

MAKING

CONNECTIONS

WEAVING RESILIENCE AND CAPACITY INTO COMMUNITIES THROUGH
SUSTAINABLE INTERNATIONAL DEVELOPMENT

ACDI/VOCA 2015 ANNUAL REPORT



All photos by ACDI/VOCA staff.

ACDI/VOCA is an international development nonprofit that envisions a world in which all people are empowered to succeed in the global economy. Since our 1963 founding, we've incorporated cooperative principles into our work in 146 countries to help people build healthy families, resilient communities, and flourishing societies.

LETTER FROM **BOARD CHAIR** AND **PRESIDENT & CEO**



In 2015 ACDI/VOCA began an organizational pivot toward a new business model to embrace the dynamic shift in international development funding. While retaining our mission-focus on global economic empowerment, and continuing our role as a lead implementer of U.S. Government-funded food security programs, we took important steps to further leverage the power of the private sector for our programs' sustained success. Our 2015 pivot initiatives included an update to the Board of Directors to increase private sector skill and experience, improved accountability with a truly global monitoring & evaluation system, and the rising success of our dedicated business subsidiary Agribusiness Systems International (ASI).



Creating commercial development is natural for us; we were founded by the U.S. cooperative movement over fifty years ago. We work with markets in mind as an economic development catalyst. Last year, USAID cited us as a top performer in its public-private partnerships. By our count, we strengthened over 66,000 organizations last year alone. These actions make markets work better and bring lasting change.

In this report, we highlight programs representing our diverse approaches: strengthening market systems in Mali; bringing climate-smart agriculture to Zambia; empowering the vulnerable in Bangladesh; catalyzing investment in Kyrgyzstan; and connecting businesses to market solutions in India and Kenya through ASI.

You'll note that colorful fabric swatches enliven the report. These are textiles from the countries where we work. We see them as a visual metaphor for how our projects, through their interwoven technical approaches, sustainably strengthen the social fabric of communities.

We hope you find the report informative and compelling. Engage with ACDI/VOCA through our volunteer program or other initiatives as we build new and unique partnerships that further empower people to succeed in the global economy.

Mortimer H. Neufville
Chair, Board of Directors

William Polidoro
President and Chief Executive Officer

WHERE WE WORK

2015 HIGHLIGHTS

 **5 MILLION**
PEOPLE EMPOWERED

66,000 
ORGANIZATIONS
STRENGTHENED

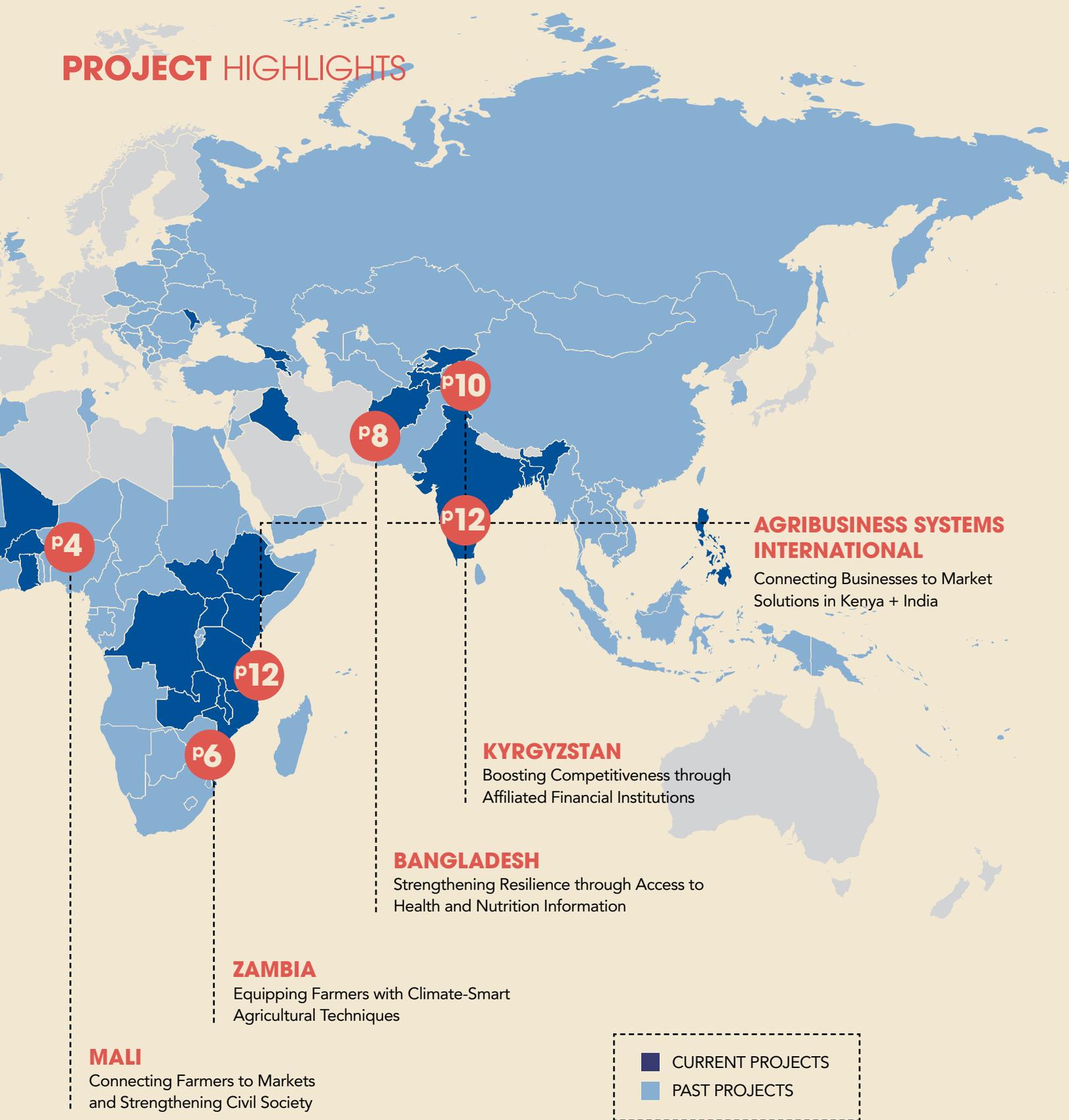
 **650,000**
FARMERS TRAINED

820,000 
HECTARES IMPROVED

400
PUBLIC  PRIVATE
PARTNERSHIPS



PROJECT HIGHLIGHTS



P4

MALI

Connecting Farmers to Markets and Strengthening Civil Society

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ZAMBIA

Equipping Farmers with Climate-Smart Agricultural Techniques

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AGRIBUSINESS SYSTEMS INTERNATIONAL

Connecting Businesses to Market Solutions in Kenya + India

- CURRENT PROJECTS
- PAST PROJECTS

MARKET SYSTEMS IN

MALI

CONNECTING FARMERS TO MARKETS AND STRENGTHENING CIVIL SOCIETY

Mali struggles to be food-secure. With more desert than arable land, Mali contends with ethnic tensions, physical insecurity, high population growth, and corruption and is one of the world's least developed countries. To ameliorate the situation for Mali's 17 million people, we implemented two projects there in 2015 that enhance civil society, strengthen local capacity, and connect smallholder farmers to markets to boost their productivity and resilience.

The USAID **Feed the Future Mali Cereal Value Chain (CVC) Project** promotes inclusive, equitable agricultural sector development through increased value chain integration to bring about broad-based economic growth. The project takes a facilitative approach to value chain development, ensuring

that project efforts lead to sustainable partnerships and food security. It strives to provide smallholder farmers access to new and improved farming approaches and knowledge. Midway through its five-year implementation, CVC is expanding and adapting activities as it becomes even more commercially driven in its efforts to establish market linkages and strengthen local capacities and systems.

The USDA-funded **Mopti Coordinated Area Development Program (Mali III)**, which we sub-implement with the Aga Khan Foundation, addresses agricultural challenges in central Mali's rural Mopti region, where 94 percent of the population live in poverty. The region experiences only one good harvest every three rainy seasons. The Mali III project increases smallholders' agricultural production, builds household incomes, and enhances civil society by promoting the adoption of improved inputs and agronomic techniques. The project also facilitates the marketing of agricultural products by working with producer groups to improve production quality and marketing structures. It mobilizes community-based village and women's organizations to manage their resources and become agents for change within their communities.



"Now with this income, I can buy school supplies for my kids, dress them, take care of medical expenses, and it will even help me expand my trade."

—Aly Coulibaly, rice producer, Sofara


REAL STORIES

Woman Rice Farmer Boosts Rice Production Thanks to Cultivation Training

Mother of four Rokia Diallo produces rice on her three-hectare farm in southern Mali. After attending a CVC-led rice cultivation training in 2014, she tried the technique of planting rice in rows on some of her land.

At harvest, her yield increased from 1.5 tons to about 2.5 tons of rice per hectare. She says the CVC project has provided farmers “with gold.” She’s cut production costs and increased her income.

As the leader of a 500-member co-op, Diallo shares the cultivation techniques she learned at the CVC training with co-op members, amplifying its impact. Diallo’s efforts contribute to achieving the project’s goals of empowering women and vulnerable communities by boosting their resilience and food security through improved access to markets and integration into competitive value chains.

29% of Mali’s population is undernourished, yet only 7% of its 43.7 million arable hectares are currently cultivated.



BY PROJECT’S END, MALI CVC WILL FACILITATE THE DISBURSEMENT OF NEARLY **\$1 MILLION** IN LOANS AND RESULT IN **31,000** HECTARES CULTIVATED UNDER IMPROVED TECHNOLOGIES.

CLIMATE-SMART AGRICULTURE IN

ZAMBIA

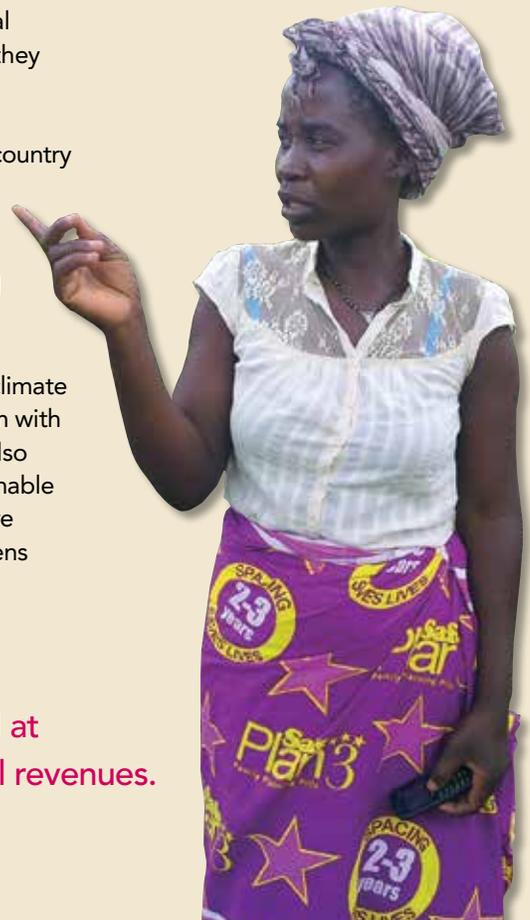
EQUIPPING FARMERS WITH CLIMATE-SMART AGRICULTURAL TECHNIQUES

Climatic warming is happening at a faster rate in Africa than in other parts of the world. Climate change not only stresses the physical environment but also strains the social and institutional environments necessary for profitable agricultural production. Smallholder farmers are on the frontlines of climate change as they contend with its hazardous effects on a daily basis.

Climate change and resulting drought conditions affect farmers in Zambia, a country still troubled by poverty and malnutrition, despite recent economic growth. Enter our five-year **Feed the Future Zambia Production, Finance, and Improved Technology Plus (PROFIT+)** project, which strengthens farmers' capacity to surmount the effects of climate change by increasing agricultural productivity and access to high-value markets.

PROFIT+ sustainably increases farmers' incomes and capacities to adapt to climate change—two of climate-smart agriculture's three pillars—by equipping them with conservation farming techniques through farmer field schools. The project also provides farmers with an environmental mitigation and monitoring plan to enable them to make their own environmental assessments and identify the negative impacts of how they've farmed traditionally. The project ultimately strengthens input supply channels and marketing outlets.

Increased temperatures at planting and reduced rainfall at germination could result in a 200% decline in agricultural revenues.



Of the positive effects of climate-smart farming techniques, PROFIT+ participant Elia Banda says “My neighbor’s field was drying up early after it rained, while moisture in my field lingered.”


REAL STORIES

Woman Farmer Boosts Yields, Adapts to Changing Climate

Elia Banda is a 43-year-old smallholder farmer in Zambia's Eastern Province. Elia, like many area farmers, grew up knowing that the rains start in mid-October and that by early November, the rainy season should have arrived in earnest. However, these weather patterns have changed and the rainy season is now characterized by either droughts or floods.

In the 2014–2015 season, Elia's crops were attacked by pests and diseases, which she has come to learn through PROFIT+ trainings is due to higher temperatures. The PROFIT+ farmer field school (FFS) also introduced Elia to conservation farming techniques to mitigate the effects of climate change.

Previously, she used traditional techniques and recycled seed, which resulted in a harvest of 20 bags of maize from her four-hectare field. Last season, equipped with the knowledge she gained at the FFS, she minimally tilled her field and did not burn crop residues. She harvested 65 bags, three times her typical yield.

With her profits, Elia moved to a sturdier house, a tangible benefit of climate-smart techniques. She's exuberant about her success.



147,906 FARMERS, **56%** OF WHOM ARE WOMEN, ARE APPLYING CLIMATE-SMART FARMING TECHNIQUES THANKS TO PROFIT+ INTERVENTIONS.

EMPOWERMENT AND RESILIENCE IN BANGLADESH

STRENGTHENING RESILIENCE THROUGH ACCESS TO HEALTH AND NUTRITION INFORMATION

Two of our projects in Bangladesh reflect the myriad ways in which our interventions bolster project participants' resilience while empowering them to build healthier, more possibility-filled futures for themselves and their children.

The **Feed the Future Bangladesh Livestock Production for Improved Nutrition** project, which kicked off in June 2015, increases livestock productivity through better management techniques and primary animal health care activities. These activities enhance participants' nutrition and resilience, especially that of women and children.

This current project benefited from the success of and staff continuity from the **Program for Strengthening Household Access to Resources (PROSHAR)**, which concluded in the fall of 2015. In its five years of implementation, PROSHAR improved women's livelihoods, increased local knowledge of and access to health and nutrition services, and strengthened the capacity of institutions and households to respond to natural and chronic disasters.

Nearly one-third of Bangladesh's 155 million people live below the poverty line. Due to widespread food insecurity, over 41% of children under five suffer from stunting.



"I feel good being a member of the [mother care] group. I feel better if I can serve others. I learned a lot from PROSHAR. I am so happy I cannot control my tears."

—Provati Halder, PROSHAR participant


REAL STORIES


PROSHAR Participant's Unrealized Dreams Lead to Advocacy

When Selina was married at 14, her dreams of becoming a teacher evaporated. As a victim of child marriage, she's determined to speak up for her sister-in-law and other young women to deflect early-marriage proposals.

When PROSHAR came to her village in rural Bangladesh, Selina participated in the Mother Care Group and became a Mother Leader, instructing other women on a variety of topics, including the proper care and feeding of pregnant and lactating women and their babies.

Through PROSHAR, Selina also learned techniques to improve her homestead gardening, poultry husbandry, and aquaculture, cultivating her capacity to contribute to the family's income. She feels more empowered and says that now "the family sits and discusses things together."



DURING ITS FIVE-YEAR IMPLEMENTATION, PROSHAR INTERVENTIONS REACHED **41,043** BENEFICIARIES IN THE ON-FARM SECTOR, **70%** OF WHOM WERE WOMEN, AND DECREASED THE HOUSEHOLD HUNGER SCORE BY **43%**.

CATALYZING INVESTMENT IN KYRGYZSTAN

BOOSTING COMPETITIVENESS THROUGH AFFILIATED FINANCIAL INSTITUTIONS

In 2015, two successful ACDI/VOCA projects, a Farmer-to-Farmer volunteer assignment, and activities related to our affiliated financial institutions built the capacity of entrepreneurs, farmers, and agribusinesses while strengthening Kyrgyzstan's private sector. Such efforts are essential as Kyrgyzstan, independent since 1991, works hard to fight corruption, improve transparency, and attract foreign investment.

The Women's Leadership in Small and Medium Enterprises (WLSME) project, which concluded in September 2015, reduced the barriers to social capital that limit women

entrepreneurs' growth. **Agro Horizon**, which began in October 2014, accelerates diversified and equitable economic growth by linking farmers and producers with markets and improving the enabling environment for agricultural-sector growth.

In August 2015, ACDI/VOCA hosted the AFI Network Summit in Amsterdam. Six of our eight Central Asian affiliated financial institutions (AFIs) discussed risk-based approaches to audit and risk management, triple-bottom line strategies, and agricultural value chain finance.

Our AFIs have a portfolio exceeding \$293 million in loans outstanding to 252,000 clients, 53 percent of whom are women. AFI Bai Tushum, the first Central Asian microfinance institution to become a commercial bank, turned 15 in 2015. It offers products and services to businesses, SMEs, and the general public. Bai Tushum promotes the financial inclusion of the poor, youth, and women.



Food insecurity affects 30% of the Kyrgyz population.



Sewing shop owner Jamilya Kabilova says the knowledge she gained through WLSME capacity building "was almost like giving sight to a blind person."


REAL STORIES


Kyrgyz Woman Entrepreneur Empowered by Farmer-to-Farmer Volunteer

F2F volunteer Cliff Wener visited a village in Kyrgyzstan's Fergana Valley to assist entrepreneur Cholpan Amatova. Amatova participated in the Women's Leadership in Small and Medium Enterprises (WLSME) project.

Amatova, who owns a business that produces *talkan*, a cornflake substitute, was a winner of WLSME's business plan competition, which connected her with Wener, a 25-year veteran of the food-processing industry.

Thanks to Wener's training, Amatova is seeking international certification for her product, developing a new recipe, and creating marketing materials.



OF THE **960** FEMALE BENEFICIARIES REACHED BY WLSME, **620** COMPLETED BUSINESS MANAGEMENT TRAINING AND MORE THAN **400** ENGAGED IN NETWORKING AND MENTORING EVENTS.

AGRIBUSINESS SYSTEMS INTERNATIONAL

MARKET SOLUTIONS

CONNECTING BUSINESSES TO MARKET SOLUTIONS

Agribusiness Systems International (ASI) believes that businesses can profit while sustainably solving today's pressing development challenges. ASI turns the typical development model on its head: instead of supporting smallholder producers directly, it works with businesses to develop solutions that meet the needs of the world's poorest producers and disenfranchised entrepreneurs. ASI studies market forces to develop investment strategies that catalyze sustainable supply chains, allowing company and producer alike to prosper.

In **India**, ASI analyzed the mint supply chain and developed a long-term investment strategy for the Wm. Wrigley Jr. Company. This strategy ensures a reliable quality and quantity of mint supply for the company, while maximizing return on investment for producers.

In **Kenya**, ASI is testing a model that incentivizes companies to invest in promoting grain storage devices to smallholder farmers. The companies are on target to sell 172,000 MT of new grain storage capacity to 480,000 smallholder producers by 2018.

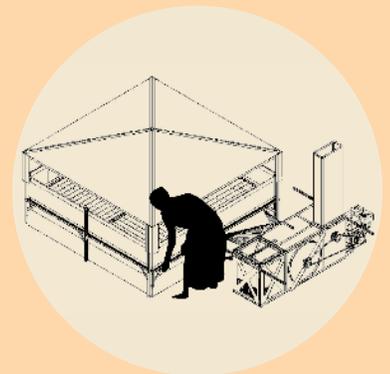
"Working with ASI enables us to deliver on our principle of mutuality to ensure a sustainable mint supply chain and improve the livelihoods of mint smallholder farmers in India."

Kim C. Frankovich, Wrigley Global Sustainability Director



Introducing Appropriate Technologies into the Marketplace

Through **AflaSTOP**, ASI and ACDI/VOCA designed a mechanical grain dryer for Kenyan smallholder producers. ASI is now testing market-entry strategies for potential investors to bring the dryer to market throughout East Africa.



AFLASTOP'S DRYER IS THE **ONLY** MOBILE MECHANICAL DRYER ON THE GLOBAL MARKET AIMED AT SMALLHOLDER FARMERS' YIELDS AND PRICE POINTS.

ASI, an affiliate of ACDI/VOCA, confronts today's global challenges by aligning business interests with those of smallholder producers.

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2015 PROJECTS

COUNTRY	PROGRAM	FUNDER
AFGHANISTAN	Regional Agricultural Development Program-North (RADP-N)	USAID
ARMENIA	Farmer-to-Farmer	USAID
BANGLADESH	Bangladesh Program for Strengthening Household Access to Resources (PROSHAR)	USAID/Food for Peace
	Livestock Production for Improved Nutrition	USAID/Feed the Future
BURKINA FASO	Victory Against Malnutrition Project (ViM)	USAID/Food for Peace
	Women's Poultry Program to Improve Income and Nutrition (SELEVER)	Bill & Melinda Gates Foundation
COLOMBIA	Afro-Colombian and Indigenous Program (ACIP)	USAID
	Cali Inclusive Workforce Development	Fundación Plan
	Diageo-ASI Alliance	Diageo
DR CONGO	Farmer-to-Farmer	USAID
EAST AFRICA	African Institutions Innovation Mechanism-Assist (AIIM-Assist)	USAID
EGYPT	Advanced Marketing and Agribusiness Logistics (AMAL)	USAID
ETHIOPIA	Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe)	USAID/Feed the Future
	Cooperative Development Program (CDP)	USAID
	Feed Enhancement for Ethiopian Development (FEED) II	USDA
	Launching Traceable Ethiopian Coffee through ECX	IDH Sustainable Trade Initiative
GEORGIA	Farmer-to-Farmer	USAID
GHANA	Agricultural Development and Value Chain Enhancement (ADVANCE) II	USAID/Feed the Future
	Agricultural Value Chain Mobile Finance Project (AgFin)	Rural and Agricultural Finance Program
	Commercial Alliance for Smallholder Horticulture Project (CASH-P)	Agribusiness in Sustainable Natural African Plant Products (ASNAPP)
	Farmer-to-Farmer	USAID
	Ghana Commercialization of Rice Project (GCORP)	Alliance for a Green Revolution in Africa
	Ghana Poultry Project (GPP)	USDA
	Smallholder Centre Pivot Management Program (SCPIMP)	Vegpro Group
GLOBAL	Improving Nutritional Outcomes Through Optimized Agricultural Interventions (ATONU)	FANRPAN
	Leveraging Economic Opportunities (LEO)	USAID
INDIA	Direct Farm Project	Charities Aid Foundation India
	Value Chain Investment Strategy	Private Sector Client

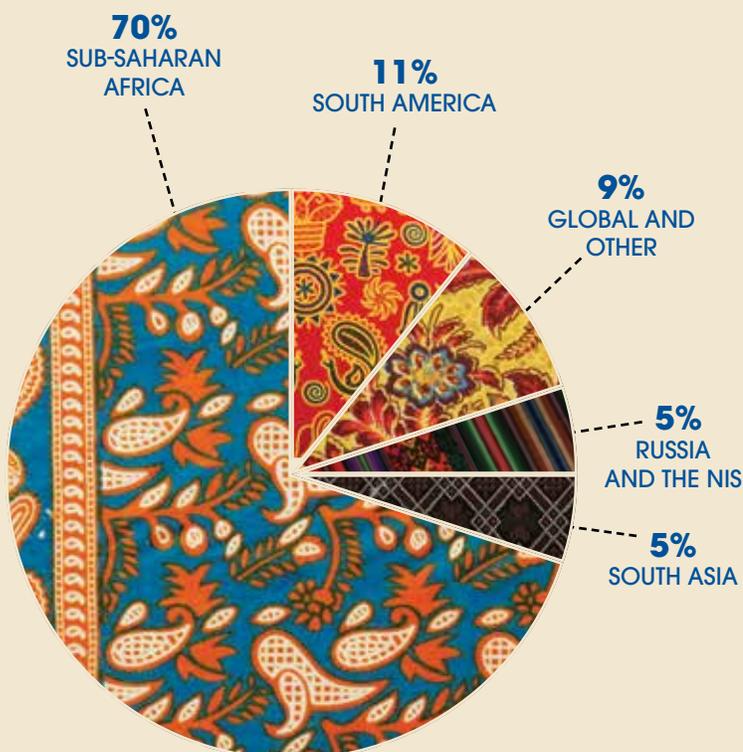
* Projects managed by ACDI/VOCA's affiliate organization Agribusiness Systems International (ASI) noted in red

COUNTRY	PROGRAM	FUNDER
JAMAICA	Jamaica Rural Economy and Ecosystems Adapting to Climate Change (Ja REEACH) II	USAID
KENYA	AgResults Kenya On-Farm Storage Pilot	Deloitte
	Resilience and Economic Growth in the Arid Lands-Accelerated Growth	USAID/Feed the Future
	Storage and Drying for Aflatoxin Prevention Project (AflaSTOP)	Bill & Melinda Gates Foundation; USAID
KYRGYZSTAN	Agro Horizon Project	USAID
	Farmer-to-Farmer	USAID
	Women's Leadership in Small and Medium Enterprises Program	USAID
LIBERIA	Ebola Recovery and Resilience Program (ERRP)	USAID
	Farmer-to-Farmer	USAID
	Liberian Agriculture Upgrading, Nutrition, and Child Health (LAUNCH)	USAID/Food for Peace
	Livelihood Improvement for Farming Enterprises (LIFE) III	USDA
	People, Rules, and Organizations Supporting the Protection of Ecosystem Resources (PROSPER)	USAID
	Smallholder Oil Palm Support (SHOPS) II	USAID
MALI	Mopti Coordinated Area Development Program (Mali III)	Aga Khan Foundation (AKF USA)
	USAID Cereal Value Chain (CVC) Project	USAID/Feed the Future
MOZAMBIQUE	Livelihoods Empowerment and Development (LEAD)	BHP Billiton Sustainable Communities (BSC)
PHILIPPINES	Mindanao Productivity for Agricultural Commerce and Trade (MinPACT) Project	USDA
SENEGAL	Farmer-to-Farmer	USAID
SIERRA LEONE	Sustainable Nutrition and Agriculture Promotion (SNAP)	USAID/Food for Peace
	Sustainable Nutrition and Agriculture Promotion (SNAP+)	USAID/Food for Peace
SOUTH SUDAN	Food, Agribusiness, and Rural Markets (FARM) II	USAID
TAJIKISTAN	Farmer-to-Farmer	USAID
TANZANIA	Tanzania Staples Value Chain (NAFAKA)	USAID/Feed the Future
UGANDA	Resiliency through Wealth, Agriculture, and Nutrition (RWANU)	USAID/Food for Peace
ZAMBIA	AgResults Zambia Maize Biofortification Pilot	Deloitte
	Production, Finance, and Improved Technology Plus (PROFIT+)	USAID/Feed the Future
	Women's Improved Marketing and Asset Control Project (WIMAC)	Walmart Foundation

Effective December 2015

2015 FINANCIALS

REVENUE BY REGION



STATEMENT OF ACTIVITIES

SUPPORT AND REVENUE	
Contracts and grants	131,442,740
In-kind support	8,191,380
Income from subsidiaries	11,411,629
Interest income	69,582
Contributions	218,555
Other	201,534
Total support and revenue	151,535,420

EXPENSES	
Overseas program expenses	134,683,783
General and administrative	23,152,739
Total expenses	157,836,522
Loss on currency revaluation from subsidiaries	(10,167,357)

NET ASSETS	
Change in net assets from operations	(6,301,102)
Other changes to net assets	(10,292,838)
Total change in net assets	(16,593,940)

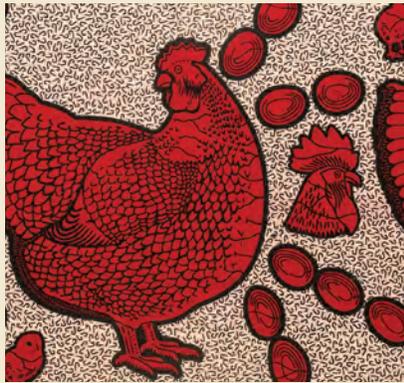
Unrestricted, beginning of year	11,980,580
Unrestricted, end of year	12,786,165
Temporarily restricted, beginning of year	34,490,988
Temporarily restricted, end of year	17,093,822

Includes ACDI/VOCA and ASI, ARFC, Frontiers, and KredAqro

Figures are in US dollars

Draft figures pending final audit





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