



KickStart 
The Tools to End Poverty ▲

ANNUAL REPORT
2012

KickStart's mission is to get millions of people out of poverty quickly, cost-effectively and sustainably. And, in doing so, change the way the world fights poverty.

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A WELCOME *from our* CEO



2012 was an important year in KickStart's evolution. We reflected back on our journey since our founding and felt proud of the progress we had made – we had proven the impacts of our MoneyMaker pumps on poverty alleviation, we were nearing the milestone of selling our 200,000th pump in one of the hardest places in the world to sell new technologies, and we had enabled more than 670,000 people to lift themselves out of poverty. We look back at 2012 as the start of significant changes for the organization that will take KickStart to a whole new level. KickStart's board, senior management and longtime supporters agreed that though these impacts are significant, KickStart has only scratched the surface.

With an estimated 15 million farmers across Africa that could use MoneyMaker pumps to irrigate their farms and take a first major step out of poverty, KickStart must prepare to take the sales of our MoneyMaker pumps to a whole new level. To do this, we will need to develop cost-effective ways to reach poorer, more risk-averse, and harder-to-reach farmers.

To that end, we began designing a new strategy for growth going forward. Our focus includes more cost-effectively increasing the reach of our field agents, developing new ways to increase word-of-mouth sales, leveraging new and existing partnerships with farmer groups and institutions, as well

as with the private sector, and increasing our offerings to rural farmers. As part of the transition, we streamlined our organizational structure, and increased our fundraising capacity to support future growth.

“ *We look back at 2012 as the start of significant changes for the organization that will take KickStart to a whole new level.* ”

Thanks to the continued dedication of our donors, while implementing these changes, KickStart enabled an additional 90,000 people to climb out of poverty this year through the sale of 25,000 pumps, which were used to create 18,000 new family-run farming businesses, generate \$15M in new annual farm profits and wages, create 15,000 new jobs, and send 28,000 children to school for the first time, or to improved schools.

The impacts of our pumps are transformative and ensure lasting improvements across rural Africa. We look back at 2012 as the start of significant changes for the organization that will take KickStart to a whole new level and enable us to empower the enormous population we have yet to reach. We couldn't do the work we do without our generous donors, and we thank you for your ongoing support.

A handwritten signature in black ink that reads "Martin Fisher". The signature is written in a cursive, slightly slanted style.

Martin Fisher, Ph.D
Co-Founder and CEO



MEASURING OUR IMPACT

KickStart's Impact Evaluation and Monitoring team tracks and measures the socio-economic impacts of its programs by surveying a randomly selected sample of pump users and their families over a protracted period of time.

A family is visited and surveyed three times over a three to four year period following acquisition of a pump.

The first visit occurs within two to three months of purchase before any real or tangible benefit has been felt. This is termed the "Zero Age" survey and equates to a baseline survey, providing a picture of the family's circumstances before use of the pump has had any significant impact on their lives.

Another visit is made 18-24 months later which allows for the pump to have been used for at least four crop-growing cycles. Significant and measurable changes have usually occurred by this stage.

The last survey is conducted after three (sometimes four) years, by which time the family should have optimized the use of the pump to suit their unique circumstances. KickStart assesses how the family's social and economic status has changed, and to what extent the changes can be attributed to pump use.

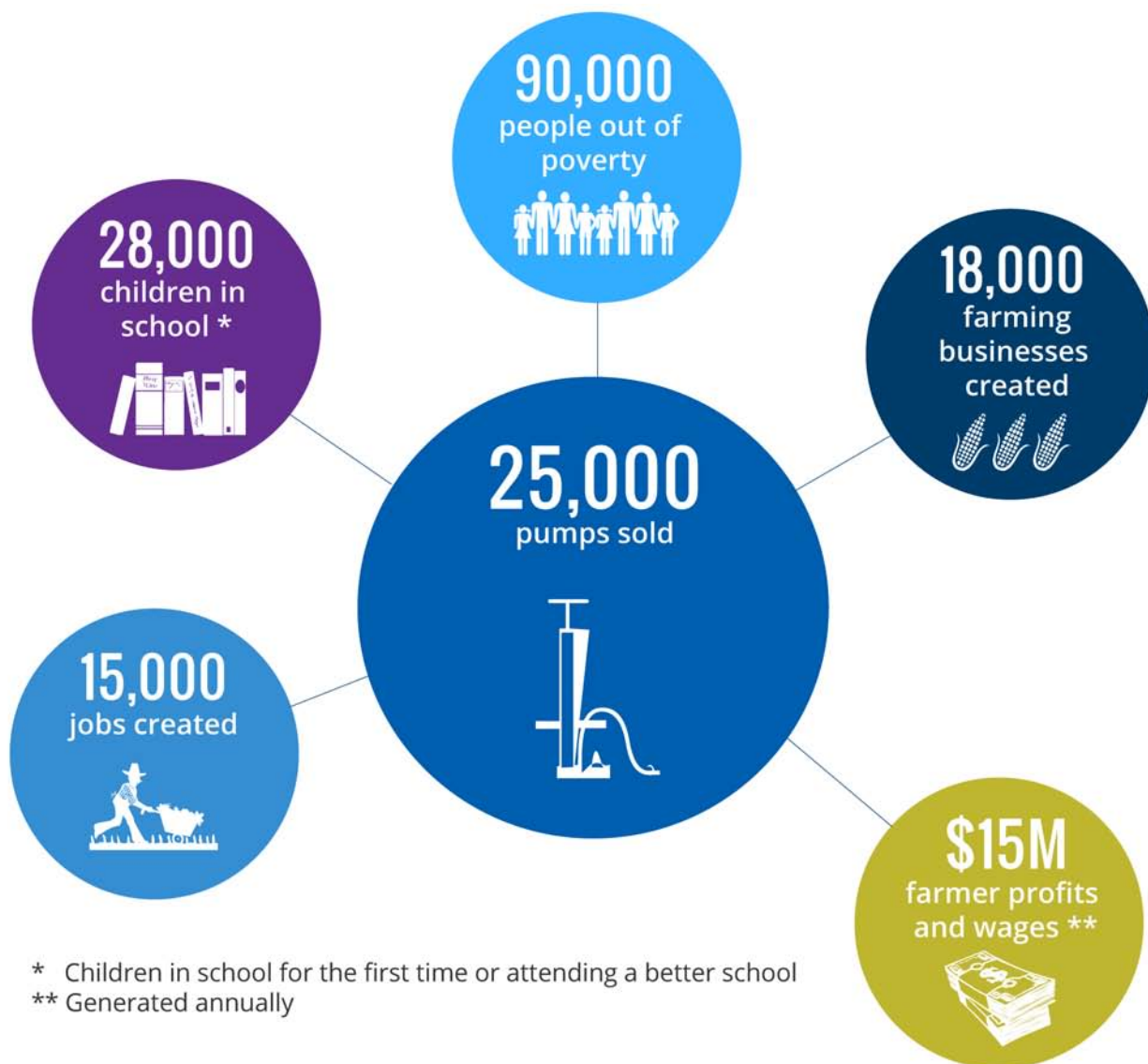


The principal indicator of success is an increased household income level. Greater income allows one to invest in better living conditions, increase the diversity of foods eaten, and secure improved healthcare.

In addition, we also measure other indicators such as the type of housing the family occupies, assets owned, the number of children in school and the type of school they are attending, the number of people employed, the types of crops they grow, and the area of land irrigated/served by the pump.

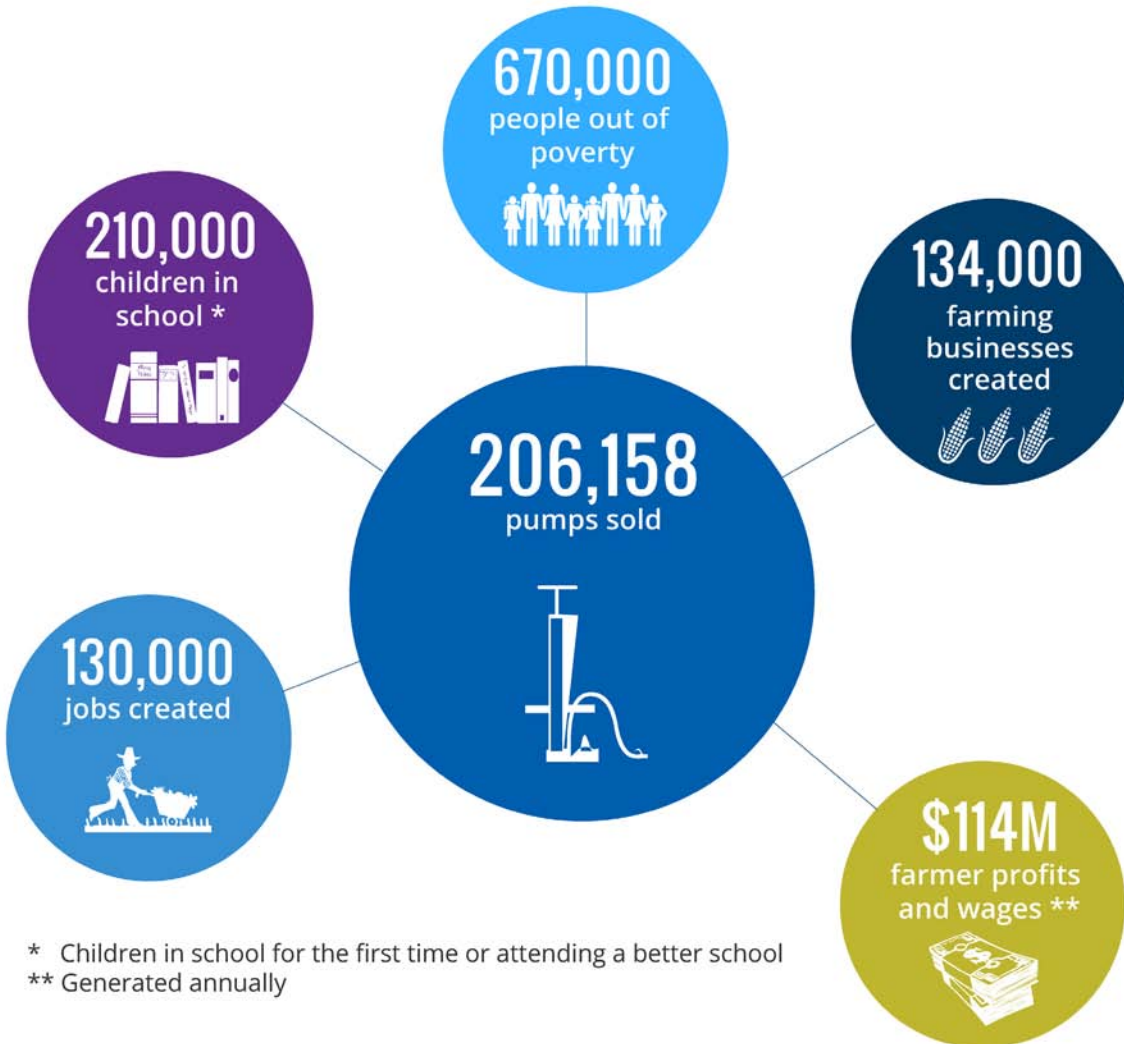
Data collected in the course of these surveys provides KickStart not only with an accurate estimate of the value of new wealth created, but also with important information that can be used by other KickStart programs and functions, like product development and design, supply management, and marketing, to improve our offerings and ensure that we are meeting the needs of poor rural farmers.

FY 2012 IMPACTS



* Children in school for the first time or attending a better school
** Generated annually

CUMULATIVE IMPACTS





INCOME & FOOD SECURITY

KickStart's MoneyMaker pumps enable farming families to start and grow small farming businesses that provide a sustainable means for increased income and food security. Farmers use the pumps to move from rain-fed farming to commercial, irrigated agriculture, pulling water from shallow sources to irrigate up to two acres of crops. Irrigation allows farmers to produce crops all year long and sell them when prices are high.

Farmers using the pumps increase their net farm income by an average of 500% and effectively lift themselves and their families out of poverty. Additionally, fruits and vegetables grown with MoneyMaker pumps enable farmers to provide enough food to adequately feed their family and sell their surplus to their neighbors and through local markets, ensuring increased food security for the community.

With increased income, farming families are able to afford healthcare, clothing, farming inputs, school fees, and home repairs. Farmers also invest money back into their farming businesses and often hire members of their community to work on their farm, contributing to local employment.

In 2012, 90,000 people were lifted out of poverty through 18,000 new profitable farming businesses created with KickStart's pumps.

On average, each business enables a family of five to take the first major steps out of poverty and change their lives.

These businesses have also created 15,000 local jobs and generated about \$15 million in new profits and wages from the farms.

At the end of FY2012, KickStart has enabled over 670,000 people to lift themselves out of poverty, building a strong middle class across Africa.





EMPOWERING WOMEN

KickStart recognizes the potential women have to spur economic growth. By empowering women to establish sustainable businesses and increase their incomes, KickStart is helping to break down barriers of inequality. To increase pump adoption among women, KickStart has created gender-friendly messaging and outreach, and is developing innovative payment plans that enable more women to access irrigation technologies.

With an irrigation pump, women significantly increase their family income, become equal partners in their households and are often seen as role models within their communities. Data shows that women are more likely to invest the additional income in their family, allocating money they earn to their children's education, making home improvements, and investing in their family's future.

In recognition of KickStart's work to empower women, the U.S. State Department selected KickStart as one of its first grantees to receive the prestigious *Innovation Award for the Empowerment of Women and Girls*, presented to KickStart by

Secretary Clinton. By empowering women to start and grow their own businesses, KickStart is creating a growing class of women entrepreneurs across rural Africa.

Also, with major support from the Barr Foundation, KickStart initiated a program to increase the number of women farming entrepreneurs and sales agents in drought-affected regions in Kenya. Women there face an especially harsh reality because of the worsening effects of climate change. Charged with the back-breaking labor of fetching water and firewood, and ensuring that there is enough food for their children to survive, these women must travel longer distances to find scarce and depleting resources.

In our partnership with the Barr Foundation, in FY13 and FY14 we will empower more women farmers to start and lead agribusinesses (including tree nurseries) and generate enough income to reinvest in their families and themselves.

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A VISIT *with* HANNAH

I sat and appreciated the modest house, just one small living room, flanked by two simple quarters on either side. A single light bulb hung from the tin roof, and dozens of baby chicks chirped relentlessly outside.

Inside, I admired the walls, every inch covered with images. Soccer posters, old calendars and embroidered wall hangings. Looking closer I saw that they were bible verses, stitched in between happy flowers; "To whom much is given, much is expected."

Outside, Hannah hands me a large package, wrapped in yellowed plastic tarp and tied up with string, like a present. I balance it awkwardly. It takes me a minute to realize, "Oh, this is your irrigation pump."

Kuyu, the marketing manager for Kickstart, looks at me and smiles, speaking softly, "It's funny that she wraps it like this, it's chip-resistant paint. It's not going to rust or be damaged." Hannah has had her pump for two years. It still looks brand new.

We tread carefully down a slope to her small garden, walking through trees until we reach a clearing where the sky opens up before us. Fruits and vegetables of every variety lay in neat little rows. Huge fuchsia flowers bloom wildly along her fence. It's an unexpected eden.

Carefully, she unwraps her pump and goes to work. Hannah's farming business has tripled since she purchased her irrigation pump, a fact she is keenly aware of.

When you see my eyes well with happiness, you will find dignity there.

As hard as I try, I can't think of an any single item in America to compare the pump to. What's the one physical item we have in the U.S. that can transform a poor family struggling to feed themselves into nearly instant middle-class entrepreneurs?

With the income generated from selling her crops, Hannah has invested in chickens and now sells eggs along with her produce. She can also afford her son's school fees and he will never miss school again because they can't afford to buy him socks and shoes.

No longer toiling all day under the hot sun, carrying a bucket, plopping water and drenching seedlings, Hannah now has time for her favorite activity, she tells us joyfully – teaching Sunday School at her church.

I cannot think of one investment more precious. More valuable.

Story written by Becky Straw, The Adventure Project



THE DYNAMIC IMPACT OF JUST ONE PUMP

Hannah's story is not unique. The benefits of one pump are astronomical.

A pump can increase harvests by three to four times per year, and can irrigate up to two acres of land per day.

One pump has the ability to move a farmer and their family from poverty into the middle class in just one harvest.

The irony of Africa is that 75% of all subsistence farmers' children go hungry, for they cannot even grow enough to feed their own families.

With an irrigation pump, farmers suddenly have so much food that they can sell their surplus in local markets earning enough to send an average of 1.5 of their children to school for the first time.



CLIMATE ADAPTATION

The global climate crisis and lack of predictable rainfall increase the need for effective water management solutions—especially for the rural poor—who depend on natural rainfall for their livelihoods. Increasingly variable rain patterns have made it especially challenging for poor, small-scale farmers to achieve steady production.

KickStart's pumps help rural farmers access water all year long, grow crops steadily throughout the year, increase their crop harvests, water their livestock and secure their livelihoods despite changing natural weather patterns. In regions significantly affected by climate change,

KickStart farmers are no longer reliant on natural rainfall and can build their resiliency to

climate change while ensuring food and income security for their families. Additionally, KickStart farmers are growing hundreds of thousands of tree seedlings to help replenish tree coverage in areas that have been pillared by deforestation. By providing the tools farmers need to effectively manage renewable water sources, KickStart is empowering them to secure their futures and respond to the changing environment.

With funding from the Barr Foundation in FY 2012, KickStart conducted targeted outreach and awareness building activities in the climate-sensitive areas of Kenya focused on helping farmers to adapt to climate change using our pumps. Field representatives conducted specialized training for local

pump dealers and farmers to increase their understanding of how KickStart's pumps help farmers maintain and increase crop yields under increasingly challenging environmental conditions.



This project encourages more farmers in the region to plant tree seedlings to both increase farm income and replenish trees that have been lost to massive deforestation. At the end of FY 2012, an estimated 185,000 tree seedlings are now being grown by more than 1,200 MoneyMaker farmers in the project region.



FARMER FRIENDLY FINANCING

Many rural families in Africa have irregular income streams and are challenged in their ability to save. To help overcome these challenges and facilitate access to MoneyMaker pumps for poor farming families, KickStart is developing and introducing innovations in financing, specifically designed for poor rural farmers.

While banks and microfinance institutions provide valuable services to the poor, in Sub-Saharan Africa they tend to be most successful in urban areas—where there are more investment opportunities, and where the cost of providing those services is greatly reduced by the density of the potential client base. KickStart recognizes the challenges poor farmers face in accessing formal banking services, securing micro-loans, or simply saving up cash and

are developing several groundbreaking innovations to try to overcome this challenge.

In FY 2012, KickStart rolled out its “Mobile Layaway” program or “Tone Kwa Tone” (Drop by Drop in Swahili) across all of Kenya. This innovative micro-savings service was successfully piloted last year and enables a poor farmer to save to purchase a pump by making micro-payments toward pump ownership through their mobile phone. Our small pilot demonstrated that Mobile Layaway can actually shorten the time it takes farmers to save to acquire a pump, and has shown increased pump adoption among women and a poorer segment of farmers. Over 250 farmers have already taken advantage of this program that has enabled them to more quickly and easily adopt irrigation.

KickStart’s mobile layaway program was a Finalist at the 2011 Mobile Money Awards in the category of Achievement in Financial Inclusion. This year, KickStart received the U.S. State Department and the Rockefeller Foundation “Innovation Award for the Empowerment of Women and Girls” which will enable KickStart to launch mobile layaway in Tanzania in FY13.

Looking forward, KickStart will develop and test a rent-to-own model that will offer farmers a micro-leasing option to acquire a pump right away. KickStart strives for new ways to breakdown critical barriers to pump adoption, empowering more farmers to increase their income and ensure food security across Africa.



REACHING FARMERS *through* INNOVATION

Reaching smallholder farmers in rural Africa, convincing them to change the way they have farmed for generations, and convincing them to buy a never-before-seen, big-ticket product (like a new irrigation pump) is a major challenge. These are the world's poorest, most risk averse and hardest-to-reach customers. Word-of-mouth sales are slow—the rural poor are very often reluctant to tell their families and neighbors that they have made a lot of money.

Reaching remote farmers and convincing them to change their behavior is sometimes known as the “last mile challenge”. Private sector companies do not even attempt to sell brand-new, expensive products to the rural poor in Africa. The promotion costs are too high, the margins too low, and it takes far too long to build the market demand. Thus, there is a fundamental “market failure” and no one in recent times has successfully introduced, and sold at scale, a useful new farming tool to poor, rural African farmers.

KickStart is constantly innovating ways to reach “last mile” farmers and ensure that poor rural families can lift themselves out of poverty through irrigation.

In 2012, KickStart once again conducted hundreds of farmer field days and on-farm training demonstrations across Kenya, Tanzania, Mali and Burkina Faso to educate farmers about the life-changing benefits of adopting irrigation. In addition, KickStart began defining two strategies it will test in 2013: Group Outreach and Agropreneurship.



Group Outreach

Traditionally, KickStart has organized large public farmer-field-days followed by one-on-one visits to new farmers to encourage them to buy a pump. A core component of KickStart's new strategy is to instead target existing groups of farmers, who meet regularly.

This change should enable sales/promotion staff to reach more farmers more cost-effectively, build longer term relationships with the farmers, ensure that early pump adopters in the groups are highly successful, appoint them as "pump champions" and train them to accelerate word-of-mouth sales within the groups—which should spread more quickly than it does between random farmers.

Agropreneurship

Targeting farmer groups should enable KickStart to more cost-effectively provide agro-preneurship training to the farmers—both before and after they buy pumps—teaching them not only how to irrigate, but also how best to plant, cultivate and harvest their crops to maximize their yields and incomes. KickStart has shown that pump users can benefit tremendously from such training, and that it can greatly increase the impact of a pump.





PRODUCT & TECHNOLOGY DEVELOPMENT

Based in Nairobi, KickStart's Product Innovations Development (PID) team is the engine that drives our product innovations. PID consists of a small team of product managers, engineers, designers and technicians who conceive, design then develop the new technologies that enable hundreds of thousands of Africa's poorest people to start highly profitable businesses and move from poverty into the middle class.

Over the years, PID has developed successful products for the world's poorest populations, from its ActionPac Block Press that thousands of entrepreneurs and non-profits across Africa use to manufacture low-cost building blocks, to its best selling line of human powered MoneyMaker irrigation pumps that are being used by over 140,000 smallholder farming households to lift their families out of poverty.

In FY12, KickStart was proud to launch the MoneyMakerMax (MMM) in Kenya, the next edition in its signature MoneyMaker Pump series that offers an increased value for farmers and KickStart alike. Farmers appreciate that the MMM is 22% lighter, about 10% more efficient, more

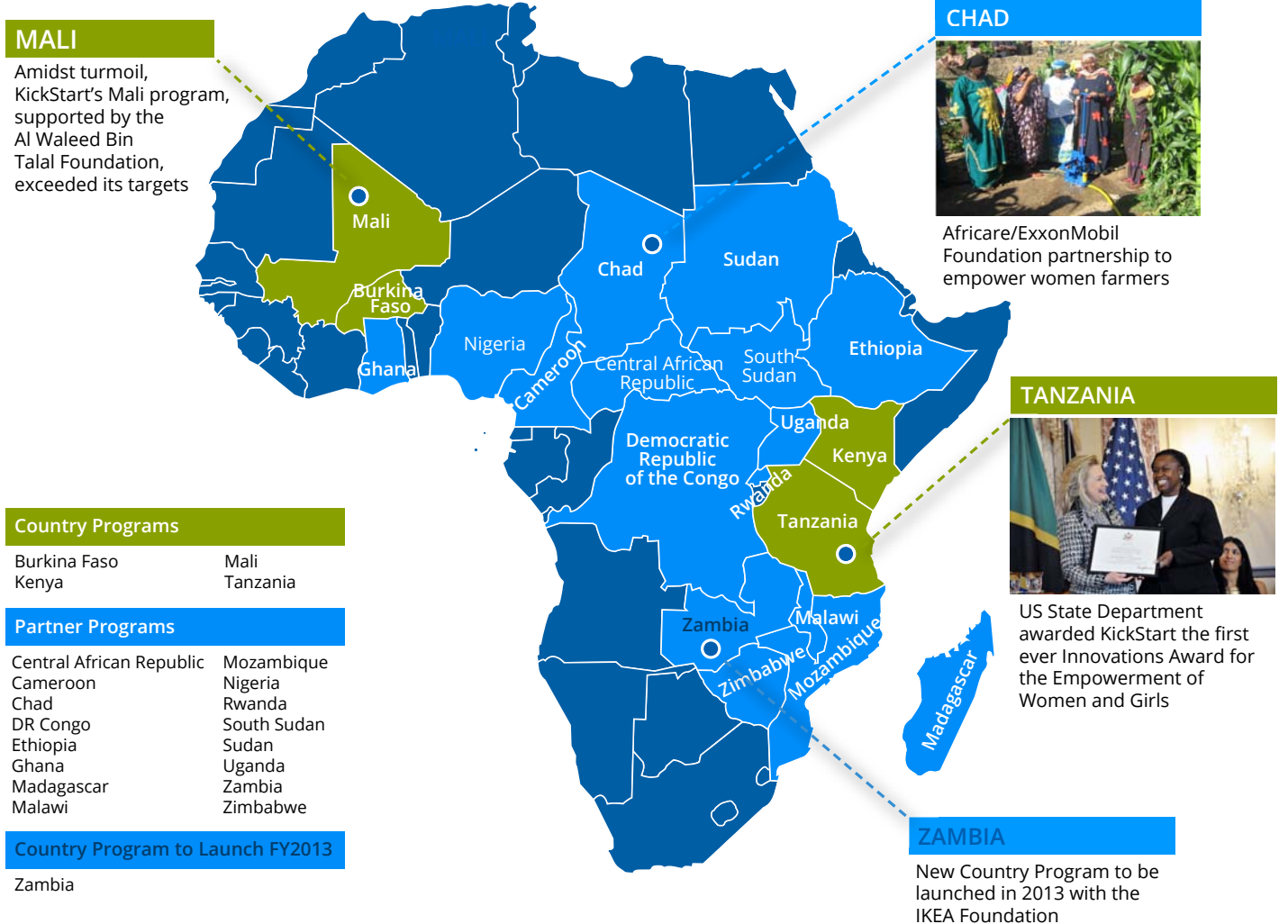
rust-resistant, easier to maintain, and offers an 18 month guarantee vs. KickStart's standard 12 month guarantee.

For KickStart and its supply chain of local distributors, agrovet supply stores, and sales agents, the MMM costs less to manufacture and is designed so that twice as many pumps can fit into a shipping container from the manufacturer. These cost-savings translate to higher profit margins across the supply chain, an essential part of driving the innovative KickStart model toward sustainability and cost-recovery.





WHERE WE WORK



Country Programs

KickStart has established on-the-ground country programs in Kenya, Tanzania, Mali, and Burkina Faso, with a team of over 120 locally-based field agents that implement extensive marketing, education, and awareness building activities designed to encourage adoption and generate demand for our manually-powered irrigation pumps.

Since changing the behavior of farmers who have practiced rain-fed farming for generations is a long process, KickStart's agents use a variety of tactics to demonstrate the life-changing impacts of irrigation and encourage the adoption of the pumps.

An essential part of our outreach strategy is to partner with NGOs, agricultural companies, local farmer co-operatives and women's groups to demonstrate the pumps to their membership and educate partners on the critical role irrigation can play in helping farmers secure their livelihoods and take themselves out of poverty.

While KickStart builds market demand for irrigation pumps, it also optimizes a sustainable supply chain through a network of over 400 local, private sector dealer shops across these countries. The dealers work closely with KickStart's field agents as the main point of sale for the pumps. Creating sustainable local knowledge about irrigation, training farmers on how to use



the pumps, and building a local for-profit supply chain to sell the pumps and spareparts are the essential components of KickStart's work to create long-term sustainable impacts for farmers. In FY 2013, with funding from the IKEA Foundation, KickStart will be launching a country program in Zambia based on this model that will significantly expand our reach in Southern Africa.

Partner Programs

KickStart's Global Institutional Partnerships (GIP) Program enables us to reach smallholder farmers in more than 16 other African countries and helps to significantly extend our work beyond our main country programs. This export effort serves as a key component to the organization's multi-dimensional model and provides KickStart opportunities for expanding impacts even further.

Since the program enables KickStart to work in countries where it does not have an on-the-ground country program, KickStart works with local wholesalers and locally operating NGOs to raise awareness, increase the adoption of our pumps, and to help seed the market with good quality irrigation products.

KickStart's level of engagement with each of these partners through the GIP program varies country to country and partnership to partnership, but in our GIP relationships KickStart often plays a key role in training the partner organization on our products and the importance of encouraging pump purchase through the private sector among the farmers they work with.

FINANCIALS

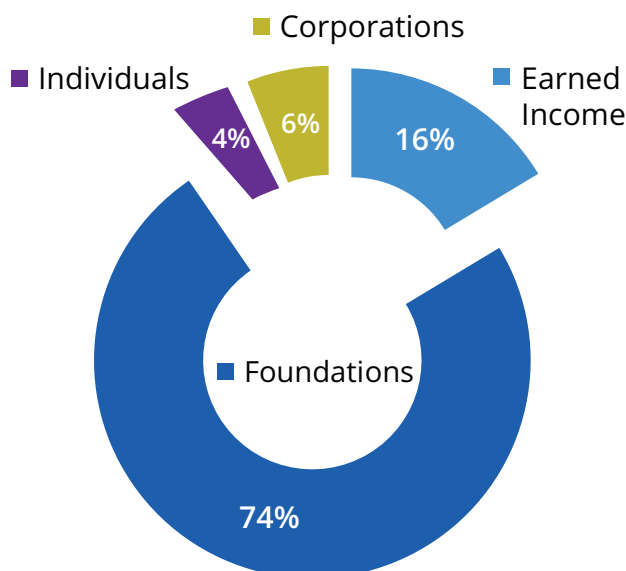
For the Years Ending June 30, 2012 and 2011
(Amounts in Thousands)

STATEMENT OF ACTIVITIES

	2012 (\$'000)	2011 (\$'000)
Operating Income		
Product sales and & Other Earned Income	\$ 2,313	\$ 2,373
Foundations and Trusts	10,470	3,811
Individuals	494	1,344
Corporations & Governments	858	2,124
Total operating income	\$ 14,135	\$ 9,652
Operating Expenditures		
Program services	\$ 8,113	\$ 9,617
Management & General	802	1,011
Gross Operating Expenditures	\$ 8,915	\$ 10,628
Surplus/(Deficit) related to unrestricted fund	\$ (891)	\$ (1,758)
Surplus/(Deficit) related to temporarily restricted funds	6,111	782
Investments & Other non-operating activity (Net)	0	0
Change in net assets	\$ 5,219	\$ (975)
Net assets at the beginning of the year	\$ 3,711	\$ 5,143
Prior period adjustments	0	(456)
Sub-total	\$ 3,711	\$ 4,687
Net assets at the end of the year	\$ 8,931	\$ 3,711

Complete Financial Statements, audited by our auditors PKF International, are available upon request

SOURCES OF FUNDS



FINANCIALS

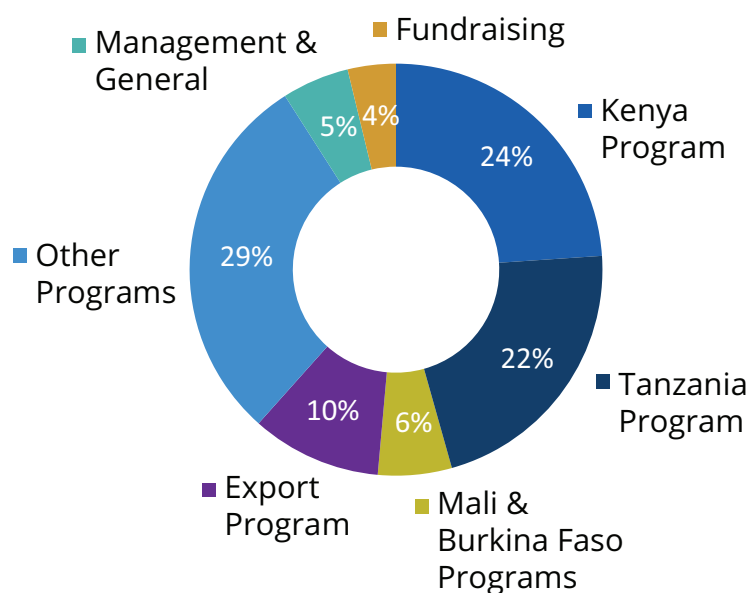
For the Years Ending June 30, 2012 and 2011
(Amounts in Thousands)

STATEMENT OF FINANCIAL POSITION

	2012 (\$'000)	2011 (\$'000)
Assets		
Cash and cash equivalents	\$ 304	\$ 213
Trade and other receivables	9,772	3,199
Inventories	581	773
Property, plant and equipment (Net)	272	347
Total assets	\$ 10,928	\$ 4,532
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Trade and other payables	\$ 832	662
Borrowings	1,166	159
Total liabilities	\$ 1,997	820
Net assets		
Unrestricted	\$ (872)	\$ 19
Temporary restricted	9,803	3,692
Total net assets	\$ 8,931	\$ 3,711
Total liabilities and net assets	\$ 10,928	\$ 4,532

Complete Financial Statements, audited by our auditors PKF International, are available upon request

USE OF FUNDS



SUPPORTERS

3ie

Alwaleed Bin Talal Foundation

Australian Aid

Barr Foundation

Bill and Melinda Gates Foundation

Cardno Emerging Markets

EngenderHealth

Eric Aroesty

ExxonMobil Foundation

Fintrac

Goodwin Procter

Guy Cogan

Helvetas Intercooperation

IKEA Foundation

Imperial Tobacco

International Food Policy Research Institute (IFPRI)

Jasmine Social Investments

Jester 003 Charitable Trust

John Deere Foundation

Johnson & Johnson

Josh and Anita Bekenstein

Lewis Katz

Margaret A. Cargill Foundation

May & Stanley Smith Charitable Trust

Meyer Family Fund

Morgan Family Foundation

Peery Foundation

Peter and Laurie Thomsen

Planet Wheeler Foundation

Rockefeller Foundation

Ronald Aroesty

Sarita Kenedy East Foundation

Segal Family Foundation

Skoll Foundation

Susan Whitehead

TechnoServe

The Adventure Project

The Skilling and Andrews foundation

The French Embassy, Tanzania

The Hall STEPS Foundation

The Horace W. Goldsmith Foundation

The Mulago Foundation

The Pershing Square Foundation

The Skilling and Andrews Foundation

The West Foundation

U.S. Department of State

Voxtra Foundation

...Plus many, many more individual donors



PARTNERS

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Action Contre la Faim

Adventist Development and Relief Agency

Catholic Relief Services

Child Fund

Cooperative for Relief Everywhere

Food & Agriculture Organization of the United Nations

Food for the Hungry

International Atomic Energy Agency

International Committee of the Red Cross

International Organization for Migration

Médecins Sans Frontières

Programme Compétitivité et Diversification Agricoles

Projet d'Irrigation et de Gestion de l'eau à Petite Échelle

Relief to Development Society

Total LandCare

US Agency for International Development

World Food Program

World Neighbours

World Vision

World Wildlife Foundation

And numerous other NGOs and CBOs



AWARDS



- 2012 US State Department “Innovation Award for the Empowerment of Women and Girls”
- 2012 The Global Journal – KickStart listed among the “Top 100 Best NGOs in the World”
- 2011 CIO Magazine’s Top 100 companies using Information and Communications Technology
- 2011 Forbes Magazine, Impact 30 List (World’s leading social entrepreneurs)
- 2011 4-Star rating on Charity Navigator
- 2008 OneWorld’s Person of the Year Award
- 2008 Lemelson-MIT Award for Sustainability
- 2008 Peter F. Drucker Award for Nonprofit Innovation
- 2008 Design News - 2008 Engineer of the Year
- 2007 Social Capitalist Award Fast Company Magazine & the Monitor Group
- 2006 Argosy Foundation and eTown E-Achievement Award
- 2005 Skoll Social Entrepreneur
- 2004 IDSA Gold Award
- 2003 Schwab Outstanding Social Entrepreneurs
- 2003 Beacon Prize for Creative Giving
- 2003 TIME, European Heroes
- 2003 AGFUND International Prize for Pioneering Development Projects
- 2003 Newsweek - Inventions That Will Change the World
- 2003 Gleitsman Award of Achievement
- 2002 San Jose Tech Museum Award

PRESS

Nick Moon At the World Economic Forum, Addis Ababa
Huffington Post, May 24, 2012

Martin Fisher: Putting Families on a Different Trajectory out of Poverty
Faith and Leadership, Duke University, May 24, 2012

Africa: Kickstarting Entrepreneurship and Progress
AllAfrica, April 5, 2012

Looking to Africa for Innovation
On the Up, November 18, 2011

Turning smallholder farmers into business people
How We Made it in Africa, November 7, 2011

Solar Sister and NextAid Showcase 5 Promising Technologies for Africa
Treehugger, November 4, 2011

Bridging the Gender Divide in Technology
International Center for Research on Women (ICRW), September 20, 2011

The New Microfinancing: SMS-Based Layaway To The Rescue.
Fast Company, July 20, 2011





For more information,
visit www.kickstart.org or
contact us at info@kickstart.org.