



# Seed Effect

2016 ANNUAL REPORT



Dear friends,

We continue to fight for hope in South Sudan. While civil war has spread to the communities we serve and inflation has skyrocketed to over 800 percent, we remain committed to the South Sudanese. We are committed to restoring their God-given dignity and building their resiliency through economic empowerment. And we are committed to sharing a hope and love that transcends their circumstances through Jesus Christ.

2016 did not go as we had planned. As violence and insecurity escalated over the second half of the year, we were forced to reduce and eventually suspend operations at our Yei and Nimule locations. Furthermore, due to a significant increase in political and economic instability across South Sudan, we determined our microloan program was no longer the most effective tool for economic empowerment. So, after careful thought and considerable prayer, we suspended our credit-led microloan program in December of 2016 to focus on developing and expanding our new savings-led microfinance program.

Yet God is faithful.

**By His grace, Seed Effect empowered over 1,100 people in 2016—the largest number of people served in one year to date.** Our microloan program empowered clients to sustain their businesses as the economy deteriorated, equipping them with an income as they faced increased hardship. And we have been encouraged by the impact of our new savings program, which has provided members a tool to share resources and

support each other as they confront extraordinary challenges. Finally, and most importantly, every person we served heard about and experienced the transforming love of Jesus Christ.

**Moreover, as we start 2017, Seed Effect is a more agile organization, better equipped to adapt to South Sudan's volatile environment.** For example, on page 16, we describe how our experiences in South Sudan over the last seven years have prepared us to adapt our work as we continue to serve the South Sudanese. On page 12, we share how pivoting to a savings-led microfinance strategy provides flexibility to empower more people, more effectively, in such a challenging environment. Finally, on page 20, we explain how we are responding to the refugee crisis—nearly 1.4 million South Sudanese have fled the civil war—by expanding our operations to refugee camps in Uganda.

I'm humbled by your steadfast commitment to the South Sudanese and Seed Effect. Your faithful partnership reflects God's unwavering love to the South Sudanese. Thank you for providing hope in the hardest of places.



*Drew Mosier*

Drew Mosier, Executive Director



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# **Seed Effect**

**IS A CHRIST-CENTERED ECONOMIC DEVELOPMENT ORGANIZATION.**

**OUR MISSION** is to plant the seeds that overcome poverty by providing access to economic empowerment, education, and spiritual discipleship in marginalized communities around the world.

In action, Seed Effect serves as a holistic tool to live out the Great Commission alongside the Great Commandment as we empower the poor to know and follow Christ, engage with the local church, and overcome physical poverty.





## OUR VISION

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is for the world's most insecure and underdeveloped communities to be stabilized through economic empowerment and the hope of Jesus Christ.

We are committed to realizing this vision in one of the world's most fragile countries, South Sudan, and most recently in northern Uganda, where over 600,000 South Sudanese refugees have fled to escape the civil war.

Over the next three years we will focus on expanding our impact, improving our effectiveness, and increasing our adaptability. In 2017, our goal is to empower over 3,000 people through our new savings program. In 2018 and beyond, we will scale our savings program to economically empower and share the love of Christ with more people, and explore innovative strategies to best serve the South Sudanese in the midst of political and economic instability.



## OUR CORE VALUES



### CREATE AN INSPIRING MOVEMENT

We believe that Seed Effect is a movement of hope, love, empowerment, and transformation. This inspires us, and those around us, to say yes, get involved, and become agents of change.



### BUILD TRANSFORMATIVE RELATIONSHIPS

We believe that we can promote Christ-centered transformation by building and nurturing relationships through indigenous leadership and a gospel-centric relational approach.



### PROVIDE STABILITY in unstable environments

We believe that Seed Effect is called to serve by bringing stability to situations that are unstable. In other words, we work in the hard places where others won't.



### DO MORE WITH LESS

We believe that the way we invest our resources matters. The places we serve are more challenging and more costly than others, but we work hard to spend available funds where we can achieve the most impact while promoting sustainability in our operations.



### PROMOTE EMPOWERMENT through savings and income-generating activities.

We believe that microloans and savings alongside education and discipleship are life-giving opportunities that empower the poor to invest in their dreams.

## HOW SEED EFFECT WORKS

### ECONOMIC EMPOWERMENT

Seed Effect empowers the poor to break the cycle of material poverty through a savings-led or credit-led microfinance strategy tailored for each community we serve. Our savings program trains members to save and lend within self-selected groups. Our collateral-free microloan program supports income-generating businesses through a group-lending methodology where repaid loans are reissued as new loans to multiply their impact in the community.

### DISCIPLESHIP

Seed Effect is more than an initiative to help people overcome material poverty—we are about making disciples. Our programs serve as a platform to build relationships that provide us with the opportunity to share the gospel and disciple believers.

### EDUCATION

Seed Effect employs a holistic approach to empower our members to overcome poverty. In addition to economic empowerment and discipleship, our members attend education seminars where they can share their knowledge and experience as they work through participatory, dialogue-based lessons.



“

I took a loan of 250 SSP and used it for buying one basin of groundnuts that I planted and later harvested four basins. I sold the lot for 1600 SSP and made a great profit!

— CHAPLAIN BURANGA,  
*Savings Group Member*

”



## SAVINGS PROGRAM

We've added a new tool to continue to forward our mission to bring economic empowerment and Jesus to more South Sudanese in an ever-changing environment:

That new tool is savings-led microfinance.

Through Seed Effect's savings program, self-selected groups of 15 to 25 individuals meet weekly to pool their savings. As their savings grow, they can provide loans within their group. And all along the way, our indigenous team meets with the groups to provide training and share the gospel with every member.

## WHY IS A SAVINGS PROGRAM SO IMPORTANT?

- **IT'S NEEDED.** Members can use savings to plan for the future or provide security for times when they don't have income.
- **IT'S FAR-REACHING.** Savings groups expand our reach allowing us to make a deeper impact throughout the community.
- **IT'S EMPOWERING.** Dignity is restored as members learn that they can provide for their families and improve their future.
- **IT'S HOLISTIC.** When our groups gather, not only are they learning about savings and planning, they're also studying God's Word.
- **IT'S ADAPTABLE.** The economic and political environment is extremely volatile where we work, but through savings groups we can better account for challenges like high inflation. We can also serve people wherever there's a need: small communities without banks, the poor in large cities, or refugees that are forced to flee their homes.
- **IT'S SUSTAINABLE.** The Gates Foundation suggests that 98 percent of savings groups continue to operate independently after they graduate.

As we look forward, our vision remains the same: for the world's most insecure and underdeveloped communities to be stabilized through economic empowerment and the hope of Jesus Christ. Despite overwhelming challenges where we work, our savings-led microfinance program will empower more people to fight poverty and know Jesus.

Watch our video at [seedeffect.org/savings](http://seedeffect.org/savings)



“

I now have a real family that God himself has formed. Now I have a future for my savings. I will buy food stuff, chickens, goats, and cows to raise and increase my stock in the shop.

,”

## MEET EMMANUEL

Emmanuel leans on his cane as he restocks his store. Partially paralyzed by polio, he never thought he'd see the day that he would walk again, much less be a proud husband, father, and business owner.

Over the past six years, he's grown his business through Seed Effect's credit-led microfinance program. He has been able to build a permanent storefront and provide for his family. And all along the way, his faith has been strengthened.

But the indirect impact of war has hit the country hard as hyperinflation has brought increased challenges. Empowering entrepreneurs became increasingly difficult in this ever-changing environment. We had to adapt. So Seed Effect launched a new savings-led microfinance program to meet these needs. Emmanuel joined one of the first savings groups.

His group meets weekly to pool their savings, and as this pool grows, they lend to each other. They can use these loans to pay school fees, purchase necessities for their homes, or, in Emmanuel's case, invest in his business.

This new approach holistically empowers the South Sudanese, much like our credit-led program, but is more adaptable, more flexible, and further-reaching.

Emmanuel's group started meeting in April 2016 and he's already seen growth. He shares, "I now have a real family that God himself has formed. Now I have a future for my savings. I will buy food stuff, chickens, goats, and cows to raise and increase my stock in the shop."

## 2016: THE YEAR OF ADAPTABILITY

By the world's standards, investing in a place like South Sudan doesn't make sense. The world wants easy fixes, predictable returns, and instant gratification—South Sudan offers none of these.

South Sudan is a hard place to work, but God is invested in South Sudan and cares deeply for its people. And so do we. **Seed Effect serves in South Sudan because God calls us to love all people, even in the most chaotic and difficult of places.**

Why is South Sudan such a hard place to work?

When we first started operating in South Sudan, we faced a **lack of infrastructure** with few paved roads, no electricity, and no running water. Years later, we weathered **insecurity** as conflict erupted in the capital city. Now, we are battling **instability** from the civil war: inflation has skyrocketed to over 800 percent and over 3 million South Sudanese have been forced to flee their homes.

**And so, we adapt.**

In his essay titled *The Agile Nonprofit*, Jim Finwick with Christian Leadership Alliance discusses what innovative nonprofits do differently:



“The agile nonprofit must think differently about learning, risk and strategy. While they cling tightly to the mission, they must rigorously question the assumptions behind their strategy. Most importantly, they must be willing to pivot away from their original ideas....” Finwick recognizes that “changing your strategy for execution requires courage. But it is not a blind leap off a cliff. It is a pivot, a fundamental change to strategy and an educated step in a new direction.”

Since day one, we've had to accept that **the only constant in South Sudan is change**. We've had to embrace that there are factors outside of our control. We've had to act and execute quickly. We've had to have the courage to rethink our strategy when the dynamic operating environment demands it. And so we've done just that.

**2016 was a year of adaptability.** We've pivoted to an innovative savings-led microfinance tool and started to expand our operations to serve South Sudanese refugees in Uganda.

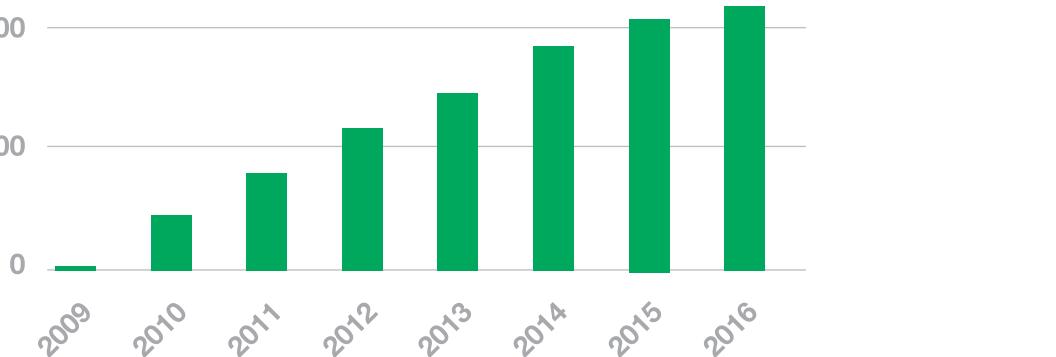
**Despite the challenges, our investment in the South Sudanese is working.** In 2016 over 1,100 clients heard the hope of Jesus Christ and were given the opportunity to support their families with dignity through our microloan and savings programs. Even in the hardest of places, God is restoring and transforming lives through Seed Effect.

## IMPACT IN SOUTH SUDAN

While 2016 proved to be the most difficult year yet, we remain fully committed to our mission to bring the gospel and economic empowerment to the people of South Sudan, wherever they may be.

We empowered over 1,100 South Sudanese in 2016—the most people served in one year to date—as we pivoted to a savings-led microfinance strategy and prepared to expand to Uganda to promote resiliency and dignity for South Sudanese refugees.

TOTAL PEOPLE SERVED PER YEAR



**2546**  
TOTAL PEOPLE  
SERVED

**100%**  
OF PEOPLE SERVED  
HEARD THE GOSPEL

**391**  
TOTAL GROUPS  
FORMED

## MICROLOAN PROGRAM

Since 2009

**2371**  
PEOPLE SERVED

**\$1.36M**  
AMOUNT OF  
LOANS DISBURSED

**5951**  
LOANS DISBURSED

## SAVINGS PROGRAM

Since 2016

**175**  
PEOPLE SERVED

**20.5%**  
AVERAGE RETURN  
ON MEMBER SAVINGS

**\$1,433**  
SAVED IN 2016

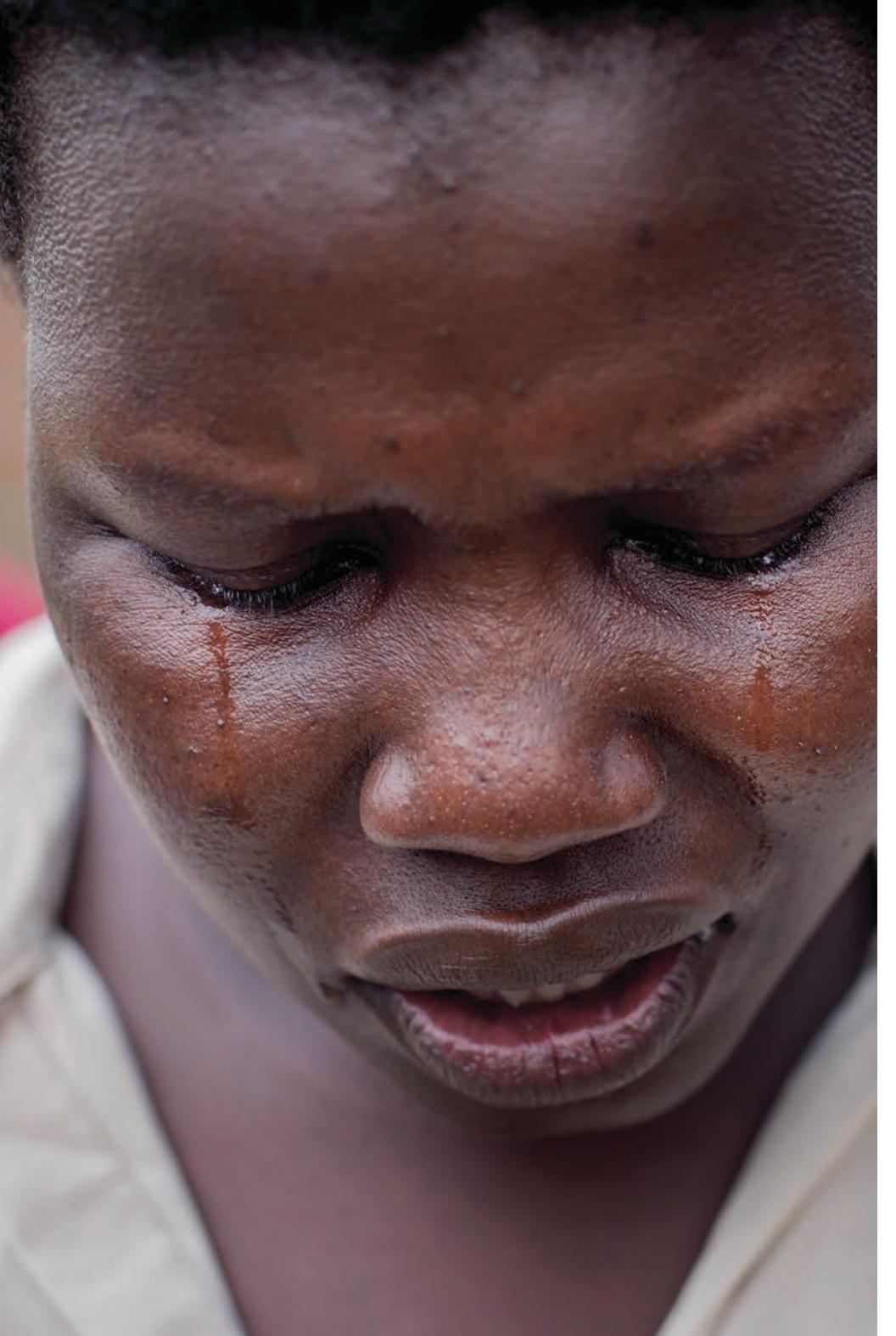
## EMPOWERING REFUGEES IN UGANDA

Imagine losing everything you've worked your whole life for in less than a minute. Your family is forced to flee their home due to war. You're stuck—unable to go back or move forward.

That is the reality for almost 1.4 million South Sudanese who have fled civil war for refugee camps. With almost 50 percent relocating to Uganda, God has led us to bring our new savings-led microfinance program to the Ugandan refugee camps.

Refugees receive essential emergency aid when they arrive at the camps. However, with a great majority of refugee crises lasting more than 10 years, emergency relief is insufficient and unsustainable. Uganda provides refugees the right to work and land to cultivate. And within the camps there are active marketplaces connected to the larger Ugandan economy. Refugees have hopes, skills, and a desire to work. But they need empowerment.

Stella is currently working in the refugee camp to provide for her family. She and her friends tried to start a savings group on their own. But they've received no training and don't have a safe place to save their money. They need us to provide them with the tools and formal training to rebuild their lives from the ground up.



Our savings program will launch in the Adjumani refugee camps\* in 2017. We have met with Ugandan officials, local camp leaders, pastors, business owners, and new camp arrivals. They, and we, are excited that Seed Effect will bring savings groups and training to empower the refugees to provide for their families, save for emergencies, and start small businesses. In addition, we will continue to work alongside the church in Uganda to bring the hope of Jesus Christ to the South Sudanese refugees.

Our commitment has always been to bring economic empowerment and the gospel to the South Sudanese people. So as they've adapted, so have we. While we grieve the tragic situation in South Sudan, we see a unique need to promote resiliency and dignity for the South Sudanese refugees in Uganda.

**“**

**MY ENTIRE VILLAGE LEFT BECAUSE OF THE WAR.** We are traumatized. What we worked our whole lives to build was lost in a minute. We need knowledge for things that can sustain our families. There is still a hope for people to see the future. There are some people talking about how we can build our lives back. If we could bring them knowledge and encouragement, I think it would help a lot. There are women in my church trying to save because they knew of groups in South Sudan. People have the desire to save but need help being effective—they need training.

**-KATO EVAREST, South Sudanese Refugee**

**”**

\*Turn to page 23 to see where Adjumani is located in relation to our former Seed Effect branches.

## LEADERSHIP

Our stateside team partners with local leaders to promote long-term, sustainable community transformation. This approach empowers our indigenous team to love and serve their community as neighbors and enhances the reach of the local church.

### STATESIDE LEADERSHIP TEAM



**DREW MOSIER**  
Executive Director



**MISSY WILLIAMS**  
Co-Founder



**DENNY SLATON**  
Stewardship Advisor



**JOEL COX**  
Director of Programs

### SOUTH SUDAN LEADERSHIP TEAM



**SCOVIA MANSUK**  
Country Director



**BUTTI JERRY**  
Finance Director



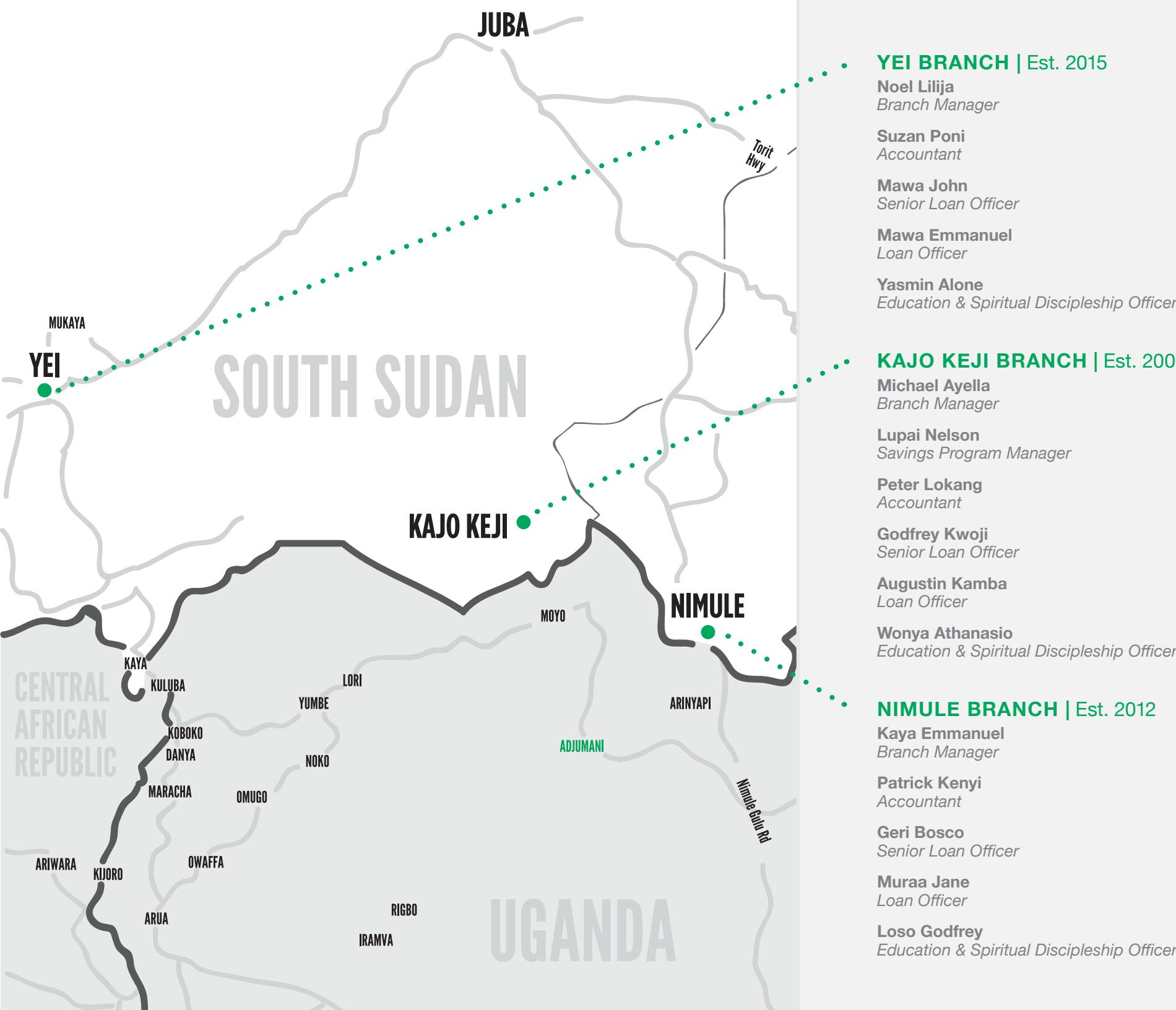
**KENNETH DUKU**  
Spiritual Integration  
Director



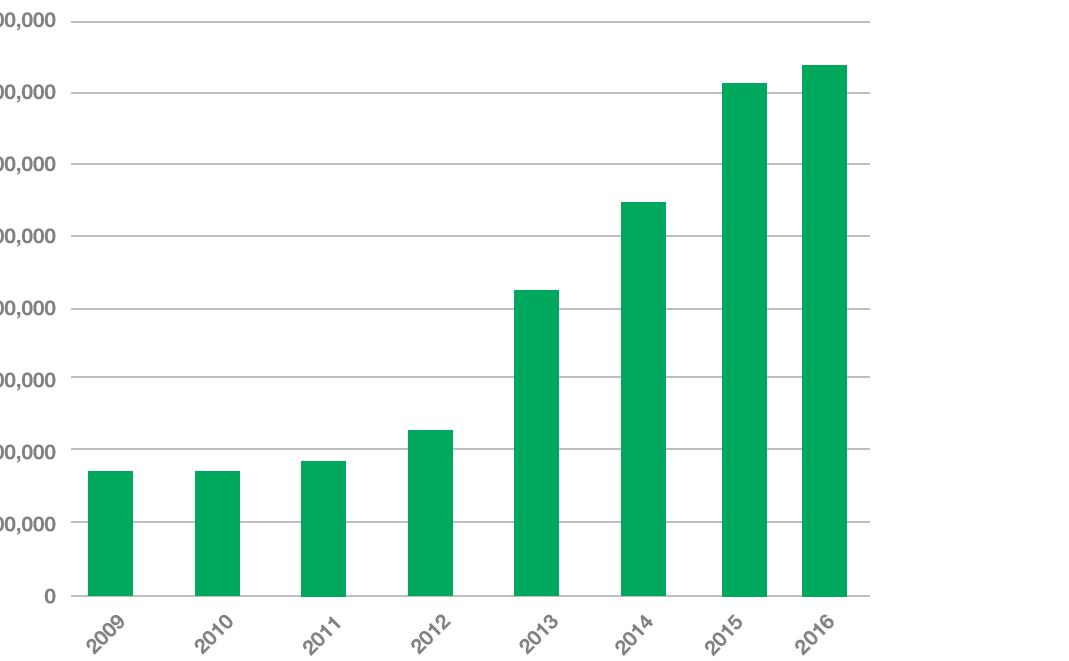
**PATRICIA ASIKI**  
Client Services  
Director



**LOMUDE JAMES**  
Human Resources  
Director



## TOTAL SUPPORT AND REVENUE

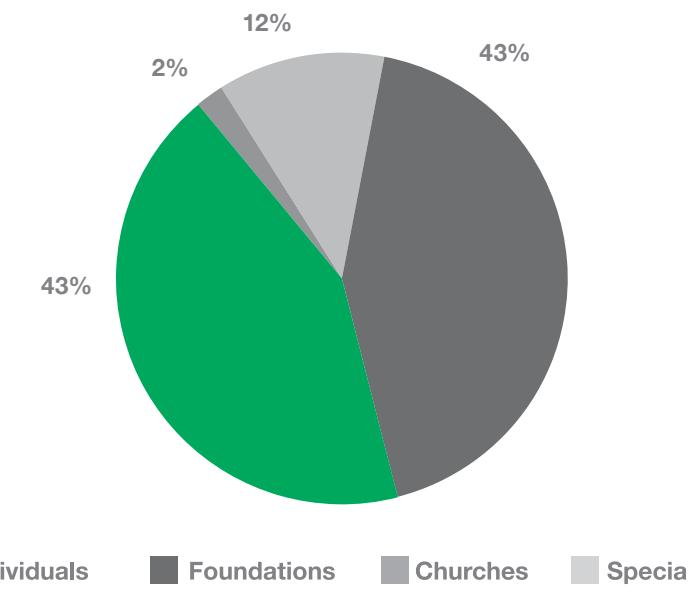


I love Seed Effect because it “Does”: Seed Effect is giving people the tools to start their own businesses, the knowledge to care for their families and communities, and the message to heal emotional and psychological scars. Essentially, Seed Effect is one of the few organizations that has been successful in giving hope to people in South Sudan.

—

**Ryan Perry**  
CIC - Principal,  
MHBT a Marsh McLennan Agency

## 2016 SUPPORT BY CATEGORY



Seed Effect is empowering the people of South Sudan to make a difference in their own lives. They recognize that you need to meet the basic needs of the people before they are able to hear the gospel effectively. While I was in South Sudan, I saw the Seed Effect staff in action, helping to meet the needs of their clients and sharing Jesus. Jesus is never forgotten and the cycle of poverty is being broken for future generations.

—

**Lisa Huntsberry**  
Former CFO,  
Interstate Batteries, Inc.

## BUSINESSES EMPOWERING BUSINESSES

*"We have a passion to serve our clients with excellence and also to add a human element to the home loan process. Seed Effect has been a trusted partner for giving a hand-up to the South Sudanese who want to improve their financial and spiritual lives."*

Marc McClendon and Mark Herrell of Fairway Mortgage have served the DFW and surrounding areas with home loan services for over 30 years collectively. They believe that every part of their lives should be devoted to advancing the gospel of Christ. **As such, they partner with Seed Effect to empower the South Sudanese by making a donation for every home loan they close.**

*"It's an awesome opportunity to further a great mission and partner in helping those that would otherwise not have any help at all."*

This generous spirit has also encouraged their clients, who are grateful that their home loan can make a difference in somebody's life around the world, even inspiring some clients to join Marc and Mark at Seed Effect events and personally support Seed Effect.



Join our Businesses Empowering Businesses program: [seedeffect.org/B2B](http://seedeffect.org/B2B)



Because of you...

**Seed Effect** is bringing hope, dignity, and opportunity to the South Sudanese by empowering them to know Jesus and fight poverty.

Every life impacted and invested in is made possible by you, our generous supporters. Together, in 2016, we raised \$736,000 to empower more than 1,100 South Sudanese. We adapted to the ever-changing environment in South Sudan and launched a new savings-led microfinance program to extend our reach. Now we're ready to deploy our new strategy to serve over 3,000 South Sudanese in 2017, including refugees fleeing the violence. You joined with us to make each small business loan, training seminar, savings group meeting, and gospel presentation a reality. God is using you to empower the South Sudanese, and we are so grateful.

As they say in Kajo Keji, South Sudan,  
**“Tinate Parik!”**  
Thank you very much!

## BOARD OF DIRECTORS

**Missy Williams**  
Co-Founder and Chairperson of the Board, Seed Effect

**David Williams**  
President, Williams Financial Group  
Co-Founder, Seed Effect

**Drew Mosier**  
Executive Director, Seed Effect

**Eddy Badrina**  
VP of Digital, Ivie, Inc. and Co-Founder, Buzzshift

**Mark Girtz**  
Shareholder, Munsch Hardt Kopf & Harr, P.C.

**BJ Goergen**  
Executive Director, Radler Foundation

**Lisa Huntsberry**  
Former CFO, Interstate Batteries

**David Leventhal**  
Co-Founder & President, Freedom Truck Finance

**Kirk McKinnon**  
Senior VP, Avatar Investment Group

**Todd Szalkowski**  
Managing Director, Duff and Phelps

## ADVISORY COUNCIL

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Director, Risk Management, Capital One

**Mary Beth Allen**  
Mother, Homemaker

**Eddy Badrina**  
VP of Digital, Ivie, Inc. and Co-Founder, Buzzshift

**Jarrad Brandt**  
District Manager, HR/BPO Solutions

**Mike Congrove**  
Executive Director, Empower One

**Marcy Cook**  
Owner, Stems of Dallas

**Joel Cox**  
Director of Programs, Seed Effect

**Robert Dotson**  
Development and Philanthropy Consultant

**Matt Elmore**  
Agency Principal, Swingle Collins and Associates

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Director, Cushman & Wakefield

**Morgan Eseke**  
Blogger and Speaker  
Marketing Manager, Credera

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Shareholder, Munsch Hardt Kopf & Harr, P.C.

**Mark Herrell**  
Senior Mortgage Banker,  
Fairway Independent Mortgage

**Lisa Huntsberry**  
Former CFO, Interstate Batteries

**Isaac Kohlbacher**  
Portfolio Manager, Financial Solutions

**Tara Kohlbacher**  
Mother, Interior Designer

**David Leventhal**  
Co-Founder & President, Freedom Truck Finance

**Marc McClendon**  
Senior Mortgage Banker,  
Fairway Independent Mortgage

**Kirk McKinnon**  
Senior VP, Avatar Investment Group

**Drew Mosier**  
Executive Director, Seed Effect

**Melissa Patton**  
Gifted and Talented Specialist,  
Hickey Elementary School

**Mandie Peace**  
IT and Security Management,  
Social Security Administration

**Denny Slaton**  
Stewardship Advisor, Seed Effect

**David Smith**  
Retired Owner, Pockets Menswear  
Entrepreneurial Consultant

**Donald Spence**

**Marilyn Spence**

**Todd Szalkowski**  
Managing Director, Duff and Phelps

**Lynn Kuntz Valentine**  
Author, Writing Coach and Consultant

**David Williams**  
President, Williams Financial Group  
Co-Founder, Seed Effect

**Missy Williams**  
Co-Founder and Chairperson of the Board,  
Seed Effect

**Wilson Williams**  
Founder, CEO and Chairman of the Board,  
Williams Financial Group

## 2016 FINANCIALS

### Statements of Financial Position

As of December 31, 2016 and December 31, 2015

<b>Assets</b>	2016	2015
<b>Cash and cash equivalents:</b>		
Unrestricted	\$ 530,846	\$243,032
Donated Stock, unrestricted	\$1,491	\$2,400
Temporarily restricted	\$52,067	\$141,055
<b>Total cash and cash equivalents</b>	<b>\$584,404</b>	<b>\$386,487</b>
Prepaid expenses	\$4,224	\$2,779
<b>Total assets</b>	<b>\$588,628</b>	<b>\$389,266</b>

### Liabilities and Net Assets

Accounts payable and accrued liabilities	\$7,548	\$4,150
Reserve for related party	\$31,293	\$19,707
<b>Total liabilities</b>	<b>\$38,841</b>	<b>\$23,857</b>

### Net assets:

Unrestricted	\$497,720	\$224,354
Temporarily restricted	\$52,067	\$141,055
<b>Total net assets</b>	<b>\$549,787</b>	<b>\$365,409</b>
<b>Total liabilities and net assets</b>	<b>\$588,628</b>	<b>\$389,266</b>

## Statements of Activities

For the Years Ended December 31, 2016 and December 31, 2015

	2016	2015	% Change
<b>Revenues and other support:</b>			
Contributions	\$649,659	\$654,945	-1%
Special events (net of expenses)	\$85,360	\$57,498	48%
Other	\$1,346	\$33	3979%
<b>Total revenues and other support</b>	<b>\$736,365</b>	<b>\$712,476</b>	<b>3%</b>
<b>Expenses:</b>			
Program services	\$376,737	\$406,739	-7%
Management and general	\$77,634	\$54,279	43%
Fundraising	\$97,616	\$94,326	3%
<b>Total expenses</b>	<b>\$551,987</b>	<b>\$555,344</b>	<b>-1%</b>
<b>Change in net assets:</b>			
Net assets, beginning of year	\$365,409	\$208,277	75%
Net assets, end of year	\$549,787	\$ 365,409	50%

## End Notes

A certified public accounting firm has reviewed our 2016 financial statements. Complete financial statements and the independent accountants' review report are available upon request.

Seed Effect provides technical assistance and funding to enable Seed Effect Community Services, an independent organization in South Sudan, to provide access to microloans, savings, education, and spiritual discipleship. Seed Effect retains full discretion and control over the use of donated funds.

Featured photography courtesy of Christena Dowsett, Trey Hill, Mo Sadjadpour, and Andrew Slaton.

## **IN MEMORY OF TODD SZALKOWSKI**

Our friend and board member, Todd Szalkowski, went to be with Jesus on January 30, 2017. Todd was our roadblock remover, strategic compass, and a force integral to building Seed Effect. He provided wise counsel and clarity in the midst of uncertainty. He was passionate about leadership and faithfully invested himself in empowering indigenous leaders. His life and legacy inspire us to action for God's Kingdom. He leaves a void and we miss him greatly. Yet we rejoice in knowing that Todd is with the Savior he loved so much and served so well.



It starts with a **life**,  
impacts a **family**,  
transforms a **community**.

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View and share our annual report online at [seedeffect.org/2016annualreport](http://seedeffect.org/2016annualreport)

