



Change to believe in: THP Uganda's impact

THE
HUNGER
PROJECT

Supporting exhibits
January 28, 2009

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EXHIBIT 1

The McKinsey team spent just over 3 weeks on the ground in Uganda

	Preparation	In country diagnostic	Wrap-up
Timing	November - December 17	December 18 – January 10	January 12-26
Key activities	<ul style="list-style-type: none"> Finalize project scope and logistics Conduct expert interviews Benchmark peer organizations Collect and review existing data and reports (THP quarterly reports, prior research, publications from the Uganda government, etc.) Develop field interview guides, interviewee lists, and surveys 	<ul style="list-style-type: none"> Visit epicenters in different phases Interview THP staff, local and national government officials, epicenter community members, and partner organizations Collect and analyze epicenter data Debrief with THP Uganda team 	<ul style="list-style-type: none"> Complete analysis and synthesize findings into a final report Document methodology used Debrief with Jill Lester and Home teams Assemble video and photos
Deliverables	<ul style="list-style-type: none"> Completed outside-in analysis Interview guides for field work 	<ul style="list-style-type: none"> Preliminary report 	<ul style="list-style-type: none"> Final memo Supporting exhibits Video and photos

EXHIBIT 2

Over 30 McKinsey women across the world contributed to research efforts for this project

Travel team	Home team members	
<p>Joanna Barsh (New York)</p> <p>Lisa Norcross (Atlanta)</p> <p>Deborah Resnick (Chicago)</p> <p>Maya Horii (New York)</p> <p>Emma Petherick (Sydney)</p> <p>Frances Wilson (London)</p>	<p><i>Asia Pacific / EMEA team</i></p> <p>Marta Higuera (Sydney)</p> <p>Derya Ozkaya (Istanbul)</p> <p>Eleonora Sharef (Sydney)</p> <p>Rania Marandos (Athens)</p> <p><i>Latin America team</i></p> <p>Rosa Lyn JoyWay (Lima)</p> <p>Luminous Fujiwara (Sao Paulo)</p> <p>Susana Medina (Mexico)</p>	<p><i>Midwest team #1</i></p> <p>Amy Gordon (Chicago)</p> <p>Chrissy Lowe (Chicago)</p> <p>Liane Ong (Chicago)</p> <p><i>Midwest team #2</i></p> <p>Alka Tandon (Chicago)</p> <p>Whitney Gretz (Chicago)</p> <p>Kaleen Love (New York)</p>
Additional McKinsey leadership support	<p><i>New York team</i></p> <p>Alexandra Stanek (NYO)</p> <p>Katherine Boas (NYO)</p> <p>Patty Porto (NYO)</p> <p>Shivani Garg (NYO)</p> <p><i>Mid-Atlantic team</i></p> <p>Clara Chow (Washington, DC)</p> <p>Elizabeth Slavitt (Philadelphia)</p> <p>Julia Deluliis (Philadelphia)</p> <p>Yu-Ann Wang (New Jersey)</p>	<p><i>West coast team</i></p> <p>Eileen Chao (Los Angeles)</p> <p>Michelle Rosenthal (NJ / LA)</p> <p>Olivia White (San Francisco)</p> <p>Sarika Agrawal (Los Angeles)</p>

EXHIBIT 3

We interviewed a broad range of economic development and local experts

McKinsey experts

**Agriculture /
Food security**

Sunil Sanghvi
Gretchen Phillips
Roberto Paula
Chloe Lamb
Whitney Gretz
Marla Capozzi

Microfinance

Alberto Chaia
Robert Schiff

Philanthropy

Lynn Taliento
Paul Jansen
Laura Callanan
Christy Gibb

**Women's
empowerment /
leadership**

Frankki Bevins
Jenny Carrillo
Susie Cranston
Christine Ellis
Nathalie Hourihan

**Other Social Sector /
Econ. Development**

Jonathan Bays
Michael Grossman
Steve Davis
Emma Dorn
Denielle Sachs

Health and Nutrition

Tony Lee
Srishti Gupta

Africa/Uganda context

Gachao Kiuna
Acha Leke
Mo Pefole

Other

Guy Grossman – Columbia University
Michael Lester – THP M&E efforts
Elisa Martinez - Care International
Ellen Parker – Project Bread

Local and national government leaders

- George Otim - Commissioner of Planning for the Ministry of Agriculture, Animal Industries and Fisheries
- Professor Tarsis Bazana Kabwegyere - Minister of Disaster Preparedness
- Mrs. Nakadama Rukia, State Minister for Gender & Culture in the Ministry of Gender, Labour, and Social Development
- Acting Commissioner for Culture
- Local council and district leaders in Iganga, Mbarara, Kirahura, & Kiboga

THP staff & beneficiaries

- Global office: Jill Lester, Fitigu Tagesse, John Coonrod, Kathryn Mahoney, Amrote Abdella
- Country office: Irene Wasike Muwanguzi & rest of Uganda THP staff
- 250 THP partners at epicenters in Wakiso, Iganga, Mbarara, Kirahura, Kiboga, and Mpigi. Included focus groups and interviews with epicenter leaders, bank board of directors / village loan committees, animators, health staff, FAL learners and instructors, M&E research teams, HIV animators, food production sub-committee members, nutrition project leaders

EXHIBIT 4

Uganda is making progress against many of the Millennium Development Goals

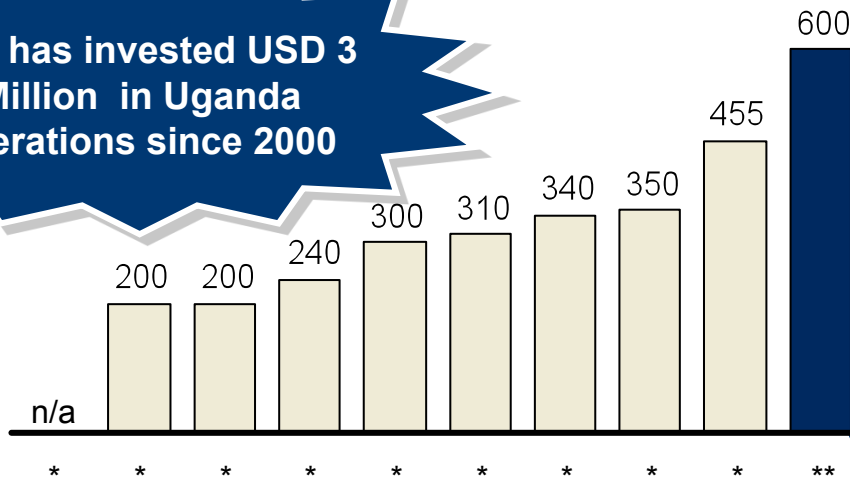
Millennium Development Goal	UNDP assessment for Uganda		
	Achievable by 2015?	State support	Key challenges for Uganda
#1: Eradicate extreme poverty & hunger	Probably	Poverty: Strong Hunger: Fair	<ul style="list-style-type: none"> ▪ Agriculture – increasing productivity ▪ Post conflict management in Northern Uganda ▪ High population growth
#2: Universal primary education	Potentially	Strong	<ul style="list-style-type: none"> ▪ Increasing completion rates ▪ Matching resources to increased enrollment (teachers, books)
#3: Gender equality & women empowerment	Probably	Strong	<ul style="list-style-type: none"> ▪ Women's lack of control over resources & burden of care – rooted in cultural practices ▪ Ensure women organizations continue to thrive despite reliance on foreign funding
#4: Child mortality	Unlikely	Fair	<ul style="list-style-type: none"> ▪ Female education, reduction in teenage pregnancies ▪ Access to quality health care ▪ Full vaccination coverage
#5: Maternal health	Unlikely	Fair	<ul style="list-style-type: none"> ▪ High fertility rates (6.8 avg) ▪ Access to quality maternal healthcare/increased capacity to manage complications
#6: HIV/AIDS, malaria & other diseases	HIV/AIDS: Achieved Other diseases: Potentially	Strong Fair	<ul style="list-style-type: none"> ▪ HIV/AIDS: Scale up interventions especially for vulnerable groups/regions; availability of ARV ▪ Malaria: Availability of drugs; utilization of health services
#7: Environmental sustainability	Probably	Environmental loss: Fair Access to water: Strong	<ul style="list-style-type: none"> ▪ Increase social mobility and resources for environmental health activities
#8: Global partnership for development	Probably	Strong	<ul style="list-style-type: none"> ▪ Pursue global partnerships especially in external trade, external debt, access to drugs, utilization of information & communication technologies

EXHIBIT 5

The majority of THP's spend is on support to the epicenters

THP Uganda budget by year
USD Thousands

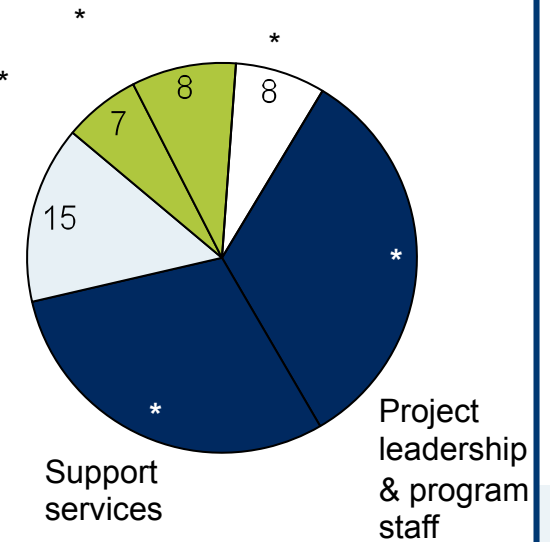
THP has invested USD 3 Million in Uganda operations since 2000



Number of THP epicenter communities in Uganda

*	*	*	*	*	*	*	*	*	**
1	2	3	4	5	6	6	7	8	8

THP Uganda budget allocation
Percent, 2008



* 2008 was an atypical year, the budget for 2009 will be ~\$450k
SOURCE: THP Uganda financial statements; interviews; McKinsey

EXHIBIT 6

THP Uganda has a distinctive approach which delivers uniquely low cost, sustainable impact

<i>The THP approach</i>	<i>What's distinctive</i>	<i>Why it's important</i>
<p>1. <i>Create a vision of a different future through <u>VCA workshops</u></i></p>	<ul style="list-style-type: none"> ▪ No handouts or costly infrastructure upfront 	<ul style="list-style-type: none"> ▪ Generates commitment from local government and the community to be active participants in the change – reduces costs and dependency, and improves likelihood of sustainability after THP leaves
<p>2. <i>Mobilize commitment to action through <u>tangible projects and skill building</u></i></p>	<ul style="list-style-type: none"> ▪ Animator initiated projects ▪ Empowering people with both the skills and will to change 	<ul style="list-style-type: none"> ▪ Creates powerful proof that change is possible for anyone; accelerates the formation of groups ▪ Increases likelihood that change effort will be successful
<p>3. <i>Establish formal roles for <u>local leaders</u></i></p>	<ul style="list-style-type: none"> ▪ Epicenter committees and sub-committees elected by the community set their own agenda and priorities ▪ Network of volunteer animators who feel personally responsible for setting an example and changing the mindsets and behaviors of their neighbors ▪ Reduced dependence on THP particularly after self sufficiency 	<ul style="list-style-type: none"> ▪ Generates a strong sense of local ownership for the success of programs ▪ Starts the process of local capability building early to prepare for self-reliance – committee members learn to develop workplans and meeting agendas, and work with local government officials ▪ Enables THP to reach a lot of people without a lot of staff on the ground ▪ Builds in an exit strategy for THP to leave a community without undermining sustainability
<p>4. <i>Put <u>women</u> at the center</i></p>	<ul style="list-style-type: none"> ▪ True empowerment of women <ul style="list-style-type: none"> – Female owned and managed rural bank – Emphasis on loans to women – 50% representation of women on all other leadership committees 	<ul style="list-style-type: none"> ▪ Teaches men and women that women can be valuable contributors to the household and the community ▪ Motivates women to begin income generating projects to boost household income ▪ Improves outcomes for children (health, nutrition, education) ▪ Reduces women's dependence on men and their ability to manage if their husband dies or leaves them

<p><i>A uniquely low cost, sustainable model</i></p>	<ul style="list-style-type: none"> ▪ Investment of only ~USD15 / person/ yr ▪ Proven self sufficiency and continued progress (community led) after 5 yrs 	<p>Makes replication feasible</p>
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EXHIBIT 7

VCA's play an important role in mobilizing communities and shifting mindsets



"In the beginning, we thought The Hunger Project was just going to give us money, but they started by training... then we realized AWWFI is not just about giving out money, but empowering women and creating awareness... We started by creating our vision before accessing credit – to get out of hunger through animal husbandry and other projects. Through training they encouraged us to improve existing programs and make new ones." – Member of the Wakiso rural bank board of directors



"Before the VCA workshop, the culture of saving was poor. I would get money and then spend it. But since that time, I have learned to save. When I get money, part is saved and the other is spent...another thing is food security. Previously I didn't know how to preserve food for the future. But now I harvest, eat and preserve food for the future also" – Animator, silk project



"It helped me change my mindset...how I can work as a team with my family and my neighbors. I want to show you the garden which I gave my people – people in the village that don't own land" - Epicenter chairman, Kirahura



"Before the training we were doing it individually. Now, after the training, we formed the group. We created a 2 years plan...in the period of 2 years we have been able so far to sensitize four parishes out of seven. 2,200 have already been sensitized" – HIV/AIDS animator



"When you are in VCA, some will easily respond but others want to see how others have benefited and maybe that's when they will come" - Animator



"Most women never thought working was important. At first when The Hunger Project came, we thought it was just about food, but then we learned that the definition of hunger is broad" – Epicenter sub-committee member

Broad praise for THP Uganda from government officials and other NGOs

Government officials

- *“The community leaders have learned to ask us for what they need. If THP says they are leaving, these people will still maintain their new position”* – LC5 local government official, Kiboga
- *“The Hunger Project coming has assisted my people both in acquiring knowledge and changing their thinking. They were producing crops for human consumption, but now they are producing crops for sale. And more so, people have accessed services...Of course money is good, but training, that is more right...Knowledge is power”* – LC3 local government official, Kiruhura
- *“I went to Iganga and saw the good things The Hunger Project is doing...if you empower women, you empower the family”* – State Minister for Gender and Culture in the Ministry of Gender, Labour, and Social Development
- *“Who would have thought women could manage the bank so well? We did not think they had the ability, but now we know differently”* – Local government official, Kiboga
- *“I’m really very grateful. You have really assisted us...If you open more branches in the Iganga district I will be very happy...and as a district we should look for land because land is very scarce”* – District government official, Iganga

Other NGOs

- *“The THP model should be a standard, there is no question that it works.”* – National NGO forum Program Officer
- *“They are good at community mobilization...somehow they get a lot of people to volunteer...it is intriguing that The Hunger Project is able to mobilize over a larger areas with a limited staff...They spend more time preparing, they go slowly, they want to achieve results over a longer period.”* - Johnson Nkuuhe, National MDG Support Advisor and Uganda Millennium Villages Project Country Coordinator
- *“Women’s empowerment, there’s talk everywhere about women empowerment, but it is quite different when you go to an epicenter - it is real women empowerment in terms of their clout, their markets, visibility in the community but also at the household level. So I think those approaches have only been seen in The Hunger Project and it is important that they are scaled up even elsewhere...the villages need to borrow the first stages of The Hunger Project – changing mindsets, ensuring that people know that this is the direction we’re taking and no one is going to stop us. It’s not about money but how do we get ourselves out of this”* – World Vision Uganda representative

EXHIBIT 9

THP’s tenured and committed staff in Uganda play a critical role in ensuring successful execution of the THP model






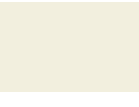
<i>THP has an experienced team in Uganda...</i>			<i>...who are passionate believers in the THP approach</i>	
Most tenured staff	Year started	Other roles within THP		
Country director	1999	Began as a volunteer. Has also served as AWFFI Project Officer and Program Coordinator		<i>“There is no way you can tell people to be visionary, if you are not visionary yourself”</i>
Program officer	2001	Started as credit officer, promoted in 2006		<i>“The magic is believing in them over and over until they believe in themselves”</i>
AWFFI project officer	2002	Started as a project officer in Kiboga, promoted in 2006		<i>“There are many well trained people, especially young people, but to be successful here you have to have the THP mindset and a mindset of serving. We have a vision – we want to leave something, a legacy. Some people don’t get it and leave quickly”</i>
Project officer, Iganga	2001	Started as a volunteer before becoming a project officer; has participated in construction of 4 epicenters		<i>“They [epicenter community members] know we are part and parcel with them”</i>
Head Driver	2000	Trained as a TOT		<i>“I became a trainer of trainers and apply the 5 steps in my own life”</i>

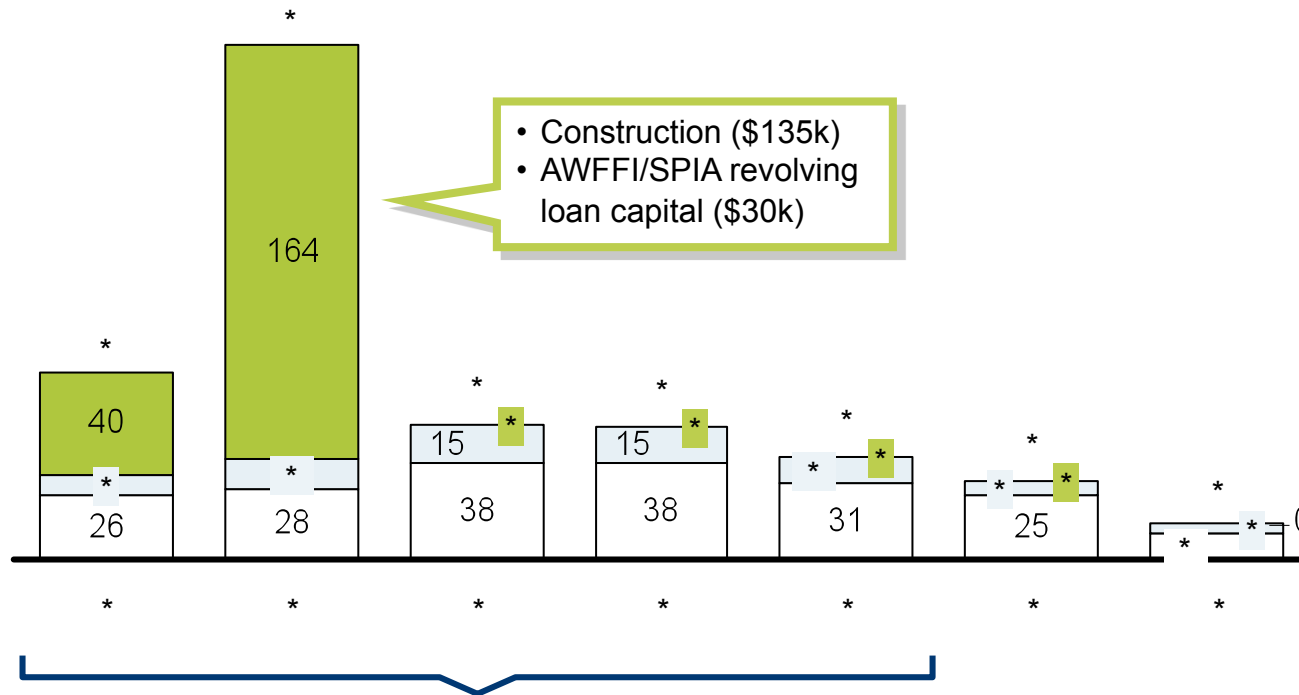
EXHIBIT 12

Spend per epicenter community varies by year, with the most significant investment during Phase 2 for epicenter construction

USD Thousands, estimated¹



- Capital expenditure
- Program cost
- Project and program support



- Majority of spend is in year 2 to finance epicenter construction
- THP continues to invest in 'self-reliant' (Phase 4) epicenters as required

Total 5 year investment = \$423K

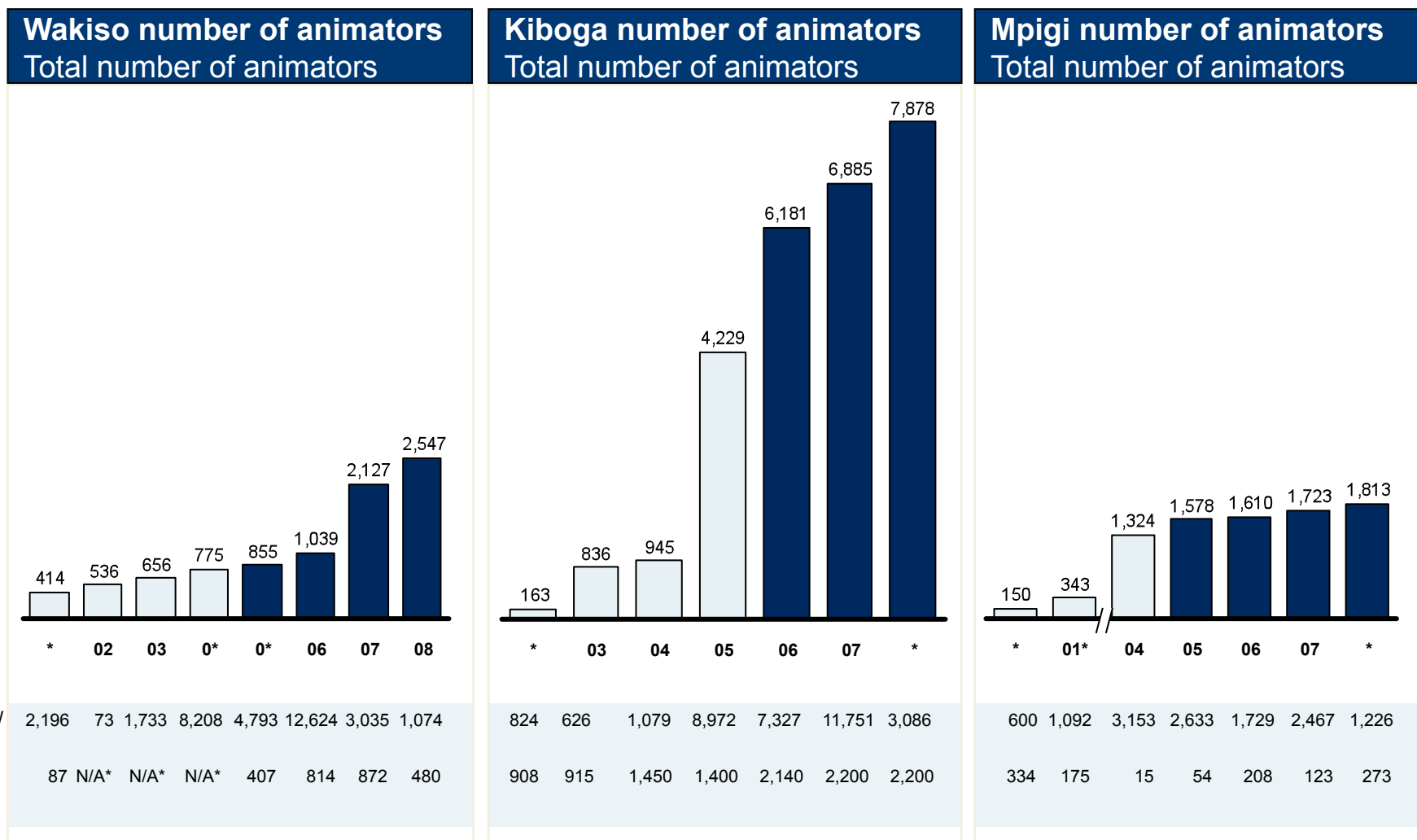
¹ Cost of the Uganda Country Office not included (total of ~\$370K for Uganda per year). Cost per year based on 2008 spend in epicenters at varying stages of development

Note: Assumes epicenter takes 5 years to achieve self-reliance. In reality, epicenters have taken 4 - 9+ years to reach self-reliance. After year 7, typical investment per epicenter is USD9-12K per year

EXHIBIT 14

Mobilization continues even after self-reliance is achieved

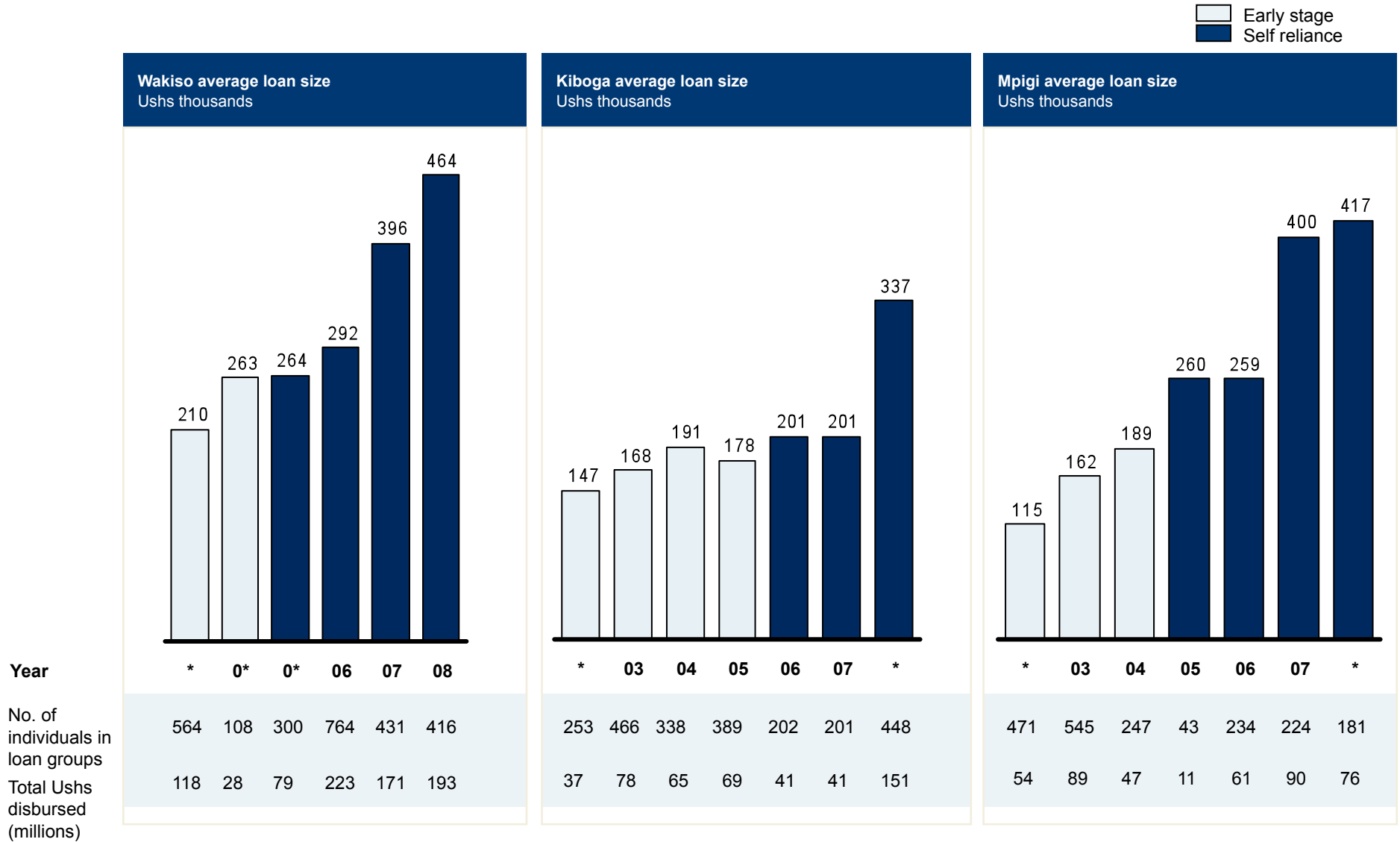
Early stage
 Self reliance



1 FAL data not available for Wakiso 2002-2004; Animator and VCA data not available for Mpigi 2002-2003

EXHIBIT 15

Average loan size has increased over time, including after the achievement of self-reliance



SOURCE: THP Uganda quarterly AWWFI & financial reports; McKinsey

EXHIBIT 16

There is a step-change in total savings after self-reliance is achieved, but savings levels are still relatively low

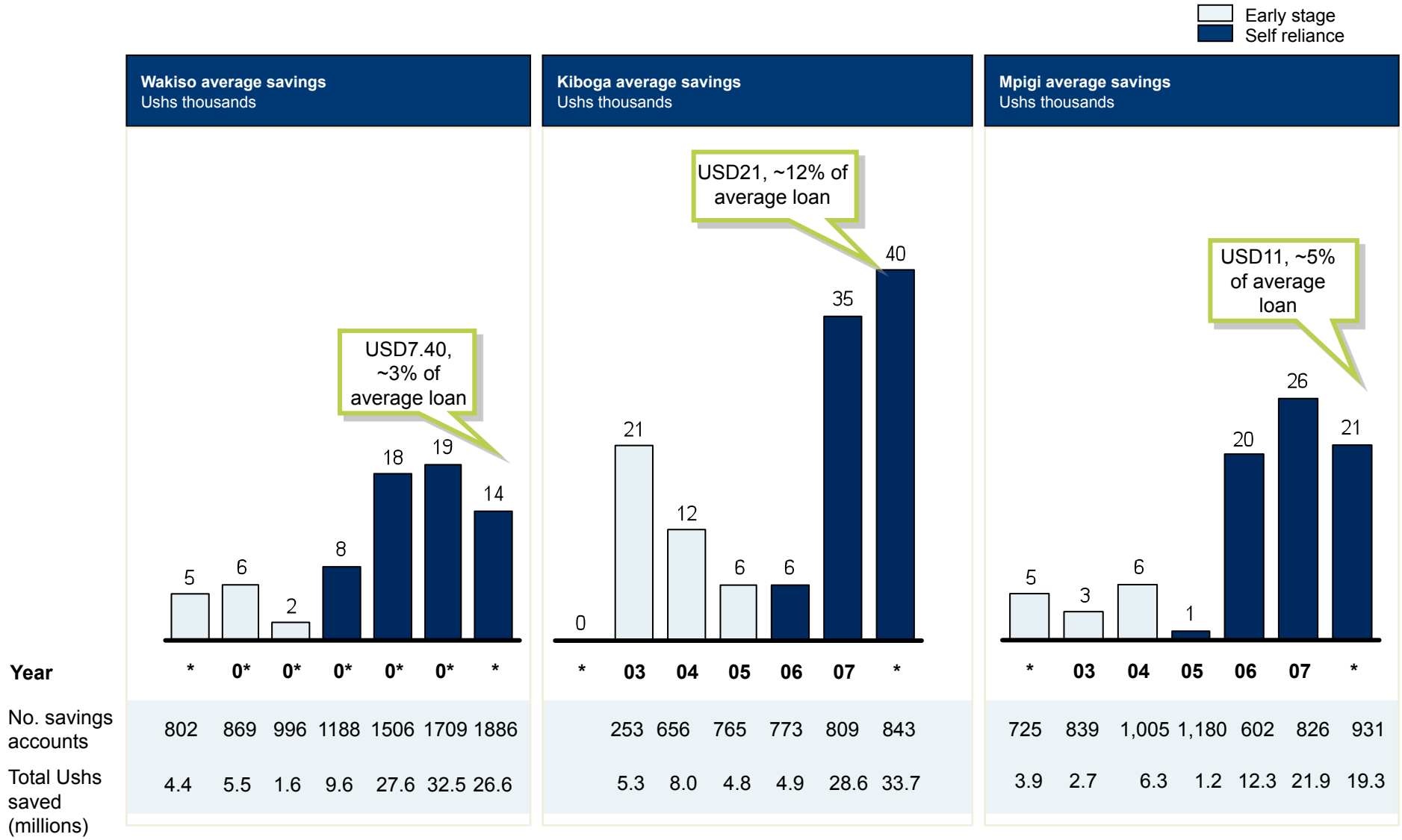


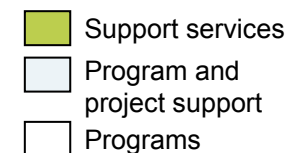
EXHIBIT 17

Evidence of community led development after self-reliance

Examples of community driven achievements after self-reliance			
Sector	Wakiso	Kiboga	Mpigi
Water and Environment	<ul style="list-style-type: none"> New water pump provided by the district 	<ul style="list-style-type: none"> 300 feet borehole drilled Environment committee formed Tree nursery bed established with the help of NEMA 	<ul style="list-style-type: none"> Two additional wells built
Agriculture	<ul style="list-style-type: none"> Drip irrigation established in epicenter garden Fruit trees planted in the epicenter garden NAADS training introduced 8500 kg capacity food crib built 	<ul style="list-style-type: none"> Food crib built and food bank converted into village shop 3 agricultural extension officers affiliated with THP Great Lakes Cassava Project established District provided 90 hand maize shellers Drip irrigation to be installed in communal garden 	<ul style="list-style-type: none"> Grinding mill provided by the district and leased to a community member
Health	<ul style="list-style-type: none"> Health staff quarters latrine constructed 	<ul style="list-style-type: none"> Community medicine distributors retrained and provided with treatment kits by the district Health staff quarters completed 	<ul style="list-style-type: none"> Partnership with AFFORD to distribute bed nets HIV/AIDs drama group performed in front of 500 partners on World AIDS day
Other	<ul style="list-style-type: none"> Village shop opened 	<ul style="list-style-type: none"> Nursery school expanded M&E focus groups introduced 	<ul style="list-style-type: none"> M&E animators trained and surveys translated into Luganda

EXHIBIT 18

THP investment in epicenters continues during ‘self-reliance,’ but declines over time

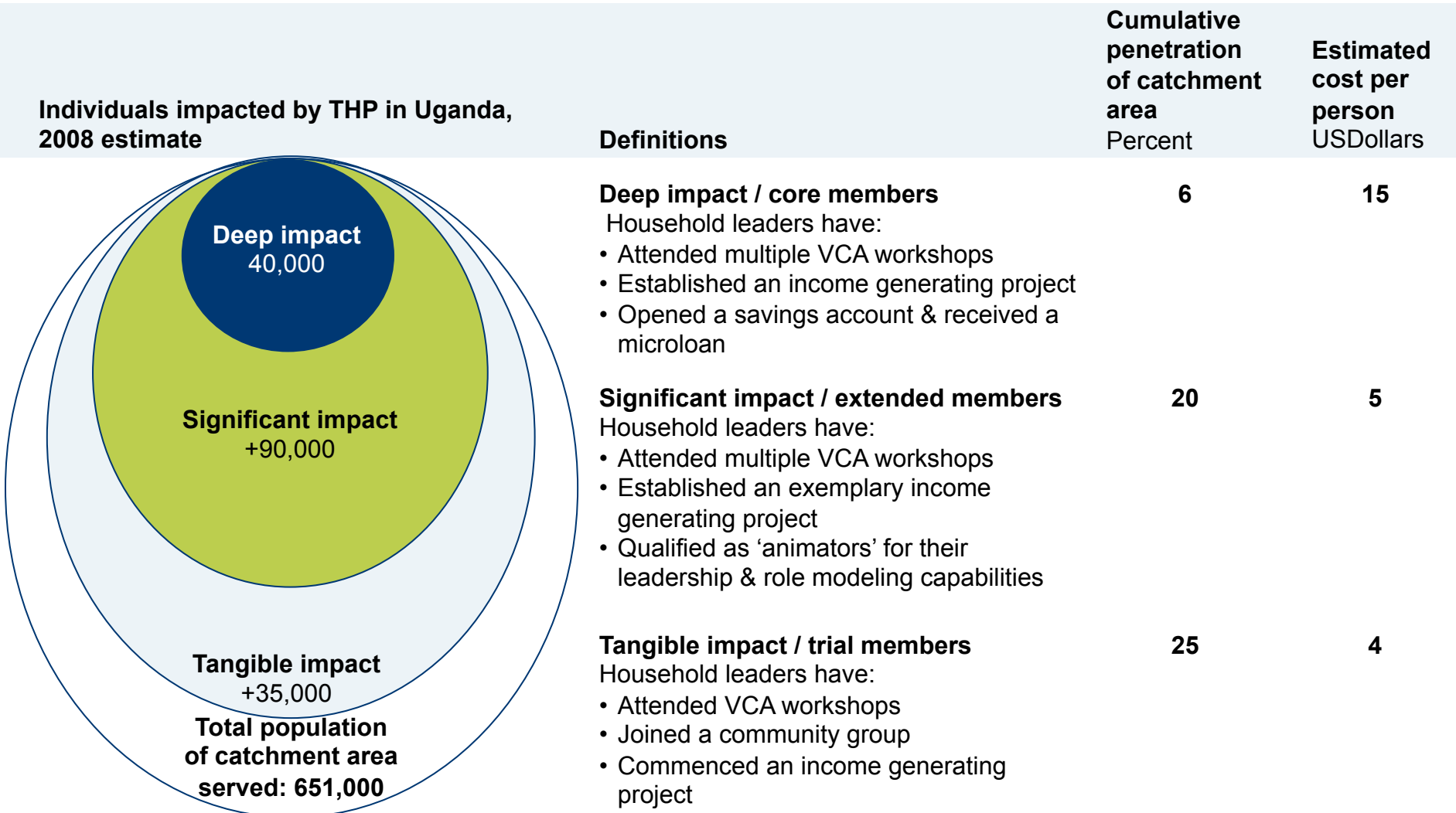


Epicenter	Year THP entered	2008 spend ¹ USD Thousands	Details
Mpigi	1999	<p>3 2 3 *</p>	<ul style="list-style-type: none"> Support services: Vehicle fuel & maintenance Project support: Volunteers Programs: Food production, village bank manager, VCA
Wakiso	2001	<p>3 1 7 *</p>	<ul style="list-style-type: none"> Support services: Vehicle fuel & maintenance Project support: Volunteers Programs: Food production, nutrition, epicenter repair, VCA
Kiboga	2002	<p>16 14 16 *</p>	<ul style="list-style-type: none"> Support services: Vehicle fuel & maintenance, staff facilitation, office rent, supplies Project support: Project officer, driver, office attendant Programs: Food production, epicenter repair, village bank manager, water, land preparation
Iganga	2003	<p>6 9 13 *</p>	<ul style="list-style-type: none"> Support services: Vehicle fuel & maintenance, staff facilitation, office rent, supplies Project support: Project officer, office attendant Programs: Food production, epicenter repair, HIV/ AIDs

¹ Excludes global office visits and AWFFI/SPIA revolving loan fund transfer to village bank

EXHIBIT 19

THP Uganda has reached ~165k individuals, representing 25% penetration of its target geographies



NOTE: Assumes average household size is 7; Catchment area defined as total population of the sub-counties in Uganda which THP has mobilized (651,000); cost per person figures estimated based on 2008 spend in Uganda

SOURCE: THP Quarterly reports (Q3 2008; Q4 2007); AWFFI & SPIA Quarterly reports (Q3 2008); THP staff analysis;

McKinsey field interviews

THP impact: changing deeply held mindsets

	From...	...To	Sample quotes
Control over one's destiny	<ul style="list-style-type: none"> My father was poor so I will be poor Belief in luck / waiting for someone to provide help If you contract HIV, there is no hope Worms are inherited, run in my family I am alone in my community 	<ul style="list-style-type: none"> I can make a difference in my own life I can work with my neighbors and share ideas to collectively improve our lives 	<p><i>"The bank refused to give him a loan because he had nothing, so he joined my group and I trained him on my land. Now he has 7 acres of his own and is doing well"</i></p>
Vision of the future	<ul style="list-style-type: none"> I am comfortable where I am Tomorrow will be the same as today . I consume/spend everything – no savings 	<ul style="list-style-type: none"> I have a vision of a better future and I am working towards it I understand the importance of saving 	<p><i>"During the VCA training, the trainer told us to close our eyes and visualize our future for the next 3 years. I pictured healthy children, sleeping comfortably, and looking beautiful"</i></p>
Hunger	<ul style="list-style-type: none"> If I can have 1 meal, that will be enough I eat everything I produce 	<ul style="list-style-type: none"> Nutrition is about quality and variety of food, not just quantity I have increased my production so that I am producing enough for consumption, food storage, and selling. 	<p><i>"Before, we would eat everything we harvested. I didn't know how to preserve food, but now I preserve food for the future"</i></p>
Importance of education	<ul style="list-style-type: none"> Investment in education is not worth it (particularly for girls) - I can't afford school fees and I know people who have been successful without formal education Going to FAL classes is embarrassing and a waste of time – I have learned everything I need to know to get by 	<ul style="list-style-type: none"> All children, including girls, need to go to school, and I will prioritize using any extra income to pay school fees to give them access to the best education possible FAL is a valuable use of time 	<p><i>"I was thinking about paying school fees for only the 2 boys, but when I joined The Hunger Project and got a chance to be trained, then I managed to change my mind. I sold one of my cow to get the chickens, then we started poultry farming. That's how I managed to buy school fees for all my children"</i></p>
Role of women	<ul style="list-style-type: none"> I rely on my husband to support our family Women should stay at home or sit silently in meetings A husband who has paid a bride price should be entitled to an obedient and loyal wife 	<ul style="list-style-type: none"> I can earn an income and contribute to our family. I can provide for my children if my husband leaves If I am working, things become easier Women are effective leaders in our community Husband and wife plan and make decisions together 	<p><i>"The VCA workshops formed when we were very shy, we never used to speak in public or do anything. So the groups helped us develop confidence in working together and taking up leadership positions. We learned that even women can participate in productive activities so we don't depend on men so much"</i></p>

EXHIBIT 21

The THP model addresses all of the elements required for behavioral change to happen

"I will change my behavior if..."



Understanding & commitment

"...I understand what and why I need to change, and I want to do it."

- Break-out sessions during VCA workshops allow participants to self-discover what change is needed in their communities and volunteer to lead the change effort
- FAL learners recognize importance of sanitation and begin using latrines and washing hands
- Demonstration gardens at the epicenter show partners how to install drip irrigation and improve productivity
- HIV/AIDS drama groups find creative and culturally relevant ways to start dialogue about sexual activities

Skills & capabilities

"...I have the skills to behave differently."

- Previously illiterate partners attend FAL training and can now fill out application forms, sign their own names, and conduct transactions at the market without being cheated
- FAL training teaches partners how to install energy efficient stoves, 'tippy taps' and drying racks in their homes
- Partners taught best practice agricultural techniques
- Mothers with children enrolled in nursery school taught how to make nutritious porridge

Role modeling

"...I see my peers and my leaders behaving differently."

- Women manage the Rural Bank, begin attending and speaking up in meetings, and start working on projects
- Animators begin taking action through catalytic projects
- Epicenter committee members (elected by villagers) create workplans and meet with local government leaders to discuss community needs

Formal systems & structures

"...the systems around me support me in behaving differently."

- Committees are required to include a significant proportion of women (50-100%)
- Loan application requires an upfront saving of 20% of the loan value and an additional 10% over the life of the loan
- A 'no handout' policy encourages partners to change their own circumstances instead of relying on external aid

EXHIBIT 24

Opportunities for growth

Approaches to strengthening THP's scale and depth of impact

Opportunities to consider

A Increase penetration in communities you currently serve

- Leverage your existing network of animators to mobilize new partners by introducing multiple levels for animators, targets at each level, and non-monetary recognition for achieving goals

B Serve your existing communities more deeply

- Increase volume and size of loans by accessing a microfinance intermediary (e.g., Accion, Calvert Foundation) and modestly increasing number of professional staff in the rural banks
- Grow profitability of epicenters' income generating projects (e.g., food bank, food processing, village shop) with increased direct support from THP
- Partner with organizations that have specific expertise in health, water, and/or sanitation
- Market the epicenter as an aggregation point and lending groups and committee structures as distribution channels to improve access to external markets for buying and selling products
- Partner with organizations that specialize in SMEs (e.g., Technoserve, Grofin) to help the most successful entrepreneurs take 'the second step'

C Expand to new geographical areas

- Set up epicenter satellites / "branches" to serve sub-counties at the perimeter of existing catchment areas
- Build new epicenters in neighboring sub-counties or districts to capture synergies and lower the cost of adding a new epicenter community
- Redesign the full-service epicenter to lower costs
- Partner with other well-known NGOs with complementary strengths and funds

To capture these opportunities, THP must improve the quality of data tracked (e.g., number of people impacted, demographics of communities served)

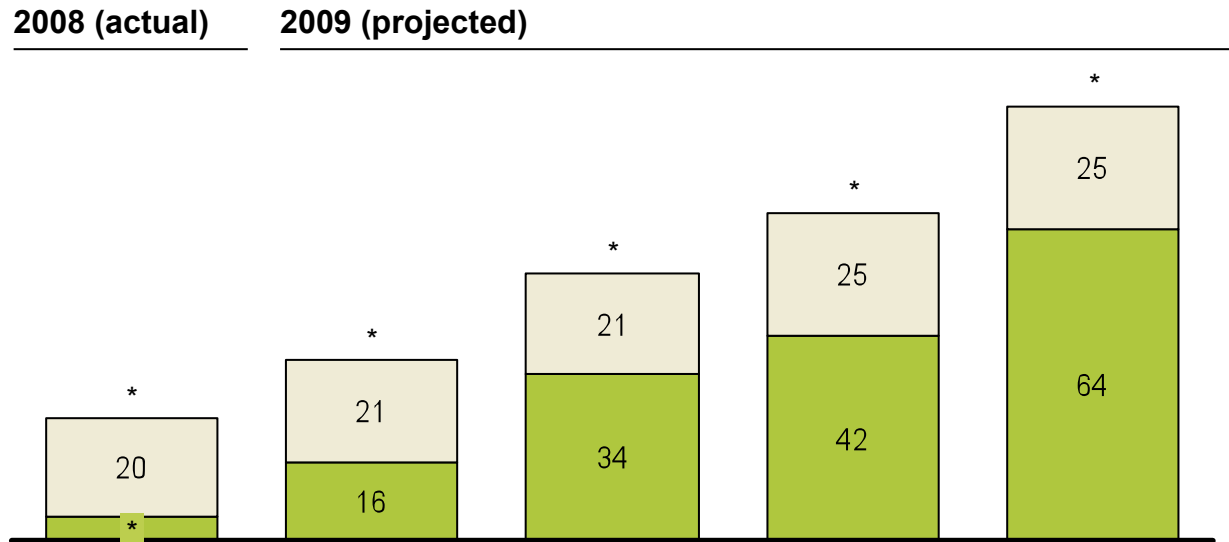
EXHIBIT 25

THP could increase penetration within existing areas if ToTs and animators are leveraged more

Achievable penetration
Percent

□ *

■ Tangible impact



Scenario	Current Penetration	Every animator recruits 1 new partner	Every animator recruits 2 new partners	Every animator recruits 2 new animators	Every animator recruits 3 new animators
		<ul style="list-style-type: none"> Every animator recruits 1 new partner 20 animators trained to be TOTs 	<ul style="list-style-type: none"> Every animator recruits 2 new partners 20 animators trained to be TOTs 	<ul style="list-style-type: none"> Every animator recruits 2 new animators 25 animators trained to be TOTs 	<ul style="list-style-type: none"> Every animator recruits 3 new animators 25 animators trained to be TOTs
Population reached	164,795	261,623	380,542	475,678	624,327

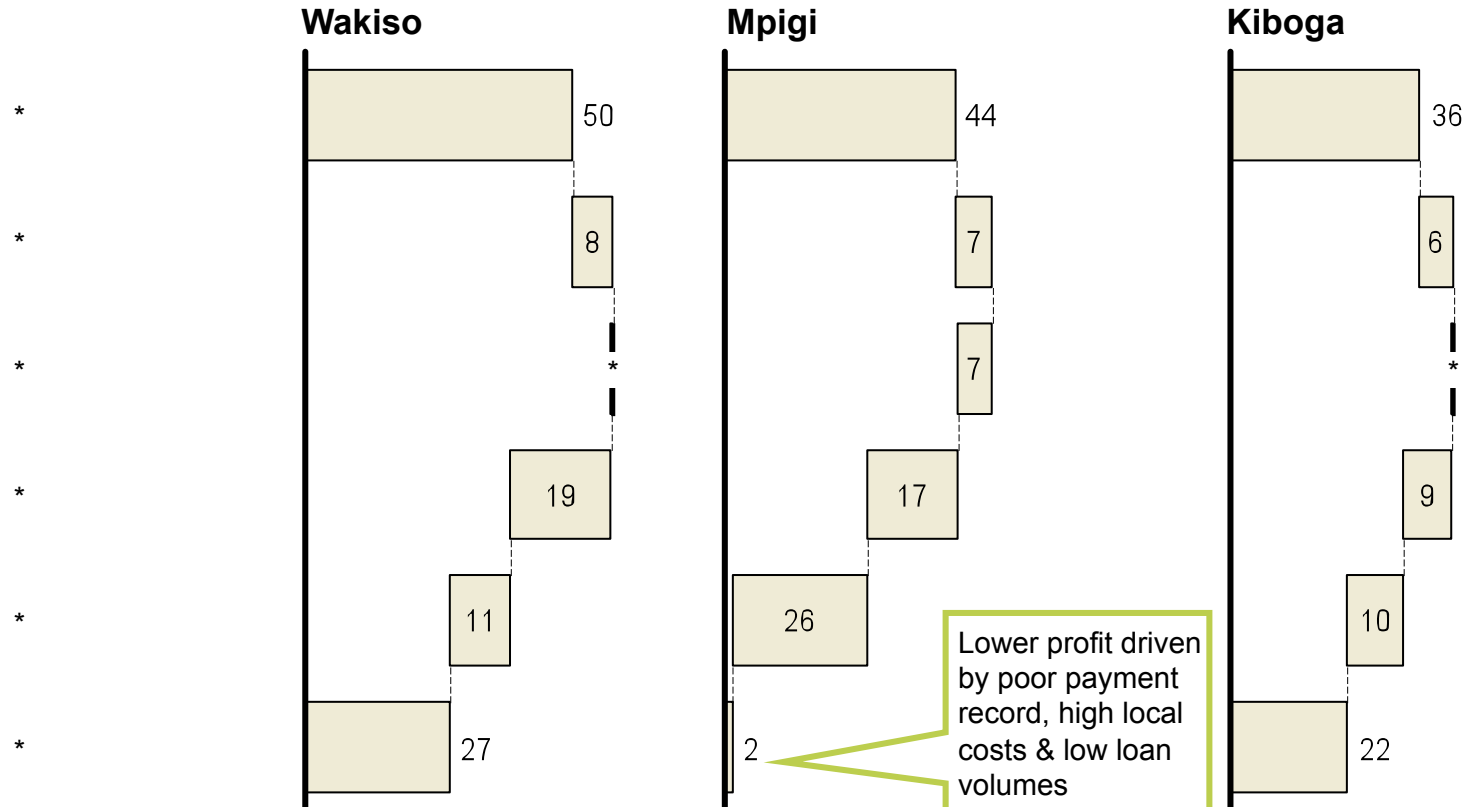
- **Recognition** is an important component to making multi-level marketing work, e.g.
 - Monthly meetings to recognize new members and top performing animators
 - Certificates of achievement
- In addition to establishing recruitment targets at each level of membership, THP should **consider additional criteria / conditions** (e.g., savings requirements) **to drive additional desired behaviors**

NOTE: Analysis based on assumption that currently 20 animators are trained to be TOTs each year, and in mature epicenters 80% of partners are animators, with little growth in total number of partners. Catchment area used for penetration calculation based on statistics from district offices on the population of parishes in which THP is active. Current catchment area includes a population of 651,000 people

EXHIBIT 28

Rural banks have demonstrated financial viability, which may create potential for innovative financing options

Economics of an average THP microfinance loan by epicenter
USD



Lower profit driven by poor payment record, high local costs & low loan volumes

Investigate working with micro finance intermediaries to provide alternate funding sources (e.g., Calvert Foundation, Accion, MicroVest)

Average loan size	\$250	\$220	\$177
Number of loans	407	181	488
Return on loan	10.9%	0.8%	12.4%

NOTE: Interest earned based on interest rate of 20%; standard application fees & allocation of central administration costs split evenly across epicenters; exchange rate of 1900 Ushs/USD