Making a positive difference wherever we invest
Our Trustees challenge, debate and refine our strategy on a continual basis, but the one thing they never do is shirk taking risks in the hope we can move things forward just that little bit more...

**Sir Tom Hunter** - Entrepreneur

**Lady Marion Hunter** - The boss

**Vartan Gregorian** - 12th President of the Carnegie Corporation of New York

**Jim McMahon** - Financial Entrepreneur

Picture Credit: Barbara Kinney / Clinton Foundation – The launch of Mount Meru Soyco
Here are a few of our partners, projects and charities we have or are supporting...

to date we have invested in excess of £50 million pounds...
One of the tots supported by the ‘Healthy Eating / Messy & Wet Play’ through the STV Appeal

Glenboig Play Scheme, One of the groups who received a Cash For Kids Summer Grant
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   The Clinton Hunter Development Initiative
In 1998 we were lucky enough to sell a business we started 14 years earlier from the back of a van for a great deal of money. I found myself at 37 years old with a large cheque in the bank and nothing to do!!! My real education was about to begin. Thanks to the help of my wife, Marion, Dad and the magnificent Vartan Gregorian, The Hunter Foundation began to take shape. Vartan challenged me that no one individual should have such wealth, so I should go and find good causes and invest for the common good he advocated. My Dad said find a Chief Executive, find causes you wish to invest in and treat it like a business. Marion and I came to the conclusion we would not burden our kids with great wealth, thinking Warren Buffett had gotten it about right; “leave your kids nothing,” he said. We are very proud of the £50m+ we have invested to date but want to do more, much more. The financial crisis hit us hard, we were not ready, our fault hit us hard, we were not ready, our fault. People often ask me if money can buy you happiness and my answer is yes, if you give it away.

Marion with dapper dress sense

Tom with hair!

Chair’s remarks

All the best Tom
Campbell inaugurates the New Campbell Hunter Educational Wing at Kelvingrove
Oddly enough I think this enabled a clearer view on what was important in our work and what was perhaps more peripheral.

Faced with the financial meltdown no one seems to have predicted, we, like many others, had to revise our plans and focus our resources.

To move along we focused on our partnerships and leverage to maximize impacts and stretch our cash further. We also focused more on taking calculated risks against stubborn challenges; in other words we gambled. Often the gambles paid off, but occasionally we failed.

And to the point of failure – if we simply did what others have always done where would we be? Philanthropy is about taking risk, pushing the envelope and hopefully changing the dynamics of situations for the better.

There are some exceptional people who support our Foundation, not least the Trustees but both Jacqueline and Julie-Ann need singling out for their unerring commitment to help.

We are a small Foundation but with significant ambition, not for ourselves but for the young people and the families we serve. No child is
ever born bad nor should any child be born into poverty and starvation. In Scotland the grip of poverty on our nation remains palpable, in Africa beyond belief in this day and age. Our motivation is to do something about that and rightly or wrongly we believe economic investment may well be the key to poverty alleviation. Need I say more?

As you will read here alongside for profit investors we are in the process of building a food oil factory in Rwanda. If we replicate the impact a similar investment had in Tanzania, one million people will be positively impacted by it in Rwanda; roughly one tenth of the population.

This report is dedicated to Campbell Hunter, Tom’s father, an inspiration to us all and a man I owe my job to.

To those we fund thanks for delivering, keep on doing it. Going forward we will continue to focus on the Clinton Hunter Development Initiative in Rwanda and in the UK on enabling every child to be all they can be through our various investments. We’re getting on with it.

Need I say more?

Tom in the infancy of his philanthropy asked Campbell how to go about this philanthropy business and Campbell, quick as a flash said ‘exactly Tom treat it like a business now go and find yourself a chief executive and get on with it’.

We’re getting on with it.

The Hunter Foundation is imperfect; we learn by doing, we make mistakes.
In partnership with BBC Children in Need, in a joint £2m fund we invested in a series of interventions under the banner Positive Destinations aimed at preventing young people from sliding into NEET.

Let’s also be clear that the cost of the children likely to be affected by NEET are easily identifiable and targeted so there can be no real excuses for not tackling this horrendous issue head on...Prevention has multiple impacts upon the public purse as these projects clearly show. As well as noting the financial impacts with Children in Need, in actively researching the interventions some key findings, largely unsurprising but important none the less emerged; Potential Savings Children and young people should be given ownership-

The devastating impact of NEET (not in education, training or employment) on young people cannot be overstated, nor indeed can the cost to the taxpayer of young people lost to employment.

Giving children and young people a sense that they can control their own destination, by giving them ownership and developing their confidence, is what makes the difference in the long term.
voluntary and children and young people have remained small (five or six in a group). critical for lasting change. The need for real ownership over Children and young families was evident elements of the project. people should take a central role in in all projects:

Evidence suggests reviewing their own parents, carers and that group work is less effective than reviewing progress. All projects families are a part of the cause as well

one to one activities and that one to regularly but more impact was observed as a vital part of one activities are where this review of family support particularly effective engaged children was cited as a with younger children. and young people, significant barrier

Where group work has been a characteristic empowering them to set goals, define aspirations for all projects (and of projects, and and develop ambition. years of delivery) particularly with

older young people, Involving and short and longer term this has been successful supporting parents outcomes with children where group sizes have and families is and young people.
Projects found that providing family support when young people requested it was most successful and the earlier this family support was provided and family problems could be addressed, the sooner progress could be made towards individual goals.
Two clear examples of how a modest sum of cash can save significant funds later and provide a positive destination for young people.
The challenges of engaging parents were very similar to those experienced when engaging children and young people.

Building a trusting relationship with parents was a key challenge but was considered essential and projects developed a variety of good tactics to work with parents.

Responsibilities but is critical in enabling effective work with children and young people. Projects have needed to address the support needs of parents, enable them to access professional support (e.g. for mental health, drug and alcohol dependency and domestic violence issues), build their aspirations, develop their core skills, and build bridges with social services, schools and health and social care professionals in order to engage them in supporting progress in their children’s lives.

By transforming the mind-set of parents and challenging poor home and school engagement, projects were able to work more constructively with children and secure longer term positive outcomes.

Engaging and actively supporting parents is one of the single most important factors in helping children and young people make lasting changes to their lives.
The achievement of any sustained change for children, young people and their families was only possible when projects dedicated significant time and resources to identifying and building these partnerships: attending multi-agency meetings.

The Knowsley Project supported under Positive Destinations

developing joint working protocols; coordinating referrals; defining responsibilities and activities; ensuring appropriate signposting and maintaining a commitment to a holistic (multi-agency) approach.

The importance of playing a dual role of advocate and broker on behalf of children, young people and families has been demonstrated by all projects.

To read the full report on Positive Destinations download it from tinyurl.com/cnx49sy
### Sir Harry Burns,
Chief medical Officer of Scotland on the science of poverty... Harry is a trustee of the STV Charity Appeal.

#### Why?

It’s well known that people who live in poor areas are less healthy than those who live in rich areas.

1. A resident of a poor area can expect to die about 10 years earlier than someone who lives in a better off area.
   - **A number of explanations have been offered for the widening gap. It was originally assumed that the gap was due to the fact that, in poorer areas, people**
   - **smoked more, ate less healthy diets and drank too much alcohol. While it’s true that many of them do, these behaviours, by themselves, do not fully explain the pattern of ill health we see in Scotland.**
   - **Many years of careful scientific research have shown that the explanations for Scotland’s poor health are more complicated than just bad habits.**

2. **It turns out that the increased risk of heart disease, stroke, diabetes and cancer that we see in most deprived areas has some of its origins in early life. People living in deprived circumstances will normally have chronically high levels of stress hormones. Over many years, the high stress levels causes damage to arteries and DNA, leading to the illnesses we see commonly in Scotland.**

3. **How do these increased levels of stress hormones come about?**

   - **It turns out that our stress responses are set very early in life. Our brains consist of many billions of cells, which are densely packed together.**

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’Sir Harry Burns, Chief medical Officer of Scotland on the science of poverty... Harry is a trustee of the STV Charity Appeal.’

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‘Healthy Eating / Messy & Wet Play’ through the STV Appeal 16/16.
interlinked to each other. As tiny babies, the ways in which the cells are linked are constantly being shaped by the signals we get from the world around us. If those signals suggest that the world is safe and predictable, then our brains, which control our response to stress and threat, set our stress responses to a low level.

Some scientists have compared the process of brain development to the process of serve and return in a game of tennis. A baby who experiences something which upsets him cries. That’s the serve. What happens next depends on the return it gets. If the cry is met with a comforting, consistent response, usually from its mother, baby learns that the world around it is consistent, structured and predictable. Also, he learns that the discomfort he feels can be made better.

If, on the other hand, baby lives in a chaotic environment in which his cries for help are ignored or met with violence, the serve and return process is abnormal. Baby learns that the world is not structured and predictable and he has little control over events. In these circumstances, baby’s brain develops in a way that sets it up for survival in an inconsistent and threatening world. Part of this survival response is to turn up stress hormone levels.
This survival pattern of brain growth is at the expense of the centres of the brain concerned with memory and judgment. Children who have this type of experience are less likely to do well at school and are often in trouble because of behaviour problems.

Studies have shown that they often have persistently high levels of stress hormones. One particularly well known study based in New Zealand has followed around 1000 children for 40 years. A subgroup of children was identified as living in chaotic and difficult circumstances at around age 3. Forty years later, the researchers found that this group of children are more likely to be unemployed, have criminal convictions, especially for violence, be addicted to drugs or alcohol and, in addition, they have the high levels of stress hormones, the chronic stress will make them more likely to develop heart disease and diabetes as they get older.

It’s clear that many of the problems we see in present day Scotland have their origins in the experiences that children have in their very early life.
Poverty of affection and inconsistency of nurturing and caring behaviour towards children is a significant factor in the widening gap in health in Scotland.

Poverty in the conventional sense contributes to chaotic lifestyles in economically deprived families and it needs to be tackled if health and wellbeing in Scotland is to be transformed. However, tackling financial poverty needs to be done in conjunction with efforts to help parents develop their children. Many projects in Scotland are doing just that. The Family Nurse Partnership, for example, offers teenage girls who become pregnant access to a highly trained nurse who will provide help and support during pregnancy and for the first two years of the baby’s life. The support gives the young mother confidence in bonding with baby and enhances her sense of control over her life. Both mother and baby have significantly better psychological and physical health outcomes.

And they are mainly focused on improving the attachment between parents and children while also teaching parents the basic skills of parenting. These projects are critical to improving Scotland’s health. However, investing in support for parents and children will not just improve health. It will improve educational performance in our schools, reduce crime and enhance employability and Scotland’s economic performance. It is, in fact, a no-brainer!”

Sir Harry Burns, Chief Medical Officer of Scotland
220,000 children in Scotland live in poverty...

Just two years ago we with our partners at STV established the STV Appeal and in our second year, 2012 we raised over £2m thanks to the matched funding support of First Minister Alex Salmond’s Scottish Government.

The Appeal featured a week long series of programmes and a full night’s broadcast highlighting key poverty issues but more importantly the solutions to those issues.

In 2012 the STV Appeal, once again, had the support of the Scottish Government which is committed to match-funding the total amount raised in 2012.
21,000 children in Scotland live in poverty.

Working closely with six major Scottish charities (Aberlour, Action for Children, Barnardo's Scotland, Children 1st, Save the Children Scotland and One Parent Families Scotland) the STV Appeal supports initiatives that seek to change the lives of Scotland’s most vulnerable young people in a sustainable, long term way.

All the operational costs of the STV Appeal are met by The Hunter Foundation and STV meaning that every penny donated by the public goes directly to support those children most in need.

STV Appeal is firmly established as a force for good; committed to making a real difference to the lives of children affected by poverty.
In 2001 through a £5m endowment we funded The Hunter Centre for Entrepreneurship at Strathclyde University.

Now a world leader in entrepreneurial education and research, the Centre also plays a crucial role in the Global Entrepreneurship Monitor (GEM) measuring entrepreneurial activity by country and region.

Scotland, thanks to our own Centre’s research, has not moved one jot in becoming more entrepreneurial in the past decade.

We only console ourselves that the millions of pounds we’ve invested in enterprise education alongside our Government and others maybe stemmed a possible reduction in entrepreneurial activity rather than just helping to maintain the status quo.

However we won’t be beaten and are now investing in three programmes we hope will deliver significant impact on entrepreneurship in Scotland – Entrepreneurial Spark, Micro-Tyco and the Saltire Foundation.

Jim Duffy – Co founder of Entrepreneurial Spark
Entrepreneurial Spark is the brainchild of a Saltire Foundation Fellow, Jim Duffy, a serial entrepreneur and a man empassioned to give back to Scotland...

His vision is pretty straightforward but with every entrepreneur also aggressively ambitious; To create a business start-up renaissance in and from Scotland – through the development of entrepreneurial mindsets and behaviours.

To do so Jim has, to date created two ‘Hatcheries’ in 2012 as he calls them – high growth business accelerators to fast track start-ups with phenomenal growth potential. The model is simple an entrepreneur offers free space and facilities to E-Spark, the local Councils provide modest funding and Jim and his team then hothouse innovative entrepreneurs to create high growth businesses...

To date we have a West Coast Hatchery where we have provided the support and a Glasgow Hatchery led by our good friend Sir Willie Haughey of City Refrigeration. But as we go to print this nascent model is about to spread to Edinburgh, Inverness, Dundee and we hope Aberdeen creating a network of high growth activity across Scotland.

But Jim doesn’t hold his breath he has also created an enviable partnership with the US’s leading entrepreneurial educational establishment, Babson College and is creating local partnerships with schools, colleges and Universities to enable the next generation of entrepreneurs for Scotland.

Others too have recognized the power of E-Spark with the Royal Bank of Scotland sponsoring – and it has to be said hands on mentoring ‘chicklets’ – the facilities with £ 375 000 of support. E-Spark also stimulated our economic agencies and, led by Cabinet Secretary, John Swinney MSP created a £1m Scottish Edge Fund where high growth start-up’s compete for much needed investment funds...

All told it’s an impressive story - to find out more about E-Spark go to www.entrepreneurial-spark.com.
Storkup, an online social shopping community aimed at mothers and established by Ayrshire entrepreneurs Fiona McDonald and Claire Gillespie, has received a six-figure injection from Bauer Media Group.

Ms McDonald said: “We are extremely proud and excited to be receiving such a significant investment from a company as respected as Bauer Media Group.”

The money will support the launch of the service, which enables users to build a list of products that catch their eye as the browse the internet.

Storkup entrepreneurs Fiona McDonald and Claire Gillespie who have benefited from E-Spark support by nailing a major investment from Bauer Group.
Jim and his team at Entrepreneurial Spark are certainly not short of ambition, aiming high:

To create a business start-up renaissance in and from Scotland – through the development of entrepreneurial mindsets and behaviours…

Well so far they have not come up short, two Hatcheries are already underway and as we go to print the Edinburgh Hatchery has been confirmed for Spring 2013 with entrepreneur in residence, Ann Gloag – an entrepreneurial and philanthropic dynamo in her own right – confirmed to lead the way there with Edinburgh City Council and Napier University… Next up Aberdeen, Inverness or Dundee?

To give a small sense of what this is all about here are a few of the metrics for the Glasgow and Ayrshire Hatcheries:

**Glasgow Hatchery -**
**Opened November 2011**

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<td>No of chiclets in Hatchery</td>
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<tr>
<td>Total number of people</td>
<td>82</td>
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<tr>
<td>No of chiclets flown the coop (off building businesses)</td>
<td>32</td>
</tr>
<tr>
<td>No of chiclets working with mentors</td>
<td>47</td>
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<tr>
<td>No of chiclets with global reach</td>
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<td>No of patents/trademarks</td>
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**West Coast Hatchery -**
**Opened June 2012**

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<th>West Coast Hatchery</th>
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<td>Total number of people</td>
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<td>30</td>
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An amazing start to what will be an incredible journey for Scotland…
micro-tyco
calling children to
chief executives to turn
£1 into a small fortune...

"I believe that our country can lead the world in the evolution of enterprise education. Micro-Tyco unites everyone in our community, from our children to our corporate executives with that vision; that business can and must be a force for good."

Mick Jackson, founder of the WildHearts charity, which runs Micro-Tyco, sums up the charity’s endeavours.

'I don't like maths but I love counting my money'

Jamie, one of the Micro-Tyco success stories
Micro-Tyco provides an opportunity for small groups of youngsters from nursery age all the way up to college and university to compete against multinational corporations in an amazing challenge. With the help of business mentors, teams have to try to transform £1 into as much money as possible, using their entrepreneurial skills. All money generated through the challenge is then invested by WildHearts in micro-loans for the poorest people in a number of countries across the globe.

Last year saw 550 teams from schools, colleges, universities and businesses took part in Micro-Tyco. The numbers we believe speak for themselves.

I didn’t really like school, the only subject I liked was sports coaching. I got suspended twice and I can’t remember why I got suspended. We had to borrow a pound from Micro-Tyco but when I was sitting thinking about it, the only thing I would really do with a pound is buy a scratchy card or I’d put a football coupon on. Before I started Micro-Tyco I would have never been on time for anything. I would have showed up 10, 15 minutes late. But when I was doing Micro-Tyco, I was 10 minutes early and ready to work. Now I know how to go about setting up a business; like investing money, keeping half of it and investing the other half in something, and if that doesn’t work, I’d be able to tell the people what I’ve done, my achievements and that. Micro-Tyco has changed my whole outlook and my future.”

£1 = £9,527.37
£1 = £3,473.96
John Buchan said the task of leadership is not to put greatness into people, but to elicit it, for the greatness is there already.

Leadership in developing Scotland’s businesses is crucial to our long-term success on the global stage hence our support for the Saltire Foundation.

The Foundation operates two distinct schemes: The Undergraduate internship programme and the Saltire Fellowship targeted at individuals with considerable business experience.

The Foundation’s motto is: Invest. Inspire. Succeed. And the aim is to “Find, Fuel and Spark” the next generation of Scottish business leaders.

To find out more about Saltire go to saltirefoundation.com
Tragically almost half a century on and it seems poverty is only getting worse.

Many of us of course think of poverty as a developing world phenomenon; sadly its not.

Mirroring our work with Children in Need in the UK, we currently work with two media partners in Scotland to raise both funds and awareness of the poverty issues facing thousands upon thousands of families in Scotland.

‘Healthy Eating / Messy & Wet Play’ through the STV Appeal
By the age of 11, 1 in 5 children, the majority from the poorest backgrounds, are already falling behind in terms of their reading and writing.

Established in 1981, we have supported Radio Clyde’s Cash for Kids charity for many years.

In 2003 we committed £1m to fund CFK’s overhead costs for ten years ensuring every pound raised went straight to the kids most in need.

Children living in poverty are three times as likely to leave school without any qualifications. And those experiencing current or persistent poverty are more likely to play truant and leave school at the age of 16.

Poverty has very real, significant and long-lasting effect on children’s health, education and social skills and helping to break that cycle is where Cash for Kids, and your vital donations, play a part. With your help, we can change those statistics.

Throughout the past year Cash for Kids distributed just under £1.6 million in the form of 25,000 family grants and 520 community support grants, directly supporting 100,000 vulnerable children in the west of Scotland.

West Glasgow grandparent Support Group.
The First Bus to M&D’s - July 2012
Since its inception, Cash for Kids has raised an astonishing £23m and helped 1.6 million kids in desperate need of our help at Christmas...and now all year round.

How does your money help?
Cash for Kids helps children in the west of Scotland in many different ways. We make every single penny of your valuable donations work hard and benefit a range of different groups and families to help make their lives better.

- Those whose lives are severely impacted by serious illness and it could be those who have special needs who need support to learn and develop as their own people.
- It could be those living in poverty that need support to break out of their difficult and sometimes dangerous daily routine, it could be those whose lives are impacted by poverty or by social situations that are simply not of their making.

Supporters of Cash for Kids have faithfully supported the charity for over 30 years and now your support is needed more than ever.

In 2011 we made 25,998 awards ranging from individual family grants to substantial grants to help large projects.

Our biggest, for £50K, was made to 'Calum’s Cabin' – a respite holiday home that allows families with a child with cancer to have a wonderful holiday on the Isle of Bute - to help establish a second cabin opened in 2012.

The charity has to date raised some £23m for young people affected by poverty in the West of Scotland and last year supported an incredible 117,000 young people.

To find out more about their work go to clydecashforkids.com
But when my wife, Melinda, and I made our first trip to Africa in 1993, it was really our first encounter with deep poverty, and it had a profound impact on us. Not long after we returned we read that millions of poor children on that continent were dying every year from diseases that, essentially, nobody dies from in this country: measles, malaria, hepatitis B, yellow fever. Rotavirus, a disease I had never even heard of, was killing half a million kids each year—none of them in the U.S. We assumed that if millions of children were dying, there would be a massive worldwide effort to save them. But we were wrong. While the private sector does a phenomenal job meeting human needs among those who can pay, there are billions of people who have no way to express their needs in ways that matter to markets. And so they go without. And while private markets foster many stunning innovations in medicine, science and technology, the private sector still under-invests in innovation—dramatically. There are huge opportunities for innovation that the market ignores because those taking the risk capture only a small subset of the returns. Innovations for the poor suffer from both of those market limitations. The market is not going to place huge bets on research when there are no buyers for a
breakthrough. This explains why we have no vaccine for malaria today, even though a million people die from it every year. In this gap government plays an important role. It can offer services where the market does not and thus provides a safety net. To some extent it also fills in where the market leaves off in funding innovation. Medical research at the National Institutes of Health is a great example. But government faces its own obstacles to funding innovation. It generally does not take the long view, because election cycles are short. Government is averse to risk, given the eagerness of political opponents to exploit failures. Unlike the private market, government is good not at seeding numerous innovators but at backing only the ones that make progress. So when you come to the end of the innovations that business and government are willing to invest in, you still find a vast, unexplored space of innovation where the returns can be fantastic. This space is a fertile area for what I call catalytic philanthropy.

Catalytic philanthropy has the high-stakes feel of the private market but can transcend the key market limitations above: The investor doesn’t need a share of the benefits—those go to poor people or sick people or society
generally, all of whom stand to gain earth-shaking returns from the kind of innovations that business and government likely won’t pursue unless philanthropy goes first. And once you’ve found a solution that works, catalytic philanthropy can harness political and market forces to get those innovations to the people who need them most.

That has been our foundation’s approach in supporting research, manufacture and delivery of vaccines for childhood diseases. As Melinda and I became more involved, we found that some critically needed vaccines were just sitting on shelves while other vaccines were not being manufactured at all. For the first time in our lives we were working in a world beyond the reach of market forces. Philanthropy’s role is to get things started. We used foundation funds to set up a system to make market forces work in favor of the poor, guaranteeing purchases so drug companies could make a little bit of money or at least not lose their shirts. As the value of this approach became

As Melinda and I became more involved, we found that some critically needed vaccines were just sitting on shelves while other vaccines were not being manufactured at all.
clearer, governments put in money to add to the market incentives, and some drug companies began to factor poor-world diseases into their business model. In both research and delivery, well-targeted philanthropic money triggered action from business and government. Since 2000 this catalytic philanthropy partnership has immunized more than 250 million children and prevented more than 5 million deaths. We may even see a malaria vaccine in 2015. Melinda and I have the honor and the responsibility to return to society, in the best way we know how, the resources we have received. But you do not need to be the chair of a large foundation to have an impact on the world. Risk takers need backers. Good ideas need evangelists. Forgotten communities need advocates. And whether your chief resource is volunteer time or hard-earned dollars, for a relatively small investment catalytic philanthropy can make a big impact. For me it’s proven the best job in the world, as thrilling and humbling as anything I’ve ever done.
Internationally we have always taken a view that whatever we do should be driven by the Government’s and agencies we work with locally.

‘POVERTY IS THE WORST FORM OF VIOLENCE’

Ghandi
We don’t believe in imposing our views, driving the agenda – after all would you like an outsider telling you what you should do based on minimal experience of your country?

But what we have always agreed upon with the Governments and partners we work with is that an integrated approach to development is what is required; health, education and economic development are all interdependent.

To that end historically we have funded health initiatives and education programmes trying at all times to ensure that these are sustainable and ultimately self-sufficient. The final piece of the jigsaw for us then was economic development.

To understand our model we thought we’d focus on Rwanda. Our process there was simple – working with our partner, The Clinton Foundation (in our joint venture the Clinton Hunter Development Initiative “CHDI”) and President Kagame’s Rwandan Government we went about defining where a modest amount of funding may have the biggest impact.

We assessed import substitution and export enablement and alighted on two crucial opportunities – food oil and value added coffee. Simply put Rwanda is a net importer of 98% + of its food oil and in coffee has one of the highest quality coffees in the world but sells at commodity price levels. Hence we decided we were in the food oil and coffee businesses applying the entrepreneurial skill sets that had made our Foundation money in the first place.

Our model was however different – here we would be in the business ‘for profit’ but return our share of profits back into local philanthropic investment.
Mount Meru of Tanzania have added not only capital but also significant sourcing expertise and construction capability. Crucial to delivering this business both from an economic and practical perspective has been the introduction of a trade investor.

And of course the CHDI Board set an ambitious target – we had to have local ‘for profit’ equity investors alongside us. This $20m business, including equity, and working capital, is already having a significant economic and social impact on Rwanda. The plant will be commissioned in May 2013 and fully operational the following month. The shareholding structure also ensures that Rwandese investors are well represented, indeed the Board is chaired by the chairman of Caisse Social, the Rwandese social security para-statal. In addition through the Memorandum and Articles of the business 10% of all profits are to be allocated by all shareholders to the common good – clearly all CHDI’s profits will be reinvested in Rwanda, for the good of the Rwandese people via CHDI. The business was incorporated in 2011 by CHDI, Mount Meru and Rwandan co-investor. Mount Meru Soyco was established to accomplish a number of interwoven objectives:

- Address a major import substitution opportunity
- Create a fair and equitable market for farmers produce in soy and sunflower
- Drive agricultural development
- Contribute to the overall industrialization of Rwanda and provide opportunities for major spin-off commercial opportunities

Soybeans grow well in Rwanda but have not been widely adopted, primarily because of a lack of demand. Mount Meru Soyco will...
create that demand, and will buy more than 50,000 tonnes for both soybeans and sunflower at full capacity.

**The new business** procures soybeans through two channels:

- **a large out grower program**, in which approximately 30,000 farmers are contracted to grow soybeans for Mount Meru Soyco with input support and extension services provided by the business.

- **Via a major contract awarded to the army offshoot, API to produce soybean and sunflower at large scale on 5000HA with 1000HA now planted out for this season alone.**

Importantly through our co-investor Mount Meru we are in turn providing a market now for Rwandan produce with Mount Meru buying soy and sunflower for their other factories. In turn Mount Meru can also acquire any surplus oil we produce for their other East African markets so we are well positioned for continual growth and production in as secure a manner as we can find. Let's hope we replicate this in Rwanda!

So with a bit of entrepreneurial thinking and a modest equity investment you can make a big difference and help the poorest of the poor earn a living, feed and educate their kids and ultimately start to pay taxes, thus in part help fund the infrastructure you need to deliver social services.

The processing factory itself will employ around 120 staff but the factory’s impact will extend well beyond that. A small end to this start of a story. The day we moved on site two women started new businesses – one a mobile drinks service for construction workers on the site, the other a café with food for breaks. Happily they go from strength to strength and multiple more businesses are starting up in the area, slow growth but encouraging growth, to service this plant.

The accommodation block starts to take shape
You may be unaware of it, but in essence the least value in the coffee market goes to the farmer at the bottom of the chain producing the coffee bean.

Rwandan coffee is, and you can ask any Barista worth his or her salt, amongst the best in the world, yet the farmers see little of that value.

In essence the aims and objectives are very straightforward:

- Secure significantly more value for Rwanda and its farmers in the overall supply chain
- Further contribute to Rwanda’s international reputation for high quality coffee
- Create and extend an RFCC international coffee brand
- Provide a guaranteed and fair market for Rwanda’s coffee growers
- Enable Rwandan coffee growers via their cooperatives to ultimately own our equity in the business
- Enable Rwandan coffee growers via their cooperatives to

Working with our friends in the Rwandan Government and Comic Relief we set about a plan to change all that by placing the added value mechanism in the hands of the farmers.

So we set about adding value to the Coffee sector in Rwanda by retaining as much value in-country hence CHDI along with the National Agriculture Export Board (NAEB) are in the process of initiating the start-up of a coffee roasting business in Kigali.

The factory will have the capacity to process 3,000 tons of coffee every year, equivalent to the production from an estimated 50,000 coffee farmers.

The Rwandan Farmers Coffee Company (RFCC) is working to build a coffee roasting and packaging facility in Kigali to produce finished product for sale in local, regional and overseas markets.

Rwandan coffee is, and you can ask any Barista worth his or her salt, amongst the best in the world, yet the farmers see little of that value.
By selling finished product coffee, the business will provide higher incomes to farmers and cushion them from fluctuations in coffee prices that are endemic in the commodity segment of the coffee trade.

This business will produce a retail-ready product of the highest-quality Rwandan coffee and will directly employ 40 staff.

The Coffee Roasting Factory has been designed and the construction contract awarded to a Rwandan contractor from a shortlist of three bidders and the construction programme is now underway with the aim of completing construction in 2013.

Potential customers please email us at RFCC@thehunterfoundation.com
In 2010, CHDI partnered with the Alliance for a Green Revolution in Africa (AGRA) to scale up soy inputs provision to 20,000 farmers across Rwanda over three years. The initial phase of the project, initiated in 2010, ran trials on different varieties of soybeans under different input levels, and the best performing combination of seeds and inputs were chosen by farmers for scale up in 2011.

Under the program, a Rwandan research institute that produces inoculums—an organic culture that encourages soybeans to fix more nitrogen and reduce fertilizer needs by 50 percent—has been rehabilitated to once again provide the valuable input to farmers. 12,000 farmers under the Agra project have been involved in soybean growing by using modern techniques making increased profits by getting better yields and sustaining their income generation.
A few years ago our Founders visited what was known as Bottom Hospital in Lilongwe, Malawi, the main maternity hospital serving 1000 mothers per month.

The infant and maternal mortality rates were appalling and a cupboard was opened to show small bundles of dead babies – it was truly shocking, disturbing and deeply inhumane. Mothers gave birth on floors and the one doctor struggled to stay sane so, alongside some special partners, we decided to do something about it.

Today through a unique partnership with ourselves, the Clinton Foundation, Investment Fund (CIFF), STV Malawi Appeal and Mum’s Meals a new hospital is fully operational. To watch the full story from its inhumane start to its inspirational conclusion www.tinyurl.com/d9o7zy5

Lord McConnell & Sir Tom being shown round the new hospital by Dr. Tarek Meguid.

The Hospital was built on time and on budget and handed over to the Malawian Government who manage and fund its continued operation. It is said this is the only hospital in sub-Saharan Africa where a mother can give birth in private without paying for the privilege. If that’s true we are both proud and appalled; as I’m sure you are.

The 220 bed facility was formally opened by President Mutharika and has 220 beds, 6 wards, a nursery wing, 11 labour wards, a post-natal ward, ante-natal ward and a private fee paying ward (whose funds go towards subsidising the overall facility).
44/notes
Thanks to the Gates Foundation for the Bill Gates article and the Clinton Foundation for many of our African pictures
thank you...

To those that have inspired, mentored and coached us, Vartan in particular along this philanthropic journey.

**Thanks**
To the variety of partners who deliver, day in day out, tirelessly on behalf of the people we aim to help.

**Thanks**
To our small dedicated team, Julie-Ann and Jacqueline who make this all possible.

**Thanks**
This is a bigger buzz than any commercial deal we’ve ever done.

Big thanks from Tom and Marion.

Vartan