Entrepreneurs are everywhere

future business owner

2016 annual report

iDE Canada
Entrepreneurs are everywhere
Solving poverty with profit

To end poverty, we start by listening to those experiencing it. They are the world’s most discerning and underserved customers. Using their insights, creativity and experience, we design businesses that create the products and services they need to improve their quality of life and increase their income. By building sustainable markets for desirable, affordable products, families can invest in their health, education and businesses, creating a cycle of greater prosperity.

Since 1982, entrepreneurs and businesses supported by iDE have served over 27 million people, creating real and lasting improvements in their lives.

In 2016, Canadian funders, donors and sponsors invested in business solutions that benefitted 280,000 people in six countries.
iDE’s work spans eleven countries.

- Water, sanitation and hygiene
- Agriculture
- Finance

Office locations:
1. Global headquarters, Denver, Colorado, USA
2. Winnipeg, Canada
3. London, UK

iDE Canada works closely with iDE offices and country teams around the world.
4–5 / CEO and board chair welcome

6 / return on investment

7 / donors

16 / events

18 / financials

10 / Ghana sanitation and hygiene project
We have succeeded in creating the first affordable and desirable toilet in northern Ghana.

12 / Ethiopia, Ghana and Cambodia
Innovation for Rural Prosperity
Smallholder farmers are joining forces to sell their produce to bigger markets.

14 / Nepal sanitation project
One hundred new sales agents boost toilet sales in Nepal’s Terai region.

15 / Nicaragua irrigation project
Using irrigation technology, farmers are navigating unpredictable rainfall.

photo credits
cover photo by David Graham; (p. 3) Chris Nicoletti; (p. 8) Ranak Martin; (p. 13) Lindsay Smith
mission
iDE creates income and livelihood opportunities for poor, rural households.

values
Poor women and men have the right to a secure livelihood.
Markets are the most powerful force for significant, widespread and lasting impact on rural prosperity.
The rural poor are customers, producers and entrepreneurs.
We listen to and learn from the people we work with.
We value innovation and entrepreneurship.
We are results-oriented, aiming for significant impacts for large numbers of people.
We strive for economic, social and environmental equity and sustainability.
Entrepreneurs are everywhere is more than just a catchphrase. Entrepreneurs embody the vision, ingenuity and drive that make this world a more interesting and creative place. As our newsfeeds fill with stories of destruction in Syria and other conflict zones around the world, entrepreneurs are creators—people who see the potential for something better and work like crazy to make it a reality. Many of you—our friends, supporters and partners—have started businesses; you have taken an idea and made it into something real and successful. The people we serve want to achieve this same success.

This report celebrates the vision, ingenuity and drive of entrepreneurs. When you choose to invest with iDE, you join a group of social entrepreneurs—people who think differently about charity—who recognize that rural poverty is too serious and urgent an issue to leave to tired old solutions.

Real and lasting change requires us to be nimble and practical and most importantly to join in partnership with those entrepreneurs who are working on hard problems. Problems like getting clean drinking water into villages in Cambodia, making toilets available to families in northern Ghana or ensuring that Ethiopian farmers have the water they need to grow crops that feed their families and pay for their kids to go to school.

Over the ten-plus years that I have worked with iDE, I have been inspired by this partnership of entrepreneurs, working for real and lasting change in poor and marginalized communities. For those who support our work financially, in spirit or who one day hope to contribute, please take some time to celebrate our successes and let us continue to use the power of entrepreneurs everywhere to create new opportunities and hope.
Throughout my fifteen years of involvement with iDE, one thing has always been clear: the aspirations of the people we serve are similar to our own. They too want secure housing, education for their children and nutritious food for their families. Often, the only thing that stands in their way is access to opportunities.

One of the highlights of my time with iDE has been travelling to the countries in which we work and seeing tangible results. Since travel is not always possible, throughout this report, we help our donors and supporters see the difference their contributions are making.

From a women’s farming collective in Ethiopia to a toilet business start up in Ghana, investing in business pays off and we have the numbers to prove it. Through our Innovation for Rural Prosperity project alone, almost 90,000 individuals are benefiting from increased household income.

In 2016, we were fortunate to welcome Stu Taylor as CEO. Stu joined iDE in 2006 and has held a variety of roles. He brings a wealth of knowledge and a passion for iDE's mission. We also welcomed Len Penner into his expanded role as the new board chair. Len has served on our board of directors since 2015 and is committed to those we serve. As former president of Cargill Limited, he brings a wealth of business expertise.

I would like to thank our staff and volunteers for their dedication and hard work. I am particularly proud of efforts around our 2016 fundraising gala, which was our most successful to date. Of course, this success would not be possible without the support of you, our donors, supporters and friends. Your investment in entrepreneurs and trust in our process has helped us create those meaningful opportunities the world’s poorest communities want and need.
iDE’s ROI Commitment

10:1

Return on investment measures the impact donors make with each dollar invested in iDE. Across all programs, we commit to a minimum average return of $10 in annual income generated or saved by a person in poverty for every dollar received by iDE.

In 2016, we exceeded our commitment.

iDE’s ROI Results

16:1

Across all agriculture and water, sanitation and hygiene programs.
### donor recognition | $2,500 +

#### foundations

- The Bill and Margaret Fast Family Foundation Inc.
- The Buller Foundation Inc.
- DeFehr Foundation Inc.
- Ken & Helen Penner Foundation Inc.
- Lawless Family Foundation
- Reimer Express Foundation Inc.
- The Sawatzky Specialties Foundation

#### individual donors

- Brian and Joanne Clark
- Frank and Agnes DeFehr
- James and Rebecca Ehnes
- Irene and Ron Enns
- Bill and Margaret Fast
- Norm and Jean Fiske
- G. Roger and Anne Friesen
- Ken Friesen and Judy Boldt
- Jacob Goertzen
- Elmer and Hilda Hildebrand
- Keith and Karen Kuhl
- Mark and Bonnie Loewen
- Ronald and Hope Lowry
- Paul and Shirley Martens
- Rick Mazur
- Ted and Mary Paetkau
- Len and Carol Penner
- Eric and Joyce Peters
- Nolan and Rachel Ploegman
- David and Cathy Poggemiller
- Ken and Cyndy Regier
- Stuart Taylor and Kira Rowat
- Fred and Sharon Thiessen
- Edward and Irene Warkentin

#### businesses and corporations

- A & P Plumbing & Heating Ltd.
- Aikins Law
- Airmaker Mechanical
- Banville & Jones Wine Co.
- Belton Boisselle Ltd.
- Burnett Management Company Ltd.
- Casana Furniture
- CIBC Wood Gundy
- Concord Projects Ltd.
- Crosstown Civic Credit Union
- DeFehr Furniture Ltd.
- Frostiak & Leslie Chartered Accountants Inc.
- ft3 Architecture Landscape Interior Design
- Galsworthy Holdings Ltd.
- Garcea Group of Companies
- Homestead Manitoba
- Janet Schmidt & Associates Ltd.
- Jilmark Construction Ltd.
- Kalora Interiors
- Kuhl Spuds Inc.
- M & W Holdings
- Maple Leaf Construction Ltd.
- Nejmark Architect
- Oakwood Roofing
- Olympic Building Centre
- Porcherie Gauthier Ltee
- Prairie West Products & Mat Master
- Raymond SC Wan Architects
- Resolve Project Management Ltd.
- Sequence Design
- Southern Potato Co.
- Subterranean (Manitoba) Ltd.
- Tétro Design Inc.
- WG Kastes Inc.
- Winter's Plumbing & Heating

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"I think people are looking for places to give but places where they feel confident their money is making a real impact and a difference in the world. iDE is that place."

— Cynthia Schwartz, donor and entrepreneur
iDE builds markets in two main areas: agriculture and water, sanitation and hygiene. Through an iDE agriculture initiative, a small-scale farmer can invest in irrigation equipment, seed and fertilizer and earn additional income during the dry season. In the water, sanitation and hygiene sector, a family can invest in their first toilet or water filter, reducing their time away from work due to illness and saving money on health care costs.
Our approach

Helping people out of poverty

iDE harnesses the power of business to help move people out of poverty. We recognize the world’s poorest as customers, entrepreneurs and innovators, rather than recipients of charity. In doing so, we’ve broken many barriers and created products and services that are desirable and provide lasting benefits such as improved health.

Entrepreneurs know the importance of good market research, product development and testing, having a sound go-to-market strategy and measuring progress with key performance indicators. We follow these same principles:

**Start with people** | Simply put, we talk to those we serve. In doing so, we create solutions that make sense for entrepreneurs and their customers. When people in communities are given the space to be the planners and decision makers, business succeeds.

**Design to context** | A solution that worked well in Nepal may not work in Ghana. We evaluate our approach to make sure it fits the specific community’s needs.

**Business delivers** | A great product is just the beginning. We work in some of the most challenging markets in the world where retail, manufacturing and finance sectors are often underdeveloped. We establish businesses that create products people want and need and we make sure they have a way to purchase them.

**Results rule** | Improving the lives of entrepreneurs and their customers is our ultimate goal. We measure our progress using three indicators: scale (the number of households with which we work); impact (average annual increase in household income or savings); and cost effectiveness (income generated or saved by customers relative to money spent).
Ghana | Rural sanitation and hygiene project
Improving health, safety and dignity

The challenge

More than 85% of rural Ghanaians do not have access to a private toilet, which leads to serious illness, safety risks (especially for women and girls) and indignity. In the three northern regions selected for this intervention, diarrhea is endemic. As a result, about 40% of children in northern Ghana are malnourished compared to 23% of children nationally. For adults, illness often means time away from the workforce, lost income and medical expenses.

The solution

iDE is creating a market for affordable toilets in the region. Working with local manufacturers, banks and salespeople, we deliver and install durable and affordable toilets and stimulate demand for the product by conducting door-to-door sales. Our goal is to sell 60,000 toilets, benefiting 300,000 rural Ghanaians.

Our approach creates income for businesses along the supply chain and helps customers save money by reducing illnesses related to diarrheal disease—healthy adults can participate fully in the workforce and have fewer medical expenses. For customers, buying a toilet can prevent a serious health problem and represents an investment in their future.

product launch | We work in some of the toughest markets in the world. Northern Ghana is no exception. When we launched a business that could build the first durable, affordable toilet, the community took interest.
Start with people | For three months, the iDE Ghana team listened to the needs and desires of over 100 northern Ghanaians. Their insights and suggestions helped shape the product design.

Design to context | Women in the communities wanted a design that ensured their privacy. Everyone wanted a durable, flush toilet, which meant a design that took into account the lack of available water. It also meant construction of a product that was safe, easy to clean and built to last.

Business delivers | Our research showed that buying a toilet was a painful process often involving five different stores. We knew we had to create a one-stop shop. This meant training businesses to build a complete toilet and encouraging them to invest in their businesses long after the project is complete.

Results rule | In October 2016, iDE launched a toilet business under the brand name Sama Sama and reached its first 100 customers. For most of 2016, Sama Sama was in its start-up phase and is now preparing for growth—recruiting sales agents, training suppliers and building word-of-mouth through targeted marketing.

Using Salesforce, a cloud database, we track real-time information such as total sales, installation status and financing options. This allows the team to adjust plans as trends or problems become apparent.

Great design is in the details. We designed and redesigned the handwashing station until we got it right.
Ethiopia, Ghana and Cambodia

Innovation for Rural Prosperity

Transforming small farms into small businesses

The challenge

Improving the productivity of small farms is key to feeding a growing, hungry planet as these farms generate 80% of the food consumed by rural communities around the world. By improving crop productivity through technology, training and access to financing, we can increase farmers’ incomes and improve food security for families and communities.

The solution

With a focus on dry-season irrigated vegetable farming, our Innovation for Rural Prosperity project aims to improve income and food security for 21,000 small-scale farmers in Ghana, Ethiopia and Cambodia. The average income increase is targeted at $250 per family per year, a significant increase that farmers will continue to generate long after the project is complete.

iDE is focused on marketing farmers’ harvests. As individual sellers, farmers do not produce enough product to attract traders who buy in bulk. As a solution to this, iDE created collection centres, locations where farmers bring their produce together to attract buyers and negotiate better prices.

iDE uses Salesforce, a cloud database, to track and manage business in remote communities. Our teams enter data directly on their mobile phones making real-time information available to staff worldwide.

The Government of Canada provides funding for this project. Additional funding is provided by the Manitoba Council for International Cooperation and individual donors.

**snapshot**

start date | August 2012
end date | August 2017

scale (total number of individuals benefitting from increased household income)
goal | 105,000
scale to date | 90,000
scale in 2016 | 22,000

impact (average annual household income increase)
goal | $250
Farming cooperatives for women provide income and opportunities

Traditionally, women in Ethiopia have had limited access to financial resources and land. There are also social restrictions that prevent them from working far from their homes. In 2016, through Innovation for Rural Prosperity farming cooperatives for women, 700 female farmers have been trained in new farming techniques and have the opportunity to purchase land. Women’s participation helps supplement household incomes and ensures healthier diets for their families as new varieties of produce are consumed at home and sold for profit.

new female farmers trained in 2016 700
female farmers trained to date 8,276

Ethiopia, Ghana and Cambodia have developed innovation centres, iDE-owned and operated agricultural research stations. Centres grow crops that are new to the area and provide training opportunities for farmers.

“I want my children to own their own businesses and to live healthy lives filled with opportunity.”

Tshehay Imama, farmer, Oromia Province, Ethiopia
Nepal | Sanitation marketing scale up

Sales agents boost toilet sales

The challenge

In 2013, despite gradual improvements, less than 30% of households in Nepal’s Terai region had access to toilets. Significant investments in solutions have been made; however, diarrhea remains the second leading cause of death in children under five years of age.

The solution

iDE has developed a global reputation for sanitation marketing. Our approach helps local businesses produce and sell improved toilets using sound design principles, compelling marketing campaigns and effective sales teams. With support from our partners Grand Challenges Canada and UNICEF, the project team trained over 100 rural sales agents on sanitation messaging and sales presentation skills. These salespeople earn commission on the toilets they sell in rural communities through group and direct sales presentations. By the end of 2016, 80% of all latrine sales were made through sales agents.

Events such as the 2015 earthquake and more recent political unrest underscore the challenges of doing business in rural Nepal. However, the private sector is resilient and we have seen a dramatic rebound in sales as the situation improves. Despite setbacks, our local business partners sold over 38,000 toilets between April 2014 and November 2016.

Their success inspired other local businesses to sell another 37,500 toilets. We consider competition a great sign of a healthy, developing market and a desirable product. By the end of 2016, 58% of households in the region had an improved toilet, a dramatic improvement in three years.

Snapshot

| start date | December 2013 |
| end date | December 2016 |
| scale (total number of individuals benefitting from a new toilet) | 500,000 |
| scale to date | 430,000 |
| scale in 2016 | 250,000 |
| impact (jobs created) | 800 |

Project undertaken with the financial support of Grand Challenges Canada and the Government of Canada.
Nicaragua | iDEal Tecnologías
Climate change impacting farmers

The challenge

In the last three years, Nicaragua has been affected by severe drought with water levels dropping by 30% on average. This, combined with increased unpredictability of rain in the coming decades means farmers will need to use water resources in a more efficient way. This situation is new for the country as farmers were used to abundant freshwater resources from Nicaragua’s many lakes and rivers.

The solution

In 2009, iDE established the social enterprise iDEal Tecnologías, which improves farmers’ livelihoods by selling low-pressure irrigation systems and providing support on farming best practices. Currently, less than 2% of Nicaraguan farmers use irrigation technologies, which means there is great potential to improve farmers’ productivity and incomes. Only iDEal is providing a complete solution—irrigation technology with additional technical services—for smallholder farmers struggling with this new situation. From August 2016 to August 2017, iDE Canada is providing financing for iDEal to purchase inventory.

In March 2016, recognizing the company’s leadership in small-scale irrigation nationally, the Government of Nicaragua invited iDEal’s general manager, Nadja Schäffli-Kraenzlin to participate in an expert panel advising on an irrigation strategy to address the water crisis.

**Snapshot**

| bridge financing start date | August 2016 |
| bridge financing end date | August 2017 |
| iDEal Tecnologías continues to operate as a social enterprise. |

scale (total number of individuals benefitting from a new irrigation system)

| goal |
| 2,500 |

scale in 2016

| 1,500 |

Funding for this project is provided by individual donors.
notable events

Annual Manitoba Gala
In November 2016, 355 friends and donors attended iDE Canada’s annual gala. Together, we raised $290,000, our most successful event to date. As part of the festivities, guests heard inspiring speeches from Keith Kuhl, CEO, Southern Potato and Val Labi, iDE Ghana’s director of water, sanitation and hygiene. Our title sponsor was Concord Projects.

Winnipeg Women’s Business Lunch
Forty-five women from a variety of businesses gathered at Hotel Fort Garry to celebrate entrepreneurship. The event, hosted by Tina Jones, owner of Banville & Jones Wine Company and Ida Albo, co-owner of the Hotel Fort Garry and Ten Spa, raised $30,000. Val Labi was the keynote speaker.

Keynote Speaker | Val Labi is iDE Ghana’s director of water, sanitation and hygiene. She is a driven business leader determined to improve living conditions in Africa by making toilets available to all. In 2014, Val was honoured by President Obama when she was awarded the Mandela Washington Fellowship for Young African Leaders.

An Evening with iDE Canada
Al Doerksen and Gerry Dyck hosted a special event in Kitchener, Ontario. With new friends and longtime supporters, they reflected on the many things that have changed over time and the one thing that has remained the same: business solves poverty. Through their generosity and decades long involvement with iDE, Al and Gerry have helped tens of thousands of families.
We like to share our resources with others to empower them, not to make ourselves feel more powerful.

— Bonnie Loewen, donor

We follow Canada Revenue Agency guidelines and Canadian accounting standards for non-profit organizations. Our audited financial statements are available online: www.idecanada.org.

### financials

We follow Canada Revenue Agency guidelines and Canadian accounting standards for non-profit organizations. Our audited financial statements are available online: www.idecanada.org.

#### 2016 revenue

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<th>Description</th>
<th>Amount</th>
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<td>institutional grants</td>
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#### 2016 expenses

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<td>international projects</td>
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<td>administration and fundraising</td>
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<td><strong>total</strong></td>
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iDE Canada’s registered charity number is 11889 3130 RR0001.
To end poverty, we design and implement business models that embrace poor yet enterprising populations as business owners, innovators and customers. We have empowered millions of people at the bottom of the economic pyramid to benefit from the marketplace, creating real and lasting change.

To our partners in creating business opportunities for the world’s poorest communities, thank you.

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