

The World We Want Foundation – 2015

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Reflections from the Founder

We have just passed the seven-year mark and the foundation has become an integral part of us. Perhaps because of this high level of engagement, the foundation is resting on a defining moment – a time for reflection and change.

It starts with the question: what are we trying to achieve? Outstanding comparative results (to simplify, here we mean output per dollar) in areas of high importance to us, be that poverty alleviation through job or business creation or conservation of habitats and animals. Often choosing areas where we found the best-suited local partners, who lacked continuous support and/or where our support could be catalytic. We probably meant sustainable change without always spelling it out. Mostly, our projects happened to end up in remote countries known to be difficult to work in: Haiti, Zambia, East Africa.

In the last two years we also entered the land of private investments with a hope of increasing access to basic utilities in poor communities, namely rural India and East Africa. Our invest-



ment companies strive to reach profitability, but also to yield significant impact, providing a service or solving a vital issue for those living on as little as \$1 a day. Even in this world of “impact investment” we have a distinct feeling that money, not excluding the foundation’s, is given too easily and without the diligence demanded in the commercial world.

So we are now prepared to compare our results to what we set out to achieve. Have we helped to build successful change? We have always stated the importance of openness and honesty with others and ourselves about successes and failures. In the spirit of this transparency, we will objectively look at our efforts. We do not yet know where we will end up, but we have some hypotheses.

We have indications that we might have slipped into the quagmire of the NGO and donor world by inadvertently supporting projects without demanding enough transparency and accountability. This might have been because we once thought the entrepreneur or local organization we backed was far superior to the bad alternatives around. But that is a poor excuse. That same entrepreneur and organization might still be far behind what would be expected of a professionally governed, for-profit-corporation; but as an investor or donor, it is difficult to put rigid demands on an individual who is addressing some of the world’s most intractable problems in difficult regions. Could tough love have produced better results, or would that break the organization?

In our home market we would likely have looked for a replacement, but since our projects are so far away this is rarely a realistic alternative. And herein lies the core of the problem we are facing: can we really expect to create sustainable change in far away places – change that is independent of our involvement?

The above relates to our more direct engagements where we have taken an active role, often at a board level. It does not pertain to the more established organizations we support such as Root Capital, One Acre Fund or Pratham. With these organizations we have another problem – not being able to pinpoint our exact impact to the organization and its results on the ground.



It deserves mentioning that many of our so called 'direct' investments are now supported by well known development organizations and huge foundations, or are ranked among the world's best NGOs. Even our own small foundation has become better known and is ranked among the top 500 NGOs in the world. Accolades and big-time donors are nice, but they do not diminish the need for us to conduct a deep analysis of our work.

Ahead of us we have a time of self-introspection, and in the meantime we will temporarily stop new investments and projects. We do not know where all this will take us.... but we do know that we are now more tolerant and sympathetic of foundations and NGOs that strive to accomplish real change everyday.

A handwritten signature in black ink, appearing to read 'P. Leander-Engström', with a long, sweeping underline.

Paul Leander-Engström
Founder and Chairman

Grant

Caribbean Harvest Foundation Creating a Fishing Industry in Haiti

Grant: +\$1 M

Turning fisherman into fish farmers – that was the simple idea behind Dr. Valentin Abe’s Caribbean Harvest Foundation. After 10 years and in one of the most difficult business environments, the enterprise has the potential to be self-sustainable, benefiting thousands of Haitians without being dependent on grants. The Foundation’s mission is to establish a modern and sustainable fishing industry, thus providing jobs and locally sourced protein for the Haitian people.

3W started to work with Val just after the earthquake in 2010. Since then, Caribbean Harvest has become the largest hatchery in the Caribbean, and the largest solar powered hatchery in the world; it has the first fish processing plant in Haiti, also solar powered; and the organization employs 60 people and over 300 farmer families. Current capacity is at 1500 lbs of tilapia/day. Not only is the business creating huge impact economically, but also, as Caribbean Harvest is a foundation, all proceeds go to the communities around Lake Azuei and Peligre, enabling housing, community infrastructure, health clinics, and education programs.

Pratham Ensuring students master fundamental concepts and skills

Grant: +\$1 M

According to the Annual Status of Education Report (ASER) 2014 report, more than 96% of all children in the age group of 6-14 years are enrolled in school in India. However, 52% of children in India in Grade 5 cannot read a Grade 2 level text. Similarly, close to 51% of children enrolled in Grade 5 in 2014 could not solve simple two-digit subtraction problems.

Pratham is trying to change this and has pioneered several models of teaching at the right level, including in-school targeted education for low-performing students, after-school reading classes led by local volunteers, and learning camps that focus on basic skills. Pratham works closely with the government and many of its programs are conducted in or in close collaboration with municipal schools.

Since 2007, 3W has supported 212 slum communities covering almost 30,000 children with a range of education interventions ranging from “light-touch” library programs to the more intensive learning camps, depending on each child’s needs. The impact is transformative. For example, learning camp students (about 4,000/year in 3W areas) improved 22% points in end-line test scores. These results are in line with MIT’s Poverty Action Lab (J-PAL) results found in other parts of India using randomized control trials.



Acumen A Venture Capital Fund for the Poor

Grant: +\$500 K

In 2011, Acumen raised \$4.5 million of grant capital and embarked on a mission to transform affordable education across India and Pakistan by investing in for-profit models which targeted the poorest communities. 3W was one of the founding partners of the Education Portfolio.

Since its inception, the Education Fund has invested in 8 companies with \$5.8M committed in Pakistan and India. Over 500,000 students have been trained in skills helping them get jobs to earn better wages. And over 200,000 students now have access to quality curriculum and learning infrastructure through affordable private and government schools.



One Acre Fund A Business Solution for Smallholder Farmers

Grant: +\$440 K

Farming is the dominant economic activity of the world's poor. One Acre Fund makes that activity significantly more productive. One Acre Fund provides a complete set of services within walking distance of the farmers they serve. The service bundle includes: Financing for farm inputs, Distribution of seed and fertilizer, Training on agricultural techniques, and Market facilitation to maximize profits from harvest sales.

Together, this innovative bundle enables farmers to increase their farm income by at least 50%, eliminating chronic hunger and providing surplus income to invest in productive uses. Farmers achieve this income gain even after repaying One Acre Fund, covering a large proportion (79% in 2015 over all countries) of the program costs.

Today, One Acre Fund reaches over 300,000 farming families throughout 5 countries. Last year, 3W helped to launch the latest of these countries, Tanzania. Since the initial grant, the Tanzania program is servicing over 17,000 families, and contributing a \$100 in new farm profits – a life-changing sum for rural families. In addition, the field operations were 70% sustainable with over 97% farmer repayment rates.



COMACO

Using Commodity Markets for Wildlife Conservation

Grant and Debt: +\$1 M

People living in rural areas with abundant wildlife but little economic opportunities, poach animals and burn forests to meet family needs. COMACO wants to bring back wild animals by transforming poachers into farmers that use sustainable practices. To achieve this, they provide farmers with training in improved conservation farming techniques and access to premium markets. They then purchase surplus food crops from these families for processing and packaging into branded products and sell them in major food markets across Zambia. COMACO operates an integrated value chain that brings healthy products to consumers with a brand promise to increase food security, reduce threats to wildlife and rebuild natural habitat. A recently published aerial survey (www.greatelephantcensus.com) shows that the Luangwa Valley is one of the few places in Africa where protection efforts are successfully stabilizing elephant populations.

Since our initial grant in 2013, COMACO has doubled, now totaling over 145,000 farmer members across over 100,000 square km. This approach has led to the voluntary surrendering of 2200 firearms and 80,000 snares once used to kill wild animals in Zambia's Luangwa Valley. And even more importantly, the model increases farmer income and eliminates the "hunger season", thereby decreasing the need to poach bush meat.





Equity



OMC Power A Solar Solution for Businesses and Households in Rural India

Equity: \$1M

Access to electricity is one of the keys to development, as it provides light, heat and power for productive uses and communication. Today 1.7 billion people in developing countries do not have access to electricity, most of them living in rural areas; 400,000,000 are in India alone. OMC Power offers these rural customers — both business and household customers — electricity through a solar mini-grid solution. In addition, OMC powers mobile towers, which in turn has an immediate cost-saving and climate benefit.

2015 was an exciting year. The year ended with the completion of the construction of its 60-plant pilot. From the first day of operation, all plants power two mobile towers 24/7, and customer build up follows – many plants have already hit profitability. OMC will now work to perfect its model through the rapid roll out of its mini-grid reaching business and household customers. From this proof of concept, OMC will move to scale.



Off Grid Electric A Solar Solution to Light Off-grid Africa

Equity: \$250K

Off Grid Electric's M-POWER provides an energy ecosystem that combines the world's most efficient LED lights and appliances to optimize the energy output from solar panels. This allows Off Grid to provide dependable energy service each and every day. They have combined innovations from the electric vehicle industry and large scale solar to create modular systems that meet the unique needs of customers in rural Africa. These proprietary hardware platforms are designed to enable easy upgrades, ensuring the forefront of energy technology is always in their customers' homes.

At the end of 2015, OGE had 80,000 customers (up from 35,000 and 9,000 in 2014 and 2013, respectively). The company is growing rapidly and is constantly improving its model to incorporate new technology and financing models to meet the needs of its customers and to prosper in the increasingly competitive market.

A photograph of a man in a blue tank top working in a cornfield. He is looking to the right, and the word "Debt" is overlaid in white text on the left side of the image. The background shows a cloudy sky and rows of corn plants.

Debt



Root Capital Unlocking the Potential of Smallholder Farmers

Grant and Debt: +\$5M

Root Capital lends capital and provides financial training to enable small and growing rural businesses in Africa and Latin America to access global markets and create sustainable livelihoods for small-scale farmers. With access to credit and financial management training, Root Capital clients are able to increase their product's volume, quality, and consistency, and can thereby become more reliable suppliers—all of which are critical to the long-term viability of agricultural supply chains.

From an impact perspective, 2015 was a banner year. Through the end of 2015, the organization had reached 277 businesses that collectively sourced from 550,000 producers, thus growing prosperity for over 2 million individuals. Root Capital disbursed a total of \$154 million in loans to these businesses. They, in turn, generated \$1.2 billion in total revenue, \$980 million of which was paid to directly to producers.



NFC Sustainable Forestry

Debt: \$1M

The New Forests Company Group is a sustainable forestry and value added timber products business with operations in Rwanda, Uganda and Tanzania.

The company is driven by impact: social, environmental, economic and commercial. 2015 marks the first ten years of operations and the impacts are significant: NFC has planted 24 million trees and manages 37 thousand hectares of sustainable forest land, including over 9 thousand hectares of conservation area. This area is spread across East Africa on five plantations, four of which are Forest Stewardship Council (FSC) certified, the internationally recognized and rigorous gold standard in responsible forest management. In addition, the company has created over 2,000 jobs contributing to the private sector led economic growth and development of Africa.



The World We Want Foundation

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