

EXECUTIVE SUMMARY

Many of Africa's smallholder families are facing heightened risk of food insecurity following a slow recovery from recent economic and climate challenges, including inflationary pressures and drought in East Africa. By empowering farmers to increase their incomes and adapt to shifting weather patterns, One Acre Fund's model continues to provide pathways to food security for millions of families.

In Q3, most One Acre Fund countries have begun the season's harvest, and our MEL team has commenced its rigorous annual impact assessments (preliminary results will be available in Q4). Early findings suggest this will be a strong year for farmer impact, and in key markets, we have recently restructured our programs to better meet farmers' evolving needs and ensure long-term social return on investment (see [Mgmt Disc I](#)).

We are thrilled to announce that One Acre Fund was recently awarded the [2023 Hilton Humanitarian Prize](#). We are humbled to join the ranks of other nonprofit laureates that have made extraordinary contributions toward alleviating human suffering, and are excited to use this platform to shine a bright spotlight on our farmer clients.

FARMER PROFILE



Name: Jacqueline Munezero

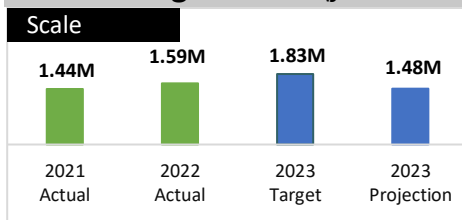
Location: Rubengera, Rwanda

Jacqueline's Story: Jacqueline is part of a cooperative enrolled in One Acre Fund's coffee program. Since her cooperative joined One Acre Fund, Jacqueline increased her harvest from 3 kilograms to 5 kilograms per coffee tree, allowing her to cultivate more coffee from the same number of trees.

Quote: "The training we receive has been so helpful. Our coffee trees can produce even during the dry season and stay green now because we have the skills needed to take care of our crops."

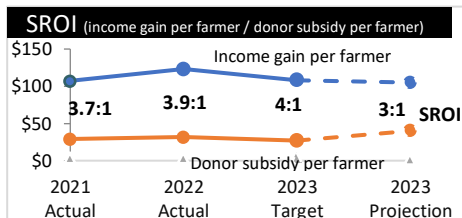
PERFORMANCE AT A GLANCE

1. Core Program Unit (full bundle, direct service program)



Behind Target

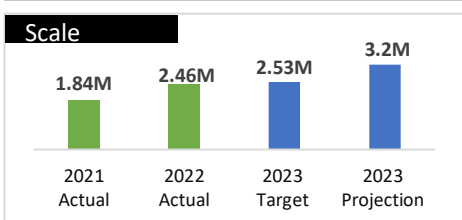
- Project serving 1.48M farmers in 2023, below target due to previously highlighted challenges in Kenya (e.g., gov't fert. subsidy decreasing demand)
- On track to meet scale targets in our poorest markets – Burundi and Malawi.



Slightly Behind Target

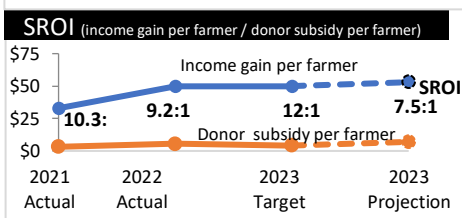
- Forecast core SROI of \$3:1, with higher costs per farmer due to the year's scale challenges. This slight miss nonetheless represents leading impact efficiency for the extremely poor population we serve.

2. Systems-Change Unit (large-scale partnerships in one ag system)



On Track

- On track to serve 3.2 million farm families through our partnerships work. Growth in 2023 encompasses expansion in each systems-change unit - rural retail, market access, trees, extension.



Behind Target

- Expect to miss 2023 SROI target due to lower farmer demand in Kenya (driven by aforementioned gov't subsidy).
- Project SROI of 7.5, well above 1AF's goal of an SROI of 5 in all programs.

3. Field-Building Unit

- Goal:** Influence farm finance, ag R&D, and ag policy fields to benefit farmers.
- Highlight:** One Acre Fund is preparing to participate in this year's UN Climate Change Conference, COP28. We plan to highlight practical smallholder climate solutions and training as a crucial means of supporting climate justice.

4. Research and Development

- Goal:** Improve future scale, impact, cost trajectories of our three program units.
- Highlight:** We are working with farmer cooperatives to expand our commercial crop offerings in Burundi. This year, we launched a mushroom farming trial with three cooperatives, aiming to link smallholders with high value markets.

5. Organizational Capacity

- Goal:** Ensure that we have strong and diverse leadership, resources, and systems in place to support our rapid program growth.
- Highlight:** Our annual Culture and Inclusion survey shows that over 95% of staff feel positively about our mission and work. The results also highlighted a slight decrease in staff satisfaction on inclusion in decision-making compared to 2022, indicating there is still work to be done to ensure staff opinions are valued. We look forward to sharing additional findings in our 2023 People and DEI report later this year.

5. Key Challenges

- Currency Devaluation:** Our working capital requirements are under increased pressure due to significant currency devaluation in our operating countries. We encountered significant losses on farmer loans in dollar terms and have incurred a remeasurement loss (in translation of assets) of ~\$9 million to date in 2023, directly impacting our unrestricted net assets. To confront this challenge and continue to meet our farmer scale targets, we are implementing a number of risk mitigation measures, including incorporating a currency buffer in our input pricing, utilizing local currency for purchases when possible, and seeking additional unrestricted



Members of the Sangwe Ntita cooperative in Burundi

One Acre Fund tracks program performance along three main pillars: scale, impact, and sustainability. Most metrics are not finalized until year-end; thus, the table below only provides a breakdown of our latest scale estimates. We expect to end 2023 with a core program scale of 1.48 million farmers, reflecting challenges spurred by evolving market conditions in Kenya, where we have restructured our program to better ensure our long-term growth. Beyond our core program, we are on track to serve an additional 3.2 million farmers through our systems-change platform, which encompasses four units (rural retail, market access, tree, and extension programs) where we typically co-implement a program with a public or private sector partner.

Country Highlight: Kenya. Since late 2020, we have explored ways to offer more flexible services and improve our overall customer experience in Kenya, our most mature market. In 2022, this resulted in our shift to a year-round multi-channel model (Tupande), designed for on-demand input purchases. This year, in response to evolving market conditions and with an eye toward our long-term financial health, we restructured the Kenya program to anchor services to our growing network of rural retail shops (dukas). Tupande now operates two customer-facing services: retail (Asili) and market access (Soko). Through Asili and Soko, we provide the country’s farm families with quality farming products, free tree seedlings, affordable credit, personalized trainings, and market access support. For the remainder of the year, we will focus on optimizing our customer experience under our new structure.

Country Highlight: Burundi. Burundi, the poorest country served by One Acre Fund, remains a promising context for our core program. We continue to see robust farmer demand for our services in this market, driven by low farmer access to credit, high barriers to accessing fertilizer, and high client satisfaction with our program (99% repayment and 97% re-enrollment rate). After the program-wide reinstatement of service fees in 2022, our relationship with the Burundi government remains positive, and our improved margin is now allowing us to pursue outward site expansion. In September, we renewed a 5-year MOU with the Government of Burundi, securing our ability to charge service fees – a key achievement that will allow us to continue scaling our core program (which currently generates our highest % increase in farmer profits organization-wide). We project reaching more than 260,000 Burundian farm families in 2023, representing the largest year-over-year scale increase since the program first launched in 2011.

Scale milestones	2021 Actual	2022 Actual	2023 Target	2023 Proj.	Status vs Target
Core farmers served*	1,441,300	1,587,900	1,831,000	1,482,300	<i>Behind target – final to be shared in Q4</i>
Kenya**	527,600	436,500	465,000	213,420	<i>Behind target – final to be shared in Q4</i>
Rwanda	631,800	764,100	871,000	789,500	<i>Behind target – final to be shared in Q4</i>
Burundi	128,700	189,200	263,000	260,100	<i>On track – final to be shared in Q4</i>
Tanzania**	55,100	78,200	73,000	77,300	<i>On track – final to be shared in Q4</i>
Malawi	62,100	95,900	105,000	109,500	<i>On track – final to be shared in Q4</i>
Nigeria	8,900	24,100	54,000	32,500	<i>Behind target – final to be shared in Q4</i>
Systems-Change (# unique farmers)	1,841,000	2,465,000	2,530,000	3,200,000	<i>On track – final to be shared in Q4</i>
Solar lights	159,780	119,700	No target	87,500	<i>No target</i>
Tree adopters / trees surviving 1 year	2,017,000/ 20.1M trees	2,720,000/ 33.8M trees	3,400,000/ 42.8M trees	3,340,000/ 36M trees	<i>Slightly behind for adopters; Behind target for surviving trees – final to be shared in Q4</i>

*We are partnering with the IFDC on a two-year initiative that includes providing core program services to farmers in Zambia in 2023. Therefore, our core program 2023 projection includes 4,800 Zambian farmers.

**These figures represent the number of farmers served by our Kenya and Tanzania core programs in the ongoing 2023 season; however, in line with the restructure of our farmer-facing services in these, farmers accessing services through our rural retail network will now be counted under our systems-change unit. We will continue to refine our methodology for presenting scale figures across our evolving channels in subsequent quarterly reports.

I. MANAGEMENT DISCUSSION: EVOLVING FOR LONG-TERM IMPACT

One Acre Fund's 2030 Vision

In the Year 2030, the World Bank forecasts that 9 out of 10 of the world's \$1-a-day poor will reside in Sub-Saharan Africa, predominantly in rural places. This incredible demographic concentration of extreme poverty presents a unique opportunity for One Acre Fund to create global impact. In 2030, we aim to:

 <p>Work with 10 million families, representing represent ~10% of world's \$1/day poor</p>	 <p>Generate \$1B of impact per year for farm families that we serve</p>	 <p>Have enabled farmers to plant a cumulative 1 billion trees, within our broader resilience agenda</p>
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We remain focused on achieving these ambitious goals despite the significant external headwinds and macro-economic challenges that our organization has faced over the past three years, including rising inflation (driving up the cost of fuel, food, and farm inputs); weather shocks; and evolving farmer needs and preferences.

Program Evolution in 2023

In pursuit of our 2030 vision, One Acre Fund continues to nimbly and quickly adjust operations in light of dynamic market conditions. This has always been a hallmark of our strategy; for example, when we lost our ability to charge service fees in Burundi in 2018¹, we deliberately paused program expansion in the country, preserving our financial health and allowing us to restart growth in 2022 under improved conditions. Similarly, this year, we have made strategic shifts in two markets in order to better fit evolving customer needs, safeguard our long-term growth and impact, and adjust to the evolving role of government in the agriculture sector:

- **Kenya:** In 2023, the leadership of Tupande (One Acre Fund's client-facing brand in Kenya) made the strategic decision to merge our three farmer-facing channels (field, shop, and online) into one cohesive channel anchored around our extensive network of rural retail shops (dukas).
 - This decision was a response to two key market shifts. Most immediately, an initiative by the Kenyan government to offer a national fertilizer subsidy drastically reduced farmer demand for fertilizer through our core program (and all private sector programs). More broadly, shifting demographics and other factors have steadily lowered customer interest in the staff-intensive services offered by our core, field program (e.g., group loans and intensive training).
 - The restructured Kenya program now offers greater flexibility in how, where, and when clients can engage with our services, while maintaining One Acre Fund's market bundle (high-quality inputs on credit, agronomic training, and last-mile distribution). Tupande now offers farmers the ability to purchase inputs using cash or credit (digitally, at Duka storefronts, or through agents); delivers training on "model farms" located near rural retail shops (supplemented by digital reminders); and offers convenient access to trees through co-locating our dukas and decentralized tree nurseries. We are now reaching new communities of smallholder farmers across the country that we could not access before (e.g., semi-arid areas), as well as new segments of farmers who prefer digital engagement (e.g., youth).
- **Tanzania:** This year, our Tanzania leadership decided to phase out the country's higher-touch core program to instead prioritize investment in its rapidly expanding rural retail and agroforestry programs.
 - For each program we operate, we regularly review the ratio of impact to donor funds required (social return on investment, or SROI). When that ratio is projected to be insufficiently low, we adjust our operations. In Tanzania, our core program has long struggled to achieve higher than 1-1.5 SROI² due to low maize prices in the East African context, in turn driven larger average land sizes and episodic export bans. Moreover, the Tanzanian government, which controls the retail price of fertilizer, has recently set prices so low that we cannot make a reasonable gross margin to cover our operating costs.
 - One Acre Fund operates 40 rural retail shops in Tanzania, which are popular. Notably, 90% of our current core program farmers live within a reasonable distance from these shops, giving us an inexpensive way to continue providing them with quality seed, other life-improving products, and basic agronomic training. Should the regulatory environment improve over time, shops give us the opportunity to layer back in other services like

¹In 2018, the Government of Burundi requested that we refrain from charging fees for our service to farmers, limiting our ability to expand our services to more farmers. In September 2021, after a period of champion-building and discussions with the Government, we received the approval to reintroduce service fees into the program.

²This means that our group loan program in Tanzania produces only slightly more than \$1 of farmer profit per donor dollar spent.

credit and insurance. We are also expanding our donor-funded agroforestry program, which delivers a relatively stronger and growing SROI.

As previously shared, these programmatic shifts unfortunately required restructurings in both markets, leading to the departures of ~2,000 colleagues. Through generous separation packages and frequent and transparent communications with remaining staff, we have worked hard to keep staff morale high as we transition to these new business models in the spirit of safeguarding our long-term impact and responsibly managing our finances.

One Acre Fund's financial position

2023 was a challenging year for One Acre Fund financially. First, we sustained heavy losses in our Kenya program due to the unanticipated government subsidy, which dramatically reduced farmer demand and left us with relatively high-priced inventory to be sold at a loss. Furthermore, savings from staff redundancies will not kick-in until next year due to the generous separation packages we provided. Second, we have incurred ~\$9M in unbudgeted remeasurement losses in 2023 to date due mostly to large scale currency devaluations in Burundi and Nigeria and depreciations in other local currencies compared to the US dollar. These losses were absorbed by the operating reserves we had carefully built in recent years, but looking to 2024 and beyond, we plan to allocate a portion of grant funding to rebuild those reserves, which means leaner operations and more tradeoffs in where we choose to grow and invest.

Deepening One Acre Fund's leadership bench

We are pleased to announce upcoming changes among One Acre Fund's senior-most leadership that will add important capacity to our leadership team, advance our 2030 vision, and strengthen our organization overall.



*Andrew Youn,
incoming President*

After 17 years as One Acre Fund's Chief Executive Officer (CEO), our co-founder Andrew Youn will transition into a new role as One Acre Fund's President in March 2024. In his role as One Acre Fund's CEO, Andrew has overseen both fundraising and operations since 2006. As President, Andrew will focus primarily on shaping special initiatives together with strategic funding partners. In turn, this will create room for a new Chief Executive Officer to devote significant energy to our field operations in nine countries.

Following a rigorous and inclusive 3-month CEO selection process advised by a Kenyan talent and search firm, One Acre Fund's board unanimously voted to appoint Eric Pohlman, One Acre Fund's co-founder and current Country Director for Rwanda, as the next CEO.



*Eric Pohlman, incoming
CEO*

Eric co-founded One Acre Fund's Rwanda program in 2007 and served as its first Field Officer. Under his leadership, the Rwanda core program has grown to serve more than 750,000 farmers, with additional government and private sector partnerships that reach nearly every household in the country. Eric (who lived in rural Rwanda for 12 years and now lives in Kigali) is a visionary program leader with a demonstrated track record in delivering results. He is also a strong people leader who has helped build a diverse and inclusive team of leaders within the organization.

As Eric prepares to step into his new role in early 2024, Belinda Bwiza – Rwanda's Deputy Country Director – will become the next Rwanda Country Director. Belinda joined One Acre Fund in 2018, bringing a wealth of existing experience in enterprise management. Belinda has led the growth of our Rwanda Field program to national scale, more than doubling the number of farmers our Rwanda program serves. Additionally, she has a valuable breadth of experience, having managed our systems, people, retail, and tree functions, as well as strong external leadership experience having served on several prominent boards in Rwanda.



*Belinda Bwiza,
incoming Rwanda CD*

Conclusion

As One Acre Fund has grown over the past 17 years, so too have our ambitions. From working with just a handful of farmers in 2006, today we serve over 4 million farmers through our full-service programs and operating partnerships. We are now preparing for our next stage of organizational growth, centered around the bold aim of helping 10 million farmers become more prosperous by 2030. As we navigate a challenging external environment, the strategic evolution of programs and leadership described above will better position us for success in the next decade, and create a stronger organization for the future. We are deeply grateful for the steadfast support, partnership, and encouragement of our donors, which helps provide a stable foundation for undertaking such vital changes.

II. MANAGEMENT DISCUSSION: PROVIDING SMALLHOLDER INSURANCE, A VITAL SAFETY NET IN THE FACE OF CLIMATE CHANGE

One Acre Fund has long recognized the climate crisis as an existential threat to Africa’s smallholders. Extreme weather is becoming more common – in the past five years, regional droughts, floods, severe storms, and invasive pests have hurt the livelihoods of millions of families. As the primary producers of Africa’s food and vital stewards of its land, smallholder farmers are in urgent need of tools for transforming their livelihoods, responding to climate change, and restoring the degraded environments in which they live.

To help protect against increasing climate threats, One Acre Fund has built a multi-layer “climate resilience shield” of sustainable products and services that includes soil health practices like composting, and products such as optimized (e.g., drought-resistant) seed varieties, diverse tree species, and insurance. In 2022, to guide our efforts to strengthen smallholders’ resilience and empower Africa’s farmers as stewards of their lands, we formally adopted a 10-year organizational climate strategy. An overview of our climate strategy is provided below:

Plant Health	Soil Health	Diversity	Safety Nets
<i>Why this Matters</i>			
Healthy plants are more likely to tolerate weather- and pest-related stress, providing a first line of defence against shocks.	Healthy soil retains more moisture during droughts and better manages excess moisture during heavy rainfall. It is also essential for maximizing plant health and for effective input use.	Diversified income sources help farmers weather shocks affecting any single income stream. Diversified crops also reinforce soil health, mitigate spread of pest & disease, and boost total output.	Even with the best adaptation strategies, major unmanageable shocks occur, for instance, due to weather and market conditions. Safety nets are essential for protecting farm families from the worst impacts of such shocks.
<i>Key Drivers</i>			
Optimized Inputs	Soil Organic Carbon (SOC)	Agroforestry	Asset Growth
Weather-Based Decisions	Erosion Prevention	Intercropping & Rotation	Meaningful Insurance
Crop Protection	Acidity Reduction	Commercialization / Market Access	Social Networks
<i>Intended Outcomes</i>			
Farmers have the knowledge and resources to make the best agronomic decisions for their context	Farmers achieve and sustain soil fertility that enables good production and resilience to climate shocks (SOC, Erosion, Acidity, Nutrients)	Farmers have diverse income streams, appropriate to their context	Savings, assets, & insurance cover 100% of resilience needs

In 2023, we are fully embedding these priorities into our work through country-level climate plans that diversify and protect farmer incomes. This suite of interventions is designed to equip smallholders to become a powerful frontline force against both extreme poverty and climate change, simultaneously safeguarding their own livelihoods and their environments.

Focus on Insurance

One Acre Fund is redoubling our focus on smallholder insurance this year, seeking to provide insurance products that offer higher coverage, better target affected farmers, and enhance transparency and flexibility. Whereas agricultural safety nets are efficient and effective in the Global North, they are largely non-existent in Africa, where only 4 of 54 countries provide any form of subsidized agri-insurance and only 3% of farmers have insurance coverage. When shocks hit, Africa's smallholder farmers must often resort to costly coping strategies, such as pulling children from schools they can no longer afford, skipping or substituting meals, or selling assets to feed their families. Africa’s gap in quality farmer insurance is mainly driven by:

- **Bad and incomplete data:** private insurance companies don't have the customer data they need to offer affordable premiums and make accurate payouts that match each individual farmer's experience. Also, due to labor and time intensive field collection, payouts typically arrive too late to prevent the painful coping mechanisms noted above.
- **Too many actors:** A single insurance policy is the end result of a long chain of partnerships, including local brokers, local insurers, and (sometimes several) international re-insurers. Each of these actors wants to earn a margin, which raises the unsubsidized price of insurance to levels that are unaffordable for most smallholders.

One Acre Fund began offering loan insurance in Kenya in 2012, initially serving about 75,000 farmers. Since then, we have expanded this program to six countries and over 1 million families in our network. Today, we are one of the largest facilitators of smallholder input insurance in East Africa, resulting in the forgiveness of a cumulative \$5.1 million in agricultural loans since 2012.



Alice Barasa, right, with grandchildren. Alice farms with One Acre Fund in Bungoma, Kenya.

Under our current approach, One Acre Fund purchases index insurance for our clients from private companies and reinsurers. This coverage allows us to forgive a portion of farmer input loans in the event that they experience shocks such as extreme weather, pests, or other destructive events. If crop yields fall below certain long-term historical averages, clients receive payouts in the form of loan forgiveness, cash, or pre-payment for the next season (if they had already repaid their loans).

While this approach creates meaningful benefits for farmers, we believe there is much more that can be done to make our insurance services more impactful. For example, payouts frequently do not reach all farmers who experienced a shock, and can be delayed until well after the season is over, as making timely and accurate payouts is often

expensive or difficult for local insurers (driven by a lack of data granularity among other factors). Current products are also not context- or country-specific enough, and often overlook the increasing risks from climate change.

To confront these challenges, One Acre Fund and our partners³ are working to develop a first-of-its kind reinsurance fund called *One Acre Fund Re*. Instead of relying exclusively on insurance from multiple third-party insurers and reinsurers, we are working to build a separate, professionally managed reinsurance capital pool, off our balance sheet, to actively respond to losses of farmers in our network (and over time, other microfinance institutions).

We anticipate that One Acre Fund Re will facilitate faster payouts when farmers experience shocks (i.e., within days), avoiding the costly coping strategies mentioned above. It will subsidize farmer premiums to increase insurance coverage, and enable a higher proportion of premiums to be returned to farmers in the form of payouts.

One Acre Fund Re is in its initial stages, and we have much more to do before the Fund will be ready to launch. However, we are excited to formally announce One Acre Fund Re at this year's COP28 (UN Climate Change Conference). The announcement is scheduled to take place at our dedicated climate insurance session at the Food Systems Pavilion on 6 December 2023.

³ Key partners currently supporting the initial phase of One Acre Fund Re include the International Finance Corporation (IFC), the US international Development Finance Corporation (DFC), and the Directorate-General for International Cooperation (DGIS).

APPENDIX 1: Unaudited, Preliminary 2023 Q3 YTD Financials

Our countries of operation, as well as other countries in Africa, continue to face tough macroeconomic conditions with high inflation and depreciating local currencies. These conditions and worsening climate conditions continue to pose a significant threat to food security and farmer household incomes. They have also affected our financial results this year. Year to date, drops in client enrollment in Kenya due to the government subsidy (plus reduced sales of cash crops in key markets), along with a remeasurement loss from currency translations of assets, caused a \$29.3M higher program deficit. This was offset by \$15.7M in higher than budgeted grants, particularly for our climate resilience work. Our Net Income result is \$10.6M below budget.

Core Program - One Acre Fund direct services	Budget YTD	Actuals YTD	Variance	% (YTD)		
Farmer revenue	121,944,287	57,473,007	(64,471,280)	-52.9%	Core Program: -\$6.9m negative to budget at -\$39.9m (Budget: -\$32.9m). This translated to an additional -\$5 required to serve each core farmer compared to the budgeted amount. The higher deficit was mainly on account of lower enrollment in Kenya and Rwanda, reduced gross margins as a result of declining fertilizer prices (with inventory purchased at higher prices in 2022) and depreciation of local currencies against the US Dollar. This impact was partially offset by reduced bad debt costs of \$3.4m and associated expenses of \$5.8m, mainly driven by lower incentive bonuses and distribution costs due to the enrollment and revenue misses in Kenya and Rwanda.	
Inputs (seed, fertilizer, solar lamps, etc.)	(94,180,023)	(48,030,005)	46,150,018	49.0%		
Bad debts expense	(5,212,679)	(1,775,987)	3,436,692	65.9%		
Associated costs (crop insurance, transport, storage)	(13,562,766)	(7,725,797)	5,836,969	43.0%		
Interest Expense	(2,636,540)	(1,953,389)	683,151	25.9%		
Field operations costs (primarily salaries)	(22,163,424)	(22,138,428)	24,995	0.1%		
Program support (primarily HQ costs and overhead)	(12,904,569)	(13,547,456)	(642,887)	-5.0%		
Core Program Overhead allocation	(2,159,609)	(2,169,643)	(10,034)	-0.5%		
Budget Buffer	(2,062,500)	0	2,062,500	n/m		
Core Program Total	(32,937,822)	(39,867,697)	(6,929,875)	-21.0%		
Systems Change – One Acre Fund for countries	Budget YTD	Actual YTD	Variance	% (YTD)		
Revenues (primarily farm input sales to agro-dealers)	68,783,869	25,408,828	(43,375,041)	-63.1%	Systems Change: net deficit was -\$14.9m negative to budget at -\$21.2m (Budget: -\$6.3m). This was primarily due to: (i) Decreased revenue and margins in Kenya rural retail, due to the impact of the government subsidy program on client footfall and lower margins on fertilizer (ii) Reduced sales of macadamia within the Kenya Market Access segment, driven by the depressed demand in the international market (iii) Diminished revenues from Market Access activities in Rwanda, primarily due to nationwide maize shortages caused by drought conditions in previous seasons.	
Farm input costs	(55,041,246)	(30,442,867)	24,598,378	44.7%		
Associated costs (transport, storage, allowance)	(1,413,102)	(1,044,737)	368,365	26.1%		
Staff, program and management support for input sales	(13,650,206)	(10,274,672)	3,375,534	24.7%		
Farm Input Sales Shared Overhead Allocation	(400,204)	(393,133)	7,071	1.8%		
Net Contribution from Farm Input Sales	(1,720,889)	(16,746,581)	(15,025,692)	n/m		
Extension, Seed and other partnerships (net of revenue)	(4,165,051)	(4,074,418)	90,633	2.2%		
Systems Change Overhead allocation	(456,144)	(398,880)	57,264	12.6%		
Systems Change total	(6,342,084)	(21,219,879)	(14,877,795)	n/m		
Field-Building	Budget YTD	Actual YTD	Variance	% (YTD)		
Government Relations	(2,106,116)	(2,025,758)	80,357	3.8%	Field Building: net deficit was +\$0.4m positive to budget at -\$3.4m (Budget: -\$3.8m). This was mostly due to reduced meetings, external consultation and team transport costs as well as savings resulting from staff departures.	
Communications	(1,433,841)	(1,103,923)	329,919	23.0%		
Field Building Overhead allocation	(278,101)	(287,682)	(9,581)	-3.4%		
Field Building	(3,818,058)	(3,417,363)	400,694	10.5%		
Research and Development	Budget YTD	Actual YTD	Variance	% (YTD)		
Product and service R&D	(3,404,337)	(2,796,334)	608,002	17.9%	Research and Development: net deficit was +\$1.2m positive to budget at -\$6.7m (Budget: -\$7.8m). This was largely attributed to lower headcount from delayed hires in Kenya, Rwanda, and Ethiopia. In Kenya, savings were realized through the cancellation of surveys and streamlined meetings. Rwanda realized additional savings through reduced laptop expenditures. Ethiopia, savings were accrued on deferred input procurement and lower expenditure on staff capacity initiatives.	
Scale innovation	(330,731)	(181,949)	148,783	45.0%		
New country scouting and piloting	(150,011)	(263,553)	(113,542)	-75.7%		
Strategy and Research	(427,697)	(430,118)	(2,421)	-0.6%		
Monitoring & Evaluation	(3,093,367)	(2,548,334)	545,033	17.6%		
Research and Development Overhead allocation	(438,120)	(465,809)	(27,690)	-6.3%		
Research and Development	(7,844,262)	(6,686,098)	1,158,164	14.8%		
Shared Services	Budget YTD	Actual YTD	Variance	% (YTD)		
Systems and Infrastructure	(5,402,846)	(5,309,987)	92,859	1.7%		Shared Services: net deficit was -\$0.9m negative to budget at -\$15.6m (Budget: -\$14.7m). This was mostly due to higher spending under systems and infrastructure driven by an increased number of tech projects and higher spending in support departments as a result of increased grant-related activities. These were partially offset by savings in bank fees and hedging costs under Finance.
Finance	(1,681,997)	(1,421,216)	260,781	15.5%		
People Operations	(2,708,138)	(3,220,864)	(512,726)	-18.9%		
Fund development	(3,561,196)	(4,674,244)	(1,113,048)	-31.3%		
Supporting departments (Executive, Legal)	(2,790,552)	(3,226,733)	(436,181)	-15.6%		
Shared Services Overhead allocation	(618,573)	(749,666)	(131,093)	-21.2%		
Shared Services	(16,763,301)	(18,602,710)	(1,839,409)	-11.0%		
Remeasurement loss	0	(8,975,008)	(8,975,008)	n/m		
Other revenue	0	1,785,034	1,785,034	n/m		
Deficit before fundraising	(67,705,527)	(96,984,531)	(29,279,004)	-43.2%		
Donor Contributions	Budget YTD	Actual YTD	Variance	% (YTD)		
Unrestricted Grants Revenue	41,968,575	49,572,362	7,603,787	18.1%	Other Revenue: Primarily related to unbudgeted direct inventory sales and trial revenue	
Total Restricted Cash Released	34,337,925	42,457,386	8,119,461	23.6%		
Grant Revenue (Donor-Intended basis)	76,306,500	92,029,748	15,723,248	20.6%		
Grants to sub-recipients	(3,088,684)	(175,460)	2,913,223	94.3%		
Total Revenue (Donor-intended basis)	267,034,656	180,920,486	(86,114,169)	-32.2%	Grants: Grant revenue (recognized on a 'donor-intended' basis) was higher than budget at \$92m (Budget: \$76.3m).	
Total Expenses	(261,522,366)	(186,050,730)	75,471,636	28.9%		
Net Income (Donor-intended basis)	5,512,290	(5,130,243)	(10,642,533)	n/m	Net Income (Donor-Intended Basis): -\$10.6m negative to budget at -\$5.1m (Budget: +5.5m). This was mainly due to a combination of factors explained above, namely the margin misses, lower enrollment, and local currency depreciation.	
(+) Restricted Grants Revenue	10,050,068	79,423,647	69,373,579	n/m		
(-) Restricted Cash Released	(34,337,925)	(42,457,386)	(8,119,461)	-23.6%		
Total Net Income (GAAP basis)	(18,775,567)	31,836,018	50,611,585	n/m		