



Mennonite
Economic
Development
Associates

**Annual Report
2012**

Shared **Risk** Cascading **Returns**

Shared Risk Cascading Returns

A weaver in Ethiopia (cover photo) works on a design for an Ethiopian Airlines uniform. He is part of a MEDA project to help 2,000 weavers expand output and connect with more profitable markets.

MEDA enlisted an urban designer to help weavers update their wares for higher-paying customers. Besides teaching quality control and design consistency, the designer also arranged a large order with the country's air carrier, which wanted a traditional yellow flower pattern for its uniforms. With 69 international flight destinations, this was a chance to showcase Ethiopian fashion worldwide.

It was a classic example of the **shared risk** that typifies MEDA's work. The designer risked her time and reputation to help 65 remote weavers master the airline's standards. The weavers risked their time and effort to learn the new pattern, do it quickly, and meet a strict deadline.

The venture paid off. Every participant added value to the process, and now each one is enjoying **cascading returns** as they share in the benefits.

"After seeing the beautiful green and gold pattern being worked on everywhere," says MEDA president Allan Sauder, "I was struck that all this fabric would soon be consolidated from these obscure locations, be assembled into uniforms in Addis Ababa and then travel all over the world on jet airliners. I wonder if the weavers could even imagine how far their handiwork would go."

FY2012 Highlights

- + Donations hit \$5 million
- + Net surplus: \$2 million
- + Techno-Links wins climate prize
- + Haitians offered micro-insurance
- + Clients reached: 18 million
- + Soybeans boost family nutrition
- + 8 new countries get youth aid
- + Convention sets record: 705
- + New cassava project launched
- + MEDA aids exploited children
- + Chapters raise \$78,528
- + Sunflower oil gets an A
- + 11,246 engage with MEDA
- + Assets managed: \$180 million

Executive View

At MEDA, we believe that when we take a **shared risk** with the poor we will see **cascading returns** of many kinds. Our commitment to creating business solutions to poverty for the poorest of the economically active most often results in immediate and dramatic impact for those families and their communities. While the poor are not immune to global economic pressures, unleashing their own entrepreneurship and skills is the best way to create sustainable livelihoods, which in turn gives families the vision and options to make a better life for themselves, fosters more stable communities, and engenders a new hope that is spiritual in essence.

In Afghanistan, one of our clients is a woman named Shareefa who received a \$125 loan from our local partner there. She was able to invest this in her kitchen garden where she applied improved production methods, which she learned from another MEDA project, to increase her yields. "With the help of this loan," she says, "I became a good leader and gained respect from the villagers – both men and women." Creating a leader for \$125, funds that will be used over and over again in the program, is a risk with truly cascading returns!

Reflecting our faith values, our work with Shareefa and millions of other families around the world not only demonstrates practical and creative business solutions but also builds long-term relationships that promote trust and peace and opens doors for God to create hope.

This year we were able to help more than 18 million families realize healthier, more economically sustainable lives. Working through 227 partners in 56 countries we reached over 14 million clients served by microfinance institutions and small and medium enterprises where MEDA has an investment through one of the Sarona funds; 1.1 million families who received mosquito nets in Tanzania; and 2.9 million farmers and entrepreneurs who received training, financial services and/or access to markets provided by MEDA and our partners. These numbers do not count clients of organizations we worked with in the past who continue to serve thousands of entrepreneurs long after MEDA is no longer directly involved.

Your contributions made this possible! We multiplied your \$5 million in private contributions – up 65% from last year – with government and foundation funding to achieve a total budget of nearly \$33 million.

Assets in the Sarona Risk Capital Fund increased 16% to \$20 million. While total assets under management increased slightly to \$180 million, several new investment opportunities point toward considerable growth in the future.

We were grateful to see a net surplus of \$2.0 million, resulting from an operating surplus of \$530,000 and a \$1.5 million increase in the equity of our Sarona Risk Capital Fund. Most of these funds will be reinvested again and again in businesses that serve the poor.

We are immensely grateful to our supporters, our board, and our wonderful staff who generously share their time, skills and resources, and take risks that create cascading returns. We invite you to join in this work.



Allan Sauder
President

Debbie Sauder David
Chair

Strengthening market linkages that the poor depend on for their livelihood and well-being

The world's poor need markets to improve their livelihoods. The biggest impact comes from building the capacity of small businesses in the throbbing commercial systems where products are bought and sold. That's often what makes the difference between health and sickness, between making money and going hungry.

In FY2012 our Market Linkages team built on its global reputation for making a visible difference among the world's subsistence farmers and impoverished women. An important new contract was signed with a new donor, Britain's Department for International Development (DFID), to expand mosquito net distribution in Tanzania.

MEDA was honored by the Global Adaptation Institute (GAIN) for helping vulnerable farmers in Peru and Nicaragua adjust to global warming. Our Techno-Links program, which helps farm families obtain new environmentally sound technologies such as drip irrigation and tilling equipment, received a \$10,000 prize and public recognition as a climate adaptation leader.

Our Entrepreneurs project in Pakistan received a high-profile visit from USAID administrator Rajiv Shah, who was visibly impressed by the impact on 40,000 women who work in the dairy, honey, medicinal plants and embellished fabrics sectors. Our malaria prevention program in Tanzania hosted a visit from Stephen O'Brien, the United Kingdom's undersecretary for international development, who saw firsthand the benefit of insecticide-treated mosquito nets.

Other highlights

- **Ghana** 20,000 women are bolstering family nutrition and income by growing soybeans under a new \$20 million initiative supported by the Canadian International Development Agency (CIDA). Besides being



nutritious, soybeans also improve the soil, a vital feature in a region where women are often allotted only marginal land.

- **Ethiopia** Undersecretary O'Brien also witnessed the positive impact of the EDGET project's integration of weavers into high-value markets. A new project, E-FACE, combats child exploitation among 7,000 families in the textile and farming sectors. Youths employed by weavers often work long hours and suffer physical ailments from bending over looms and bad eyesight from poor lighting. MEDA is helping weavers update old equipment, improve workplace conditions and embrace good labor practices. Farmers are adding high-value, low-labor intensity crops such as apples and garden vegetables to produce higher incomes, thereby reducing the need for children to work such long hours.

- **Tanzania** A pilot project is testing fortified sunflower oil to help pregnant women and children overcome a Vitamin A deficiency in their mostly maize diet. Sunflowers are plentiful and their oil is popular for cooking. MEDA is helping processors test prospects

An Ethiopian youngster works a loom in his father's shop. A new MEDA project – Ethiopians Fighting Against Child Exploitation (E-FACE) – aims to improve conditions for children like him through back-to-school programs, hazard awareness training and loans to upgrade unsafe equipment. *Steve Sugrim photo*

for selling Vitamin A fortified sunflower oil to a local market of over one million people.

- **Tanzania** Recent disease outbreaks have cut production of cassava, a key food crop. MEDA launched a four-year project to develop new disease-resistant varieties and make them commercially available to 18,000 subsistence farmers

- **Washington, DC** The new MEDA office grew to seven staff. It has increased MEDA's visibility with partners in the U.S. capital, including the United States Agency for International Development.

Sometimes the best way to track where Financial Services is working is to follow the day's headlines. In many global hotspots, MEDA is there, working behind the scenes.

Dig beneath the surface of the demonstrations and bloody clashes across the Arab world and you will find disenfranchised young people fed up with raging unemployment and bleak economic prospects. MEDA, supported by The MasterCard Foundation, has been at the forefront of efforts to create a better future for the oft-ignored youth sector in places like Morocco and Egypt. MEDA's custom-tailored financial products and services give dispirited young people a whole range of new options, equipping them for solid employment prospects and entrepreneurship.

This year the proven methodology was rolled out to many new countries. MEDA is providing technical assistance to *YouthStart*, a project of the United Nations Capital Development Fund (UNCDF) to extend savings and loan products to low-income youth in eight countries of Sub-Saharan Africa. In Kathmandu, MEDA is working with Save the Children's *YouthSave* project, helping a national bank offer financial access to Nepal's underserved young people.

While Haiti continues to recover from the devastating earthquake of 2010, MEDA has broadened its commitment beyond longtime work with Fonkoze, the country's leading microfinance provider. This year MEDA and its Sarona investment arm joined with the

Enabling poor entrepreneurs and households to earn sustainable livelihoods by increasing access to high-quality financial products and services

Clinton Bush Haiti Fund, the Inter-American Development Bank and others to invest in Alternative Insurance Company (AIC), which offers micro-insurance for middle and low-income clients. With MEDA's capital infusion of \$1 million in equity, this private sector insurer will better equip vulnerable Haitians to cope with future misfortunes.

MEDA burnished its reputation as a global leader in "mobile banking" utilizing technology such as cellphones and pre-loaded debit cards. In various ways it has helped spread the practice of branchless banking so that the poor can participate in the financial system through savings, loans, money transfers and remittances. Its staff is increasingly sought after to help other organizations develop innovative mobile banking applications. During FY2012 MEDA began co-facilitating the USAID Payments Innovation Working Group and helped create an e-learning course on "Accelerating Mobile Money" for USAID staff and partners around the world. MEDA also produced a

documentary film on branchless banking and emergency cash transfers for the World Bank Pakistan Social Protection Department.

FS continued to help financial institutions create deposit mobilization programs for marginalized people who want a safe place to keep money, even in very small amounts, but who don't frequent banks. It also developed risk management frameworks and client-centric products for microfinance institutions in Afghanistan, Haiti, Syria, Nepal, Suriname, Sierra Leone and Liberia.

The global youth population is growing, restless and often unemployed. MEDA's YouthInvest methodology, which equips young people with new employment and entrepreneurship options, has been rolled out to Nepal and eight African countries. Below, a financial literacy class in Morocco. Steve Sugrim photo



Shared Risk Cascading Returns

Pakistan

“Now I get better prices”

Bakht Bibi, 27, lives in a remote village in a harsh, hilly area of Pakistan, close to the Afghanistan border, where she ekes out a livelihood collecting and selling medicinal and aromatic plants (MAP). She and her four children yearn for a peaceful, secure life, but that is a lot to wish for in a region wracked by militant conflict since 2009. To make things worse, flash floods in 2010 washed away her collection tools and the plants on which she depends. Like others in the crippled MAP sector, she was left helpless and without money to get back on her feet.



One of more than 600 species of medicinal and aromatic plants collected by clients like Bakht Bibi in the Entrepreneurs project in Pakistan.

MEDA, through the Entrepreneurs project funded by USAID, implemented a post-flood recovery initiative that has grown into a long-term value chain project.

When she joined the project Bakht Bibi received a toolkit and training on proper collection and processing of MAPs. She learned about all the valuable species in the area and their market value.

Now she is equipped to gather larger volumes. “From the training I know how to keep the specimens clean and fresh, so I now get better prices than before,” she says.

Bakht Bibi and 14,700 female MAP collectors like

her are sustainably raising their incomes through improved business skills and lasting linkages with reliable and lucrative markets. On average, they are earning more than three times what they earned before the conflict started.

Tanzania

“No more malaria”

Hawa Bakari has become a MEDA convert – converted to the use of mosquito nets to protect her family from malaria.

Hawa, 31, lives in a remote village in the Arusha region of Tanzania where she supports her family by raising cattle.

Upon the birth of her second child, Hawa attended Karatu Health Centre for her infant’s check-up where she was issued a voucher that she could redeem, with a tiny top-up fee, for a Long Lasting Insecticidal Net (LLIN).

Her firstborn hadn’t enjoyed that luxury. At the time, the nurse had encouraged her to purchase a net. But Hawa was not familiar with the culture of sleeping under nets. Even though many of her family members had contracted malaria in the past, she decided not to spend the money on what she felt was a non-urgent expense.

Unfortunately, her firstborn paid a big price for

that decision. The child was plagued with malaria as well as eye and skin infections brought by flies and other insects.

After her second pregnancy, the voucher Hawa received for her baby required only a small top-up fee of 500 Tanzanian shillings (equivalent to 32 cents U.S.), which she could afford. “I bought a net for my baby and we have all been sleeping under it since then,” she says.

Hawa now has high praise for MEDA’s Hati Punguzo mosquito net voucher program. The net has protected them not only from malaria but also from other diseases carried by the insects that hover around the cattle she raises. Her second child has yet to fall sick from these illnesses. Hawa puts her net to good use, even keeping her babies under it while she is doing house chores or tending to her cattle.

“I see significant changes in my life,” she says. “No more malaria, and other sicknesses are reduced, too.” Hawa is now a firm advocate for the use of bednets.

Since Hati Punguzo began, more than 30 million bednets have been distributed. Some 7,000 retailers throughout the country maintain a steady supply of nets for new customers or to replace worn ones. It is estimated that the program has saved 200,000 lives.



Hawa Bakari



Abtwalib Dinya

Tanzania

Shopkeeper likes his product

Abtwalib Dinya has one of the few shops in his tiny remote village in Tanzania, selling basic goods like sugar, soap and teabags. But his favorite product is the mosquito nets he gets from Hati Punguzo, the voucher-based program managed by MEDA. He says his five-year involvement with bednets has been a motivating way to support his community.

He likes recent changes to the program. Now he

can text-message an order for more nets through an electronic voucher system, and no longer has to travel 20 miles to restock his supply. And the profit he earns from nets has enabled him to stock his shop with other items the villagers need.

His deepest appreciation, however, is for the way the program has curbed malaria. For personal, business and social reasons, Dinya hopes that the ownership and use of nets, especially among pregnant women and children, will go up.



Where we're headed

Where are the best opportunities to serve the poor with our unique faith-business-development approach? Here are eight strategic areas where MEDA is on its way to becoming a global leader:

1. Agriculture

More than half of all households in the developing world depend on small-holder farming; food production must double by 2050.

What we're doing: Value-chain assistance to food producers in Ukraine, Ethiopia, Zambia, Ghana and Tanzania; improving access to technologies for farmers in Peru and Nicaragua.

2. Inclusive rural financial services

Access to rural financial services is vital to improve small-holder agriculture and create rural off-farm incomes, especially for women and youth.

What we're doing: Working with a constellation of partners to enable the poor to participate in the financial system through savings, loans, money transfers and remittances.

3. Investment in Small and Medium (SME) businesses

This sector is the missing or under-developed driver in many developing economies.

What we're doing: Sarona has invested in a vibrant mix of funds that serve the poor and in turn an array of companies that employ 92,000 people and serve more than 14 million low-income clients.

4. Business of health

The economies of many countries continue to be disrupted by endemic diseases that can be substantially reduced through improved availability of drugs and health services.

What we're doing: Malaria prevention through mosquito nets is continuing, with over 30 million distributed; new market-led directions explored in family nutrition such as testing commercialization of Vitamin A fortified sunflower oil.

5. Youth and financial services

The worldwide youth population is growing, restless and often unemployed.

What we're doing: Our successful YouthInvest methodology, providing financial access and literacy to young people, is being rolled out to Nepal and eight countries in Sub-Saharan Africa.

6. Deposit mobilization

Savings is critical to sustain households, small businesses and communities – especially for the poor who lack social safety nets.

What we're doing: Providing risk-management frameworks and client-centric products for financial institutions in Afghanistan, Haiti, Syria, Nepal, Surinam, Sierra Leone and Liberia.

7. Women's economic development

Women-headed households are among the poorest; in many societies, women's potential to contribute economically is constrained by barriers that MEDA has helped overcome.

What we're doing: Linking women to markets in Pakistan, greater earnings translate into more respect and status; bolstering family nutrition expertise and incomes among women in Ghana.

8. Engaged and growing association

A key MEDA strength and competitive advantage is our association of supporters.

What we're doing: Engaging 11,000 people in North America and Europe in MEDA's mission (financial support, attend events, visit MEDA projects, utilize publications and engage at a governance or business advisory level).

Where we worked

MEDA's activities reached 56 countries in FY2012. Countries in **bold** are where we carried out direct programming (projects/directly managed investment). The rest of the countries are where we had indirect involvement (consulting/indirect investment).

Afghanistan	Indonesia	Sierra Leone
Armenia	Italy	South Africa
Azerbaijan	Ivory Coast	Sri Lanka
Brazil	Kazakhstan	Switzerland
Burkina Faso	Kenya	Suriname
Cameroon	Liberia	Syria
Canada	Libya	Tajikistan
Colombia	Malawi	Tanzania
Congo DR	Mauritius	Togo
Ecuador	Mexico	Tunisia
Egypt	Mongolia	Turkey
El Salvador	Morocco	Uganda
Ethiopia	Nepal	Ukraine
Georgia	Nicaragua	United States
Germany	Pakistan	Uruguay
Ghana	Paraguay	Yemen
Guatemala	Peru	Zambia
Haiti	Philippines	
India	Rwanda	
	Senegal	

Nicaragua

Small farmers battle global warming

MEDA's Techno-Links project uses matching grants to encourage technology vendors to come up with innovative products for small farmers in Peru and Nicaragua. Grants are awarded on a minimum 1:1 matching basis – one dollar in grant funding for every dollar invested by grant winners in their businesses. One recent recipient is TecnoSol, a rising star in Nicaragua's renewable energy sector. With one of the lowest levels of electrification in Central America, more than two million Nicaraguans lack a stable source of power, hampering farm productivity and household standard of living.

After working with Techno-Links staff to develop a viable business plan, TecnoSol was awarded a

Animal waste is fed into a biodigester to form renewable energy and organic fertilizer.

\$60,000 matching grant to commercially distribute small-scale biodigesters to farmers. These units convert animal waste to renewable energy and organic fertilizer. Besides saving them money on energy and chemical fertilizers, they enable small farmers to help reduce global warming. By displacing firewood, the biogas reduces deforestation and carbon production; the organic fertilizer nourishes soil that has suffered from drought. Methane gas is captured in the biodigester instead of being spewed into the atmosphere.

Over three years the project aims to benefit 20,000 small farmer household members and agribusinesses in Peru and Nicaragua.

MEDA's Sarona Risk Capital Fund (SRCF) provides early stage capital, an important source of funding for young companies. It invests in promising companies in developing countries where we see both an excellent prospect of financial success and economic benefit to poor communities. These range from a microfinance lender in Nicaragua to a starch producer in Paraguay to a Zambian company that provides cellphone-based banking services.

SRCF enjoyed a very successful year with a strong stream of contributions that enabled it to grow and allowed strategic new investments to be made.

- It joined with the Clinton Bush Haiti Fund to extend micro-insurance to the working poor in earthquake-ravaged Haiti by investing in the Alternative Insurance Company (AIC). The MEDA/Sarona capital infusion of \$1 million will enable this private sector insurer to help vulnerable Haitians build a measure of safety for the future. MEDA board member Bryce Bergey serves on the AIC board of directors.

- SRCF committed to invest \$1.5 million in the Women's World Banking ISIS Fund, which invests in microfinance institutions that serve female clients or are governed and managed by women.

- It invested \$250,000 in the new MicroVest+ Plus Fund LP, which will invest in low-income financial institutions, including those with microfinance offerings. It is the latest venture of the larger MicroVest family which facilitates the flow of private money to build capital markets serving the entrepreneurial poor while providing market-rate returns to investors.

Investments were also made in:

- Impact Assets, a non-profit financial services company created to help solve

Making investments that benefit the poor

global problems by catalyzing investment capital for maximum environmental, social and financial impact.

- Agro Capital Management, a MEDA-related entity that sells and finances agricultural equipment to small farmers in Ukraine to help create more profitable operations.

- Microfinance banks in Tajikistan and Afghanistan which provide much-needed capital to help small-holder producers and business owners grow their businesses.

Taken together, the organizations in which SRCF invests have 14.6 million base-of-the-pyramid clients and represent 92,586 employees.

Sarona Asset Management (SAM), under its new ownership structure (90% private; 10% MEDA), has continued to work hard at creating a viable global impact investment

industry. In addition to effectively managing the investments of MEDA's Sarona Risk Capital Fund, SAM is actively marketing the Sarona Frontier Markets Fund 2 LP, which is scheduled to launch in FY2013 with some \$66 million initial capitalization, half to come from an OPIC loan approved in FY2012.

The Sarona and MicroVest groups of funds have more than \$180 million in assets under management in emerging and developing country markets around the world.

For nearly 60 years MEDA has shown that the poor are excellent prospects for investment. The Sarona group of funds continues this tradition by supporting thriving organizations and businesses that strengthen trade and create jobs and better livelihoods. One of them, a microfinance bank in Tajikistan, helps small operators like the one below to grow their businesses. Carl Hiebert photo



The MEDA family in action

Improved lives for 18 million people – this is the lengthening shadow of MEDA supporters around the world who both undergird and embody our unique way of doing business.

Their – your – contributions act like a trim-tab on a rudder, guiding the path of a giant ship, for it is their support that leverages larger grants and contracts from major donor agencies.

Keeping this trim-tab working at peak form is the task of the MEDA Engagement department. Its various segments devise effective mechanisms to help supporters channel their generosity for lasting impact, strengthen interpersonal faith connections and expand public awareness of MEDA's life-changing solutions to poverty.

A highlight of FY2012 was the way this team came together with unified purpose and improved coordination, well on its way to achieve the sort of brand recognition, engagement of supporters and financial resources that are needed to propel MEDA's onward march.

Our resource development professionals celebrated a record year as they gathered nearly \$5 million in contributions, up 65% over FY11 – boosted by more than \$1 million of family legacy gifts, estate gifts and an average donation size that was up nearly \$800 to \$1,786. These funds are like a giant lever that pry loose many times their weight in grants from big donors.

Our marketing department devised new brand-building ventures with other organizations, refreshed its website with new video and program content and technology advancements, and participated in developing a children's Sunday school curriculum on a poverty-related theme. A growing amount of traffic was recorded on Facebook and



MEDA's website, which had some 38,000 visitors in FY2012.

Those involved in bolstering the association engagement section organized the annual "Business as a Calling" convention in Lancaster, Penn., which drew a record attendance of 705. It also worked on new ways to promote MEDA's mission through education, tours and local chapter activities. In collaboration with Anabaptist Mennonite Biblical Seminary (AMBS) it offered seminars in two locations on "Business Leaders and Pastors: Partners in Leadership and Ministry."

Sixteen local chapters in the United States and Canada explored dimensions of MEDA's dual mission thrust of faith/work integration and creating business solutions to poverty. Thirteen chapters hosted MEDA staff reporting on global projects. Seven chapters raised \$78,528 for MEDA ventures, bringing

The annual Business as a Calling convention – MEDA's most visible effort to connect faith, business and development – set a new attendance record when it drew 705 people in Lancaster, Penn. Steve Sugrim photo

the three-year chapter total to \$300,994.

Altogether during the year, 11,246 people engaged with MEDA through the convention, 16 chapters, 12 colleges, other MEDA events and publications.

In Europe we increased donor numbers, expanded efforts to reach the broader Anabaptist and professional business groups and participated in the Mennonite Europe Regional Conference in Switzerland.

Financials

Mennonite Economic Development Associates

Consolidated Balance Sheet - Unaudited

as at June 30, 2012 (stated in '000s US Dollars)

	MEDA Sarona Risk Capital Fund	MEDA Operations	Total	Total
	2012	2012	2012	2011
Assets				
Current assets				
Cash and short term investments	2	11,171	11,173	11,116
Accounts receivable and other current assets	91	1,928	2,019	2,039
Advances to related parties and partner agencies	0	302	302	278
Current portion of loans receivable	1,974	-	1,974	2,483
	2,067	13,401	15,468	15,916
Non-current assets				
Investments and loans receivable	13,005	100	13,105	10,948
MEDA member direct investments and loans receivable	3,070	-	3,070	2,542
Capital assets	-	854	854	1,109
	16,075	954	17,029	14,599
	18,142	14,355	32,497	30,515
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	198	3,690	3,888	2,502
Deferred grants and contracts	-	5,264	5,264	7,321
Deferred contributions	-	336	336	575
Due to related parties and partner agencies	1	457	458	555
Current portion of notes payable	3,220	-	3,220	2,980
	3,419	9,747	13,166	13,933
Long term liabilities				
Notes payable	7,309	434	7,743	6,955
Net assets				
Subvention certificates	107	-	107	200
Sarona Risk Capital Fund	7,307	-	7,307	5,782
Unrestricted	-	4,174	4,174	3,645
	7,414	4,174	11,588	9,627
	18,142	14,355	32,497	30,515

Sarona Risk Capital Fund

Innovative early-stage finance
for development companies

June 30, 2012

'000s USD

Key Investment Assets

Sarona Frontier Markets Fund - equity	2,580
Agro Capital Management, Ukraine - equity	1,521
IMON Finance, Tajikistan - equity	1,430
CODIP S.A., Paraguay - equity	1,370
MiCredito, Nicaragua - equity and loan	1,054
Alternative Investment Company, Haiti - equity	1,000
MicroVest - short term investments	832
TBC Bank, Georgia - microfinance deposit	750
Women's World Banking ISIS Fund - equity	604
Impact Assets, USA - loan	500
Mobile Transactions International, Zambia - equity	480
MISFA, Afghanistan - loan	465
Banco Solidario, Ecuador - microfinance deposit	375
Brazil Plus - liquid investment	375
Sarona Asset Management, Inc. - loan	344
Fonkoze, Haiti - equity and loan	325
MicroVest Capital Management - equity	286
MicroVest Plus - equity	249
Sarona Risk Capital Fund 1, LP - equity	205
MFX Solutions - equity	100
Prodir, Paraguay - equity and loan	50
Miscellaneous	85
Other	
MEDA members' direct investments	3,070
	18,050

Consolidated Statement of Operations and Changes in Unrestricted Net Assets - Unaudited

for the Year Ended June 30, 2012 (stated in '000s US Dollars)

	MEDA Sarona Risk Capital Fund	MEDA Operations	Total	Total
	2012	2012	2012	2011
Revenue				
Charitable contributions	1,732	3,451	5,183	2,893
Grants and contracts	-	22,402	22,402	37,725
Professional fees	(142)	4,050	3,908	4,746
Convention and tours	-	260	260	188
Realized investment income	329	9	338	424
Unrealized investment income	586	-	586	376
Other	-	313	313	239
Total Revenue	2,505	30,485	32,990	46,591
Expenses				
Association engagement	-	846	846	795
Financial Services	-	5,636	5,636	8,825
Market Linkages	-	21,837	21,837	33,392
Resource Development	-	1,333	1,333	1,084
Sarona Risk Capital Fund and investment fund development	975	-	975	1,193
Other	-	304	304	374
Total Expenses	975	29,956	30,931	45,662
Operating Surplus	1,530	529	2,059	929
Unrestricted net assets - beginning of year	5,782	3,645	9,427	8,513
	7,312	4,174	11,486	9,442
Subvention Certificate Payments	(5)	-	(5)	(15)
Unrestricted net assets - end of year	7,307	4,174	11,481	9,427

Note: Audited Financial Statements, comprising MEDA's North American-based operations are available upon request.

MEDA People

Who We Are

Mennonite Economic Development Associates (MEDA) is an association of Christians who firmly believe that unleashing entrepreneurship is the best way to alleviate poverty. We believe we are called to live our faith in our own work settings and to create sustainable business solutions to poverty throughout the world.

We are committed to:

- > Creating hope for all people by offering economic options and taking a shared risk;
- > Building relationships on trust, integrity and hospitality that promote peace;
- > Using the disciplines and structures of business to create innovative and sustainable solutions to poverty.

Our Vision

...that all people may experience God's love and unleash their potential to earn a livelihood, provide for families and enrich their communities.

Our Mission

As an association of Christians, faithful in daily work and committed to sharing abilities and resources, MEDA creates business solutions to poverty.

Engagement with MEDA

We are deeply grateful for the support of the many individuals who are committed to MEDA's vision, values and programs. We invite all people who are interested in business solutions to poverty to join forces with MEDA. Engagement with MEDA can take various forms:

- > Contributing financially to support MEDA's overall work or a specific project
- > Getting involved with a MEDA Chapter, where you can share the inspirations and challenges of being faithful in daily work and utilizing your gifts to alleviate poverty
- > Attending MEDA's annual convention or smaller regional meetings
- > Staying abreast of MEDA's work through our publications, web site and news articles
- > Serving as a volunteer board member, auditor, or consultant
- > Choosing to become a voting member of the MEDA association – MEDA members endorse, embrace and promote MEDA's vision and mission, make an annual financial contribution, and vote at our annual general meeting.

We welcome your inquiries. Call us at 1-800-665-7026.

Board of Directors

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business professor
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