



## Chairman's Review 2015





## About Us

The Wood Foundation was established in March 2007 by Sir Ian Wood and his immediate family. Now, in its ninth year, The Wood Foundation is continuing to invest in the two original areas of activity: Making Markets Work for the Poor in Sub Sahara Africa and Developing Young People in Scotland, and now developing a third investment stream – the facilitation of economic and education development in Scotland.

The Foundation applies the principles of Venture Philanthropy, investing both money and expertise, to achieve systemic change within its chosen areas. Generally leading projects, The Wood Foundation aims to be involved in development, implementation, training, guidance, and evaluation to enable sustainable and successful programmes.



## Contents

- 02** Executive Summary
- 04** Making Markets Work for the Poor in Sub Sahara Africa
- 10** Developing Young People in Scotland
- 16** Economic & Education Development
- 20** Plans for the Year Ahead



# Executive Summary

Now in its ninth year of operation, The Wood Foundation continues to make strong progress. About a third of our funds focus on Making Markets Work for the Poor in Sub Sahara Africa, a third to Developing Young People in Scotland, and now a third to Facilitating Economic and Education Development in Scotland.



In Sub Sahara Africa, where we work together with Lord David Sainsbury's Gatsby Foundation (Gatsby), we are the leading philanthropists in the tea industry, successfully improving the prospects and earnings of more than 45,000 smallholder tea farmers and developing large new tea planting projects in Tanzania and Rwanda.

Our strategy is clear – we apply venture philanthropy using our business skills and global experience. Our strength lies in highly professional, experienced tea management teams on the ground helping people to help themselves. We concentrate on the smallholder tea farmers in rural communities, considerably enhancing their agronomic knowledge and tea farming skills as well as financing significant new tea planting. Thus our interventions are sustainable and systemic – we add significant value to the land, to the knowledge and skills of the smallholder farmers, and to the local economy.

We also work along with the large tea factories and estates in the regions. Indeed, we now have two very large projects with Unilever, one in Tanzania and one in Rwanda, to develop large tracts of new Greenleaf planting, for new and expanding smallholder tea farmers to provide a large part of the supply requirements for the two new Unilever factories.

The total investment in these projects, including the two new factories, is estimated at \$100m.

In the Developing Young People in Scotland portfolio, our Youth and Philanthropy Initiative is an outstanding success. During the 15/16 year, we worked with 26,000 students from 195 secondary schools across 31 local authorities and the winning teams secured £585,000 for their chosen small and medium sized charities. There's no doubt this experience alters the mind-set in many young people towards a better appreciation of the challenges and problems within their local communities and helps them realise they can actually do something about it.

Also in our portfolio is Global Learning Partnerships which, in collaboration with Local Authorities, supports technical skills placements for Scottish teachers in overseas communities. On their return, these teachers share their knowledge and experience of the challenges of living and working in some of the poorer countries around the world with their home school.

New for the 16/17 year, we are working with Scottish Education and Local Authority education teams to encourage and enhance a higher quality of science teaching and education across Scottish primary schools. This could become a £2.5m TWF project over 7 years to cover the whole of Scotland.

Work with the Prince's Trust continues and we have extended our involvement with the STV Children's Appeal tackling childhood poverty in Scotland.

We further stepped up our investment in and commitment to economic development and education projects in Scotland with private, public and education initiatives totaling £43.5 million over the next five years. Our largest project is the £25m commitment over 5 years to establish Opportunity North East, a private sector led economic development body, focused on maximizing the North Sea oil opportunities for the North East of Scotland region in the long term, and

broadening the local economy with investment in Food, Drink & Agriculture, Life Sciences and Tourism.

Our success is based on the talents and commitment of a very high quality management team led by Ali MacLachlan in the UK and David Knopp in Africa. We will remain innovative in our approach as we work with other private, public and charitable partners. With spend to date of £25m and current commitments of £45m, we still have £90m to invest, so are by no means resource constrained in developing the programmes in our three priority sectors.





# Making Markets Work for the Poor in Sub Sahara Africa


In Tanzania and Rwanda, The Wood Foundation Africa (TWFA) alongside our partner The Gatsby Charitable Foundation (Lord David Sainsbury's philanthropic vehicle) continues to make a significant impact within the tea sector. This includes our Chai Project in Tanzania and the Imbarutso Project in Rwanda, in addition to two privatised tea factories and new greenfield developments.

We are achieving systemic and sustainable change with considerable new planting expanding the tea industry in both countries and thus enriching the rural resource. In addition, we are greatly enhancing the farming skills, capabilities and know-how of a huge number of smallholder farmers, some of whom are coming into tea for the first time. Across the two countries we now work with more than 45,000 smallholder tea farmers. This includes the two largest smallholder greenfield development tea projects in Africa, both of which are joint ventures with Unilever and will develop over 7,000 hectares of smallholder tea, reaching an additional 8,000 smallholder farmers.

The ongoing success of our tea portfolio has attracted other philanthropic investors and donors. Over the last year the UK Department for International Development (DFID) has continued its involvement with the Chai Project and the major Njombe tea planting programme in Tanzania, and more recently, has supported our Kibeho-Munini Greenfield Project in Rwanda. All of our partnerships align with our smallholder objectives and enable us to work with increasing numbers of smallholders on a broader geography.



## Helping People to Help Themselves

**x2**  
 The average increase in smallholder tea farmer income in the last 2 years

**3,400**  
The number of smallholder tea farmers currently being trained in agronomic & business skills

The number of smallholder tea farmers currently undergoing corporate governance training  
**120**

**15,000**  
 The number of hectares of land farmed, including 9,500 hectares of new tea planting

**45,000** 

The number of smallholder tea farmers we work with. 17,000 in Rwanda and 28,000 in Tanzania



The average increase in farmer yields in the last 2 years



The Mulindi and Shagasha factories contribution to Rwanda's total tea production





# Rwanda



## Imbarutso

Imbarutso – the Kinyarwanda word meaning ‘to catalyse’ – is a US \$9 million TWFA Gatsby fund set up in 2011 to help smallholder tea farmers in Rwanda improve their agronomic and management skills.

This year we have seen a total of 21 Farmer Field School (FFS) facilitators trained to date and 830 farmers graduate from the first batch of Farmer Field Schools. Currently we have 3,400 farmers going through FFS training and anticipate that by the end of 2018 the total number of farmers trained at Mulindi and Shagasha will be in excess of 10,300. In addition, 120 farmers have received Corporate Governance training through the Imbarutso programme.



## Mulindi and Shagasha

East Africa Tea Investments (EATI), the philanthropic investment vehicle formed by TWFA and Gatsby, acquired majority control of the previously government-owned Mulindi and Shagasha tea factories in 2011 in partnership with over 10,500 smallholder tea farmers who supply both factories. The longer-term vision is to establish the first smallholder owned tea factories in Rwanda and this will happen when EATI recovers their share capital and the farmers meet agreed KPI's on governance and management skills.

Over the last 2 years, the two factories have undergone a development and modernisation programme, which has led to a significant improvement in quality and output. Indeed, for the year ended March 2016 the Mulindi and



Shagasha factories processed 26,000 tonnes of Greenleaf tea and produced over 6,000 tonnes of made tea, some 23% of Rwanda's total tea production.



## Kibeho-Munini Greenfield

During this year, we are embarking on an ambitious greenfield tea development covering approximately 4,200 hectares for the smallholder farmers in the Nyaruguru District of Southern Rwanda. This US \$14million project will be carried out in partnership with Gatsby, Unilever, The UK Department of International Development (DFID) and the smallholder tea farmers of the Kibeho and Munini Sectors.

Nyaruguru Services Company (NSC) will be established to plant out smallholder tea, directly impacting up to 6,000 smallholder tea farming families and providing 75% of the tea supply for Unilever's new factory.

Finance, agronomic and production logistics will also be provided through NSC with emphasis placed on creating economies of scale through bulk input and shared services. The fundamental aim, however, is to achieve estate level yields and quality through professional planting and maintenance as well as introducing innovation and technology such as mechanised harvesting and irrigation.



# Tanzania

## Chai

Chai (meaning 'tea' in Kiswahili) is an eight-year US\$17 million programme funded by TWFA, Gatsby and DFID, which aims to double smallholder tea production in Tanzania, increase farmers' margins and enhance overall competitiveness within the sector.

This established programme continues to develop successfully and through Chai intervention, factory-led agronomic training and fertiliser credit schemes now in place provide services to over 19,000 smallholder tea farmers.

A number of factories in Tanzania have also benefitted from Chai support through programmes to improve the production and efficiency of smallholder suppliers. A good example of this is the Ikanga Tea Company, a 100% smallholder supplied factory where Chai has assisted through the introduction of a range of services including extension officers, quality control, efficient collection and direct payments. The resultant increase in productivity has been dramatic with a 72% uplift in made tea production over the last three years.



## Njombe

Presently the largest smallholder new planting project in East Africa, the Njombe development is currently being implemented by Chai in partnership with Unilever in the Southern Highlands of Tanzania. This greenfield development includes 3,500 hectares of smallholder planting along with 500 hectares of core estate that will accommodate a new Unilever factory operation.

Over the last two years the Smallholder Services Company has produced over 13 million seedlings, and more than 1000 hectares of smallholder tea (both brownfield and greenfield) has already been rehabilitated or planted. Over 750 farmers have already registered with the project in order to receive guidance on credit, production logistics and agronomic advisory services.



It is intended that over a seven-year period 3,500 hectares of greenleaf tea will be planted for approximately 4,000 farmers and the benefits of block farming in terms of efficiencies and economies of scale will be introduced.





# Developing Young People in Scotland

Key areas of focus for The Wood Foundation are improving tolerance, encouraging citizenship values, and enhancing enterprise and employability in Scotland's young people.

Within our Developing Young People in Scotland portfolio we have created a series of programmes that align with these key areas of focus as well as with our own core values:

- Citizenship, including Global Citizenship
- Improving the experience of, and engagement with, STEM education
- Enabling positive destinations into employment, education and training
- The alleviation of child and youth poverty

During the 2015/16 year we continued to grow our established programmes such as the Youth and Philanthropy Initiative (YPI) and Global Learning Partnerships (GLP) while continuing our support of The Prince's Trust and STV Children's Appeal. However, we have also introduced some new and exciting initiatives to our Developing Young People in Scotland portfolio.

18,000

The number of students in Scotland working with GLP teachers



The amount in grants awarded to grassroots charities through YPI Scotland in 2015/16

£585,000



26,000

The number of students that participated in YPI Scotland in 2015/16



The proportion of Scottish secondary schools now delivering YPI



## Youth and Philanthropy Initiative (YPI Scotland)

The YPI programme is now clearly of national significance within the Scottish education system. In 2015/16, 26,000 secondary school pupils and 195 schools across 31 Local Authorities have engaged in philanthropy.

This active citizenship programme gives small teams of young people the opportunity to investigate local social issues, identify a grassroots charity that is making a positive impact in their community, research and visit them, and then advocate on their behalf to compete for a £3000 grant. This process takes students out of their schools and into their local communities where many, for the first time, get an insight into the problems, hardships and challenges that exist on their own doorsteps. Perhaps, more importantly though, it helps them understand the positive impact they can have in supporting these needs. This year, we have donated £585,000 to grassroots charities taking the total to almost £2m since the programme was introduced.

The school pupils love it, teachers see significant benefits and Education Scotland recognises the key role it plays in the Curriculum for Excellence by engaging learners with philanthropy at this early age. We are now talking with the Scottish Government and other potential partners to look at financial arrangements to achieve long-term sustainability for this very important addition to young people's life skills.



## Improving Primary School Science (IPS)

We believe that every young person should experience quality science teaching in primary school to expose them to the modern skills essential for developing our economy and the education and career options they may not otherwise have considered. Over the next three years, TWF has committed £900,000 to introduce regional specialists in support of raising the confidence and competencies of primary science teachers across Scotland. If this proves successful, TWF will invest a total of £2.5m over 7 years taking the programme right across Scotland.

We are pleased to partner with the Scottish Government, Education Scotland, the Scottish Schools Education Research Centre (SSERC) and Local Authority teams in developing this project and look forward to it making a real impact over the next few years.







## Global Learning Partnerships (GLP)

The 2016 Global Learning Partnerships involves 20 teachers from schools in Aberdeen, Aberdeenshire, Stirling and Clackmannanshire spending four weeks in Rwanda during the Scottish school summer holidays. This initiative allows teachers to gain first-hand insight into education and life in a very different part of the world, living and working within local communities while applying their professional skills and expertise to support their Rwandan counterparts. Including this year's participants we now have 56 Global Citizenship Education Ambassadors, 18,000 pupils in Scotland working with GLP teachers, and 59 Rwandan and Ugandan schools have hosted Scottish teachers facilitating professional training for 200 local teachers.

This exposure significantly enhances the Scottish teachers' knowledge and experience of the challenges of global education. More importantly, once home, they have confidence and context to introduce and encourage themes and learning surrounding global citizenship education. The aim is for these teachers to share their experiences with their home schools and be the catalyst for young people to better understand their place in the world, and their responsibilities as future citizens in a global community.



## The Prince's Trust - Future Starts

The Wood Foundation has partnered with the Prince's Trust since 2008, investing a total of £890,000 in direct support of employability programmes targeting those young people who need them most. Following six years of investment in the 'Get Into' programme, The Wood Foundation committed £173,000 over 18 months to support the pilot of the Prince's Trust new 'Future Starts' initiative. Working in partnership with the Scottish Government, this programme targets young people in education who are at risk of leaving school without secure pathways into employment or further education. Future Starts is designed to build confidence, employability and raise ambition to support transition into a sustainable positive destination.



## STV Children's Appeal

The Wood Foundation first partnered with the STV Children's Appeal in 2013 with an initial investment of £450,000 over a three-year period. Following the success of the Appeal's work – addressing the stark issue of child poverty in Scotland, through challenging public ideas and preconceptions around the issue, looking at alleviating the symptoms, as well as tackling the causes – we have extended our support and will continue to provide £150,000 per annum until 2019. In total the STV Children's Appeal has raised £11 million over 5 years and has made 476 big and small awards across all 32 local authority areas, providing much needed support to 59,000 children in Scotland. Sir Ian Wood is a member of the STV Children's Appeal Board of Trustees.





# Economic & Education Development

The Wood Foundation is now working on a number of large-scale, long term projects to support economic development, education and research activities in Scotland.

## Our Commitment

**£25m**

The amount committed to Opportunity North East over five years



The donation made to NHS Grampian for a new car park at Foresterhill Health Campus

**£10.7m**

**£2.75m**



The investment in state of the art STEM teaching facilities at two Aberdeen schools

**£5m**

The grant awarded for the creation of Robert Gordon University's Oil & Gas Institute

**2,500**

The number of school pupils involved in this year's AYG Festival of Sport

## Opportunity North East (ONE)

Opportunity North East (ONE), is a private sector led body that supports initiatives in four key industry sectors in the North East of Scotland:

- Oil & Gas
- Food, Drink & Agriculture
- Life Sciences
- Tourism

In 2015, The Wood Foundation committed £25 million over five years to ONE, which will be matched by

public sector funds, to grow and strengthen the economy in the North East of Scotland. Key objectives for ONE include maximising the opportunities from North Sea oil, looking to extend oil & gas activities post the North Sea, and broadening the economy by encouraging and investing in the other sectors identified.

ONE's participation has already contributed towards achieving

£210 million of Innovation funds from the Aberdeen City Region Deal – £180 million of this for the new global Oil & Gas Technology Centre and £30 million for Innovation Centres for Life Sciences and Food, Drink & Agriculture.





## NHS Grampian

At the end of 2015 we announced a donation of £10.7 million to National Health Service Grampian for the creation of a multi-storey car park at the Foresterhill Health Campus. The car park will create an additional 1,000 spaces for patients and visitors. This project, sponsored by The Wood Foundation Trustee Lady Helen Wood, is aimed at removing the unnecessary stress and anxiety generated by inadequate car parking facilities for a visit that is already stressful for both patients and visitors alike. It is anticipated that the car park will be completed by Summer 2017.



## RGU Oil & Gas Institute and Centre of Excellence

The Robert Gordon University (RGU) was granted a total of £5 million in 2014 by The Wood Foundation to establish a centre of Offshore Oil & Gas international excellence. RGU is investing these funds to attract industry experts and academics, bringing international knowledge and expertise to support the objective of becoming a globally recognised hub for teaching, research and innovation in the sector.



## STEM Teaching Facilities

In 2014, The Wood Foundation donated £2.25 million to Robert Gordon's College in Aberdeen for The Wood Foundation Centre for Science and Technology. Officially opened by HRH Princess Anne in 2016, it is believed the centre is the largest Science, Technology, Engineering and Maths (STEM) teaching facility of its kind in the UK, and offers students from RGC, and neighbouring schools, the opportunity to learn in state of the art facilities. The Wood Foundation also contributed £0.5 million in 2014 towards the cost of building Engineering and Science laboratories for the Albyn School in Aberdeen.



## Aberdeen Youth Games (AYG)

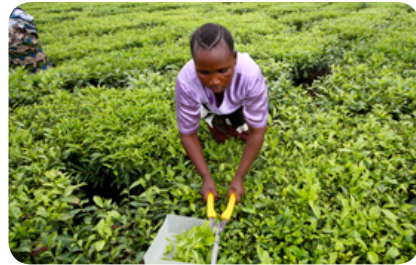
The Aberdeen Youth Games (AYG) is designed to encourage primary school pupils across Aberdeen city to get involved in sport and to promote healthier living. In 2015/16, with our support, over 2,500 school pupils came together to celebrate the annual Festival of Sport. We have committed £50,000 over 5 years to AYG with the ambition of developing a broad education programme, working with every primary school in Aberdeen, to actively encourage school pupils towards better informed decisions on exercise, healthy eating and lifestyle.



# Plans for the Year Ahead

Our Sub Sahara Africa programme during 2016/17 is focused on:

- Stepping up the smallholder farmer planting rate at the Njombe development in Tanzania. The new Unilever tea factory should be operating by the end of 2017.
- Getting the planting programme underway at the Kibeho Munini smallholder tea planting project in Rwanda and developing the services company with the smallholder farmers in that region.
- Looking at a possible third major smallholder farmer tea planting project.
- Continuing to develop our Chai and Imbarutso programmes in Tanzania and Rwanda.



Our activities in the UK for 2016/17 will be focused on:

- Developing relationships with like-minded funding partners to support the ongoing development, growth, and long term sustainability of YPI Scotland.
- Supporting the launch and implementation of the Improving Primary Science pilot across the first five Scottish Local Authorities.
- Developing Global Learning Partnerships to grow beyond the North East of Scotland and introduce the programme to a second African country.
- Ongoing engagement with the broader education agenda to help identify future opportunities, with particular focus on citizenship, STEM education, enterprise, and employability.
- Supporting the successful development of Opportunity North East and the new Oil & Gas Technology Centre with our Chairman being the start-up Chairman for both.







Blenheim House  
Fountainhall Road  
Aberdeen  
AB15 4DT  
Tel: +44 (0) 1224 619831  
Fax: +44 (0) 1224 619869  
Email: [info@thewoodfoundation.org.uk](mailto:info@thewoodfoundation.org.uk)

**[www.thewoodfoundation.org.uk](http://www.thewoodfoundation.org.uk)**

Trustees: Sir Ian Wood (Chairman), Lady Helen Wood,  
Garreth Wood, Graham Good

The Wood Foundation, Scottish Registered Charity  
No. SC037957 is the Parent Charity of The Wood  
Foundation Africa, registered in Scotland as a company  
limited by guarantee and having charitable status.  
Company No. SC361033. Scottish Charity No. SC040580

