

*IDEX's mission is to promote economic empowerment and social change in Africa, Asia, and Latin America. IDEX partners with community-based organizations to support their initiatives by providing grants, fostering regional and international alliances, and engaging U.S.-based constituencies.*

## Executive Summary

It's a time of renewed hope for organizations working to combat poverty around the globe. Africa is gaining funding and attention from professionals concerned with worldwide health issues. Families such as the Gates and the Buffets have launched public debate as to responsible use of personal wealth. Entrepreneurs in Silicon Valley have taken interest in entrepreneurs in rural Asia. Not to be overshadowed, IDEX's model for working with community groups to foster local innovation continues to hold sway among its peers. We can't help but feel flattered when we find other organizations adopting similar strategies.

All this is not to suggest that we are so blinded by these developments as to not notice that the number of extreme poor in the world is still unacceptable ...and growing. However, we are encouraged that the public dialogue is more productive than we have seen in several years. We can only hope that it leads to action with the *long view* for economic development and social change.

That is what IDEX will be doing in FY07: working with a long view in focus, and building on the 33% growth that we saw in FY06. (Our grantmaking to international partners grew by a whopping 61%.) Newly started programs in South Africa are projected to grow. An Insight Tour to Rajasthan, India will take place February 12-19, 2007. And IDEX will conduct Strategic Planning to refine its programs and continue in a trajectory of growth.

Join us as we tap into public awareness of global issues and continue our success in working with grassroots movement for economic development and social change. You won't find many things that are more worthwhile than this.

# IDEX Is Pioneering

## The Partnership Model

IDEX's Partnership Model is an innovative way of working with overseas organizations such that both parties have a role to play. IDEX's role is to fundraise on behalf of partners, to build alliances that can enhance their work, and to promote the successes and challenges partners experience. Our partners' roles are to apply funding where it is most needed and carry out activities as they find appropriate. The relationship is based on principles of equality, open communication, and mutual accountability. Partnership is a minimum three-year commitment, and can be renewed for additional three-year cycles.

While IDEX has been in operation since 1985, the Partnership Model was created in 1999. Featured in *Alliance Magazine* in 2003 and in the *Council on Foundations* in 2004, as well as at numerous funders' conferences, IDEX's approach is gaining currency among international aid organizations.

## Supporting Medium-Sized Organizations

IDEX supports medium-sized non-governmental organizations (typically with budgets of \$50,000 - \$150,000) that are particularly well rooted in the communities they serve. They are effective at *supporting local leadership development, local innovation and local problem solving*. They are also well established and large enough to have developed sound management systems, financial transparency, and accounting procedures that satisfy Western donor concerns.

## Providing Flexible Use of Funds

Because our partners determine the priorities of how they apply the funds, our grants often support areas of work ignored or neglected by other funders. This flexibility helps organizations transition to becoming a larger institution with a diverse funding base.

## Beyond Money: Securing Non-financial Resources

Can you imagine getting work done without the Internet? or without timely information or resources relevant to your profession? Neither can our partners! Poor communities need resources to help build their capacity and position their work in a broader context. The IDEX staff for each regional program develops both U.S.-based and overseas financial and non-financial resources that leverage our partners' work and help develop capacity. This includes activities such as:

- Facilitating meetings with fair trade organizations and craft importers to open markets to our partners
- Sharing best practices with organizations conducting similar activities
- Placing language-proficient volunteers on site (translators, editors, web site designers, etc.)
- Providing access to the latest research on appropriate topics (i.e. violence against women, or environmental hazards of pesticide use)
- Arranging for low-cost computer equipment
- Facilitating additional program funds, as well as emergency relief, directly from a funding source to a partner (Through these contacts, not our grants, one partner doubled their budget in a 2-year period!)

# Ensuring your funds are used effectively

## Selection and Due-Diligence

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:

- Legality of the organization
- Effectiveness of accounting systems
- Transparency of finances and operations
- Leadership and management strategy
- Banking systems
- Goals, objectives, and activities
- Involvement of the local community
- Oversight role of the Board of Directors
- Relationship with other reputable organizations

**How are partners selected?**  
 Organizations are selected for partnership only after they have participated in IDEX’s **Catalyst Grants Program**. This program is a mechanism for building a relationship with organizations in our seven focus countries. Partnership entails a significant commitment for three years or more, so we want to know that selected organizations meet the criteria above, while working effectively towards social change for marginalized communities. Catalyst Grantees generally receive \$3,000 for a project lasting six to twelve months. The small grant affords IDEX a low-risk opportunity to work with an organization before selecting it for a longer-term relationship.

- Solvency and other sources of funding



**How are Catalyst Grantees selected?**  
 IDEX conducts research on a dozen prospective organizations, talks with other international development organizations working in a given area, gathers input from existing partners, and narrows its search. IDEX staff then conducts site visits with six to eight organizations to meet with the staff, Board, and the communities involved. Usually two to three organizations are selected to receive grants at one time. Typically one out of two organizations is later selected for partnership.

## Monitoring and Evaluation: A Fundamental Role

The annual partnership agreement defines activities, expected outcomes, two-way accountability between the partner and IDEX, reporting, communication and evaluation. Reporting includes both qualitative and quantitative data, and is provided semi-annually, and through site visits by IDEX staff. Each regional program director also maintains regular phone and e-mail contact, and receives and takes photos.

*" Before, women were viewed strictly as wives and mothers. Increasingly, they are being seen as a second source of income. It seems that when you change the nature of income production, you also change the state of marriage."*

- IDEX supporter Michael Mery, writing from Bangladesh while conducting a site visit

Determining the impact at the village level is assessed through focus groups, interviews with individuals participating in projects, and visits to project sites. Partners also collect information through sampling from their participants on *improved standards of living*, particularly improved nutrition and access to education or durable housing, as well as *social change* in terms of access to credit, positive shifts in gender roles, policy changes, or advocacy efforts among affiliated groups.

# International Programs

## Africa, Asia, and Latin America

The initiatives in all three regions are decidedly cross-cutting in theme. Farmers improving food security are also using micro-credit and developing seed banks to preserve local varieties of vegetables. Women and girls developing income-generating activities are simultaneously evaluating their roles in society and within their families. Gaining land rights is inseparable from economic development and peace. Good health and nutrition are intricately linked with clean water, basic labor rights, and decent working conditions.

In the final analysis, all of the above is grassroots social change... the kind where people are nurturing their own leaders, working collectively to find solutions to their problems, and changing for the better the societies in which they live. IDEX provides the investment, the training, and the visibility to help communities grow on their own.

## South Africa and Zimbabwe

As part of her Board activities for the organization Hlomelikusasa ("Skill for the Future" in Zulu), Virginia Zwane went door-to-door talking with women of her community in South Africa, encouraging them to run for political office. She had been working in Johannesburg as a school teacher and nurse for many years but decided to return to her roots and help women understand their rights as citizens. One woman asked, "Why don't you run?" Virginia couldn't come up with an answer why she shouldn't. She won a regional council seat and has been affecting change ever since, whether pushing for more communal water taps or building more classrooms for children. She comments, *"I don't speak for only one person now. I learned to speak for many, many people. I don't even speak for only my community, but for the whole district."*

Since the end of Apartheid, South Africa has wrestled with twin challenges: gripping poverty at the periphery of its cities and in rural areas, and an HIV/AIDS crisis of unprecedented proportions. The cruel irony is that women suffer disproportionately from high infection rates and limited or non-existent health care services while carrying the country's workload in terms of rural economic activity and the care of children, elders, neighbors, and orphans.

In KwaZulu-Natal Province of South Africa that is especially hard-hit, women play pivotal roles in supporting families, and grandmothers are nothing short of heroes as they become caregivers late in life for at least the second time. IDEX grantees address women's access to rights and resources. Some initiatives address the stigma of AIDS and link women to health care services. Some teach women about their land or inheritance rights under the post-Apartheid constitution. Some train women in income generating activities. A common denominator is that their initiatives unleash women's potential to lead change, to solve problems, to know their rights and to demand justice when necessary. Grantees in South Africa work with some 67 communities.

In Zimbabwe, a formidable partner, the Girl Child Network (GCN), continues to create positive change in a country where the international community had lost hope. GCN illustrates why IDEX supports effective grassroots initiatives over the long haul. GCN has fought child abuse, and the plight of the girl child, reinstating more than 1,000 girls in school yearly. Through 150+ girls clubs reaching 20,000 girls nationwide and three empowerment villages sheltering abused girls, they have raised awareness among girls and the general public about rape, abuse, HIV/AIDS prevention, and their rights. We are couldn't be more delighted for GCN having recently won a very prestigious Red Ribbon Award from the United Nations Development Programme for its effective programs towards these ends.

## Bangladesh, India, and Nepal

Bhanwari, a quintessential Rajasthani woman sat atop her *taanka* in Ramchilla village of Rajasthan, looking at the glowing sun beaming through the azure sky. On our arrival, she broke into a warm smile and offered us a mug brimful of cool and clean drinking water. Bhanwari had nearly died an untimely death when she fell on a sharp rock while carrying pots of water on her head. She prizes her *taanka* above any other possession. She joked that maybe all parents should start presenting *taankas* to their daughters as a dowry present since that way the women would be freed from 'water-fetching drudgery' everyday for their family.

*Samantha Chattaraj, Program Coordinator for GRAVIS*

A *taanka*, or drinking water storage tank, costs approximately \$250 and can change the lives of an entire family in the Thar desert of northwest India. In this arid region, shortage of drinking water is a major problem. IDEX partners in Rajasthan have been assisting rural families to install these underground tanks to store rainwater and provide year-long water security to a family. A less obvious benefit beyond safe water is that with reduced work for women, more girl children attend school since a woman can complete daily chores on her own.

Many families are able to purchase *taankas* through their participation in "Self Help Groups" provide. Group members combine their savings and make loans at affordable interest rates for strategic purchases for economic activities. Food and water security top the list of most crucial issues. Many members use their loans for desert-appropriate crops or soil improvement projects. IDEX partners provide technical assistance on bookkeeping, group management, and repayment plans, as well as for training on the income-generating activity itself.

In Bangladesh and Nepal, there are other environmental challenges, as well as variations on the implementation of microcredit, but the processes are similar: women convene and analyze their most pressing issues. Like communities anywhere in the world, issues topping the list include health, nutrition, children's education, and durable housing. They take loans for income-generation purposes, pay them back at an rate of 98% or more, and build wealth in their community. IDEX partners work with approximately 2000 women in Bangladesh, 500 women in Nepal, and 3,500 women in India, together benefiting some 30,000 family members in total.

## Guatemala and Mexico

Ana Eduviges is from Santa María de Jesús in the highlands of Guatemala, a community that aims to preserve its indigenous language and culture while improving its economic standard of living. She is involved with a weaving group associated with IDEX partner, AFEDES, where she has learned about product designs that appeal to local, national and international markets. 16 weaving groups like hers have formed a coop where she has access to thread at wholesale prices and an arrangement to pay the cost when the product is sold. The cooperative also sells her finished products, such as traditional blouses, (*huipiles*), bags and other items. Ana is glad to preserve traditional designs and the intricate weaving through local sales, but she is also delighted that she can fill orders from international buyers that are simpler in design. The latter takes her less time and is more profitable.

Many rural communities in Guatemala and Chiapas, Mexico have relied on subsistence crops. With the support of partners like AFEDES and others, women can sell textiles to supplement their income. Other indigenous communities adopt organic agricultural practices that are sustained with few fertilizing and pest control costs, while accessing niche markets.

All initiatives involve a community simultaneously developing a local economy and building pride in their cultures and heritage. IDEX and partners contribute technical assistance to ensure strong yields of organic produce, strong livestock, or business skills to sell textiles in a competitive market, as well as loan funds that are continually recycled to help more and more families over time. IDEX partners work with 69 communities in southern Mexico and 74 in Guatemala.

# U.S. Public Education

Did you know that indigenous women in Chiapas, Mexico celebrated International Women's Day on March 8<sup>th</sup> and that their husbands and sons made the tortillas and served the meal? ...or that IDEX's South African grantee, Hlommelikusasa, was recognized by the South African government as a model NGO working toward women's economic empowerment? ...or that the President of India requested a meeting with IDEX partner GRAVIS to discuss workers' rights?

It's all *true*. Regrettably, media space in the U.S. is usually limited to despotic leaders, civil strife, and natural disasters leaving the public largely unaware that vibrant civil society movements exist in most countries, and *are*, in fact, successfully expanding local economic development, access to resources and decision-making. IDEX partners are a direct and authentic source of news about positive social change. Join us at one of many opportunities to hear about our partners and the change they are generating in poor communities.

## Panel Discussions and Conferences

In coordination with the Foundation for Sustainable Development, Child Family Health International, and Bay Area International Development Organizations, IDEX co-sponsors a monthly forum. These discussions with specialists in their field bring accurate information to the public about successful grassroots initiatives for positive social change.

## Insight Tours

In February 2007, IDEX supporters will travel to Rajasthan, India to meet with partners, visit rural communities in the Thar Desert, and tour some of India's most enchanting and historic sites. These tours provide participants with authentic exposure to the communities that are devising solutions to local challenges.

## Partner speaking engagements

Representatives of two to three partner organizations visit the U.S. each year. These special guests provide first hand accounts of their achievements and challenges, network with potential allies, and meet the public that supports their work.

## Film Night, Slide Shows

Staff and donor delegation participants host slide shows and updates on the work of our

partners. These are held at the Red Vic movie theater in the Haight neighborhood of San Francisco, as well as bookshops, the IDEX office, and in individuals' homes.

## Monthly eUpdates

These newsy electronic missives provide 2,000 subscribers with regular monthly updates on partner activities, as well as news and stories illuminating the success and challenges to grassroots social change.

## Virtual Exchanges and Dialogue

Virtual conversations, interviews and feature articles about the leaders, the places, and the issues in grassroots social change are a regular feature of IDEX's outreach, and are posted on IDEX's web site and eUpdate.

## Newsletters (2,500 readers), Web Site

(7,000 visits per month), and our annual **Community Dinner** IDEX engages the public in dialogue about lasting grassroots social change initiatives, providing a clearer perspective on the importance of local leadership development, community organizing and U.S.-based philanthropy in supporting communities that are making strides in eliminating poverty.

# Organizational Priorities

## Fiscal Year 2007: July 1, 2006–June 30, 2007

### Strategic Planning

While IDEX has remained very stable in the past few years, key stakeholders have an interest in growing the scale of the organization's work, while also assessing how programs can be strengthened and sustained in the years to come. The time is appropriate to survey the context in which we work and to look inward at all programs. A three- to five-year plan will be available by June 2007.

### The Collaboration of Grassroots Support Organizations

Consisting of up to six U.S.-based organizations that work internationally and incorporate progressive and inclusive approaches to grantmaking, The Collaboration of Grassroots Support Organizations will conduct joint outreach, fundraising, and marketing. The Arntz Foundation has made a \$10,000 grant for the planning of this Collaborative.

### Credit Women's Initiatives

IDEX will approach the business community and business-minded individuals to raise \$100,000 for 1000 women's microenterprises in Asia, Africa, and Latin America. Professionals with an entrepreneurial spirit will invest in and learn about "innovators" in rural communities who are using microfinance and participating in income-generating training.

### Insight Tour to Rajasthan, India

A group of six to ten donors will travel together to Rajasthan in northwest India February 12-19, 2007. Over the course of a week, participants will visit several communities that are receiving capacity-building support from IDEX partners GRAVIS and Sahyog Sansthan, and will meet women who have started their own income-generating initiatives. Donors will learn first hand of the challenges and opportunities that marginalized communities face in overcoming poverty.

### Technology Assessment

IDEX has grown increasingly sophisticated in its outreach and fundraising activities, essentially outgrowing the capacity of the current database. Similarly, the web site cannot support the range and sophistication of material that can best serve IDEX's outreach, marketing, and fundraising efforts. An office-wide assessment of the organization's technology needs will be conducted and serve as the basis from which to plan for upgrades.

### Communications Plan

While core elements of our communications and marketing activities (electronic updates, newsletters, and events) are streamlined and serve their purposes well, enhanced visibility and media attention would support all of IDEX's programs, in particular its fundraising efforts. As part of a broad communications initiative, IDEX will develop the strategy and tools needed to cultivate relationships with media outlets as well as with journalists writing about international development or globalization.

# Financial Resources for Programs

IDEX’s annual operating budget for FY07 (July 1, 2006 – June 30, 2007) of \$703,770 is unusually modest for an organization with so many accomplishments. IDEX operates efficiently and effectively with a small staff of eight delivering our Grantmaking, Alliance-Building, and U.S. Public Education Programs.

There is much to celebrate, and yet there remains much to be done. We join the small farmers, marginalized women, youth, and indigenous communities who are passionate about developing local economies, asserting their rights, and escaping poverty. We hope you will too.

**Projected revenue for FY07 (July 1, 2006 – June 30, 2007) is from the following sources:**

Individuals	\$342,215	48.6%
Foundations	\$302,225	42.9%
Corporations, businesses	\$33,000	4.7%
Events, delegation	\$10,950	1.6%
Groups (civic, student, religious)	\$14,300	2.0%
Other	\$1,080	<1%
<b>Total:</b>	<b>\$703,770</b>	<b>100%</b>

## Your Meaningful Gift is Greatly Needed Now

Your donation, when matched with the vision, resolve, and ingenuity of communities all over the world, is a formula for lasting change and access to resources. Financial support from the U.S. translates into a significant amount of money abroad. Your gift is a statement of belief in a community’s ability to bring about social and economic change.

*"When you make a gift to IDEX, you know that you are doing good, not only in the broad sense of helping others and building a more just world, but also in making a good investment. IDEX vets their groups carefully and uses money efficiently and wisely. I don't think being good can get any better."*  
 – Kim Klein, Grassroots Fundraising Journal

Last year, IDEX’s budget grew 33% over the previous year. Please join us, not only to sustain this work, but also to continue *expanding* economic empowerment and social change in Africa, Asia, and Latin America. As we approach an annual budget of \$1 million, we can achieve scale. When something works as well as IDEX does, it deserves to continue and grow. You and your gifts make this possible.

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 Anne Mawdsley, Development Director at the 415.824.8384, extension 207, or by e-mail, [anne@idex.org](mailto:anne@idex.org).