TOGETHER WE CREATED $330,000,000 WORTH OF VALUE IN 2016.

BUILDING BUSINESS WITH PEOPLE AND WE'RE NOT SLOWING DOWN.

iDE 2016 Annual Report
Dear Friends and Partners,

Although we have made real progress in reducing global poverty, with only ten percent of the world’s population living on less than $2 a day, it’s not time to celebrate. It’s time to redouble our efforts to improve lives for people who desperately need our help.

Reaching that last ten percent will be harder than what we’ve done in the past. The problems are larger and systemic. Nature has always challenged us by being unpredictable, and humans have made it worse through our growing population and extensive use of natural resources that is changing the very essence of our planet. It’s a tough world, and getting tougher.

We need to be tenacious. At iDE, we are finding new solutions, and modifying old ones. And we are committed to listening to people even when we think we’ve heard it all.

As you will see in this report, we are making progress by using what we have learned over the last three decades. Because of our track record and understanding of the problem, even in these tough times iDE remains committed to a return of at least $10 in increased income or savings for every $1 received from donors.

In many cases, that return on investment is more, up to $40.

We have trust among our customers at the base of the pyramid, as well as our donors, because of our transparency, our willingness to share both our successes and failures, and our eagerness to collaborate with governments, other organizations, and private individuals. We pioneered the market-based approach to poverty, and because it works, we’re delighted to see other organizations adopt it as their own.

Because of you, iDE has improved the incomes and lives of over 20 million people since 1982, and we’re poised to do the same for another 20 million in less than half the time. So, while we may pause a moment to acknowledge the real progress we’ve made, we must roll up our sleeves to continue working. The job’s not over.

Tim Prewitt
Chief Executive Officer
The measurement and evaluation data collected from each project is aggregated to give us a picture of our global impact in both agriculture (Ag) and water, sanitation & hand hygiene (WASH).

No single KPI tells the whole impact story on its own. We must view all of the indicators and consider how they are interrelated. Below are a few points to keep in mind when analyzing global data.

- Scale figures (below) are the most illuminating when reviewing short-term, 1-2 year trends.
- Impact figures (bottom center) are less volatile. They result from rigorous evaluations, which rely on financial resources and multi-year research timelines.
- ROI (above center and bottom right) is largely driven by scale, which is closely related to the maturity of the initiative and the financial resources supporting it.
- In aggregate, WASH programs achieve 2X the scale of agriculture programs, but agriculture programs are 3X more impactful.
- Many factors affect a country’s performance including the age of a program, staff size, the maturity of local manufacturing and infrastructure, population density, local government’s economic policies, and the population’s openness to new ideas.

**KEY PERFORMANCE INDICATORS (KPIs)**

The ratio of aggregate increased income saved by participating households relative to money spent by iDE. Estimated using a three-year rolling average.

**ROI**

- The ratio of aggregate increased income generated by participating households relative to money spent by iDE. Estimated using a three-year rolling average.

**SCALE**

The number of households with which we work.

**IMPACT**

The average annual net household increase in both income and savings achieved by households with which we work.

**REGIONAL ROIs**

- Asia: $118
- Africa: $640
- Central America: $233
- AG: 14:1
- WASH: 18:1

**2016 Annual Report**

The average annual net household increase in both income and savings achieved by households with which we work.

**2012**

- 146,417
- 123,621
- 77,728
- 85,836
- 147,318

**2013**

- 117,871
- 150,033
- 150,244
- 176,418
- 286,001

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iDE / 2016 Annual Report
Together, we created $330,000,000 million worth of value in 2016 alone by building market systems.

And we’re not slowing down.
MADA GUJA is fifty-five years old. He is a farmer living in the Warbira Golo kebele of Damot Pulasa woreda. He supports his wife and 10 children on a one-half hectare plot of land where he grows maize, haricot beans, sweet potatoes, and taro.

He had no experience growing vegetable crops and his large family frequently faced food shortages between harvests.

After learning about micro-irrigation technology, he purchased a pump with access to a loan, and attended trainings in efficient irrigation, pump management, vegetable production, and marketing. Mada recently added peppers and fruits to his farm, which sell for a good profit at the market. Now, Mada sells about half of his harvest and the rest is consumed by his family.
THE HARDEST WORKING PEOPLE ON THE PLANET NOW HAVE IT EVEN HARDER.

With limited or no access to piped water or electricity, no infrastructure, and no savings, smallholder farmers are on the front line dealing with changing temperatures, variable rainfall leading to floods or drought, and diseases that threaten both their crops and their families. To help people build resilience to climate shocks, we must first assess their risk. In 2016, iDE conducted a survey in Nepal to better understand what climate change looks like from the viewpoint of those most affected. Below are a few of the questions we asked of people living in the far western region.

THE QUESTIONS WE ASKED AND WHAT WE HEARD

Q: What kind of shocks have you experienced?
   A: drought (66%)  
   A: flood (21%)  
   A: precipitation decrease (20%)

Q: How do you cope with climate shocks?
   A: use up savings (46%)  
   A: don’t know what to do (28%)  
   A: loan/finance (15%)

Q: Who is responsible for deciding how to cope?
   A: male head of household (51%)  
   A: female head of household (21%)  
   A: none (16%)  
   A: do not know (9%)

Q: Have you experienced drought?
   A: yes, in Dadeldhura district (88%)  
   A: yes, in Kanchanpur district (22%)

Q: Have you experienced flood?
   A: yes, in Dadeldhura district (23%)  
   A: yes, in Kanchanpur district (87%)

Q: What groups do you think are most vulnerable to climate shocks and stresses?
   A: children under 10 (59%)  
   A: women over 50 (21%)  
   A: households engaged in agriculture (99%)

Q: What kind of shocks have you experienced?
   A: drought (66%)  
   A: flood (21%)  
   A: precipitation decrease (20%)

Q: What was the main impact of the climate-related event?
   A: loss of crops/fruit/garden (70%)  
   A: scarcity of irrigation water (18%)

What sources of assistance have you received to help you cope with climate shocks and stresses?

75% received no assistance of any kind.

Of the 25% who did receive assistance, 93% of it came from informal sources such as neighbors, relatives, or members of the same social group.

And only 7% received assistance from formal sources such as a government, NGO, community organization, or private company.
iDE’s iDesign team set out to research and design an affordable and desirable toilet in northern Ghana.

Partnering with Kohler, iDE’s iDesign team conducts a qualitative market assessment into the clean-water technology space in rural Nepal.

How might we get more farmers to grow nutrient-rich orange fleshed sweet potato in Ghana and Burkina Faso? Our iDesign team uncovered user behaviors, and a potential solution.

How are people with disabilities purchasing and using latrines in Bangladesh?

How might we embed Design Thinking into all iDE operations? A new strategy was researched and co-designed with iDE employees globally.

Is there a market for household water filters in northern Ghana? By testing filters with users, the iDesign team discovered that people do not think their water is unsafe to drink.

A technical team conducted a Human-Centered Design deep dive in southwest Bangladesh to assess the market system of agriculture machinery.

Partnering with Helen Keller International, the iDesign team studied the challenges faced by mothers breastfeeding infants.

The iDesign team begins research and design with farmers on the first-ever rural community gardens in Honduras.

The iDesign Ambassador program begins. A Design Ambassador is an in-country staff member serving as an advocate and leader of design.

The iDesign team explores the links between increased income and increased spending on WASH and nutrition products in Bangladesh.

The iDesign Team begins research and design with farmers on the first-ever rural community gardens in Honduras.
WE HAVE NOT WAVERED FROM BUILDING MARKETS—IT’S OUR FOUNDATION

Market facilitation strengthens weak supply chains with the end goal of ensuring that markets are inclusive of the poorest and can grow independently of iDE’s support. When healing broken markets, iDE considers the entire market system through a rigorous investigation. Recognizing the interdependence of various actors and identifying all the root causes, we intervene at many different levels.

- Build the capacity of the private sector, including training small producers in basic business practices
- Mitigate corporate risk through market research and development
- Increase the flow of market information, including information about weather and commodity price fluctuations
- Work with financial institutions to increase access to affordable loans
- Work with the local government to promote policy changes favorable to business and agriculture
- Introduce new or adaptive technology
- Build relationships and strengthen business connections at critical points on the value chain
SOCIAL ENTERPRISE GAINED MOMENTUM IN 2016

There are places in the world where the markets are broken. Places where farmers have vegetables rotting in storage because they can’t get to a market to sell them. Where a family wants to build a toilet but no company has one they can afford. In such cases, the need for iDE’s intervention means finding a way to fill the gap to mend the market.

A social enterprise is a business model that balances the twin goals of providing a needed social service and making enough income to be sustainable. Unlike the traditional business model that focuses on income for the business owners, social enterprises profit the community they serve.

These five iDE businesses range from start ups about to become a social enterprise, to full maturity and in the black.

Hydrologic

Hydrologic sells affordable water treatment options in Cambodia. For eight years, it existed as a partial-cost recovery program that used grants to pay for marketing and expenses while revenue paid for production and distribution. iDE converted it to an independent social enterprise in 2010, achieving profitability two years later. It has maintained its profitability by expanding production capacity, establishing a rural sales force, partnering with a microfinance institution, obtaining a loan from a private impact investor, and becoming certified to generate and sell carbon credits. In 2016, Hydrologic saw an increase in sales revenue by 36 percent as well as an increase in average sales made by agents—from 80 units per agent in 2015 to 150 units in 2016.

Sama Sama

Sama Sama builds durable, clean, and affordable toilets in Ghana. Sanitation options in rural Ghana are limited, with poor quality toilets subsidized by NGOs the norm. Sama Sama provides an affordable solution that can be bought outright or in installments. The enterprise uses door-to-door marketing techniques that focus on the problem, reinforced by branding and peer word-of-mouth to achieve sales. With start-up funding from Global Affairs Canada, the Sama Sama team is working to become a standalone social enterprise, and aims to reach 300,000 people with improved sanitation in the next five years.

iDEal Tecnológias

iDEal Tecnológias is the only company in Nicaragua to provide locally manufactured irrigation systems coupled with training services. iDEal works with small- and medium-sized size farms to increase their production and income through technology, training, and access to markets. In 2016, the enterprise formed a partnership with the Nicaraguan government’s voucher program, which provides financing for farmers who want to purchase irrigation systems. iDEal General Manager Nadja Schaeffli joined an expert panel convened by the President of Nicaragua to advise on a strategy to address increasing water scarcity in the country.

Lors Thmey Farms

Lors Thmey works with small-scale farmers in Cambodia, providing high-quality products and services, such as seeds and fertilizers, training, and advisory support. Established in 2005 under iDE’s office in Cambodia, Lors Thmey is working towards becoming a standalone social enterprise. In 2016, they have increased their revenue by 69.5 percent and launched a new produce collection service where Lors Thmey buys produce from contracted farmers to sell to wholesalers and retailers at the provincial and district levels. The model has shown great promise—178 contracted farmers have produced 1,024 tons of produce and generated $217,014 of revenue for farmers.

iDE

Lima Links

Lima Links launched in Zambia as a standalone social enterprise in 2016 to deliver live market prices to farmers through a software platform accessible via basic mobile phones. The Lima Links information and communications technology (ICT) platform connects smallholder farmers, market agents, bulk buyers, advertisers, and government organizations. In 2016, Lima Links successfully negotiated a partnership with Zambia’s leading telecoms provider Airtel. Lima Links is already recognized in the agriculture sector as a successful example of iDE Zambia acting as an incubator for the social enterprise.

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San Ousa is twenty-six years old. She is a supply chain coordinator in Prey Veng, one of the poorest provinces in Cambodia. Ousa’s job is to review the orders for toilets entered by sales agents in Salesforce and assign them to the latrine business owner who can deliver the latrine to the customer in a timely manner.

These small businesses sometimes shut down suddenly, for example when the owner has to help out his family or bring a harvest in. Once Ousa confirms the business has the capacity to fill the order, she negotiates an anticipated delivery time frame to the customer, then the business makes a phone call to the customer to arrange for delivery.

Like Ousa, nearly all of iDE’s employees are citizens of the country they work in; 93% of our total workforce of over 1,000 employees are locals.
We honor our donors' wishes to remain anonymous, and would like to extend our gratitude to all of our supporters who are not listed publicly.
### 2016 EXPENSES BY COUNTRY

<table>
<thead>
<tr>
<th>Country</th>
<th>Expenses ($USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>5,481,595</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>631,097</td>
</tr>
<tr>
<td>Cambodia</td>
<td>4,649,962</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1,358,785</td>
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<tr>
<td>Ghana</td>
<td>1,967,089</td>
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<tr>
<td>Honduras</td>
<td>1,070,616</td>
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<tr>
<td>Mozambique</td>
<td>1,527,773</td>
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<tr>
<td>Nepal</td>
<td>5,387,205</td>
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<tr>
<td>Vietnam</td>
<td>446,752</td>
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<tr>
<td>Zambia</td>
<td>1,827,971</td>
</tr>
<tr>
<td>Other</td>
<td>2,620,444*</td>
</tr>
</tbody>
</table>

*Includes expenses for Kyrgyzstan, Tajikistan, multi-country projects, Global WASH, and others.

### 2016 EXPENSES OF iDE’s SOCIAL ENTERPRISES

<table>
<thead>
<tr>
<th>Name</th>
<th>Expenses ($USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrologic (Cambodia)</td>
<td>1,551,956</td>
</tr>
<tr>
<td>iDEal (Nicaragua)</td>
<td>322,976</td>
</tr>
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*These social enterprises are separate but wholly-owned iDE legal entities.

### EXPENSE BREAKDOWN

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenses ($USD)</th>
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<tbody>
<tr>
<td>Field Programs</td>
<td>23,737,669</td>
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<tr>
<td>Field Programs / G &amp; A</td>
<td>3,292,513</td>
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<tr>
<td>Headquarters / G &amp; A</td>
<td>2,962,056</td>
</tr>
<tr>
<td>Fundraising</td>
<td>162,814</td>
</tr>
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</table>

*General & Administration

### 2016 INCOME

<table>
<thead>
<tr>
<th>Source</th>
<th>Income ($USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Public &amp; Private Foundations)</td>
<td>23,848,539</td>
</tr>
<tr>
<td>Individual Donations</td>
<td>323,349</td>
</tr>
<tr>
<td>Interest Income</td>
<td>53,874</td>
</tr>
<tr>
<td>Field &amp; Program Revenue</td>
<td>2,752,435</td>
</tr>
<tr>
<td>Sales &amp; Other Income</td>
<td>2,477,541</td>
</tr>
</tbody>
</table>

**TOTAL** $29,455,738

### ENDING NET ASSETS

As of end of reporting year

**TOTAL** $3,155,754
TOGETHER WE CREATED $330,000,000 WORTH OF VALUE IN 2016

BUILDING ideglobal.org WITH PEOPLE BUSINESS AND WE'RE NOT SLOWING DOWN.

$233 $640 $70 $275 $118 18:1 $69 $615 $716 $708 $698 $54 $18 $81 $418 $423 $130 $160 $142 $199 $54 $275 $118 $60 $100 $75 $716