

GROW

iDE Canada Donor Update | Summer 2018

iDE Canada



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Thinking of
poor people as
customers instead
of as recipients of
charity radically
changes the design
process.

- Paul Polak, founder, iDE

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Kalora Interiors generously donates all print and
distribution costs for this newsletter.

cover photo by iDE Cambodia

CEO HELLO

Stu Taylor



“

Thank you for joining us on the ride over the last 35 years. Enjoy the look back and the look forward in this issue, highlighting the power of entrepreneurs everywhere!

Canadians don't take summer for granted. As we move into long, sunny days and warm weather, many of us are watching our gardens grow, already enjoying fresh herbs and looking forward to fresh, ripe tomatoes. iDE is also in a season of growth. Earlier this year, we celebrated a milestone of improving 30 million lives through better agricultural technologies, market opportunities and clean water and sanitation. All made possible by you, our donors.

As a global organization, iDE has come a long way since its beginnings 35 years ago, and iDE Canada is proud to have been a part of the story. In this issue, you can read more about that history, including donkey carts and our founders' peaceful protest to get their first project in Somalia off the ground. Join us also in looking to the future. Read about a family introducing their next generation to iDE's work and celebrate sales taking off in our Ghana sanitation marketing project. For those who like to dig into our numbers a bit more, we offer our 2017 impact scorecard.

Our work is filled with stories of inspiration and success but there are also setbacks. I want to bring attention to the struggles experienced by our team in Nicaragua who are working to bring irrigation solutions to farmers. Violent protests in that country have made for a very tumultuous spring. I would like to thank Nadja Schaëfli, CEO of iDEal Tecnologías, for supporting her amazing staff and doing everything possible to ensure their safety and well-being. As farmers in Nicaragua struggle to grow crops in a multi-year drought, they need affordable irrigation more than ever. Protests and subsequent roadblocks have hindered efforts to reach farmers but our resilient team remains committed. We are planning for the next growing season in the fall and will keep you up to date on major developments.

Over the past 35 years, facing challenges and finding solutions is part of the work we do. Thank you for joining us on the ride. Enjoy the look back and the look forward in this issue, highlighting the power of entrepreneurs everywhere!



Results Rule: 30 Million People Reached

As of January 2018, iDE teams around the world have increased incomes and improved the lives of 30 million people. On average, our clients' annual income increased by \$220.

If you have donated to iDE or shown support in other ways, this should be a moment of pride for you. Without donor support, these incredible results would not be possible.

Thank you.

photo by Antonio Fiorino / iDE / 2017

Global results to date

30,000,000

individuals impacted

6,000,000

households impacted

\$220

average annual income increased in dollars

12:1

benefit-to-cost ratio

celebrating

35

YEARS

INTERVIEW WITH iDE CO-FOUNDER, GERRY DYCK

It was 1982. The end of summer. Gerry Dyck, 24, was working on a grain elevator, finishing up the painting season, when he got a phone call. Art DeFehr, a guest lecturer whom Gerry had met earlier that year at college, was inviting him to Somalia where Art had just been appointed UN high commissioner for refugees. Art's friend Paul Polak was also going; he wanted to explore economic opportunities for refugees living in the camps. In that moment, Gerry didn't know two things: 1) how Art found him on the side of a grain elevator and 2) where Somalia was. But he said yes.

Once on the ground in Mogadishu, Gerry quickly wondered what he had gotten himself into. Bouncing along in the jeep, listening to Art and Paul assess the situation in the camps, he realized the complexity of the issues. There were an estimated 400,000 refugees living in huts located in 30 camps along the Shabelle and Jubba rivers. They were victims of war, drought and political turmoil.

"I think it was a bit like take your kid to work day," Gerry says. "When we began talking to people in the camps, I don't think I said a word."

But, as a recent graduate of economics, Gerry considered himself fortunate, a student among two professors.

"They (Paul and Art) were both a bit radical and could be disruptors. They were typically the first

to present an idea and they didn't hesitate just because no one else went along. I got to be there when they were successful and I got to be there when they failed. They took me under wing," Gerry says.

"At that time, we had no track record, I had no job and I was working for an organization that technically didn't exist."

Undaunted by the complexities of politics and logistics, Paul got down to business. He was there to help refugees make money. A former psychiatrist with a gift for communication, he started by asking those living in the camps what entrepreneurial ideas might work. Based on these interviews, together, he and Gerry explored options: mud bricks for better construction, power generation using windmills, plastic extrusion. All of these proved too big; the Somali government wanted

to pursue these ideas themselves.

So Paul and Gerry kept going. They needed a smaller idea, one that could make refugees money and one

that could compete with the sale of food rations. Selling food rations grew out of an excess of aid and the ability of refugees to travel between camps to get extra food, for which there was a booming market.

After researching a number of other ideas, in the end, they settled on donkey carts. Carts were already in Somalia but not typically in the camps. The design was inefficient and often harmed the animals. A modified cart could become a means of transportation for people and goods and they could generate enough income to compete with the sale of food rations.

“Officials didn’t think carts were necessary or that they would be successful as a business but it was a small enough idea and one they were willing to consider,” Gerry says.

But final approval for the project would depend on financial support from the UN and the Government of Canada. So, Gerry returned home where he began the incorporation process for International Development Enterprises (iDE) and met with the Canadian International Development Agency (now Global Affairs Canada) to apply for the organization’s first grant.

“At that time, we had no track record, I had no job and I was working for an organization that technically didn’t exist,” says Gerry. “But I could see the potential. At this point, I was really excited. I had a sense of this being a big deal. If we could get entrepreneurs to grab onto business solutions, they could deal with poverty.”

Pressed for time, Gerry called the CIDA officer in charge of the Africa desk. He was booked and Gerry needed to get back to Somalia so he arranged to meet at the officer’s house. “I made my pitch in his living room and somehow convinced him we were legit.”

photos courtesy of Gerry Dyck: (top to bottom) Gerry Dyck, 24, Somalia; Somali refugees located in camps along the Shabelle and Jubba rivers; Donkey carts were inefficient and harmed the animals. By making modifications, the donkey cart could be used to transport people and goods. (next page) Displaced blacksmiths in the Somali refugee camps found work building or modifying donkey carts using scrap metal.



With CIDA funding secured and working with MEDA's support, Gerry returned to Mogadishu. But his sense of urgency wasn't matched by Somali officials. After weeks of foot-dragging, eventually Paul and Gerry staged a sit-in at the Somali government office. Their peaceful protest lasted for two months.

"We alternated days," Gerry says, "and if we saw the officer in charge, we'd ask him if he had any news. We simply waited them out."

Finally, with an approved project and funding in hand, they could begin work on donkey cart prototypes and stockpiling materials: drums for hauling water, axles from wrecked cars, parts from military vehicles.

Once they had a working model, they partnered with organizations already in the camps. In turn, these organizations found aspiring entrepreneurs who could purchase the carts on credit and generate income by renting them out. Side businesses such as building and maintaining the carts also flourished. Those who purchased multiple carts could hire drivers. In three

years, over five hundred carts were sold, generating almost \$1 million of net income for cart owners, almost all of whom had paid back their original loans.

In the end, Somali officials wanted iDE to stay but Paul, Art and Gerry had accomplished what they had set out to. They had created an income generating opportunity for those living in poverty in one of the harshest environments on the planet, then and now. A new opportunity in Bangladesh involving water pumps was already in the works.

"One Somali official told me, 'no man who sits behind a donkey cart is going to marry my daughter.' And the same guy told me a couple of years later, 'the man who owns a donkey cart has so much money he's welcome to marry my daughter.'"

In 1985, as iDE prepared to leave, they were able to return money they had borrowed from the UN. Income generation projects had never generated income to that level, so UN Somalia had to call Geneva and ask how to take the money back.

"I'm proud of that," Gerry says.

"We had set up entrepreneurs to survive our exit. That was the first time I understood what sustainability really meant. Someone once told me they saw one of our carts in Kenya. And I loved that. They had made enough income to say, 'I'm outta here.'"



iDE Canada was incorporated on January 7, 1983. The organization was co-founded by Paul Polak, Art DeFehr and Gerry Dyck. As we celebrate our founders and 35 years of helping others, it is always with an eye to the future. How can we help more families with business solutions that will lift them out of poverty? How can we keep challenging convention and innovating like our founders did with their first project in Somalia?

PROJECT UPDATES

Sama Sama | GHANA

*Launched in 2016, Sama Sama is the first business that builds, sells and delivers toilets in northern Ghana. In a country where more than 85% of the population lacks adequate sanitation, access to toilets is crucial to solving issues such as serious illness, stunted growth in children as well as safety risks and indignity. Each month, toilet sales are steadily climbing. So far, Sama Sama has reached over **16,000 people** with this life-saving product.*

BETTER OPTIONS FOR FINANCING

Almost 90% of Sama Sama's customers purchase their toilet by paying in instalments. This means they, like most consumers, need financing to make a larger purchase. With little or no credit history, finding financing with traditional banks can be a challenge. One of the partners that makes this possible is Kiva, an international non-profit that allows anyone with internet access to lend money to low-income individuals who want to improve their lives. Check out kiva.org and search for Sama Sama. Customers looking to finance their toilet purchases are added all the time.

To complement these alternative ways of providing customer financing, we are working with Entrepreneurial Finance Lab to find a more efficient way of assessing customers' credit risk. One that requires no paperwork and no guarantors. Instead, iDE staff use tablets to collect information that measures such things as clients' spending and saving habits. For community members who may not have formal bank accounts or collateral, this process creates greater financial inclusion and an improved customer experience while reducing the risk to Sama Sama.

MARKET STORM

In April, to spread the word, our team in Ghana and visiting iDE staff handed out 6,000 Sama Sama flyers along a 12-kilometer route. The team was accompanied by a float, complete with DJ and police escorts.



photo by Chris Nicoletti / iDE



For this work on sanitation in Ghana, the Government of Canada is providing \$19 for every dollar donated by our supporters. Visit idecanada.org/donate.

iDEal TECNOLOGÍAS | IN SOLIDARITY WITH NICARAGUA

iDEal Tecnologías is a social enterprise that improves farmers' livelihoods by selling low-pressure irrigation systems and providing long-term agricultural support and advice.

Headquartered in Managua, the iDEal team has had a very challenging spring as the country is experiencing civil unrest. In April, after the government proposed raising taxes and reducing social assistance benefits, students took to the streets in protest. Demonstrations have continued since then, resulting in violence and the deaths of over 200 people. Nadja Schäefli, iDEal Tecnologías CEO, reports that all staff are safe; however, violence and subsequent roadblocks have limited iDEal's ability to reach farmers.

We continue to monitor the situation to ensure staff safety and are focusing our efforts on the next growing season in September.

FIELD NOTES: FAST FAMILY DONOR TOUR

Donor tours are a great way of seeing the countries we work in. They blend recreational activities with opportunities for donors to see first-hand how their support delivers transformative programming. Tours are arranged on an individual basis with costs borne by the donor. In December 2017, board member Bill Fast and his wife Margaret explored Vietnam and Cambodia with their children and grandchildren. Ranging in age from 13 to 18, these are the Fast grandchildren's field notes and tips on how to make the most of a family trip.



photos courtesy of Lisa Loewen
left to right | Meredith Loewen, Signe Roehr,
Kaedan Loewen, Mariel Roehr and Loring Roehr
ziplining in Siem Reap, Cambodia

Meredith's Travel Tips

1. try set menus; they make selection easy and force you to try something new
2. take time to meet locals, my favourite part of our trip was hanging out with Cambodian kids
3. try local transport; scooters and boats can be scary but they are a lot of fun
4. local markets are great places to shop
5. plan a variety of activities and let everyone have a say

In Cambodia, about 90% of the poor live in rural areas where farming is difficult because of increasingly unreliable rainfall, poor infrastructure and poor market linkages. The Fast family visited cucumber and melon farms where farmers have invested in quality seed and low-cost irrigation equipment to improve their crops.



“When farmers grow better crops, their kids can go to school. The kids we met seemed very happy so I don’t think they had to deal with the stress of not having enough food or proper shelter.” – **Loring**

“Cambodian farmers were very receptive to information. They are knowledgeable about what works. Cambodian farmers seem very intentional, organized and purposeful.” – **Signe**



“The plastic (sheeting) is used to reduce time spent weeding and to keep moisture in the soil. They used drip irrigation. We learned that they (farmers) need to keep water cool to prevent evaporation.” – **Kaedan**

↗



In Cambodia, more than 250,000 new toilets have been sold and installed by more than 300 local partner enterprises. The Fast family visited concrete and slab manufacturers, which form part of the supply chain. Customers can purchase complete toilets for about \$55.

“I think asking people to pay (for toilets) is a good model because people aren’t expecting more. They don’t expect to continue getting things for free. People will invest more time in caring for their property.” – **Loring**



Bill and Margaret Fast have been iDE Canada donors for over three decades and Bill has served on the iDE Canada and iDE Global board of directors for 30 years. This unique, multi-generational trip wasn’t their first. In 2014, the family visited iDE programs in Ethiopia and Zambia.

“Oma and Opa like us to know what they’re doing and what they’ve been working on. It’s important for us to see how other people live and to understand how we can create change.”
– **Mariei**

↙



IGNITING CHANGE

Save the date!
October 30, 2018

iDE Canada Gala 2018
RBC Convention Centre Winnipeg

iDECanada



Opportunity grows here

iDECanada

2017 annual report

The iDE Canada 2017 annual report is now online!

Find it at
idecanada.org/annualreport
or order a copy by contacting
our office.

info@idecanada.org
204 786 1490

report highlights

40,816



In 2017, Canadian funders, donors and sponsors invested in business solutions that helped **40,816** people in **four** countries: Ghana, Ethiopia, Cambodia and Nicaragua.

\$1,077,429

In 2017, our donors raised over one million dollars to help entrepreneurs in developing countries. This marks iDE Canada's most successful fundraising year to date. Thank you!

12:1

For every dollar you donated in 2017, iDE turned it into \$12 of income or savings for a person living in poverty.

iDE 2017 scorecard

measure, evaluate, learn

bottom line

For iDE, the most important result is improving the lives of our customers. We measure our progress toward this result through an approach to monitoring and evaluation that includes a core set of key performance indicators, information management tools and in-house research and evaluation.

scorecard key

The three high-level key performance indicators for organizational and country-level performance are

Scale: number of individuals reached

Impact: average annual increase in household income or savings

Return on investment (ROI): average additional household income generated or saved by a person for every dollar donated

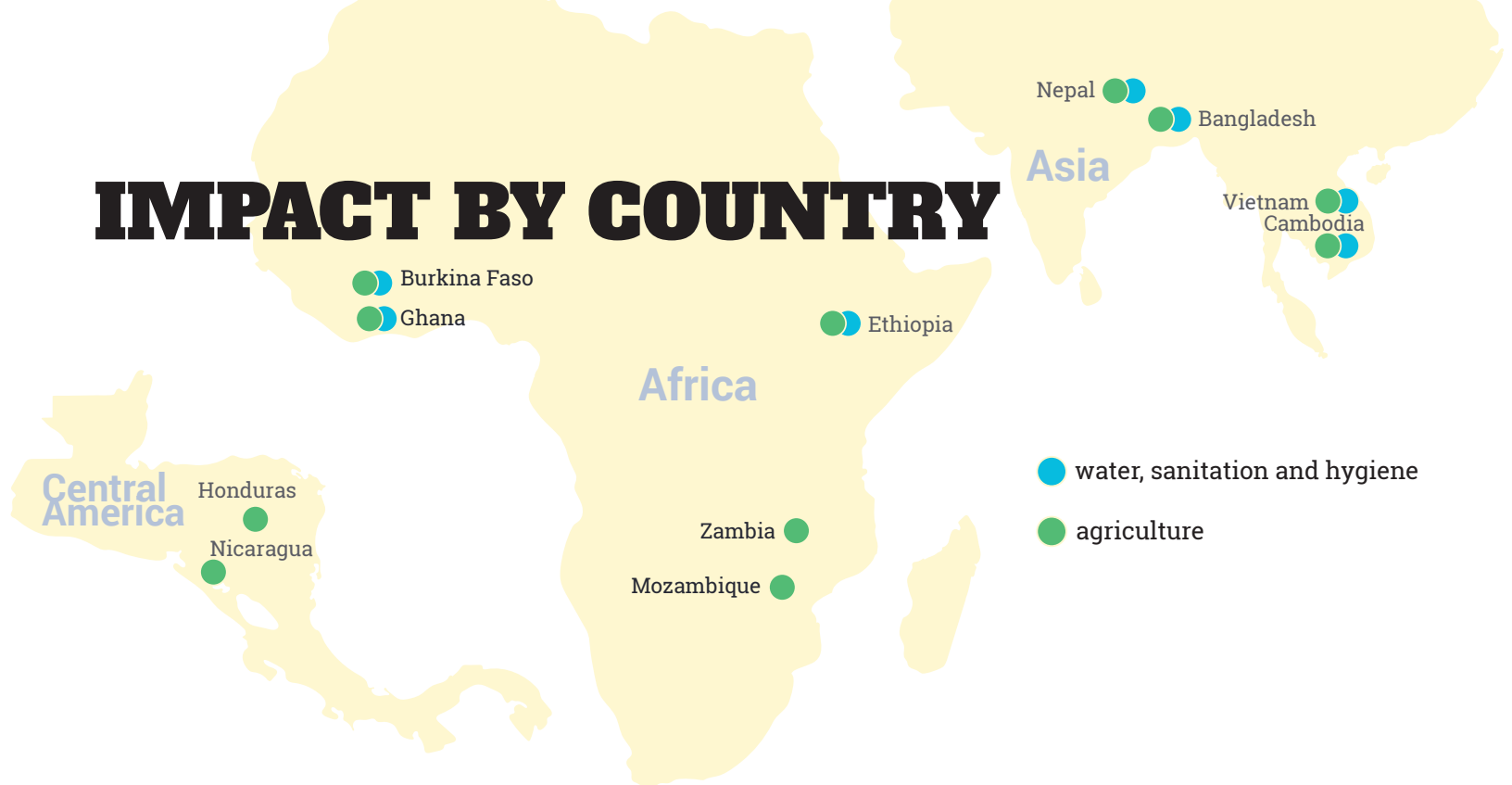
our promise is 10:1



We are committed to ensuring that every dollar invested by donors becomes at least \$10 in added income or savings for our clients. For example, in Zambia, the ROI is 18 to 1. This average is important in understanding and capturing the bigger picture of our work. In the first year of a new program, costs can be substantially higher (and cost-effectiveness lower) because of the need to invest in marketing and training, for example. In subsequent years, the investments take hold and these start-up costs reduce, increasing cost-effectiveness. An example of this is Ghana, where our sanitation business, Sama Sama, is just starting to build momentum. In the coming years, as the business is more established, the ROI will increase.

We are proud of a culture of rigor and transparency where the information we share is rooted in reality and is readily available to anyone. This is not just a goal but our method of ensuring the investments—in money and time—made by our donors, have real impact for the rural entrepreneurs we work with and the customers they serve.

IMPACT BY COUNTRY



country	scale		impact 2017	ROI
	2017	all time		
all iDE	2,199,970	30,468,209	\$220	12:1
Africa	425,935	1,654,318	\$423	10:1
Burkina Faso	18,950	53,515	\$268	5:1
Ethiopia	60,995	494,148	\$361	8:1
Ghana	13,065	85,960	\$90	0.3:1
Mozambique	67,635	139,340	\$638	14:1
Zambia	265,290	881,355	\$413	18:1
Americas	13,445	82,438	\$248	2:1
Honduras	11,225	59,900	\$235	2:1
Nicaragua	2,220	22,538	\$306	4:1
Asia	1,760,590	25,150,762	\$191	14:1
Bangladesh	628,570	16,304,359	\$149	11:1
Cambodia	397,800	4,481,360	\$135	9:1
Nepal	580,065	3,203,190	\$296	22:1
Vietnam	154,155	1,161,853	\$174	19:1
other (countries not currently working in)	-	3,580,691	-	-

iDE Canada creates income and livelihood opportunities in developing countries around the world. We invest in local entrepreneurship, building businesses with a focus on agriculture and sanitation. With access to the right products, services and advice, farmers can transform their small farms into small businesses. With access to research and development, sanitation business owners can produce the life-saving products their customers want.

Thirty-five years ago, we recognized that those experiencing poverty were some of the savviest customers in the world, willing to invest in products and services that provide real benefits to their health and income. In partnership with iDE programs around the world, we have helped 30 million people so far.



HELP US GROW

There are many ways to support iDE Canada, whether it's passing along this newsletter to a friend, hosting an event to raise awareness or making a donation.

ways to give

- cheque | Please make cheque payable to iDE Canada.
- online | idecanada.org/donate
- phone | 204 786 1490

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If you have feedback or suggestions for future issues, we would love to hear from you.



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