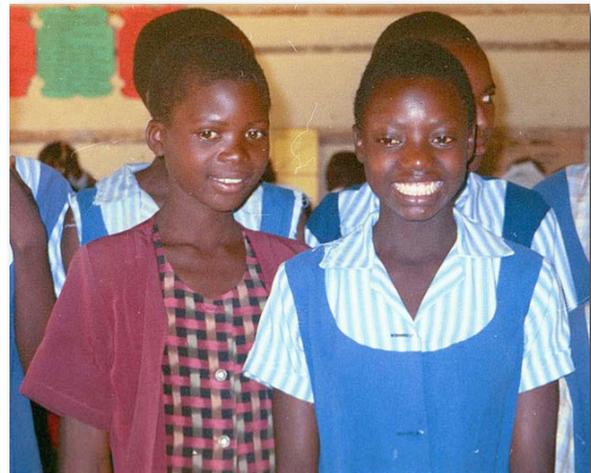




International Development Exchange



The Case for Support

July 1, 2007 – June 30, 2008

I see IDEX as a bridge to effective international giving. They partner with knowledgeable and competent grassroots groups who are developing and disseminating practical solutions to building a sustainable world.

*-Ralph Alpert
Santa Cruz, California*

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Executive Summary

In the course of two years, IDEX has grown its grantmaking program dramatically from supporting 13 grassroots organizations to 20. We could not be more delighted. In the years to come we expect to continue growing, but before embarking on that journey, we decided to take stock.

One element of an intensive strategic planning process was to assess the changing funding environment. During that time, Mohammed Yunus, the “banker to the poor” won the Nobel Peace Prize. It was a striking and welcomed message to the world that peace cannot be separated from prosperity.

The world’s interest in microcredit, the practice of making small loans to build businesses, simply put, *took off*. The spotlight on small entrepreneurs in impoverished areas of the globe captured Americans’ imaginations.

Like any smart business, we asked ourselves how we are different. After all, microcredit has been an element of most partners’ work for years. Despite our own enthusiasm for microcredit, we have known that the solutions to entrenched poverty are not so simple. When soil is degraded, women’s rights are non-existent, or water supplies and health are precarious, it is a tall order to think that capital alone can address those challenges, even if microcredit truly is an important tool.

Call it integrated. Call it holistic. The solutions promoted by our partners and the communities they serve are those that recognize and address the host of challenges that poor communities face.

IDEX’s value comes from finding those effective local organizations, and developing a relationship. That is, one that allows a US audience to learn about the triumphs and struggles at the grassroots while partners gain access the resources they need to reach their goals.

On these pages, we are delighted to share the work of remote communities, inspired local organizations, and hard-working US-based staff that together are addressing poverty through integrated problem solving and local leadership.

IDEX promotes sustainable solutions to poverty by providing long-term grants and access to resources to locally-run organizations in Africa, Asia, and Latin America.

The value of an intermediary

Linking donors with lasting solutions to poverty

Identifying medium-sized organizations

Grassroots organizations funded by IDEX are well established and large enough to have sound management systems, financial transparency, and accounting procedures that satisfy Western donor concerns, yet small enough to nurture local leadership and problem-solving.

Selection and due diligence

Our job is to look for: legality of the organization, transparency and effectiveness of accounting and banking systems, leadership and management strategy, solvency, sources of funding, goals, objectives, and activities, community involvement, and Board of Directors oversight. That is so that *you* can trust your money is used effectively.



Providing flexible use of funds

Partners determine the priorities. Our grants often support areas of work ignored or neglected by other funders.

Bringing visibility, securing additional resources

IDEX arranges partner visits to learn about the US funding context and meet with donors and new funders.



Monitoring, evaluation

When IDEX selects a new grantee or partner, it verifies a range of information so that you know your donation is being used for its intended purpose

Our partner selection process

- ❖ Staff researches a dozen prospective organizations “on paper,” reviewing their websites, financials, etc.
- ❖ We collect recommendations from current partners in the region and other international development organizations.
- ❖ Next we conduct site visits with 6 to 8 organizations to meet with the staff, Board, and the communities involved.
- ❖ Then we select 2 to 4 organizations to give small grants (approximately \$3,000) as a low-risk way of exploring our relationship with them.
- ❖ Finally, after the small grant period is up, we invite 1 or 2 of the most impressive organizations for partnership. That entails a 3-year commitment on IDEX’s part.

Grantmaking

The causes of poverty are intertwined. So are the solutions.

Income begets schooling for children. Potable water is essential to good health, which allows one to work, to earn money, to buy food. Sustainable agriculture promotes healthy soil and water, income, and balanced nutrition. Women's empowerment and skills leads to income.

IDEX provides the investment, the training, and the visibility to help communities access resources and overcome poverty. They do the rest.

Hope and Respect

Geeta lives with her husband and 4 children on .4 acres of land in Nuwakot, Nepal. She belongs to a minority ethnic group known as the *Tamang* and has just a fifth grade education. Her family is dependent on agriculture, but their 0.4 acres of land covers steep slopes, making cultivation difficult. So Geeta's family needs to supplement their income.



IDEX's local partner ASHA (meaning "Hope" in Nepalese) was helping women in the area to form savings and credit groups. Women save approximately 30 Nepalese Rupees per month, around 50 cents. The money they accumulate as a group is lent to each other for income-generating purposes. ASHA also provides training to ensure these new businesses are successful. Geeta learned about a group in her village and joined.

The group decided to give a loan to Geeta to purchase a sewing machine and increase her income. She now earns money from her sewing business. Not stopping there, she has established a small shop and telephone service from which

she earns money. She can now send her children to school.

Geeta was elected the Chair of the group and is frequently invited to participate in other meetings of her village. In one instance, the women contributed to constructing a school in her village. Geeta eagerly comments on the status of women in her community. *"I thank ASHA/ Nepal for its support... our group will continue to make us more empowered, organized and improve our economic status."*

Skills and more skills

Petronela Mabena lives in Thulubheke in KwaZulu-Natal, South Africa. Nine months of the year her husband works away from home in the mines, leaving Petronela to find a way to support their children including tasks such as collecting water that is miles away. Typically there is no money for school fees and uniforms.



In 2000 Petronela heard about Hlomelikusasa (“Skills for the Future”) that offers training programs for women on a Zulu-language radio station. Petronela was interested in learning more, but her husband was suspicious of the activities and did not want her to participate. She joined anyway.

She learned not only about her rights as a woman under the post-Apartheid constitution – land tenure, inheritance, family law – but also skills to start her own business such as sewing, catering, poultry-raising, and horticulture. She also learned about more sobering topics such as HIV/AIDs prevention and treatment. This was changing her life rapidly.

Petronela met twice per week with other women and started a chicken-coop. Before long she was bringing home money, but he wasn’t any longer. He stopped protesting her participation in Hlomelikusasa’s training programs.

Now Petronela is earning enough to feed her family with nutritious meals as well as pay for school fees. She has added gardening and weaving to her range of skills and a cornucopia of new veggies to her family’s diet. And she has no intention of giving this up.



A Heart of Corn

The village of Cruz Nueva, Guatemala is more than 20 miles by dirt road from the nearest town. Subsistence farming is the way of life for the Mayan residents, but severe malnutrition is common because staples like eggs and milk are often priced too high for local families to afford. Struggling to earn enough, many men have migrated to the U.S. to seek work.

In 2005, ten families purchased hens together with the goal of producing fresh eggs locally. They named their group Ruqux Ixím, a Mayan phrase meaning “Heart of Corn.”

The group started with 200 hens and began by using the eggs for their own consumption. With capital and training from local partner APROSADSE, they expanded to 1,000 hens, and began selling eggs to families in ten surrounding villages. Now they raise 2,000 hens per year, and sell the hens to other farming families, whom they also train to produce and market the eggs.

Member Ismael Hernandez explained, *“There is a huge demand in this area for eggs, but no one else was raising hens. So we are creating a manual to motivate and support our neighbors to also do it. There are also other benefits, too. For example, we use the chicken manure to fertilize our crops to avoid using chemicals that harm our communities.*

Chickens eat corn to grow strong, and they then lay good eggs that can make our children strong. We Maya believe that the heart of the corn is the source of life. We wish to open our own hearts and to make our community strong.”
-Gabriel Tzutuj



That’s not all. They are starting an organic coffee farm with 2000 plants, to bring in more income and protect the environment. They started a tree nursery, and have so far planted hundreds of trees that produce fruit, nuts and firewood. Their aim is to stop cutting down the forests, and grow more fruit for their children’s diet. They have also set aside an education fund, and are sending local children to school with those funds. Unstoppable, they plan to start a small bakery so we can sell bread in our community. *“Our goal is to stop having to migrate to find work. There is plenty of work to do right here.”*

Donor Dialogue

Be a part of our work. Become engaged.

Many ways to become engaged

- ❖ Panel discussions and conferences
- ❖ Partner speaking engagements
- ❖ Film night, slide shows
- ❖ Monthly eUpdates
- ❖ Newsletters
- ❖ Website
- ❖ Annual Community Dinner
- ❖ Insight tours



Organizational Priorities in FY08

Be a part of success. Invest in innovation and self-reliance.



Support for 20 grassroots organizations in 7 countries

Grantmaking to partner organizations has grown to an all-time high. In FY08 IDEX will make grants to 20 organizations, most receiving \$15,000 to \$35,000 for activities that integrate women's empowerment, poverty alleviation, and sustainable land management strategies.



Implementing the strategic plan

In FY07, the staff and Board conducted a thorough strategic planning process. Programs are being refined accordingly: grantmaking will take center stage this year and beyond, while activities associated with non-fiscal resource development will be narrower in scope.

Internally, we will be systematizing grantmaking processes across all three regions, Africa, Asia, and Latin America, while centralizing fundraising activities in one department. Ultimately the goal is to provide as much support to poor communities in the most effective and efficient ways possible.



Maintenance work on our technology and communications infrastructure

With a strategic plan to guide our direction, IDEX will refine its message as any smart business would. A crisp new look to our website and materials will help us better communicate our work in late FY08 and throughout FY09.

The first stage will be to conduct maintenance work on the technology that supports the communications infrastructure. With significant *pro bono* support from talented specialists and grants for special projects, staff will build a foundation from which we can convey our effective grantmaking strategies for lasting poverty alleviation at the grassroots.

Your Meaningful Gift is Greatly Needed Now

Your gift, when matched with the vision, resolve, and ingenuity of communities all over the world, is a formula for lasting change and access to resources.

In the past two years, IDEX has grown its grantmaking from 13 grassroots organizations partners to 20 in 7 countries.

When something works as well as IDEX does, it deserves to continue and grow. You and your gifts make this possible.

IDEX was a grantee of ours while I was heading up Changemakers, and I was impressed with how it was being led under Pete Stanga. This was a huge reason for my coming to IDEX's Board. I found Pete to be compassionate, reasonable, well organized... and above all, hard working. Who wouldn't want to support someone like that?

-Pilar Gonzales

Financial Resources for Programs

IDEX's annual operating budget for FY08 (7/1/07 – 6/30/08) of \$829,849 is unusually modest for an organization with so many accomplishments. IDEX operates efficiently and effectively with a staff of seven conducting grantmaking in seven countries while bringing the voices of our partners to the U.S.

Projected revenue for FY08 (July 1, 2007 – June 30, 2008) is from the following sources:

| | | |
|--|------------------|-------------|
| Individuals | \$398,150 | 47.9% |
| Foundations | \$383,699 | 46.2% |
| Corporations, businesses, civic groups | \$23,000 | 2.7% |
| Events | \$17,500 | 2.1% |
| Other | \$7,500 | <1% |
| Total: | \$829,849 | 100% |

Gifts of cash, securities and planned gifts, including charitable trusts and bequests, are greatly appreciated. IDEX is a 501 (c)(3) non-profit organization with tax ID number is 77-0071852. All gifts are tax-deductible to the extent allowed by law. For more information about making a gift to IDEX, please contact Pete Stanga, Executive Director or Anne Mawdsley, Development Director at the 415.824.8384.

Invest in IDEX today.