas, experimentation and solutions that promise to increase our impact and scale. In a world in which the rapid pace of change and technology makes solving problems all the more challenging, innovation is often seen as the solution that means many things to many people. Equity Bank has been voted the most innovative bank in the region for several years for introducing agency banking and more recently acquiring the first Mobile Virtual Network Operator (MVNO) platform to drive banking. This culture of innovation has permeated throughout Equity Group including EGF.



We look to the latest technologies, global trends and best practice, and local creativity to create new solutions

“Innovation is anything but business as usual.”

By introducing the Innovation function into EGF in 2015, we are investing in work that will help our programmes, current and new, deliver increasing benefit to our audiences, especially as they grow in size and regional scope. To do so, we look to the latest technologies, global trends and best practice, and local creativity to create new solutions that are tailored to local challenges. Initial priority areas of focus in 2015 have included education innovation and the use of our mobile channel to extend EGF programmes to more users at scale.

2015 Highlights

Wings to Fly Learning

This is an ongoing project to give all 12,000 *Wings to Fly* scholars, as well as any Equitel user in the country, a rich set of digital learning resources aligned to the Kenyan 8-4-4 Curriculum. Using a range of affordable and accessible technologies, the educational content offers supplementary learning experiences that are engaging, high-quality and relevant and that can be used in-school, out-of-school and during holiday periods. The content is delivered to students and the public across a range of channels including Equitel, SMS/USSD, USB sticks and soon on Equitel App. The project is intended to improve academic performance; build 21st Century skills and act as a catalyst for wider change among teachers and the system.

“Initial feedback suggests increased “confidence” among scholars as well as a high degree of interest from other students and even teachers”

My Life

The launch of Equity’s MVNO, Equitel, had given EGF an unparalleled opportunity to provide users with inspiring and relevant content and tools that can help to improve their lives, their families and their businesses. This unique mobile offering is an opportunity to re-invent what “value added services” can mean to low-income people by offering a combination of original and third-party content that is geared towards the needs of our users, as well as a platform through which we can interact and learn from our users too. Offered for both feature



A Wings to Fly scholar receiving a flash disk containing supplementary learning materials from Julia Moffett, EGF Education Innovation Advisor.

and smartphone environments, My Life content will constantly change to meet the needs of our users and also innovative partnerships. EGF views this channel as a key platform for the digital extension of its programmes in the future.

“My Life currently contains content in Education (Wings to Fly learning), Health (Mama), Financial Education and Wikipedia”

Affordable Data Access

The rapid adoption of mobile phones in Africa, including low-cost smartphones, has the potential to put a computer in everyone's pocket, but realizing the full potential of this resource to educate and empower low-income users will not happen if data charges continue to make accessing rich content prohibitive via mobile.

Together with the extensive infrastructure of Equity Bank, including its 20,000 agents, the new reach of Equitel and a wide range of exciting technology partners, EGF is piloting a number of WiFi and affordable access hot-spots at our agent kiosks across Kenya in an attempt to innovate new models and solutions of affordable data access for our users, many of whom are rurally based. These experiments include experimentation around various backhaul approaches as well as locally cached content, all of which we use to explore new pricing models that can sustain the service, convert banking agents into data entrepreneurs, and offer important content and services affordably to users. EGF is leading

the content creation and experimentation for this important project to learn what types of offerings are most relevant to our user's lives.

“Equity's customers are reporting an average data bundle purchase of between KSh 150–350 per month”

Digital Literacy

EGF understands the critical role digital literacy plays in empowering individuals and SMEs to be part of our increasingly digital economy and society. Without digital literacy, young and old alike risk experiencing a new kind of digital divide in which they will fail to enjoy the benefits of their businesses, employment and livelihoods that our digital world delivers today and promises to do tomorrow.

To address this challenge, EGF is experimenting with a range of creative approaches that capitalize on the size, track record and depth of our programmes, as well as the Bank and Equitel infrastructure to launch and test solutions. These experiments are intended to lay the groundwork for innovative programs with national and regional reach and to help catalyze a wider understanding and commitment to digital literacy among others. 2015 has seen early work in supplementing the *Wings to Fly* scholars programme with exposure to digital careers and pathways, field-testing to inform a Digital Literacy Corps concept and development of a multi-faceted approach to helping our extensive MSME constituency understand and employ digital tools to grow their businesses.



Wings to Fly scholars learning how to use the Equitel learning platform.

2016 Programme Goals

2016 will see the launch and expansion of exciting initiatives that focus on other EGF programmes areas as well as regions including:

- Development and focus testing of the My Life App;
- Launch of Real Time, Personalized SMS Learning for 100,000 Financial Education and Entrepreneurship Education beneficiaries in partnership with CGAP and Arifu;
- Deepen the learning of the uptake of content, tools and services through ongoing WiFi Project;
- Ongoing Support in the development and fulfilment of EGF pillars' digital strategies; and
- Monitor impact of *Wings to Fly* Learning and expand its content offering.

Monitoring and Evaluation

At EGF, we are strongly committed to strengthening our ability to capture and communicate our achievements, in order to learn what works in our efforts to champion socio-economic transformation aimed at increasing the prosperity of the people of Africa and strengthen our accountability to a wide range of stakeholders.

EGF is cognizant of the need to use data to show trends and make projections, to identify strengths and weaknesses in programme design and/or implementation and convince policy makers of the need for action and financial and human resources.

It is important to us that we ensure our interventions yield meaningful impact on people involved. As part of that, we propose to implement a robust monitoring and evaluation (M&E) system to enhance accountability, learning and programme improvement.

Our approach to monitoring and evaluation therefore enables us to:

- Establish what impact programmes are having and why;
- Learn from our experiences, both the successes and failures; and
- Increase our accountability to different stakeholders.

While hinged on a number of key principles:

- Application of diverse processes for different needs;
- Integrate M&E into everyday work;
- Make informed decisions regarding programme operations and service delivery are evidence based;
- Support the effective and efficient use of resources; and
- Involve key stakeholders.

And is dependent on a complement of approaches that:

- Objectively assess the extent to which the program is impactful, looking at what areas it is effective as well as establish where corrective actions need to be considered [*Programme improvement*];
- Support informed decision making regarding programme administration and service delivery based on evidence [*Learning*];
- Ensure that resources are effectively and efficiently allocated; and meet organizational reporting and other requirements, and convince donors, among other stakeholders, that their investments have been worthwhile or for management to consider alternative approaches [*Accountability*].

These approaches, against the backdrop of views of our stakeholders through information collection processes and by engagement in reflection and learning events, allows us to systematically generate, capture and disseminate knowledge to give an informed and objective account of our decisions and actions.

In 2015 EGF was successful in strengthening our M&E capability by recruiting the functional leadership and completing the team build out. Additionally, the year provided us with an opportunity to have more structured measurement of impact of our programmes. We adopted the SROI (Social Return on Investment) approach to measure the impact of our education flagship programme – *Wings to Fly*.

The SROI method provides a consistent quantitative approach to understanding and managing the impacts of a project, business, organization, fund or policy. It accounts for stakeholders' views of impact, and puts financial 'proxy' values on all those impacts identified by stakeholders which do not typically have market values. The aim is to include the values of people that are often excluded from markets in the same terms as used in

markets, which is money, in order to give people a voice in resource allocation decisions. This activity, among others, are highlighted in more specific terms in the section below:

2015 Highlights

- **Impact Measurement:** The social return on Investment (SROI) ratio of the *Wings to Fly* programme is 2.04. This means that for every Kenyan shilling (US Dollar) invested into the programme, KSh 2.04 (USD 2.04) worth of value are being created and spread amongst the stakeholders in question, showing that value is not just being maintained, but amplified by the programme. This is the major finding of the SROI survey conducted on the *Wings to Fly* as part of evaluative efforts to demonstrate impact of the education programme.
- **M&E Systems:** M&E frameworks developed for two programmes – *Wings to Fly* and Agriculture – which describes how the whole M&E system for the programme works, including things like who is responsible for it; what forms and tools will be used; how the data will flow through the organization; and who will make decisions using the data. Additionally, EGF M&E unit developed a comprehensive performance monitoring and evaluation plan for the trailblazing programme – Equity Afia. This is part of a broader strategy of ensuring that programmes have the necessary structures to measure and demonstrate impact.
- **Programme Monitoring:** EGF M&E unit in collaboration with Bank IT started the development of a database management information system (DMIS) as part of a larger strategy to digitize M&E processes for all programmes.
- **Training/Mentoring:** EGF M&E unit conducted two 2-week trainings for staff in the education and agriculture programmes to build common understanding around M&E terminology as well as build consensus around performance measures for these programmes.



Ernst & Young LLP
Certified Public Accountants
Kenya Branch
Local office
Off Regd. Off.
PO Box 44560, 00100
Nairobi, Kenya

Kenya Tel: 254 20 2715000
Email: info@ey.com
www.ey.com

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
EQUITY GROUP FOUNDATION (A Company Limited by Guarantee)**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Equity Group Foundation, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of accumulated fund and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 6 to 21.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, and for such internal control as the directors determine is necessary to enable the preparation 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 auditors' 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 present fairly, in all material respects, the financial position of Equity Group Foundation as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Kenyan Companies Act, we report to you, based on our audit that:

- i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;
- ii) in our opinion, proper books of account have been kept by the Foundation, so far as appears from our examination of those books; and
- iii) the Foundation's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Herbert Chiveli Wasike - P/No. P.1485

Nairobi, Kenya

10 MAR 2016

THE EQUITY GROUP FOUNDATION FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2015

	2015	2014
	KShs	KShs
ASSETS		
CURRENT ASSETS		
Bank balances and cash	1,275,608,361	1,057,713,367
Prepayments & receivables	239,846,761	128,734,920
TOTAL ASSETS	1,515,455,122	1,186,448,287
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	34,842,553	7,349,481
Amounts due to related party	246,821,374	141,465,837
Deferred income	1,233,791,195	1,037,632,969
	1,515,455,122	1,186,448,287
TOTAL LIABILITIES	1,515,455,122	1,186,448,287

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	KShs	KShs
INCOME		
Donations	1,450,712,737	1,102,465,367
Other income	16,703,287	20,493,210
TOTAL INCOME	1,467,416,024	1,122,958,577
EXPENSES		
Administration costs	(155,875)	(232,000)
Program expenses	(1,467,260,149)	(1,122,726,577)
TOTAL EXPENSES	(1,467,416,024)	(1,122,958,577)
SURPLUS/(DEFICIT) BEFORE TAXATION	-	-
TAXATION	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	-
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	-	-

The Board Members



James Mwangi, CBS – Executive Chairman

James holds five Honorary doctorate degrees in recognition of his contributions to the Kenyan society. He holds a Bachelor of Commerce degree and is a Certified Public Accountant. James has been honoured twice with Presidential national awards; he was vested the First Class Chief of the Order of the Burning Spear (CBS) national decoration—the highest presidential award to a civilian, for outstanding contribution in economic development as well as the Moran of the Burning Spear. He was named the World Entrepreneur of the Year by Ernst & Young in 2012, the Forbes Africa Person of the Year in 2012 and is a holder of the 2007 Global Vision Award.

He is currently the Chairman of Kenya's Vision 2030 Delivery Board charged with the responsibility of ensuring Kenya becomes a middle-income country with global high standards of living by the year 2030. He serves on several international bodies as an advisor. He is a Board member of the Africa Leadership Academy in South Africa, the Global Alliance for Food Security and Nutrition among others and is the Chancellor Meru University College of Science and Technology. He has wide experience in the banking industry and inclusive finance.

Helen Gichohi, Ph.D., OGW, MBS – Managing Director

Helen joined Equity Group Foundation as Managing Director in 2012. Prior to joining EGF, Helen spent 11 years with the African Wildlife Foundation (AWF) where she served as Director of the African Heartlands Programme, before rising to become Vice President for Programmes in February 2002.

In 2007, she was appointed the first AWF President and led the move of AWF's headquarters to Nairobi, Kenya from Washington, DC in the USA. Helen has received numerous awards and honors, including two presidential awards, the Order of Grand Warrior (OGW) and the

Moran of the Order of Burning Spear (MBS) for her distinguished service to the nation. Helen holds a Doctorate in Ecology from the University of Leicester in the UK. She also holds a Master of Science in Biology of Conservation from the University of Nairobi and a Bachelor of Science in Zoology from Kenyatta University. She serves on the boards of AWF and Ol Pejeta Conservancy and previously sat on the board of Kenya Wildlife Service.





Zainab Jaffer – Non-Executive Director

Zainab is Managing Director and Head of Africa for MenaLink Holdings, an integrated holding company that structures, finances and manages international business transactions to facilitate the flow of capital, technology and products across borders. Ms. Jaffer has been mandated with the task of spearheading the MenaLink Socio-Economic Development Initiative for Kenya (SEDIK), which has been launched under the guidance of the Kenyan government to support Kenya Vision 2030. Ms. Jaffer successfully executed SEDIK's flagship \$50 million project with an exclusive partnership with GEMS Education to structure, finance and build a 200,000

square foot mega campus in Kenya, which is set as one of Kenya's best education and largest foreign direct investment project. Ms. Jaffer also serves as Director, Principal and/or Advisor to IFG Port Holdings, a New York based global investment firm with a focus on agribusiness and port-related investments; Semelex Biometrics, a Brussels based biometrics company; and The Coast General Hospital in Mombasa County. Ms. Jaffer is highly active and passionate about philanthropic work through her leadership at The Nourafchan Foundation (TNF), an apolitical, non-governmental, non-religious, 501(c)(3) approved non-profit whose mission is to improve the human condition. She has also worked extensively with UNICEF in public-private arena. Ms. Jaffer graduated with honors from the London School of Economics and Political Science with a Bachelor of Science Degree, Management with Law.

Peter Munga, CBS – Non-Executive Director

Peter is an accomplished African business leader and entrepreneur whose dedication to the unbanked poor has enabled millions of people at the bottom of the pyramid to break the cycle of poverty and build better lives. As the founder of Equity Bank, he has guided its evolution from a small village-based building society to a fully listed commercial bank that is home to more than half of all bank accounts in Kenya. Today, he is the Chairman of the Board of Directors of Equity Group as well as Equity Group Foundation.

He has received the highest presidential award to a civilian, the First Class Chief of the Order of the Burning Spear (CBS) national decoration for his outstanding contributions in economic development. Peter is a certified public secretary with vast experience in both public and private sector management.

He is also the Chairman of the National Oil Corporation and a Director of in Micro-Enterprise Support Programme Trust (MESPT), British American Investments Company (Kenya Ltd.), the Rockefeller Foundation and Equatorial Nut Processors. Peter holds a diploma in human resources and financial management.



**Mary Wamae – Secretary to the Board**

Mary holds an LL.B. degree from the University of Nairobi, Masters in Leadership, Innovation and Change from York St. John's University, UK, Diploma in Law from the Kenya School of Law and is a Certified Public Secretary (Kenya) (CPS Registration Number 1753). She is an Advocate of the High Court and holds a Post Graduate Diploma in Gender and Development and has over 13 years of private practice experience.

The Executive Team



Helen Gichohi, Ph.D., OGW, MBS – Managing Director

Helen joined Equity Group Foundation as Managing Director in 2012. Prior to joining EGF, Helen spent 11 years with the African Wildlife Foundation (AWF), where she served as Director of the African Heartlands Programme, before rising to become Vice President for Programmes in February 2002.

In 2007, she was appointed the first AWF President and led the move of AWF's headquarters to Nairobi, Kenya from Washington, DC in the USA. Helen has received numerous awards and honors, including two presidential awards, the Order of Grand Warrior (OGW) and the Moran of the Order of Burning Spear (MBS) for her

distinguished service to the nation. Helen holds a Doctorate in Ecology from the University of Leicester in the UK. She also holds a Master of Science in Biology of Conservation from the University of Nairobi and a Bachelor of Science in Zoology from Kenyatta University. She serves on the boards of AWF and Ol Pejeta Conservancy and previously sat on the board of Kenya Wildlife Service.

Julia Moffett – Director of Innovation

Julia joined EGF as the Director of Innovation in 2015, where she leads a wide range of innovation work to bring new ideas into EGF programs that can achieve greater impact, reach and scale. She brings 25 years of experience in senior leadership and strategy roles in government, philanthropy and the private sector that have included: Director of Strategic Planning, Clinton White House and National Security Council; Vice President, NBC News; Managing Director, Markle Foundation; and Director of Strategy, BBC World Service Trust. Ms. Moffett is also the Founder of the Future of Learning Fund that helps education entrepreneurs advancing 21st learning solutions access capital and strategic support.

Julia serves on numerous boards as a Trustee or Advisory Board member in the US, UK and Africa, has been a member of the US Council on Foreign Relations and the International Finance Committee for Obama for President in 2008 and 2012. She holds a B.A. with Highest Honors from Wesleyan University in History, Government, Philosophy and Economics.





Joan Ngunnzi – General Manager, Education and Leadership Development

Joan joined Equity Group Foundation in November, 2015 as the General Manager, Education and Leadership Development. Joan is responsible for providing leadership in the implementation of the Wings to Fly and the Equity Leadership programs. Prior to joining EGF, Joan worked as the Ag. Senior Deputy Director (Admin) at the Teachers Service Commission where she was responsible for administration, Gender and Child Protection, fundraising and project Management. In particular, Joan was responsible for design and implementation of the DfID funded Teacher Performance

and Integrity in Kenya (TePIK) and the European Union funded Stop Violence against Children (SVAC) projects. Joan is an expert in education management, Project Design and Implementation, Fundraising, Gender and Child Protection. She is also an author of several works. Joan holds a PhD in Education (Communication and technology) from Kenyatta University, Master of Arts (Disaster Management) from the University of Nairobi and a Bachelor of Education degree (English/Literature) from Moi University.

Zoravar Singh – General Manager, Agriculture

Zoravar is a development practitioner and entrepreneur. He joined EGF in 2014 to develop innovative solutions to challenges in the agriculture and food systems in Kenya. Zoravar started his career as a systems engineer and strategy consultant at Accenture and as an investment banker at Merrill Lynch. Zoravar then served as CEO of Community Lab, a social enterprise at The Earth Institute at Columbia University and as Managing Director of IDEAfrica, a strategic advisory and investment firm. Zoravar currently serves on the Advisory Board of the Sikh Coalition and as a Director of iJenga and Building Beats. Zoravar received a Bachelors of Commerce in Operations Management from the University of Alberta and a Masters of Business Administration from the Kellogg School of Management at Northwestern University, where he served as student body President.



Sam Grant – Consultant General Manager, Energy and Environment

Sam has a passion for developing financial solutions to environmental problems. He joined the Equity Group Foundation in 2015 as the Consultant GM for Energy and Environment to put this passion to work for Equity's customers and address environmental issues in Kenya. Previously he worked as the Africa Regional Director at MicroEnergy Credits. While in this role MEC expanded operations in Africa and doubled outreach to over one million families with a clean energy product. Previously, Sam



worked in the microfinance sector for Women's World Banking in Ethiopia and ShoreBank International in Uganda, Tanzania and Papua New Guinea. Sam started his career in clean energy and finance as a Princeton in Asia Fellow in Mongolia with XacBank where he launched a clean energy program that now covers 90% of the Mongolian population living off municipal grids. He holds a B.A. in Economics from Occidental College and is a PhD candidate in Electrical Engineering from the University of New South Wales.



Bola Tafawa, Ph.D. – General Manager, Health

Bola is a Social Epidemiologist that joined EGF in 2012 after working in South Africa, Nigeria and the United States. Her area of expertise includes social determinants of health, strengthening health systems and managing efficient health workforces, behavioral change communications, research methods and program design, management and evaluation. Prior to her work in Kenya, Dr. Bola worked on communication initiatives for McCann Healthcare Worldwide and the Dana Farber Cancer Institute. She has also managed programmes for the National Human Genome Research Institute of the National Institutes of Health in the U.S. Bola has a doctoral degree in Social Epidemiology and

Health Communications from Harvard School of Public Health and a Master's degree in Public Health from the University of Michigan. She is passionate about working with and mentoring young professionals.

Anthony Kiogora – Consultant Program Manager, Entrepreneurship

Anthony joined EGF in 2011 as the Program Manager– Entrepreneurship, after working as an enterprise development consultant in the development and private sectors for 15 years. Anthony is a certified business coach and mentor and holds an MBA and Bachelor of Commerce with a specialization in management science from the University of Nairobi. He is also certified as a Start and Improve Your Business (SIYB) trainer from the International Labor Organization.



Penny Kimani – General Manager, Finance

Penny joined the Equity Group Foundation in 2011 as the General Manager in charge of Finance. Prior to joining the EGF, Penny worked in the Advisory Consulting – Public Sector Group of PwC, where she gained extensive experience in fund management, budgeting, review and improvement of internal controls, delivery of professional audit services, project management and financial management advisory services to Government ministries, NGOs, Development agencies and organizations in the private sector within the region. She holds a Bachelor of Science with distinction (summa cum laude) in International Business Administration from the United States

International University and a post-graduate diploma in project Planning and Management from the University of Nairobi.



Mathew Ngunga – General Manager, Monitoring and Evaluation

Mathew is a social scientist with over 15 years' experience developing and managing monitoring and evaluation (M&E) systems. Prior to joining EGF in mid of 2015, Mathew worked with the Futures Group [now the Palladium Group] as the M&E Technical Lead for a large US\$92 Million orphan and vulnerable children program in Zambia where he also served as the country representative. Mathew holds a Bachelor in Arts from Punjab University, India and a Masters in Educational and Social Research from the University of London, United Kingdom.

Jeremy Kamau – General Manager, Operations

Jeremy joined Equity Group Foundation in 2010 as the General Manager, Operations. Jeremy is a banker by profession with extensive experience in rural development, microfinance and commercial banking. He holds a Master of Science in Entrepreneurship from Jomo Kenyatta University of Agriculture and Technology, a Bachelor of Science in International Business Administration with a major in accounts from the United States International University and is a certified public accountant (CPA-K) from Strathmore University.



Mary Kuria – General Manager, Strategic Partnerships and Fundraising

Mary joined Equity Group Foundation in 2015 as the General Manager for Strategic Partnerships and Fundraising. Prior to joining EGF, Mary worked as the Manager for Resource Mobilization at the African Economic Research Consortium (AERC) where she spearheaded the organizational resource mobilization strategy development and implementation, working with bilateral, multilateral, foundations and other donors. She previously worked in similar roles with the African Union, Action Aid International and the Red Cross Movement. Mary has over 20 years of extensive experience in fundraising and partnership development, programme development

and grants management in the development sector. Mary's areas of expertise include program development, fundraising, grants management and compliance, donor and partnership relations management, including systems development, advisory services and technical support. She holds a Masters of Business Administration (MBA) in Strategic Management from the United States International University and a Bachelor of Arts degree from the University of Nairobi.

Our Donors & Partners

enabled EGF continue to deliver cost-effective quality programmes with tangible impact and multiplier effects. Without the support of these partners the results achieved in 2015 would not have been realized.

In 2015, unrelenting efforts to strengthen and enrich our highly valued strategic partnerships, especially those with our existing institutional partners, continued. In addition, we continued to develop and explore new partnerships with the aim of broadening and diversifying our partnership base. For this EGF, is leveraging on our growing reputation for delivering cost-effective programmes with tangible impact.

The MasterCard Foundation

The MasterCard Foundation is an independent, global organization based in Toronto, Canada, with over \$9 billion in assets. Through collaboration with partner organizations in 49 countries, it is creating opportunities for all people to learn and prosper. The Foundation's programmes promote financial inclusion and advance youth learning, mostly in Africa. Established in 2006 through the generosity of MasterCard Worldwide when it became a public company, the Foundation is a separate and independent entity.



The MasterCard Foundation

United States Agency for International Development (USAID) and President's Emergency Plan for AIDS Relief (PEPFAR)

The United States Agency for International Development (USAID) is the development arm of the United States Government, advancing U.S. foreign policy objectives by supporting economic growth, agriculture and trade, global health, democracy and conflict mitigation and management, and humanitarian assistance. USAID/Kenya is investing US \$26.4 million from the President's Emergency Plan for AIDS Relief (PEPFAR) to provide comprehensive Wings to Fly scholarships, leadership training, and mentorship to more than 4,116 Orphan and Vulnerable Children (OVC) scholars between 2011– 2017.



In 2015, USAID signed a Global Development Alliance Grant (GDA) with EGF and Equity Bank Kenya Limited (EBKL) for an amount of USD \$6,953,360 to support Equity Afia. EBKL will provide a matching contribution towards the programme.

KfW Development Bank

KfW carries out Germany's financial cooperation with developing countries on behalf of the German Federal Government. On behalf of the German Federal Ministry for Economic Cooperation and Development, KfW is sponsoring 349 *Wings to Fly* scholars of the 2013 intake and 609 *Wings to Fly* scholars of the 2015 intake, drawn from the urban poor communities in Kisumu, Mombasa, Nairobi and Nakuru counties.



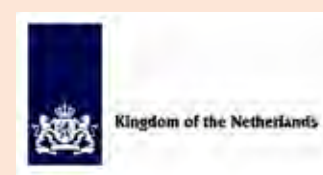
Department for International Development (DFID)

The Department for International Development (DFID) leads Britain's fight against global poverty, delivering UKaid around the world. In 2011, DFID partnered with EGF to support a class of 600 students – 400 girls and 200 boys – with direct financial support for comprehensive *Wings to Fly* scholarships as well as leadership and mentorship development for an additional 572 girls.



Embassy of the Kingdom of the Netherlands

The Netherlands closely cooperates with the Government of Kenya, with financial support flowing via NGOs and UN organizations. In the period 2012–2015, the Netherlands' development investments have a focus on food security, water, and security and rule of law. The Dutch government supports EGF's Agriculture Growth Accelerator – Unlocking Agricultural Potential through Medium-sized Farms – initiative to increase production and incomes among farms generally between 10 and 100 acres in size.



Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses. To achieve these goals, The Rockefeller Foundation works at the intersection of four focus areas – advance health, revalue ecosystems, secure livelihoods and transform cities – to address the root causes of emerging challenges and create systemic change. Together with partners and grantees, The Rockefeller Foundation strives to catalyze and scale transformative innovations, create unlikely partnerships that span sectors and take risks others cannot – or will not.



Lundin Foundation

The Lundin Foundation is a philanthropic organization founded originally by the Lundin Family and currently supported by a number of publicly traded natural resource companies committed to the highest standards of corporate social responsibility. The Foundation provides risk capital, technical assistance, and strategic grants to outstanding social enterprises and organizations across the globe, with a view to contributing to sustained improvements in social and economic development. The Foundation is supporting EGF to undertake enterprise training focusing on relatively rural and notably under developed counties (i.e. Turkana, Isiolo and Lamu), which are part of the Lamu South Sudan Ethiopia Transport Corridor (LAPSSET).



Consultative Group to Assist the Poor (CGAP)

The Consultative Group to Assist the Poor (CGAP) is a global partnership of 34 leading organizations that seek to advance financial inclusion. CGAP develops innovative solutions through practical research and active engagement with financial service providers, policy makers, and funders to enable approaches at scale. CGAP is supporting EGF in the development of digital learning content for the Equitel platform.



International Fund for Agricultural Development (IFAD)

IFAD is working with EGF, Equity Bank and others to increase the amount of credit and financing available to smallholder farmers across Kenya. Under the Kenya Cereals Enhancement Program (KCEP), EGF is receiving specific funding to develop a capacity building programme that will facilitate financial literacy training to the participating farmers, agro-dealers and entrepreneurs.



Equity Group Holdings Limited

Equity Group Holdings was founded in 1984 as Equity Building Society (EBS). The Vision of the Group is to Champion the Social Economic Prosperity of the People of Africa. Its mission is to offer inclusive financial, customer focused services that socially and economically empower our clients and other stakeholders. The Group has recorded various key milestones over the years. In 2004 it converted to a fully-fledged commercial bank, Equity Bank Limited (EBL). In 2006, the Group was listed at the Nairobi Securities Exchange where it has become the largest bank by market capitalization. On 31st December 2014, the Group finalized an internal restructuring that culminated in its conversion to a non-operating holding company, Equity Group Holdings Limited (EGHL) in order to further meet its objectives. The Group has banking subsidiaries in Kenya, Uganda, South Sudan, Rwanda, Tanzania and the Democratic republic of Congo with a customer base of over 10 million people. It has several non-banking subsidiaries which include the Equity Group Foundation, Equity Insurance Agency Ltd, Equity Investment Bank, and Finserve Africa Ltd.



Equity Group Foundation International

In order to grow its profile and connect with prospective funding and technical partners abroad, EGF supported the launch of Equity Group Foundation International (EGFI) in 2014. EGFI is a legally registered 501(c)(3) non-profit organization in the United States and is governed by an all-volunteer board of directors, who together offer decades of corporate and non-profit leadership experience. A stand-alone organization, EGFI's vision is consistent with EGF's: to support the social and economic transformation of the people of Africa. EGFI is able to accept financial contributions from donors on a fully tax deductible basis, in accordance with US laws. EGF looks forward to partnering with EGFI in the years to come to bring news of EGF's effective approaches in the field to new audiences and to raise important funds to increase the reach, scope and scale of our work.



Other Supporting Partners

In addition to our principal donors, EGF also recognizes the tremendous support that we receive from a multitude of public and private partners who assist us in the implementation of our various initiatives to transform the lives and livelihoods of those at the base of the pyramid.

Action Network for Disabled (ANDY)

A Kenyan NGO formed by and for youth with disabilities, ANDY links entrepreneurs with disabilities to EGF's Fika programme.

African Management Institute

The African Management Institute (AMI) is a social enterprise dedicated to strengthening small and growing businesses (SGBs) across Africa by building the competence and performance of managers and entrepreneurs. In collaboration with the Aspen Network of Development Entrepreneurs, discussions are on-going for EGF to partner with AMI on the Winning Women Project.

Mozilla Foundation

The Mozilla Foundation is a non-profit organization that exists to support and collectively lead the open source Mozilla project. Mozilla Foundation is supporting EGF in the development and roll out of its digital literacy innovations.

Alliance for a Green Revolution in Africa (AGRA)

AGRA is working with EGF, Equity Bank and others to increase the amount of credit and financing available to smallholder farmers across Kenya.

Gertrude's Garden Children's Hospital

Gertrude's Children's Hospital provides subsidized medical care and services to *Wings to Fly* scholars at its main hospital and its satellite clinics.

Hong Kong and Shanghai Banking Corporation Limited (HSBC) Africa

HSBC Africa provides funds for four comprehensive scholarships under the *Wings to Fly* programme.

Hunger Safety Net Programme (HSNP)

HSNP is a safety-net building and social protection programme run by the Government of Kenya with support from DFID in northern Kenya. HSNP also supports the mobilization of entrepreneurs and links them to other EGF programmes.

Sports Kenya

Sports Kenya, which manages the major sports stadia in Kenya, has hosted the Annual Induction and Commissioning of the *Wings to Fly* scholars at the Moi International Sports Complex since 2011. It also hosted the Annual Education and Leadership Congress in 2014 and 2015.

Jomo Kenyatta University of Agriculture and Technology (JKUAT)

JKUAT, in partnership with the Government of Japan, works with EGF to facilitate financial education programmes as part of a larger effort to empower women.

Kenya Forest Service (KFS)

KFS works to conserve, develop, and sustainably manage forest resources for Kenya's socio-economic development. KFS encourages forestry agri-business entrepreneurs to join EGF's financial literacy programme and is a key partner in EGF's environmental efforts.

Kenya National Examinations Council (KNEC)

KNEC provides examination results for the timely and accurate selection of *Wings to Fly* and ELP scholars.

Kenya Primary Schools Heads Association (KEPSHA)

KEPSHA members disseminate information, distribute applications, and mentor *Wings to Fly* scholars, as well as serve as members of DSSBs.

Kenya Private Schools Association (KEPSA)

KEPSA members identify needy children in their schools who maybe promising applicants to the *Wings to Fly* programme, as well as serving as members of DSSBs.

Kenya Scouts Association (KSA)

KSA, a voluntary, educational, non-political movement for young people, connects its scouts to EGF's FiKA programme to access financial literacy training.

Kenya Secondary School Heads Association (KSSHA)

KSSHA members mentor and guide *Wings to Fly* scholars on a day-to-day basis in schools, as well as serve as members of DSSBs.

Kenya Tea Development Authority Foundation (KTDA)

Through KTDA Foundation, EGF connects with groups of farmers in need of financial education. In addition, KTDA has facilitated several tea factory managers to sit on local DSSBs.

Kenyatta University

Kenyatta University supports our *Wings to Fly* and has acted host to the Annual Education and Leadership Congress for scholars at its main campus in Kahawa.

International Labour Organization (ILO)

ILO provides its Training of Trainers programme and training materials for EGF's Entrepreneurship Training programme.

Marvel Five Investment Limited

Marvel Five Investment Limited supplied sanitary pads for one year to all the girls joining the programme in 2014. An additional donation has been confirmed for all girls in the programme for four years starting in 2015 through to 2018. This donation into a possible 45 scholarships in the same time period.

Micro Energy Credits

Micro Energy Credits (MEC) is a clean energy distribution company that makes it easy for financial institutions to lend for clean energy. EGF has been collaborating with MEC to implement the Equity Clean Energy Program which has a goal to empower 1 million households in Kenya with access to clean energy in three years.

Ministry of Education, Science and Technology (MoEST)

EGF's education efforts are implemented in accordance with the policy directives and goodwill of MoEST. District Education Officers chair DSSBs, which play a vital role in selecting and vetting the qualifications of *Wings to Fly* scholars and providing scholars with ongoing encouragement, support and conflict resolution.

Ministry of Gender, Children & Social Development

The Ministry registers and links self-help and women's groups with EGF programmes.

Ministry of Land, Housing and Urban Development

Previously the Ministry of Local Government, this Ministry assists in implementing the *Wings to Fly* programme under the Kenya Primary and Secondary Education Programme in cooperation with the Governments of Germany and Kenya.

Ministry of Youth (MOYA)

MOYA registers and links youth groups around Kenya with EGF programmes.

Nairobi Women's Hospital

Nairobi Women's Hospital provided free medical services to *Wings to Fly* scholars during the 2014 Annual Leadership Congress.

Northern Kenya Education Trust (NOKET)

NOKET operates a scholarship programme in northern Kenya, and its personnel are members of DSSBs in arid and semi-arid land regions.

Permanent Working Group on Vocational, Technical and Industrial Training (PWG)

EGF is part of the Permanent Working Group on Vocational, Technical and Industrial Training (PWG), an initiative by the Delegation of German Industry and Commerce in Kenya (AHK) together with the Kenya Private Sector Alliance (KEPSA) and LIWA (Linking Industry with Academia), under the patronage of the Embassy of the Federal Republic of Germany in Nairobi.

The Nourafchan Foundation

The Nourafchan Foundation has donated Bata sports shoes to the scholars joining Form 1 in the last two years. In 2014 they added a package of stationery supplies (geometrical sets, pencils, pens, rulers, erasers, clip boards, pencil pouch, spring files and paper). This donation of stationery items was worth about KES4, 444,000 (approximately USD 51,674) for items all scholars are required to have when joining secondary school. Additionally, the Nourafchan Foundation also donated food products to families of *Wings to Fly* scholars in Mombasa County, which inspired additional support from the County Governor.

The World Bank

The World Bank works in partnership with EGF, Equity Bank, AGRA, IFAD and the Ministry of Agriculture to provide a risk sharing facility, Kilimo Biashara, to increase food security and household income for farmers and support commercialization of agricultural activities among Kenyan farmers.

Women's World Banking (WWB)

WWB, a nonprofit organization that provides technical assistance to microfinance institutions and banks that offer credit and other financial services to low-income women entrepreneurs in the developing world, partnered with EGF to facilitate the inclusion of financial literacy messaging through the popular Kenyan TV series Makutano Junction.

World Food Programme (WFP)

WFP supported the facilitation of financial education for resilience, wealth creation and economic growth by integrating EGF's FiKA programme with their food and cash distribution to beneficiaries in arid and semi-arid regions of Kenya.

Young African Leaders Initiative (YALI) East Africa Regional Leadership Center

EGF and Equity Bank are members of a consortium led by Deloitte that runs Young African Leaders Initiative (YALI) East Africa Regional Leadership Center (RLC) to support young African leaders from throughout the region to spur growth and prosperity, strengthen democratic governance, and enhance peace and security across Africa. The RLC based at Kenyatta University, includes partners such as Africa Nazarene University, Microsoft, Family Bank Foundation, Global Give Back Circle, Housing Finance Foundation, Kenyatta University, Knod Foundation, Nation Media Group, The MasterCard Foundation, among others.

[illegible]



Dr James Mwangi with Wings to Fly scholar Florence Faith Lesorogol (on his right in black) and her relatives during a visit at their home in Samburu Central.



First Lady, Margaret Kenyatta presents Mary Mwakatini with her letter of admission to ELP.



Equity Group Foundation Equity Centre, 8th Floor, Wing B, Hospital Road, Upper Hill
P.O. Box 13241-00200, Nairobi, Kenya **Tel:** (+254) 763 063 000
E-mail: info@equitygroupfoundation.com **Website:** www.equitygroupfoundation.com

