



KAGENO

a place of hope

ANNUAL REPORT 2008

KAGENO
annual report
2008



MISSION, VISION AND VALUES

MISSION

KAGENO'S mission is to transform communities suffering from inhumane poverty into places of opportunity and hope.

VISION

KAGENO'S vision is to achieve sustainable solutions to global poverty through a comprehensive set of interdependent programs that address the complex web of issues faced by impoverished people, with balanced emphasis placed on economic empowerment, conservation, community health, and education.



LETTER FROM THE EXECUTIVE DIRECTOR

We are very proud to be able to share KAGENO's accomplishments with you in our first Annual Report. KAGENO was formed five years ago to build a place of hope in an impoverished community. What started out as a small grassroots nonprofit serving a community in Western Kenya has grown into a thriving Non-Governmental Organization with two projects in Kenya, another in Rwanda, and with sights set for expansion into Ethiopia.

KAGENO's programs are models for innovative development that reach over 10,000 people by providing access to clean water, sanitation, healthcare, education and income generation. Our work is proof that a small organization working with local community partners can make a real and sustainable difference. KAGENO's resources get to the people who need them most — 92 cents of every dollar we spend goes directly to our programs. We invest directly in the communities we serve by training and employing a team of local community members. Our work is conceived, designed, led and implemented by local partners. It is clear that the members of the communities we serve often know the best solutions to the numerous problems they face. By engaging local leaders and establishing partnerships with other NGOs, KAGENO staff are developing, cultivating and encouraging the community to participate in a sustainable future. To best serve the communities with which we work,

we know it is essential to engage community members to assess what is needed, what is wanted, and what can be done. They are our key partners and implementers in success, and lay at the very heart of long-term sustainability.

Enterprise solutions are at the core of KAGENO's model. Our success can largely be attributed to our "bottom-up" approach in combination with entrepreneurship as a solution to poverty.

Through continuing development of surveys, analyses and metrics to document our results, we are able to better understand how to improve our model and ultimately, help realize better living standards for the communities we serve.

Perhaps more exciting than these quantifiable measures of our achievements are the transformations we can see in the people and communities we serve. A few of these transformations are illustrated in the following pages.

Many thanks for your continued support,



Frank Andolino, Co — founder and Executive Director

PARTNERING ORGANIZATIONS

KENYA

DREYFUS HEALTH FOUNDATION PROBLEM SOLVING FOR BETTER HEALTH PROJECT — source of funding for microloaning activities to solve specific health related issues that the community is facing

FLORESTA — source of funding for briquette making machine, biointensive agriculture training, and a dairy goat project

CARE KENYA — provides training to the community on sustainable agriculture and cost effective latrines for impoverished community members

CENTERS FOR DISEASE CONTROL — source of funding to train all KAGENO Kenya's Voluntary Counseling and Testing (VCT) counselors

GERMAN ENVIRONMENTAL DEVELOPMENT FUND (GED) — source of funding to construct latrines and water tanks.

INTERNATIONAL MEDICAL CORPS — partnership to operate the Voluntary Counseling and Testing Centre

KENYA MINISTRY OF HEALTH — partnership to operate the Plasse Dispensary (KAGENO's Dispensary)

PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF (PEPFAR) — source of funding to pay school fees for four orphaned students for secondary education

UNDP SMALL GRANTS PROGRAM — source of funding for reforestation program

USAID AMBASSADORS SELF-HELP FUND — source of funding for KAGENO's solar system

US PEACE CORPS — source of partial funding for construction of the KAGENO Innovative Community Centre

ONE KID ONE WORLD — source of funding to support Kamasengre Secondary School teachers

RWANDA

PARTNERS IN HEALTH — partnership to train community healthcare workers

WILDLIFE CONSERVATION SOCIETY — development of ecotourism program, site selection and implementation

OFFICE RWANDAIS DU TOURISME ET DES PARCS NATIONAUX (ORTPN) — development of ecotourism program, site selection and implementation

USAID SMALL GRANTS PROGRAM — source of partial funding for the KAGENO Rwanda eco-tourism and product diversification projects

WORLDWIDE

SOLESUNITED - the U.S. based philanthropic arm of CROCS Inc., provided 10,000 pairs of shoes for distribution in Haiti

BROTHERS BROTHER - oversaw the donation and shipping arrangements for CROCS distribution in Haiti.

PEARSON PUBLICATIONS — paid for the books and container that was sent to Kenya for nursery school and paid for shipping of the Crocs shoes to Haiti

FORDPOINTER AND CARGO SERVICES - worked with Pearson Publications in arranging the shipping of the Crocs shoes and gave KAGENO a reduced rate for the shipping. In addition, they have offered KAGENO a reduced rate for services in the future

RAISING MALAWI — partnering to train local school teachers under the Spirituality for Kids (SFK) program

ME & RO — partnering to develop a product to be made at our project sites for retail sale

URBAN ZEN — partnered to hold fall 2008 event at the Stephen Weiss Studio

BOARD OF DIRECTORS

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*Co — founder and
Executive Director*

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Alphonse Okuku - KAGENO Kenya

Levi Ngilimana - KAGENO Rwanda

Jayne Hinds Bidaut - KAGENO Kids

Carlyla Dawson - Director of Operations





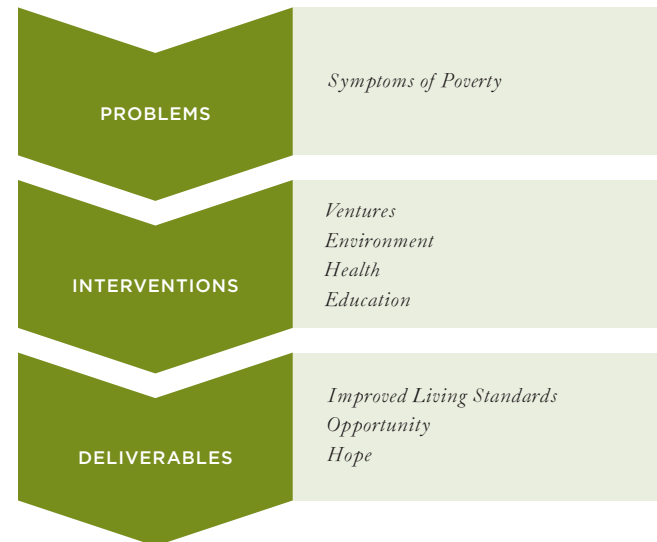
WHERE WE WORK

KAGENO must focus on sites with certain attributes for its model to succeed. For example, communities must be small enough to be manageable, yet large enough for programs to have a wide and sustainable impact. Thus, potential new site locations are evaluated using an index that ranks them according to the severity of community need while also considering other factors that affect the ability of KAGENO's community development model to take root - including governance, population, accessibility, and eco-tourism and craft-making potential. Kageno has been operating a comprehensive community development project at its flagship site in Kenya since 2003. This successful project is now being replicated at two new sites, including KAGENO Mfangano (Mfangano is an Island adjacent to Rusinga in Kenya) and KAGENO Rwanda (in Banda Cell, Rangi Sector, Nyamasheke District, Western Province, Rwanda). These communities have been crippled by factors including the spread of HIV/AIDS, extreme poverty, lack of education, lack of access to safe water, rapidly deteriorating ecosystems, and genocide.

RESULTS-FOCUSED

To ensure effectiveness, KAGENO conducts a preliminary survey to establish a set of baseline metrics. Identification of our “balanced scorecard” allows us to monitor individual project components in both trend form (are we getting better over time?) and snapshot form (where are we right now relative to our annual goal?). By monitoring objectives in this way, the scorecard guides KAGENO’s allocation of resources by identifying programs that need to be energized in order to preserve a balanced community development approach.

Qualitative goals like improved living standards, opportunity, and hope, can be difficult to measure. When they are measurable, statistical causality (what causes a result — was it KAGENO or some other phenomenon?) can be blurry. Therefore, KAGENO measures its work largely on the immediate results of interventions, which are easily measured using metrics like number of vaccinations, graduating computer class clients, number of trees planted, or money collected via eco-tourism.



KENYA

In 2002, the small village of Kolunga Beach, on Rusinga Island in Western Kenya, was in crisis. With few jobs available outside of the corrupt and seasonal fishing industry, the unemployment rate exceeded 80%. Women and girls regularly prostituted themselves to migrant fisherman in exchange for fish to eat. Children scavenged for food in piles of trash strewn with human feces. More than four in ten people were infected with HIV/AIDS, and the village's main source of drinking water, Lake Victoria, was receiving millions of liters of untreated sewage daily. There was no formal trash removal program, and the area was naked of foliage, having stripped bare by a population unable to afford any other form of cooking fuel.

It was in the midst of this chaos that Kageno built the infrastructure of Kolunga Beach from the ground up. Now in its sixth year, Kageno's flagship project at Kolunga Beach in Kenya thrived during 2008. By year-end, Kageno Kenya had realized four important new programs and expanded its work to the neighboring Mfangano Island — all while existing programs continued to be expanded and improved.

Below is a partial list of Kageno Kenya's accomplishments during 2008:

- In partnership with *Floresta*, KAGENO began recycling organic waste into briquettes for use as cooking fuel, reducing the need to burn local vegetation. Five local people now earn a living through the program, and the briquettes fuel the preparation of meals for 200 school children each day.
- Forty new families joined a small enterprise (funded by *Floresta*) that grants dairy goats to clusters of families who then support each other in goat-breeding efforts and circulate offspring among the cluster until each family has one goat to produce dairy products and generate income for the family.
- Throughout the year, KAGENO implemented biointensive farming practices, which improve soil and maximize yields while minimizing the area of land needed. Forty-seven plots were distributed to community farmers who have been assisted with the planting of nutritious and eco-friendly crops.

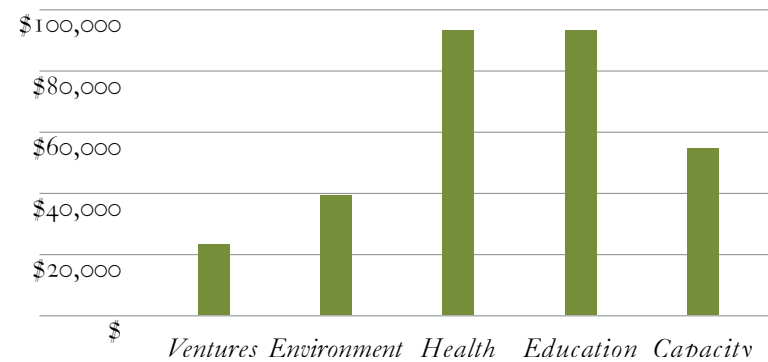
- The project's microloan program grew increasingly robust and is now serving a total of 200 individuals, who are empowered to start small businesses using program loans and skills training. This innovative project has diversified the local economy and lifted nearly 100 women from prostitution.
- Eco-tourism initiatives were expanded throughout the year. A "traditional dancing troupe" made up of local youth is now in place. Participating youth have gained steady income by performing traditional dances and rituals for visiting tourists.
- The Kate Spade Computer center was more successful than ever. A total of 31 students successfully completed the basic computer studies program, and the Center offered emailing, printing, photography and photocopying services to the community for a small and affordable fee throughout the year.
- KAGENO hosted a World AIDS day mobilization and awareness event attended by 3000 people.. In collaboration with International Medical Corps and the Ministry of Health, 212 people were provided free treatment, and KAGENO conducted voluntary counseling and testing for HIV/AIDS to 232 individuals. Of these, 13% tested positive. For context, consider that only six years ago more than one in four people in the community were infected.

These are just a few of KAGENO Kenya's exciting accomplishments in 2008. All of these new programs were made possible by our valued partnering organizations, and the indispensable support of our private donors.

KAGENO maximizes the impact of each dollar it spends. Our data shows... that spending is minimal in comparison with the project outcomes and accomplishments detailed in the pages of this report.

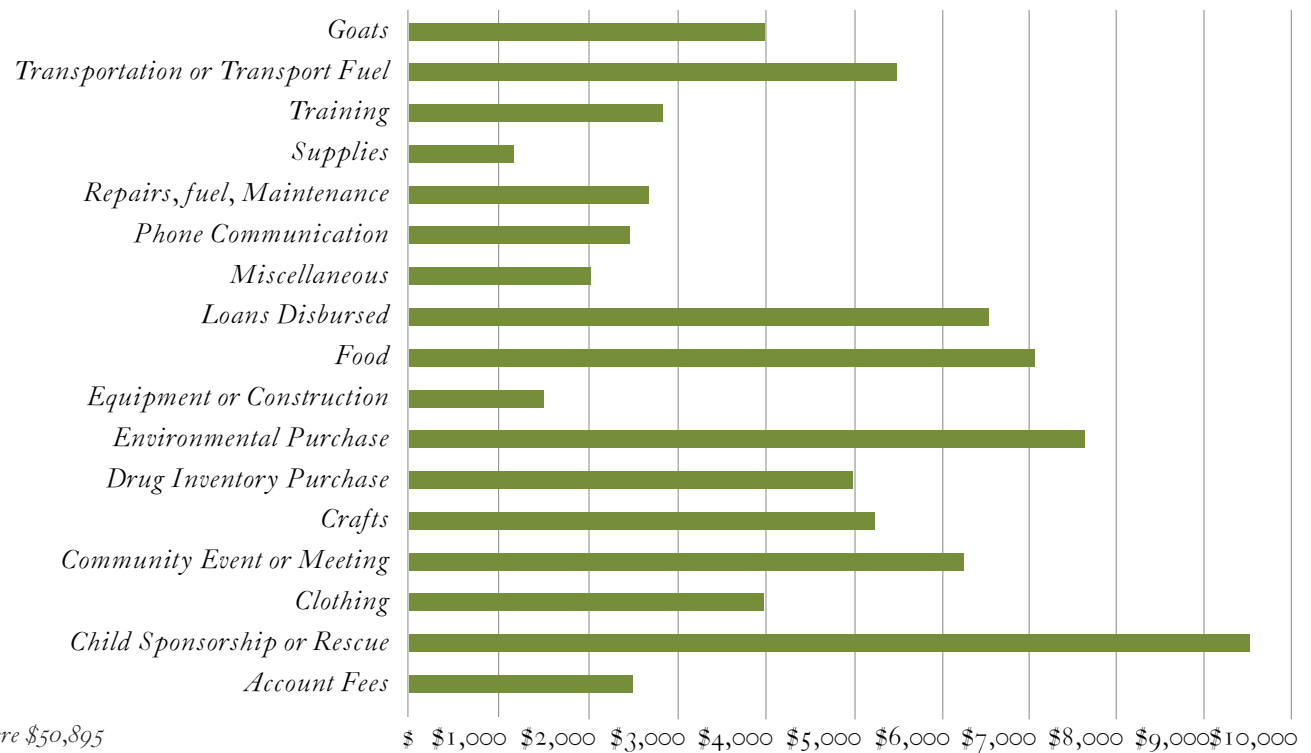
The funding allocation chart below shows that in 2008, the largest percentage of KAGENO funding was allocated to the program areas of Education and Health, including spending for

teacher and nurse salaries, construction of infrastructure, and direct support to children. While much of the spending represented below directly supported programs and activities (such as giving out goats for the dairy goat project, providing microloans, or paying child support), spending also occurred in support of organizational capacity as KAGENO funded its communication systems, paid bank fees, and met energy needs.



Because job creation is the first major component of economic growth, KAGENO hires people directly from the communities it serves - creating sustainable, secure jobs that motivate individuals and drive community development. KAGENO pays market prices for all positions - skilled or unskilled, technical or managerial.

In 2008, \$50,895 was given out in salaries to over 15 staff members, ranging from cleaners, cooks, and tree nursery managers to nurses, computer trainers, and the country director.



KENYA EXPENSES salaries were \$50,895

*KAGENO's model for community development
rests upon its four core program areas...*

VENTURES . ENVIRONMENT . HEALTH . EDUCATION



PROGRAM AREA : VENTURES

KAGENO's "Ventures" program is an economic empowerment program made up of a set of Income Generating Activities (IGAs) that have return-on-investment as the priority. These initiatives create revenue that in turn helps to drive nonprofit programs, and they have a wide and diverse impact.

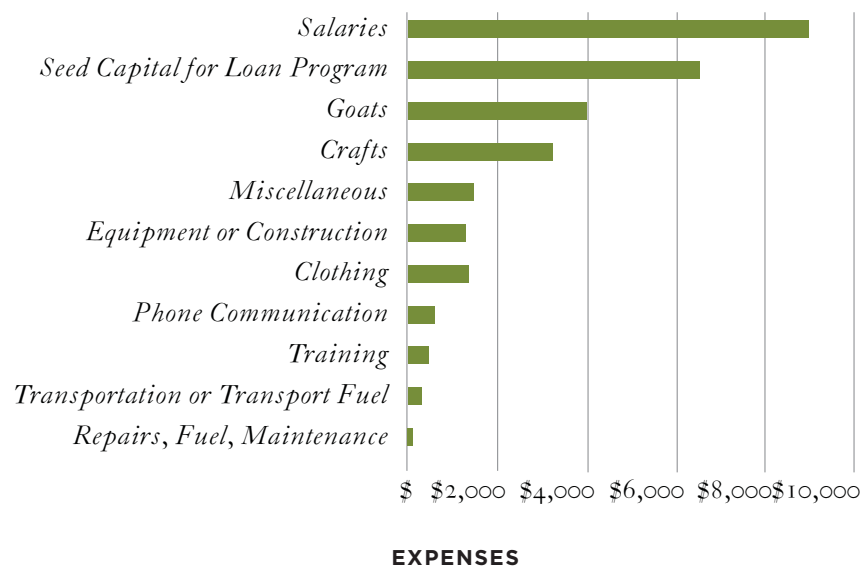
- Through a microloan program, KAGENO empowers local individuals to become entrepreneurs by realizing self-employment projects generate income and break cycles of poverty.
- Large-scale craft making initiatives engage large numbers of vulnerable women who are trained to create products of high enough quality to sell on international markets, while also being paid fair market wages.
- Ecotourism brings in visitors, which simultaneously creates revenue for the community and widens KAGENO's international donor base.
- Other IGAs include a goat-breeding project that grants dairy goats to clusters of families who then support each other in goat-breeding efforts; a cell phone-charging project that creates revenue by meeting the demand for charging stations (for an affordable fee); introduction of biointensive farming practices that improve soil and maximize yields while minimizing the area of land needed; and various business services.

These small enterprises not only move KAGENO projects toward self-sufficiency — but they break non-sustainable economic and environmental cycles by diversifying the local economy.

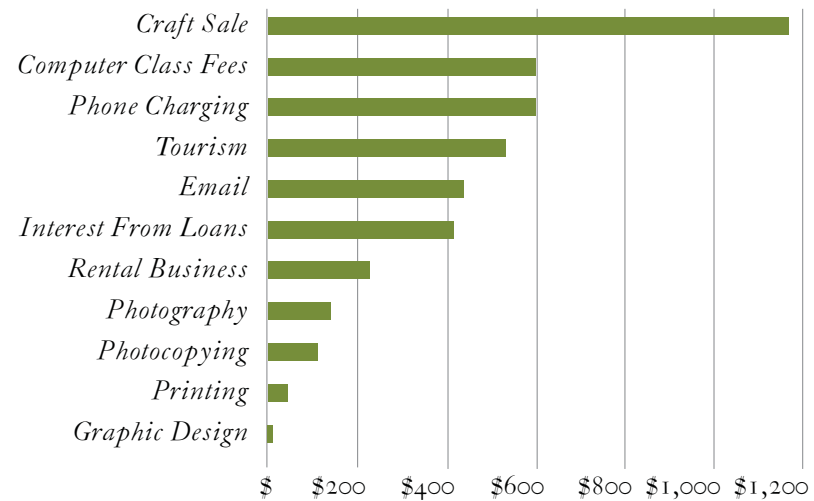
During 2008, funds allocated to the Ventures program included those for project facilitator salaries (including the managers of Kageno's eco-tourism, microloan, and computer programs), and for seed capital to initiate the microloan and goat breeding programs.

This spending yielded many significant outcomes, including:

- Ecotourism helped to increase KAGENO's donor base by 221 tourists in 2008.
 - 165 locally made craft pieces were sold to tourists and Kenyan markets.
 - The dairy goat project bred 12 new goats and passed on three goats to new families, bringing the total number of families involved in the project to 60.
 - 89 new biointensive gardens were produced for domestic agriculture.
 - Increased overall access to the Internet and to business services (graphic design, photocopying, printing, furniture rental, etc.).
- KAGENO's Kate Spade Computer Center graduated 31 students from its computer learning program.



Ventures program spending also yielded some return, including more than \$1,200 in earnings from craft sales, and a total of more than \$2000 in earnings from business services (including furniture rental, photography, photocopying, printing, and graphic design). While these returns are modest, they are proof that the KAGENO concept is working - and they are not modest to the community receiving them. These revenues will also increase as more loans are made and existing enterprises have time to grow.



SALES FROM INCOME-GENERATING ACTIVITIES



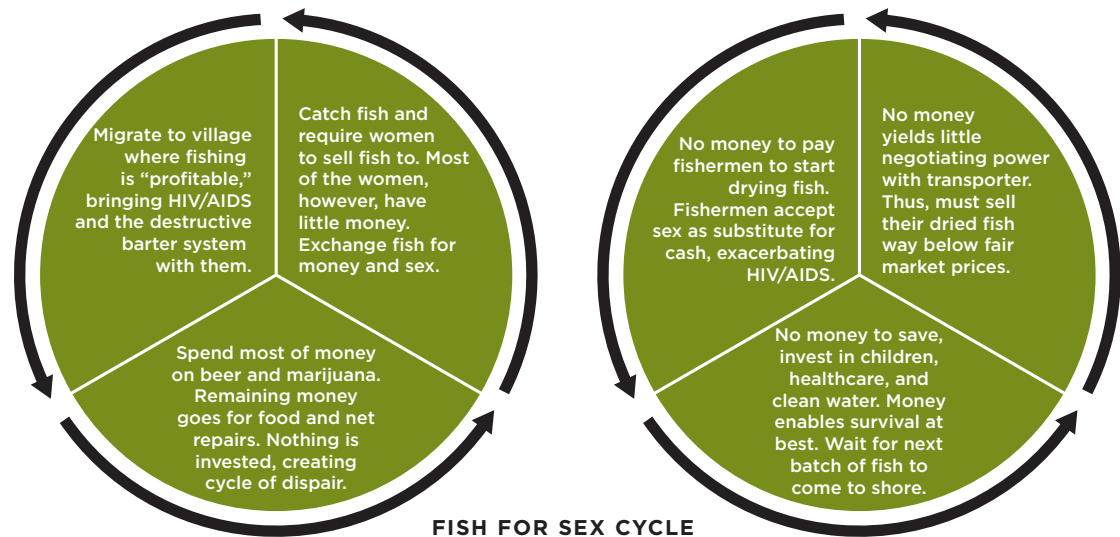
MICROLOANS

The communities Kageno serves have meager, one-dimensional economies that rest almost entirely upon fishing and farming. These industries depend on finite natural resources, and as natural climate swings occur, unemployment rates can run as high as 80 percent, causing thousands to starve.

These communities are severely affected by HIV/AIDS. In fact, Nyanza (where KAGENO Kenya is located) has the highest rate of HIV/AIDS of any Kenyan province. In 2007, the rate of infection reached its peak, affecting approximately 42% of the population. As a byproduct of the epidemic, children have been orphaned and families fall deeper into poverty.

On Rusinga Island, “fish-for-sex” (the practice of women who prostitute themselves in exchange for fish to eat) is the single largest factor in the massive spread of the disease. The goal of the program is to diversify and strengthen the community’s economic base, while also mitigating failures in exploitive business cycles like fish-for-sex, which is shown here:

Without intervention, this cycle is difficult to break, as victims of it are faced with the choice of continuing participation in the cycle, or starving.



KAGENO'S MICROLOAN PROGRAM

KAGENO first piloted a microloan program in 2006 as an intervention that would allow severely impoverished entrepreneurs to realize self-employment projects that could generate income and free them from cycles like these.

While economic diversification has always been the project's overall goal, the pilot program targeted at-risk women by granting loans of \$50 - \$100 to 15 women who were engaging in fish-for-sex. In addition, a training component was implemented to introduce credit and interest, financial savings, business planning, and bookkeeping (concepts which are completely foreign to much of the developing world). Training culminated with beneficiaries writing business plans describing small business ventures to be executed using microloan funds (like fishing, sales of produce and grain, and chicken farming). The program then continued to support the women as plans were executed. After the first year, all 15 initial loans were repaid, and all 15 women had abandoned the practice of fish for sex.

RAPID GROWTH OF THE PROGRAM

Thanks to private donors, the model established in the pilot is now being delivered to 200 loan recipients at a default rate of less than one percent, and one hundred women who were engaged in or at risk of engaging in fish-for-sex have received loans that have helped them start small enterprises and stop relying on prostitution for survival.

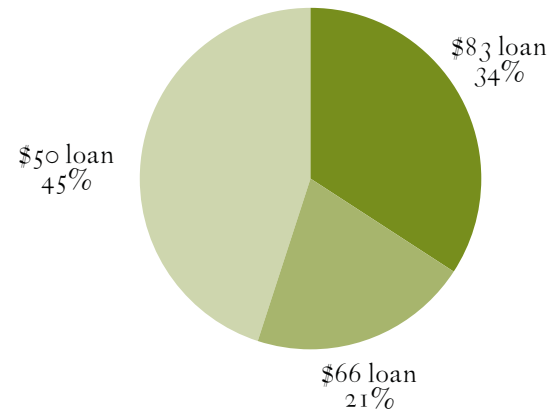
As it has grown, KAGENO has continued to carefully consider the existing concentration of each business segment in order to avoid cannibalization, maintain diversification, and keep existing projects lucrative. Participants have now realized small enterprises ranging from fishing and sales of dried grains and cereals to chicken farming, shopkeeping, and carpentry.

Community demand has now driven participation beyond the program's service capacity, and another 86 individuals seeking loans have been placed on a waiting list. Thus, KAGENO has begun efforts to expand the program even further, and is fundraising toward a goal of growing the microloan program to 500 beneficiaries, at which point it will be financially self-sustaining. New funding injected into the program will be continually used to realize small enterprises, meaning that one-time investments are cyclically disbursed and can continue to help new beneficiaries for years to come.

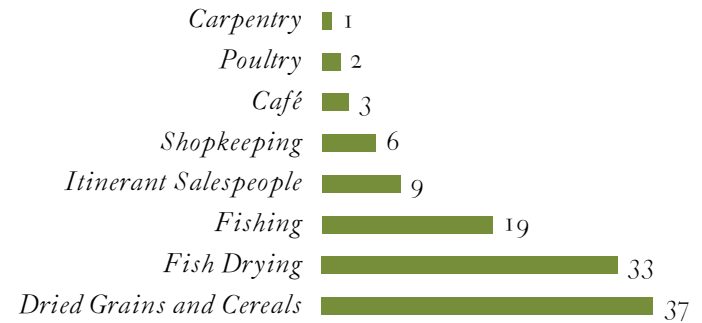
2008 SNAPSHOT

The microloan program was launched with capital of \$6,508. In approximately one year, it has reached 89% of breakeven. 110 loans were funded. 43 loans have been fully paid back (a 99% repayment rate) and just one has missed payments of over four months.) Half are still being serviced.

The loans were spread primarily among the fishing industry, dried grains and cereals, and other commercial activities (shopkeepers and itinerant salespeople).



PORTFOLIO BY LOAN SIZE



PORTFOLIO BY BUSINESS SEGMENT

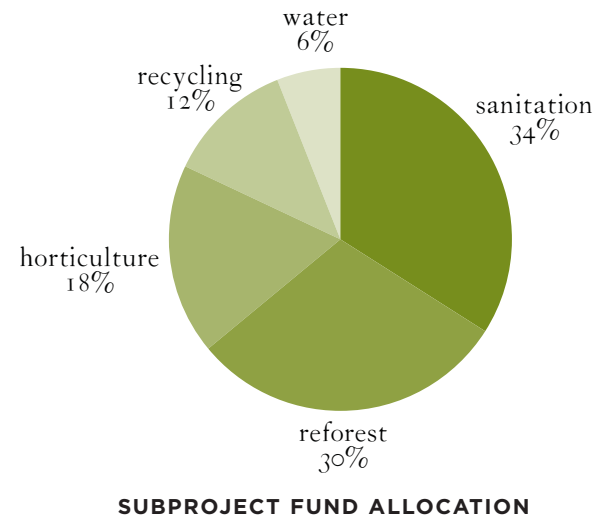
PROGRAM AREA : ENVIRONMENT

KAGENO's Environment program consists of initiatives in clean water, sanitation (including latrine construction and management), trash collection, recycled trash briquette-making (for use as an alternative fuel source), reforestation, and horticulture.

Under its Environment program, KAGENO has:

- Constructed a clean water system that provides clean water to thousands of people per year. Before this intervention, the main source of drinking water on Rusinga Island was that of Lake Victoria, which receives millions of liters of untreated sewage each day;
- Reduced the ratio of individuals to latrines from 1,200:1 to 20:1;
- Facilitated bi-weekly garbage collection for more than 15,000 individuals;
- Produced approximately 100 recycled trash briquettes each day for use as a fuel source, reducing the need to slash and burn local vegetation;
- Worked with UNDP to plant nearly 1 million trees;
- Executed large-scale removal of water hyacinth (a common damaging weed), and used it as a material for craft making; and,
- Educated the community on a wide range of environmental issues and planting techniques

During 2008, KAGENO allocated funds to the Environment program's various activities as shown here:



This spending allowed programs to continue and thrive.

- Through a briquette-making initiative, trash was collected from the area, compacted it into fuel briquettes, and then introduced back into the community as an inexpensive fuel source. In 2008, KAGENO produced nearly 15,000 briquettes at a total cost of approximately \$1,650. The briquettes not only made a positive impact on the environment, but also yielded a 30% return-on-investment through local sales.
- KAGENO worked with UNDP to give trainees of UNDPs "Greening Rusinga Initiative" an opportunity to utilize their training toward the local reforestation effort. At the end of 2008, the program recorded 5,569 seeds germinating (one step past planting). In addition, the reforestation project has created seven jobs for the local people who help operate the program — which is remarkably cost-effective. In fact, the cost for all of these outcomes is less than \$12 per day.

- In partnership with Floresta, KAGENO trained local farmers in biointensive agriculture techniques, which uses organic materials to control pests and diseases, and improves soil fertility.. These techniques are being put to use thorough the KAGENO Horticulture Project, which has helped 51 local individuals to start their own nurseries. In addition, 95 new plots of land have been distributed to community members that have attended the training and committed to the practices being used.
- The clean water project initiated in 2003 is now running with remarkable efficiency - serving 20 families per day while the cost of managing the project is approximately \$2.50 per day — only 12 cents per person served.
- Several new latrines were built, bringing the total inventory of pit latrines to 30, which were servicing the daily needs of 565 individuals per day by the end of 2008, and preventing the spread of disease caused by open human waste.



“We chose the name Partners In Health for our organization because we knew that to make any headway against these big problems we’d have to engage in partnerships.... the partnership we’ve had with KAGENO ... is just another example for us of why partnerships should be at the heart of serious efforts to take on global poverty and the illnesses faced by the world’s poor.”

Dr. Paul Farmer, Co-Founder, *Partners in Health*

PROGRAM AREA : HEALTH

KAGENO's model for Health services is exemplified at its Kenya site, and it is from the methodologies proven there that the Health program is being replicated at KAGENO's newer sites in Kenya and Banda Village, in Rwanda. The Kenya program is primarily delivered via the Plasse Health Clinic and the HIV/AIDS Voluntary Counseling and Testing Centre (VCT), which is managed by the Kenyan government.

These institutions are built under KAGENO's Health program as part of an overall goal to increase the capacity of communities to deliver quality health services. This includes training local volunteers to become counselors, mentors, and monitors of community health. Projects place special emphasis on mothers and children, who often are the most vulnerable to disease and malnutrition. Interventions range from nutrition and health education programs, to clinical services.

KAGENO provides information and services that stress prevention, detection, and treatment of HIV/AIDS (and other STDs), while also addressing the underlying factors that lead people to make choices that put them at risk of infection. Programs increase access to condoms, counseling and testing, and antiretroviral treatment. These efforts are linked with other KAGENO programs, including an Orphan Assistance and Sponsorship Program that provides help for communities struggling to care for children orphaned by HIV/AIDS.

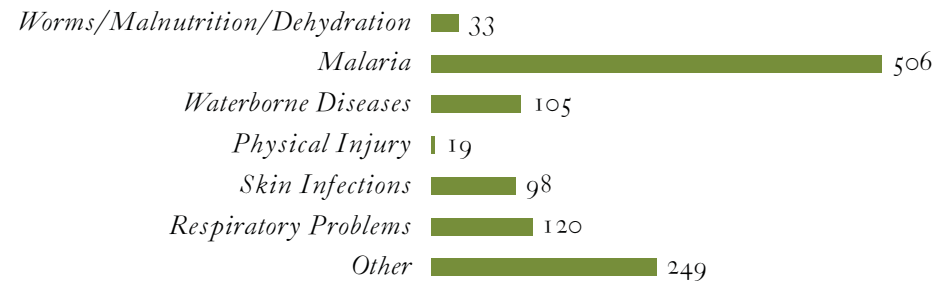
In addition, the Health program addresses on nutrition — particularly among children, by focusing on educating families, providing and distributing food, and managing food-for-work projects.

Children are treated free-of-charge, while adults are subject to a “pay-if-you-can” policy. These payments help KAGENO to ensure that no one who is in need of care but unable to pay need ever be turned away.

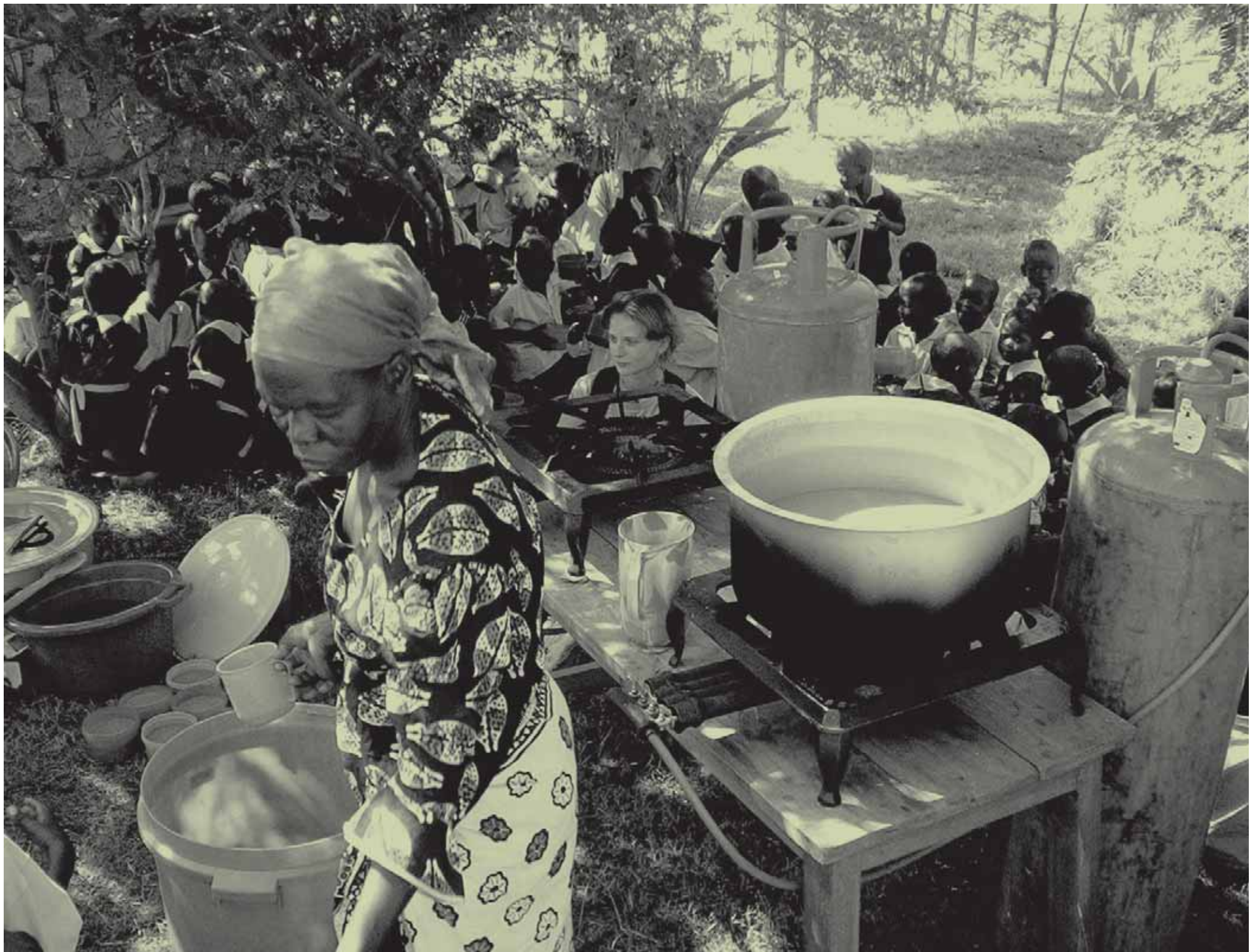
PLASSE HEALTH CLINIC

During 2008, the Plasse Health Clinic was open five days per week, staffed by a KAGENO Nurse and a community health worker. The clinic served 1,134 people, an average of three people per day. Nearly half of the treatments (540) were performed on schoolchildren.

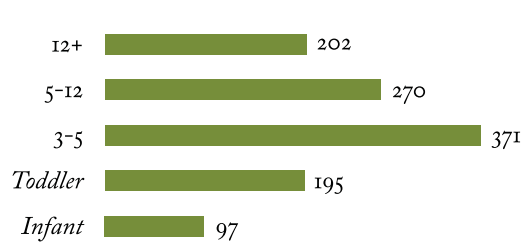
In 2008, the clinic tracked a wide spectrum of different conditions. Malaria treatments were the most common reason for clinic visits, followed by respiratory problems, and waterborne diseases like Typhoid, Bilharzia, and Cholera.



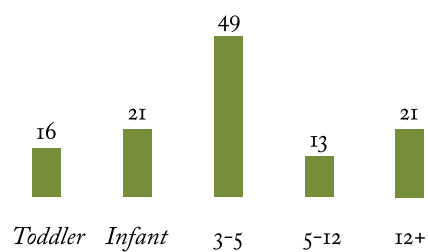
CONDITIONS TREATED



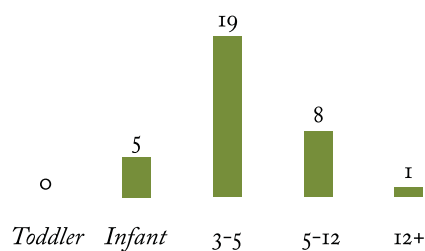
As a medical facility, the clinic is seeking to identify the correlation between sickness and the factors like age and gender, to better identify the source of health problems and strategize preventative solutions. Age related data is shown here:



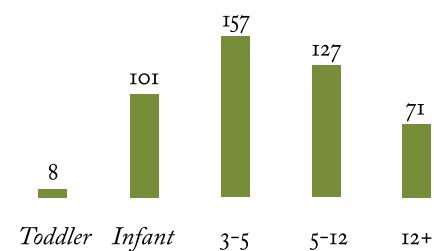
AGE DISTRIBUTION (IN YEARS)



RESPIRATORY PROBLEMS



MALNUTRITION



MALARIA

VOLUNTARY COUNSELING AND TESTING CENTRE (VCT)

During 2008, the KAGENO VCT tested and/or counseled 387 individuals. Of those, 55% were females, and 45% were male. The prevalence rate among females was 19%, while among males, it was 14%, and of all those tested, 19% (63 individuals) tested positive. For those who tested positive, KAGENO offered “post-test clubs” offering assistance with daily needs and working to lower the stigma associated with the positive test result.

Aside from VCT services, KAGENO worked to address the spread of HIV/AIDS by sponsoring its 5th annual World AIDS Day event, linking HIV/AIDS education into other programs.

“I support KAGENO because it’s so personal. Your help goes directly to a place where you can immediately see the results. It has a ripple effect... so from one good thing many things grow.”

Meryl Streep, *actress and philanthropist*

PROGRAM AREA : EDUCATION

In 2003, KAGENO's first nursery school was housed in an open open-air building with a thatched roof and dirt floor, and classes often had to be cancelled during rainy season. Two volunteer teachers were on staff to teach the thirty-orphaned children who attended each day. The school's founders leveraged what resources they could to obtain minimal school supplies and provide at least some food for the children.

Only six years later, KAGENO is operating a modern nursery school featuring real classrooms, a library, and properly working latrines. Salaried teachers and a school nurse are on staff for the hundreds of children who attend, and the school provides each child with a nutritious meal each day.

As part of KAGENO's web of interdependent programs, the nursery school has created opportunities for new jobs. Three women from the HIV/AIDS post-test group are employed to prepare the two hundred daily meals for the school children. The porridge (or "uji" as it is called in Swahili), is cooked daily using briquettes made by community members as part of KAGENO's recycling program. A seamstress is also employed to make uniforms for all KAGENO school children and staff.

Under its Education program, KAGENO also operates the KAGENO Kids Art and Cultural Exchange - a multifaceted program connecting children in KAGENO project areas with those in U.S. schools. By exchanging art and ideas, this program projects the voices of children from diverse backgrounds into global communities to bring awareness, understanding, and hope.

In addition, KAGENO's Orphan Assistance and Sponsorship Program is linked with the KAGENO nursery school to address the immediate and long-term needs of its students. Gifts from sponsors are combined to create lasting change by providing access to things the children need most, such as clean water, sanitation, improved nutrition, health care, and education.

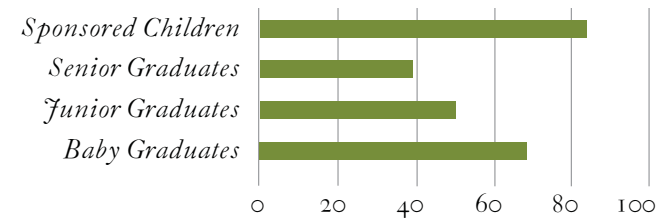
2008

During 2008, KAGENO's Education program served more children than ever. The nursery school graduated 199 students ranging in age from three to seven — surpassing last year's graduation mark by 28%, and obtained sponsorship for nearly 90 children.

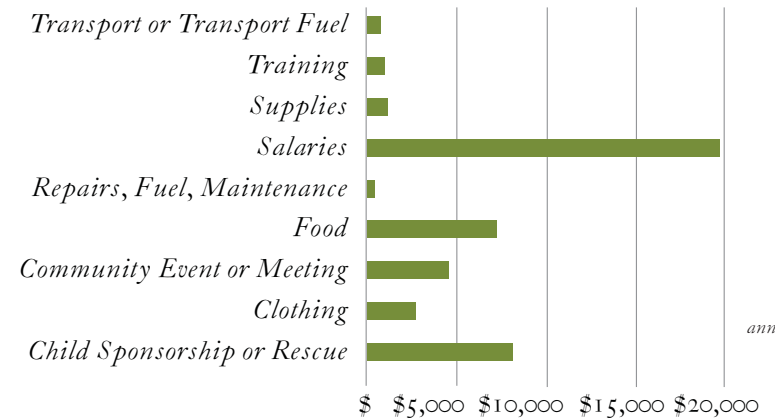
*("Senior" = ages 6-7; "Junior" = ages 4-5; "Baby" = ages 3-4)
Salaries were the largest program expense. The school's seven teachers were paid 6000 Ksh (the rate mandated for teachers by the Kenyan government).

Food spending of approximately \$30 per day provided a daily meal for all 200 of the school's attending children. For many children, this is often their only meal of the day. Other notable expenses included clothing (400 school uniforms were given out), training (to further develop the school's teachers), and community events (school trips to the local scientific research center and to an isolated island with exotic fauna for viewing).

KAGENO is extremely grateful to the private donors who gave approximately \$8,000 during 2008 to help some of these expenses.



EDUCATION OUTCOMES



EDUCATION EXPENSES

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2008

NEW PROJECT SITE : RWANDA

Kageno's success in Kenya has led the organization into the next stage of its vision — replication of successful projects. In 2007, Kageno began replicating the Kenya project and its methodologies in the community of Banda, a small and remote village on the periphery of Nyungwe Forest National Park in southwest Rwanda.

Until only a few years ago, a legacy of war and genocide had all but destroyed Rwanda's infrastructure, and Banda village, being among the most densely populated areas on the continent, was devastated. Over ninety percent of the population was engaged in subsistence farming, with land growing more and more scarce. With no other employable skills and no more land to farm, new income earning opportunities for the people of Banda had run out. In addition, there was no access to clean drinking water, HIV/AIDS was spreading rapidly, and women and children suffered disproportionately as the number of AIDS orphans increased and local women struggled to find the means to care for them with no access to any health care facility.

By the end of 2008, Kageno had nearly completed the basic infrastructure building phase the Rwanda project, including:

- A clean water system that delivers drinking water to the village's most populated area
- A nursery school that will educate and provide daily nutritious meals to 300 children each day by the end 2009
- A health center and pharmacy that serves 6000 individuals in Banda Village and neighboring communities with interventions ranging from education and disease prevention to clinical services

Completing this infrastructure building has allowed Kageno to begin shifting its focus to fighting poverty by establishing programs that empower individuals and create sustainability for the community.

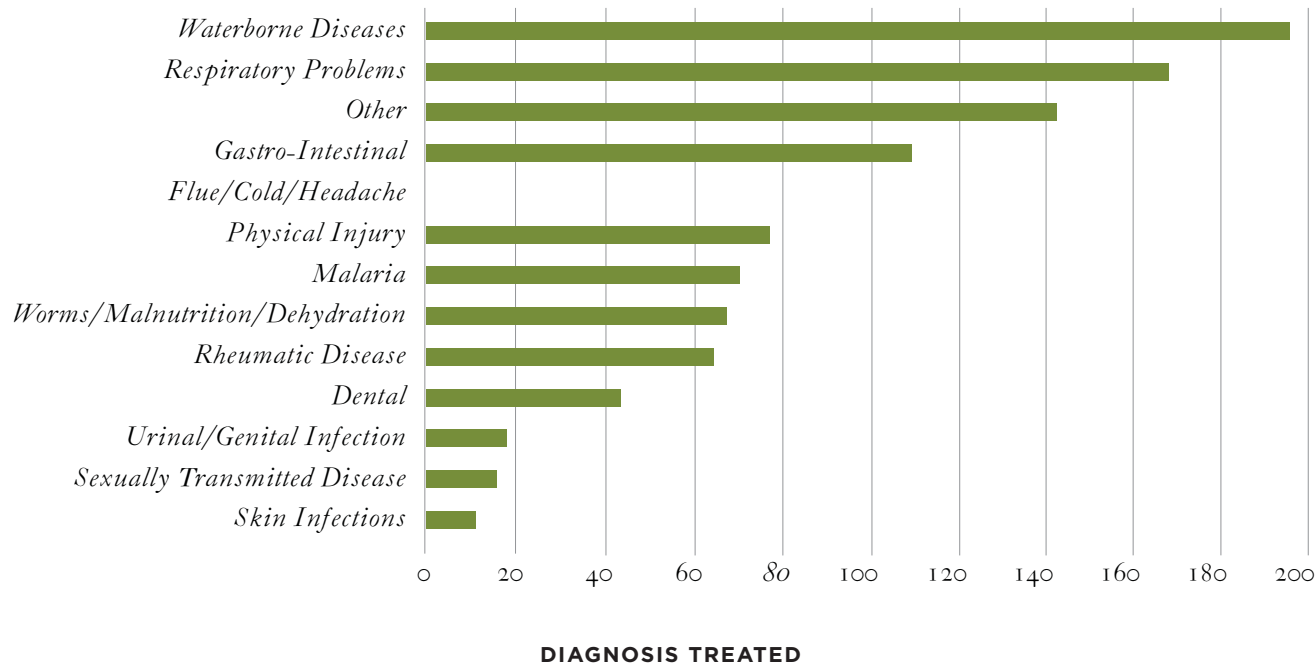
During 2008, plans for Kageno's first ecolodge were completed. The strategy is to promote high-end ecotourism and create jobs in Banda and the surrounding area. Architectural designs were completed by SPG Architects (an award winning New York City architectural firm), and a comprehensive viability study and formal business plan was executed in partnership with a team of MBAs from HEC Montréal). As a result of these efforts, in early 2009 Kageno became the recipient of nearly \$70,000 in new funding from the Destination Nyungwe Project (DNP), a USAID funded initiative, for ecotourism and related activities in Banda. Kageno now anticipates the ecolodge and its associated programs to be up-and-running by 2010.

Kageno also worked hard to address deforestation and environmental sustainability problems. A biointensive community garden and nursery is being implemented to help diversify the local yield of nutritional crops and improve soil quality. Also, ecological sanitation technologies are being adopted to reduce the need for commercial fertilizers, conserve water, and protect groundwater from fecal contamination.

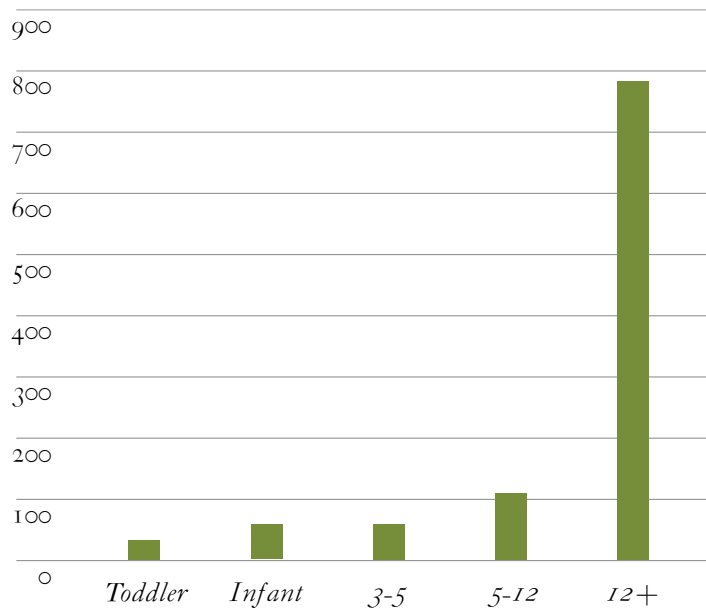
These are just a few of the exciting projects and plans that came to fruition at Kageno Rwanda during 2008. With the support of its partnering organizations and donors, Kageno will continue to work tirelessly to realize its proven-effective community development model in Banda, bringing opportunity and hope to the people who live there.

KAGENO RWANDA PROJECT: 2008 DATA

Of all conditions, waterborne disease was the most common diagnosis treated. KAGENO has now completed both the health clinic and a new clean water system to address this problem.

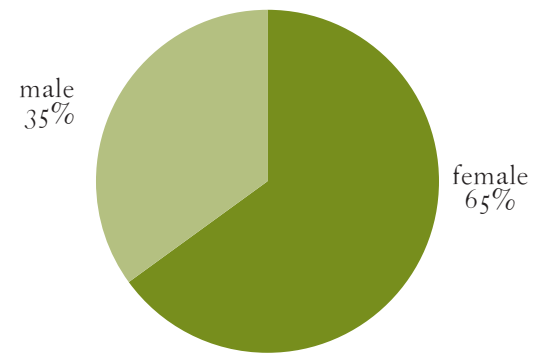


The clinic served 36 infants, 51 toddlers, and 167 children between the ages of 3 and 12.



AGE DISTRIBUTION

Approximately two-thirds of all individuals treated were women.



PATIENTS BY GENDER

KAGENO KIDS

The *KAGENO Kids Art and Cultural Exchange* is a multifaceted program connecting children in KAGENO project areas with those in U.S. schools. By exchanging art and ideas, this program projects the voices of children from diverse backgrounds into global communities to bring awareness, understanding, and hope.

The art, crafts, and jewelry created are sold to supporters at KAGENO fundraisers, and these sales... generate revenue to support nonprofit programs for children in KAGENO communities.



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OUR EVENTS

Each year, KAGENO holds creative and exciting events that showcase its work and give its donors the opportunity to congregate with KAGENO staff and leadership.

A Kageno Summer Night was held on June 26 at the ultra-chic Bowery Hotel in New York City and attended by over 300 guests. The event was hosted by volunteer Danielle Levine, who launched KAGENO's capital campaign to fund the KAGENO Rwanda Nursery School in memory of her recently deceased father, Sol Levine. Guests made donations, enrolled themselves in KAGENO's Orphan Sponsorship and Assistance program, and purchased items from the *Kageno Crafts Market* — which sells hand-made crafts created by individuals in Kenya and Rwanda as part of KAGENO's poverty reducing craft-making initiatives.

On November 3rd, KAGENO celebrated its five-year anniversary with *The Kageno Harambee Gala*, hosted by Donna Karan at the Stephan Weiss Studio in New York City. The evening included a cocktail reception, dinner, live entertainment, and an auction of generously donated art, photography, jewelry, trips, and other unique and interesting items. The event raised \$200,000 which is now supporting ongoing programs in Kenya as well as the second phase of construction at KAGENO's newer project at Banda Village in Rwanda.

We would like to take this opportunity to thank all of the people that made these events possible. Both evenings were a tremendous success, and funds raised are already being used to bring opportunity and hope to the communities we serve.

MOVING FORWARD

KAGENO has come a long way in only five years — having grown from a grassroots effort initiated in Kenya by a U.S. Peace Corps Volunteer and a local Kenyan community organizer into a robust organization delivering community development projects in two countries that have helped to employ 600 local people and mobilized nearly 1,000 volunteers. We are proud of what was achieved in 2008, but there is much work yet to be done - and KAGENO will need much help from its supporters during 2009.

Having proven our methodologies during the early years of our organization, KAGENO is now transitioning from its early “grass-roots phase” into a higher impact, more sustainable institutional phase. As described in this report, the replication of our successful Kenya project is already under way at *Kageno Rwanda* and at *Kageno Mfangano*.

This work will continue throughout 2009. In the next year, we will finish construction of a new kitchen at our nursery school and expand our craft-making initiatives in Kenya, lay the groundwork for the construction of the KAGENO Ecolodge and KAGENO Community Center in Rwanda, and begin initial construction work on a community center and a health center at Mfangano. In addition, we will begin evaluating locations for a new site in Ethiopia.

WAYS TO HELP

You can help to transform communities suffering from inhumane poverty into places of opportunity and hope. By supporting KAGENO either through donations or awareness activities, you have a direct impact on the lives of people living in the communities KAGENO serves.

Your actions will help support them as they work to increase their skills, create new jobs, invest in their environment, control the spread of infectious diseases, and ultimately live better, healthier lives.

EMPLOYMENT AND VOLUNTEERING

If you are interested in working in a stimulating and diverse environment, and have demonstrated competencies in relevant areas for KAGENO, we encourage you to apply.

KAGENO is always seeking opportunities to work with committed individuals, student groups, and other associations. To volunteer your time or offer other services, please send an email to info@kageno.org

DONATING

To donate by mail, make checks payable to “KAGENO WORLDWIDE” and post to:

KAGENO WORLDWIDE, Inc.
261 Broadway, Apt #10D
New York, NY 10007

To donate via the web, please visit our website, at www.kageno.org.

KAGENO WORLDWIDE is a federally registered nonprofit 501(c)(3) organization. Donations are tax-deductible.



KAGENO KENYA

RUSINGA ISLAND, LAKE VICTORIA

PROGRAMS IN OPERATION:

- CLEAN DRINKING WATER PROJECT
- CRAFT PRODUCTION
- COMPUTERS & POWER SOURCE
- REFORESTATION
- HIV/AIDS TESTING & TREATMENT
- NURSERY SCHOOLS
- ATHLETIC TEAMS & EQUIPMENT FOR AIDS AWARENESS
- KAGENO KIDS ARTS PROJECT

