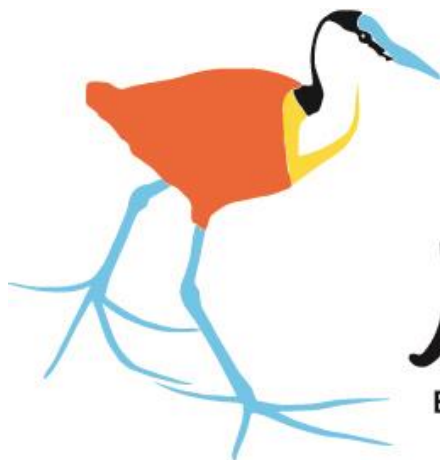




Annual report 2017



JACANA
Business Empowerment

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1 Foreword

Dear reader,

2017 was an interesting year for Jacana business empowerment. This was the year that Jacana next to training and guiding general entrepreneurs started operating the SMART training centre.

In this annual report you can read what we did to support entrepreneurs expanding their businesses. We already see the impact: entrepreneurs double their revenue, start building new houses, send their children to school, grow more nutritious food, hire more staff etc.

This all would not be possible without the help of our donors. This shows that organisations and individuals believe in our approach and us as Jacana. On behalf of the entrepreneurs, we would like to thank everybody for your contribution and support.

A handwritten signature in blue ink, which appears to read 'D. Nijssen'.

Dinie Nijssen
Director Jacana Foundation Zambia

2 History

Rik and Dinie worked in Africa for seven years before they started to think about establishing their own foundation. Next to their jobs they guided small scale entrepreneurs who asked for help, not money but skills. Rik and Dinie experienced that with a small input a great impact could be reached. That is why they realised their dream, starting Jacana with the intention to guide and train small scale entrepreneurs.

In April 2015, Stichting Jacana was founded in the Netherlands and since then focusses of its work is Zambia. In November 2015 Jacana Foundation was registered in Zambia. In the first year Jacana trained and guided all kind of entrepreneurs with various businesses in Chisamba and Lusaka. During that time it was proven that with a little bit of guidance the entrepreneurs could expand their businesses. The content of the guidance needed differed per entrepreneur. Many entrepreneurs needed guidance in book keeping, marketing and management skills. Experts are found when Jacana cannot deliver the expertise.

In October 2015 the first steps in the realisation of the Jacana SMART training centre was made. The concept of locally produced Simple, Market based, Affordable, Repairable Technologies (SMART), like rope pumps, manually drilled boreholes and ground water recharge systems fits perfectly in the strategy of Jacana. Jacana conducted a survey in five provinces. Eastern Province happened to be the best place to start a SMART training centre. In July 2016 Jacana's office moved to Chipata and the preparations of the SMART Centre started.

In 2017 the main focus of Jacana was the establishment of the SMART training centre. The first technical training took place in March and welders and drillers started producing SMARTechs under guidance of Jacana. Jacana monitored all the products of the welders and drillers and certified them. Many general entrepreneurs were trained in 2017 and many received guidance from Jacana in expanding their businesses.

3 Goal and vision

3.1 Goal

The goal of Jacana is to support small scale entrepreneurs in Zambia who want to expand their business, so that they can grow economically and create better living conditions for themselves and their environment.

- Poverty reduction: Strengthening and supporting of small scale entrepreneurs results in extra jobs and the development of the local economy. The guided entrepreneurs will be role models for other people in their neighbourhood.
- Sustainability: The Zambian entrepreneurs ask for support and that makes them owners of their own growth process. Jacana guides the entrepreneurs, but does not take over responsibilities and that is how Jacana guarantees the independency of Zambian entrepreneurs.
- Knowledge exchange: Besides training in writing a business, financial and marketing plan, Jacana also facilitates knowledge exchange between Zambian entrepreneurs and experts if necessary.

3.2 Vision

The reason for these goals is that many small entrepreneurs in developing countries do not get the chance to expand their businesses. Many of them are lacking skills and knowledge. Jacana performs a role in providing this missing knowledge and skills. Through tailor-made guidance, Jacana helps them to analyse their financial situation, make plans, and links them to experts and organisations that can support them in their specific field of expertise.

Credit facilities are not always available and accessible in Zambia. Jacana helps small entrepreneurs in planning their expansion based on available cash flow and/or in the preparation of the loan application to existing finance institutions.



4 Activities & results 2017

The main focus of Jacana is training and guidance of small scale entrepreneurs. That can be any entrepreneur with an existing business. Jacana is supporting entrepreneurs who already manage a business for two year. We believe that these entrepreneurs show perseverance and are motivated to grow their business. By telling the story of Michael, Jacana explains their activities of 2017.

Enjoy reading the story of Michael

Who is Michael?

Michael is 35 years old and lives in a small village near Chipata, Zambia. He is married and has four children. The family lives in a hut with a thatched roof. Michael finished two years of primary school education and started working as apprentice of a mason and well digger.

Eventually he became an independent mason and well digger. He noted that many of his dug wells fell dry during the dry season, probably because of climate change. He would like to offer a better service to the people who need a well.

With that question Michael encountered Jacana. He wants to dig deeper wells so that he can keep his customers happy. Jacana believes in the motive of Michael and he is invited for a business training. Unfortunately, Michael cannot read or write, but that is no reason not to admit him to the course. Pious the trainer gives the training in the local language and together with another student who can read and write and the help of the trainer Michael is able to follow the training.

During the business training Michael studies his future customers and their problems and how he can provide a solution to these problems. All this comes together in the Lean Canvas Model a very compact business model of one sheet of paper. He also makes a cost calculation for his future plans, learns about depreciation, how to set up a simple accounting system and calculate the cost price for his new service. Michael realizes that without customers there will be no business and that is why marketing is an important item during the training. As with all business training courses provided, Jacana considerate carefully who is motivated and active during the training en these entrepreneurs are selected for guidance in expansion of their business during one year.

Michael proves to be very motivated, eager to learn and his plan sounds logical, so he is selected for further guidance. Jacana starts the 21 days technical training at the Jacana SMART training centre under guidance of an expert in manual drilling, Henk Holtslag, supported by two assistants from Malawi. These days are very exhausting for Michael. He and nine other participants start every day at 8 o'clock and are brought back to their villages at 16.30, only to reappear early the next day in the training centre. The training days always start with an evaluation of the previous day, followed by theory about manual drilling. After that the participants start to drill boreholes with different techniques under the guidance of the expert.

During the training Michael learns how to drill manually boreholes up to 40 meters using the Mzuzu and the SHIPO drill method. The SHIPO drilling method in particular creates a lot of hilarity, because the men have to work with water mixed with cow dung. If you do not master the technique well, you'll be under the cow dung from top to bottom in no time. The assistant trainer demonstrates how to drill and you see the participants thinking: "that is easy, I can do that", it seems not. All participants are under the cow dung in no time. There is a lot of laughter, but after practising a few times, especially Michael seems to master the technique well; it looks like he is dancing. He gets a lot of jealous glances from the men who still face problems. After trying this technique they can try it with a motor pump. That is a lot easier and cleaner. Michael again quickly gets the hang of it.

After 21 days, Michael can work with the Mzuzu and SHIPO drill method, he can install the rope pump and knows how to make a water tank and water recharge system. In short, he is ready for the field. Jacana knows what difficulties the drillers will face and therefore they are going to drill the first boreholes at their own workshops or houses. These pumps are

In 2017 Jacana provided business training to 113 small scale entrepreneurs with expansion ideas.

53 Small scale entrepreneurs were selected for guidance in 2017.

Of these entrepreneurs 36 were male and 17 females. 13 work s in the water sector and 40 in other sectors.

Jacana SMART centre provided practical technical training in:

- Pump production**
- Production of drilling sets**
- Ground water recharges**
- Pump installation**
- Tank construction**
- Manual drilling:**
 - Mzuzu method**
 - SHIPO method**

used as promotional material. Soon it turns out that drilling is not an easy matter, the drillers come across many different soil types, even stones. When they hit a rock, which they cannot crack, they need to start all over again. Michael appears to be a diehard and hard worker. When he drills a borehole in his own village near his house, it looks like a party; you hear music; people come from far to see what is happening and do not seem to believe that these men can get water out of the ground in this way. Michael is the leader. He continues to believe in it and seems to want to show his neighbours that this is not a fairy tale. After a few days of drilling, they are 15 meters deep and find water at 7 meters deep, which means that they have a water column of 8 meters. After a pump test the team knows that there is enough water in the borehole and the rope pump can be installed. And yes, Michael is the proud owner of his own drilled borehole with a rope pump and also his neighbours are very happy with it. Everybody in his community is allowed to use the pump.

The group of trained drillers together drilled five boreholes at their homes or workshops and learned a lot from their beginners' mistakes. Now they are ready for the customers from the Show case area. The Show case area consists of a few villages and in those villages small scale entrepreneurs who need water to expand their business can apply for a partly sponsored pump by Jacana. They submit a plan and Jacana chooses the most promising entrepreneurs and invites them for a business training. After the training Jacana selects the most motivated and promising entrepreneurs and these get a partly sponsored pump. These entrepreneurs are the "early adopters". They are the first families in the area who use the pump for business. In this way Jacana hopes that other families, who see the benefit of the pump, will buy it direct from the drillers and the welders, without any interference from any NGO or Government. This is what we call Self-supply.

Michael starts drilling together with Edward, another trained driller. They hire an extra man to strengthen the team and when necessary they hire some extra people from the village where they are drilling. Michael has delivered 10 boreholes with a rope pump until the end of 2017. Seven are in the Show case area and the other three are drilled direct at families' premises without any interference of Jacana.

Drillers and pump producers are invited for an agriculture event managed by Agri-Profocus in August 2017. Around 500 farmers from the area come to this event. Michael and Edward, together with a few other drillers, give a demonstration of their drilling in the garden where the conference is held. The farmers see with their own eyes what happens

Jacana SMART centre helped improving manuals and made instruction tutorials videos. Manuals are available for free and can be requested at www.jacana.help/resources 280 Manuals have been requested and provided. Instruction videos have been viewed 23,300 times.

In 2017 Jacana provided business training to 92 small scale entrepreneurs who use water.

37 Water using entrepreneurs "early adopters" were selected for a partly sponsored pump.

34 Of these early adopters received a partly sponsored pump in 2017.

17 Of them on a newly drilled borehole, 7 on hand dug wells.

7 Ground water recharge systems were build and one tank.

and ask the drillers all kind of questions. Michael distributes many business cards to the farmers. Afterwards Michael, together with Pious, a Jacana employee, visits the farmers who showed serious interest in the pump. In this way, Michael is able to make 3 private customers happy with a borehole with rope pump. These families pay straight to Michael and his team. This is of course an enormous stimulus for his team, because they also realize that in the future they can acquire assignments without the intervention of Jacana. But for now Jacana still supports them.

Starting your own business also means that you need to do the bookkeeping, this is not one of the most favourite activities. Especially if you work in a group it is important, otherwise there will be conflicts. Michael asks a teacher from his village to teach him how to read and write and Jacana supports Michael and his group in bookkeeping. It is getting better.

Results 2017:

Michael is able to drill much deeper boreholes than before. His clients have access to water during the full year now. They can irrigate their land the whole year round.

Michael learns to read and write and to manage a growing company.

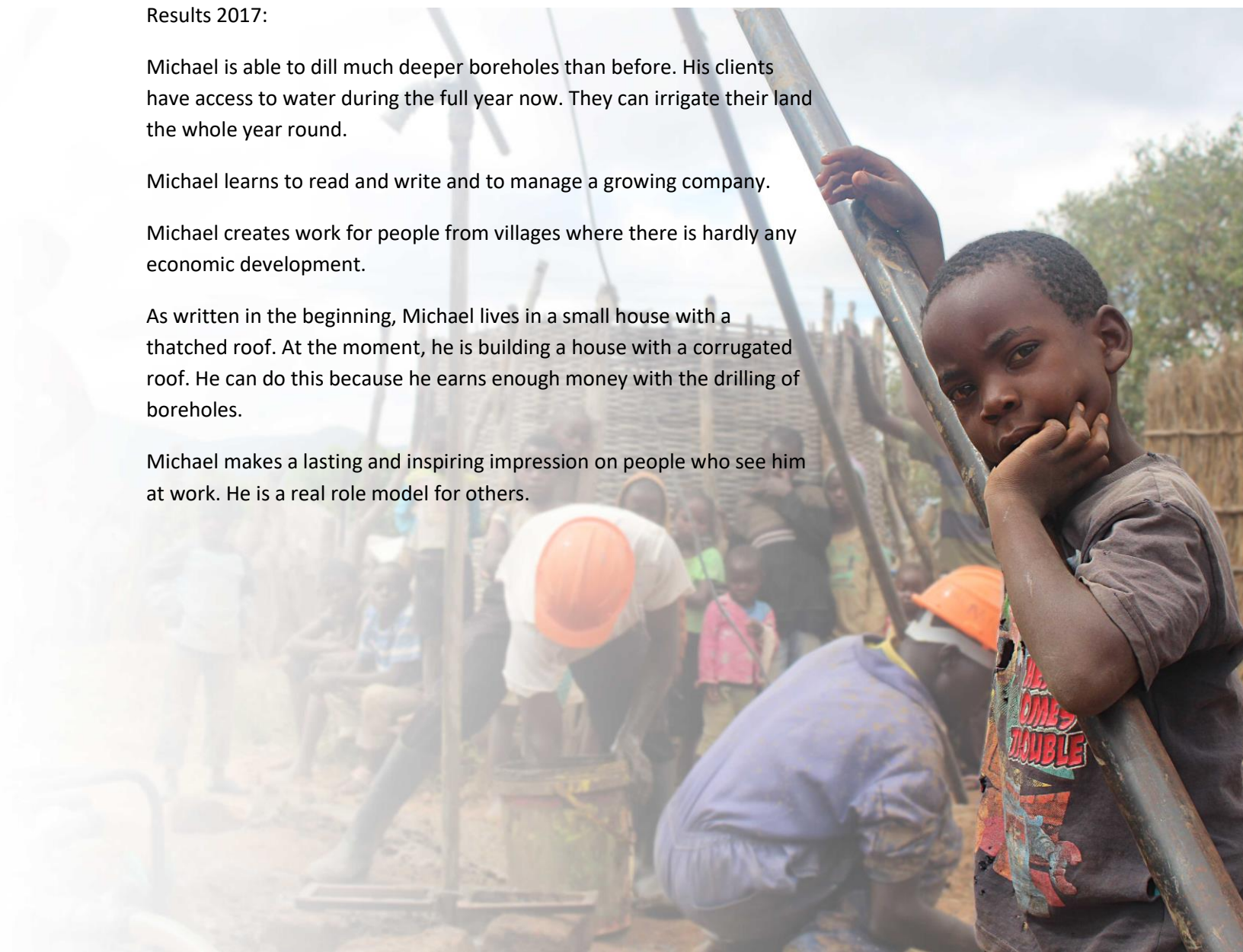
Michael creates work for people from villages where there is hardly any economic development.

As written in the beginning, Michael lives in a small house with a thatched roof. At the moment, he is building a house with a corrugated roof. He can do this because he earns enough money with the drilling of boreholes.

Michael makes a lasting and inspiring impression on people who see him at work. He is a real role model for others.

Since April 2017 -when training completed- drillers and pump producers sold pump directly to 9 customers who were not in the sponsored programme.

To our surprise 5 of these customers paid for a new drilled borehole. In other SMART centers "Self-supply" usually starts by pumps on existing wells.





5 Organisation

5.1 Board report Jacana Netherlands

On 31st March 2015 Foundation Jacana in the Netherlands has been notarially founded and registered at the chamber of commerce (Kamer van Koophandel) under number 63033747 on 2nd April 2015. Foundation Jacana is also recognized as Algemeen Nut Beogende Instelling (ANBI) under Dutch tax law.

Jacana Netherlands has a board of four members who meet every quarter. The board is responsible for funding, strategy, policy, budget and yearly planning.

			
Chairman	Treasurer	Secretary	Board member
Laura Kurth	Erik Dijk	Rik Haanen	René van Dongen

Learn more about them at <https://jacana.help/about/team>

† Completely unexpected formal treasurer John Vaessens past from this world on Friday 30-3-2018. John created the financial training manual and worked from the beginning passionately, dedication and selflessness as treasurer of the Dutch Jacana board.

5.2 Jacana Zambia

On the 1st of October 2015, Jacana Foundation was registered in Zambia as an international NGO (nr: DRNGO 10/0517/15). The Zambian board has five Board Members who also meet quarterly.

The board is responsible for the oversight of:

- Execution of projects in Zambia according to donor requirements and realizing high quality for the benefit of small scale entrepreneurs.
- Planning, developing and implementing the projects in Zambia.
- Correct spending of donor money.
- Reporting every quarter to Jacana Netherlands.

Board members Zambia:

Benedicto Phiri:	Chairperson
Anderson Zulu:	Treasurer
Josephine Matibini:	Board member
Brian Kalindi:	Board member
Elizabeth Chipeta:	Board member
Rik Haanen:	Board member

Learn more about them at <https://jacana.help/about/team>

5.3 Staff Zambia

Dinie Nijssen:	Director Jacana
Rik Haanen:	Technical manager
Pious Nyirongo:	Trainer/field worker
Reuben Chulu:	General worker/watchman
Patrick Maunda:	General worker/watchman
Thressa Shumba:	Office attendant

Learn more about them at <https://jacana.help/about/team>

For the production of pumps and the drilling of boreholes for the project, Jacana hires the trained entrepreneurs from the Water for Zambia project.

In 2017 Henk Holtslag an expert in manual drilling and pump production was consulted for three weeks to conduct the technical training in March. He was assisted by two drillers and one pump producer trained by Mzuzu SMART centre, Malawi.

During the training of entrepreneurs, Jacana hired Bester Sakala for assistance.



6 Way forward

Jacana wants to continue work as it did the last year. We are very confident with the way we are guiding and training small scale entrepreneurs. We see the effect of the work Jacana is doing and we would like to continue with this.

- Continue training and guiding general entrepreneurs.
- Continue the project “Water for Zambia”, establishment of the SMART training centre and creation of the Show case area in a few villages around Chipata.
- Start project “Water for Zambia 2”, training and guiding drillers and partly sponsor pumps in four villages of Nkhova Ward. These villages are Open Defecation Free declared by the Chipata council.

7 Financial report 2017

7.1 Balance sheet at 31 December 2017

After allocation of results, all amounts are in Euro.

<u>Assets</u>	31 December 2017	31 December 2016
- Tangible fixed assets		
Computer equipment	<u>63</u>	<u>392</u>
	63	392
- Current assets		
Receivables	<u>0</u>	<u>0</u>
	0	0
- Cash and cash equivalents		
Bank account	13,940	10,040
Savings account	<u>5,682</u>	<u>27,015</u>
	19,622	37,055
	19,685	37,447
	<hr/>	<hr/>
<u>Liabilities</u>		
- Equity		
Reserves	10,244	32,160
Funds	<u>9,441</u>	<u>3,768</u>
	19,685	35,928
- Short term liabilities		
Insurances to be paid	<u>0</u>	<u>1,519</u>
	19,685	37,447
	<hr/>	<hr/>

7.2 Income and expenditure statement 2017

	2017		2016	
Income				
General donations	14,621		15,768	
Specific project donations	46,616		25,750	
	61,237		41,518	
Expenses				
Sent for projects				
General entrepreneurs	8,897		16,115	
Water entrepreneurs	64,583		12,248	
Support for partner organisations	-		33	
Total project costs	73,480	95%	28,396	88%
Cost of generating income	2,241	3%	1,206	4%
Management and administration	1,759	2%	2,496	8%
Total expenditure	77,480	100%	32,098	100%
Result current year	-16,243		9,420	

Although Jacana NL had a negative result of € 16,243 in 2017, the implementing partner Jacana Zambia had a positive result of € 12,654 in 2017 (see below).

7.3 Accounting policies

7.3.1 General

Foundation Jacana is statutory located in Maastricht in the Netherlands. The activities of Jacana focus on combating poverty in the broadest sense of the word in the African continent by education of small business owners to enable them to expand their business and thus employ more people.

The financial statements have been prepared in accordance with the Dutch Accounting Standard for fundraising Institutions (RJ 650). This guideline requires that costs are allocated to costs of the organisations goals, costs of fundraising and cost of management and organisation

7.3.2 Accounting policies for the valuation of assets and liabilities

The financial statements are stated in euro's.

Tangible fixed assets are carried at historical costs less depreciation calculated over their estimated useful life

Equity is divided into reserves where the board has separated part of the equity for specific goals and funds where the goals are specified by third parties.

The other assets and liabilities are stated at face value after deduction of provisions for bad debts.

Income is recognized in the year to which the item of income relates. Non-recurring items of income are recognized in the year in which they are received.

Costs of projects are broken down into our main projects. The cost of our partner organisation in Zambia represents the donations made to our partner organisation Jacana Zambia. The costs are further broken down in the notes to the income statement.

Costs of generating income include the cost of recruiting and maintaining relationships with sponsors and the cost of crowd-funding. The costs are measured at historical costs.

Costs of management and administration include the costs of the board of the foundation, the financial accounting function and all costs indirectly allocated thereto.

7.3.3 Notes to the balance sheet

7.3.3.1 Tangible fixed assets

	<u>2017</u>
Computer equipment	
Book value at the start of 2016	392
Investments	0
Depreciation	<u>-329</u>
Book value at the end of 2016	<u><u>63</u></u>
Total purchase price	987
Total depreciation	<u>-924</u>
Book value at the end of 2016	<u><u>63</u></u>

7.3.3.2 Equity

Reserves

Opening balance	32,160	
Added	<u>-21,916</u>	
Balance at the end of the year		<u><u>10,244</u></u>

Funds

Opening balance	3,768	
Added	<u>5,673</u>	
Balance at the end of the year		<u><u>9,441</u></u>

7.3.4 Notes to the income and expenditure statement

Our biggest donor Aqua for All pays a new instalment of € 16,405 for the running water project in Jan 2018 which is not mentioned here.

Management and costs of generating income are relatively 2% and 3% of the expenditures and of the total income in 2017 that is an improvement compared to 2016 but might slightly increase in future.

7.3.4.1 Compared to annual budget

Comparing income and expenditures to annual estimated budget as stated in the strategic plan presents the following figures in euro.

	ACTUAL				BUDGET
	Jacana NL	Jacana Zambia	(*) From Jacana NL to Zambia	Total Jacana NL + Zambia	Total 2017
Income					
General entrepreneurs	17,244	2,516	-2,200	17,560	19,000
Water sector development	43,993	64,324	-27,500	80,818	55,000
Total	61,237	66,840	-29,700	98,377	74,000
Expenditures					
Transferred to Zambia (*)	29,700		-29,700		
Transferred to Zambia via WG(**)	16,086		-16,086		
Purchase of fixed assets	0	1,507		1,507	2,000
Tools	220	2,338		2,558	3,000
Salaries	15,485	9,908		25,393	22,000
Experts & trainers	11,228	4,677		15,904	11,000
Transport	2,793	6,407		9,201	8,000
Materials	733	24,045		24,778	25,000
Others	1,236	5,303		6,539	3,000
Total	77,480	54,186	-45,786	85,881	74,000

(*) Funds transferred from Jacana NL to Jacana Zambia have been collected in NL (income), are expenditures in NL and are income again in Zambia. Looking at total income (NL + Zambia), these funds should not be added twice and are therefore subtracted in the total.

(**) Transferred to Zambia via Wild Geese (WG); Wild Geese has topped this amount up to a total of € 32,467 at part of the Income for Water sector development

In 2017, Jacana had a 33% bigger turnover than was expected.

7.3.4.2 Distribution in more detail

	Spent for projects		Others		
	General entrepreneurs	Water entrepreneurs	Cost of generating income	Management and administration	Total
Project subsidies					
Zambia	2,200	56,891			59,091
Personnel costs	3,308	3,799	879	1,319	9,305
Promotion costs			435		435
Insurance	2,737	3,143	728	1,091	7,699
Travel costs	653	750	174	260	1,836
General expenses				278	278
Depreciation				329	329
Total	8,897	64,583	2,215	3,278	78,972

7.3.4.3 Allocation of costs

Project subsidies	Subsidies earmarked for separate projects are allocated to these projects
Zambia	the balance is allocated to the general support of our partner organization
Personnel costs	Are allocated based on hour's spent
Promotion costs	Are allocated to costs of generating income
Travel costs	Are allocated in accordance with the personnel costs
General expenses	Are allocated to costs management and administration
Depreciation	Are allocated to costs management and administration

7.3.4.4 Project subsidies Zambia

The expenditures of our Zambia partner organisation can be broken down in: (in EURO)

	2017	2016
Income		
Jacana	29,700	21,000
Wild Geese	32,467	-
Other like community contribution	4,673	-
	66,840	21,000
Expenses		
Personnel (*)	9,908	5,868
Accommodation & office rent	2,229	4,772
Promotion	2,866	1,125
Transport	6,407	6,553
Tools and materials	26,384	6,646
General expenses	6,392	1,364
Total project costs	54,186	26,328
Allocated to projects	12,654	(5,328)
Result current year	-	-

(*) Personnel cost mentioned above is for 4 employees. Other personnel costs were paid by Jacana NL and mentioned in the next paragraph.

Although Jacana NL had a negative result of € 16,243 in 2017, the implementing partner Jacana Zambia had a positive result of € 12,654 in 2017. This positive result is allocated to projects that are being implemented in Zambia.

7.3.4.5 Personnel costs (NL)

	2017	2016
Salaries	9,305	4,215
Insurance	7,699	3,628
	17,004	7,843

The number of staff is two volunteers. Both of them are working in Zambia.

The personal cost is low as the director has refrain from its compensation for six months in 2017.