

**One entrepreneur can change her community,
and millions can change the world.**



iDE

2019
ANNUAL
REPORT

One entrepreneur can change their community, and millions can change the world.

We believe that the best way to end poverty is to empower entrepreneurs. iDE coaches businesses that improve their communities and stimulates the market ecosystems in which they operate, helping them to succeed and multiply. In addition to economic prosperity, we ensure these sustainable businesses create gender equity, protect the natural environment, and build resilience to climate change. By scaling up our model, these entrepreneurs will change the world.

Dear Partners,

The last 12 months have been both incredibly challenging and incredibly inspiring. Although this is the 2019 Annual Report, too much has happened in 2020 to ignore it in our annual letter.

In late 2019, we lost our founder, Paul Polak. It's hard to believe it has been a full year since Paul passed, but he continues to inspire each and every one of us to deliver on his vision of leveraging the power of business to fight poverty. And the need for that inspiration has never been stronger than in 2020 with the emergence of COVID-19.

COVID-19 has changed our world. The response to the coronavirus threatens to undo so much of the progress the world has made towards the United Nations Sustainable Development Goals. Because of iDE's deep roots in the countries where we operate and the makeup of our global team—93% of whom are recruited from the countries we serve—iDE has been able to pivot quickly and continue to serve our clients, albeit at a slower pace or with restrictions in place to ensure the safety of our staff and those we work with. We are deeply thankful to our funders who have understood the constraints to our programming and have given us the ability to shift strategies and tactics in light of this pandemic. And I'm humbled to report that our donor community has increased their giving in recent months, providing some much needed funds that have enabled us to provide cell phones and data plans to remote farmers to continue working with their buyers and suppliers as well as providing communities with hand washing stations and information regarding how to prevent the spread of COVID-19.

The pandemic alone would have made this time difficult, but the recent events revealing systemic racism within some of our most trusted institutions, not to mention a large segment of our population, has underscored just how necessary iDE's commitment to gender equality and social inclusion is, both in our work abroad and in our US-based headquarters.

As a global society, we have to do more than just listen to marginalized populations describe the oppression and discrimination they face. We have to be a part of the change, to be allies, and to live up to our ideals. And this matches directly with one of iDE's basic values: we strive for economic, social, and environmental equity and sustainability. At iDE, we believe everyone should have the opportunity to thrive, and we know that we have to create that environment for those who have previously been left out of the marketplace, both in the world's poorest locations and in our own backyard.

In closing, I want to reiterate how grateful I am to you for believing in iDE and supporting our impact. Even though we are going through some tough times right now, we know that the future can be better.

Join us in honoring Paul's legacy and helping everyone to thrive!

Elizabeth Ellis
Chief Executive Officer





IN MEMORIAM
Paul Polak
(1934 - 2019)

How do you empower people to rise out of poverty? You learn from them, by going to where they live and work and asking them what they need in order to thrive. That was the guiding principle for Paul Polak, iDE's founder, who first put it in place in his psychiatric practice in the 1970s, then transferred it to his pioneering work that changed international development starting in 1981. Paul not only started iDE, which he led for 25 years, but he also founded Windhorse International, a for-profit social venture that creates products for low-income earners; Spring Health, a for-profit venture that offers safe affordable drinking water to rural, poor customers in India; and D-Rev, a non-profit focused on design to benefit the other 90%—the majority of the population that designers had neglected traditionally—in order to help those less fortunate earn their way out of poverty.

As a bottomless source of ideas and inspiration on how to create value for the poor by involving them in business, Paul was also known for his sharp wit and his willingness to “speak truth to power.” Eminently quotable, Paul relished challenging the status quo

“If you don't understand the problem you've set out to solve from your customers' perspective; if your product or service won't dramatically increase their income; and if you can't sell 100 million of them, don't bother.”

—Paul Polak

(Illustration by Sharara Zaheen)

and those in power by inviting them to examine their beliefs with his stories of how he achieved success by talking to humble farmers.

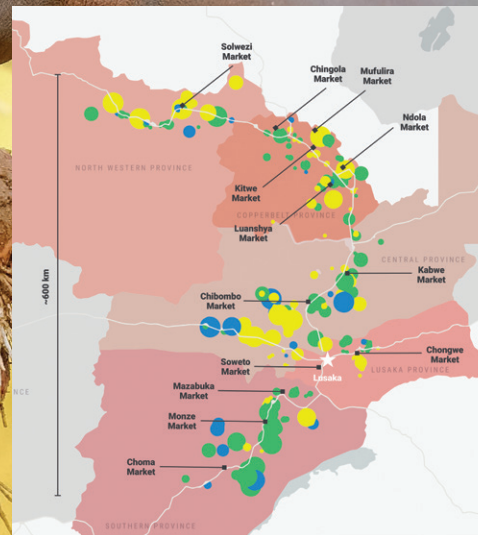
Paul's ideas about poverty and the power of business to be a positive force for change were captured in two books, **Out of Poverty: What Works When Traditional Approaches Fail** (2008) and, in collaboration with Mal Warwick, **The Business Solution to Poverty: Designing Products and Services for Three Billion New Customers** (2013), named as one of the Top Ten Business Books of 2013 by *The Economist*. Paul received the Florence Monito Del Giardino award for environmental preservation in 2008, Ernst & Young's “Entrepreneur of the Year” award in the social responsibility category in 2004, was named one of the *Scientific American* “top 50”

for his leadership in agricultural policy in 2003, and was named one of the world's “Brave Thinkers” by *The Atlantic Monthly* in 2009.

For the last decade, Paul served as an emeritus trustee for iDE, providing insight to our Board and staff on our mission. His wit and wisdom will be missed, but his guiding voice remains, informing everything we strive for.

One farmer can grow nutritious food for a village.

Hundreds of farmers, through the power of an inclusive market ecosystem, can improve food security for an entire region.



(Left) iDE Zambia has built an active network of 386 Farm Business Advisors working across 5 provinces. Through this program, 175,970 households have increased annual incomes by an average of \$412.60. (Photo by iDE)

United Nations' Sustainable Development Goals

Zero Hunger



Smallholder farmers have an extremely low tolerance for risk. You would, too, if your life depended on what you are able to grow.

iDE helps subsistence-level farmers overcome their fear of failure by providing them with examples of success through model farms and farmers using improved seeds, resource-smart technologies, integrated pest management, and post-harvest strategies.

We do this through our networks of Farm Business Advisors (FBAs), who travel to the farmer's field to learn directly about the challenges the farmer is facing—lack of water control, poor soil conditions, damaging pests, or difficulty with transportation—and provide solutions.

The ambitious aim of SDG-2 is Zero Hunger. Today, iDE coaches more than 1,500 active FBAs serving clients across nine countries. Each one is a powerful force making progress toward that goal.



One artisan business owner can inspire her female employees to value their labor in traditional crafts.

Millions of women entrepreneurs can change people's mindsets about roles and capabilities, help develop more inclusive markets, and make progress toward gender equality in societies.

United Nations' Sustainable Development Goals

Gender Equality



iDE advances Gender Equality and Social Inclusion by building womens' agency at home, in areas such as decision-making on household expenditures, as well as removing barriers that prevent equal participation in the marketplace.

Male business owners are often unaware of the challenges faced by female workers within their factories. Once they are aware, they can be powerful advocates for women in business roles. With training and support from iDE, women are succeeding as sales agents, employees, business owners, and in entrepreneurial partnerships with their husbands.

iDE is breaking ground in measuring gender and social inclusion outcomes. This will not only strengthen our programming, it will help avoid harmful unintended consequences. If we do not seek to understand and address power imbalances and inequality, we risk reinforcing them.

(Left) Mosammot Tahura Begum runs a textile production company in Bangladesh that employs 200 women, providing critical opportunities for women to access the labor market. (Photo by Fahad Kaizer)



One sanitation businessman can bring dignity to the families in his small rural town.

A few hundred sanitation business operators can reduce water-borne disease in their country, and millions can end the sanitation crisis for all.

United Nations' Sustainable Development Goals

Clean Water & Sanitation



We don't have a toilet in every home yet, but we do have cause for celebration. In 2019, iDE reached an incredible milestone: over one million toilets have been sold and installed by iDE trained and supported businesses.

Our Sanitation Marketing efforts have reached six countries: Ethiopia, Bangladesh, Ghana, Cambodia, Nepal, and Vietnam. In each context, we start with a human-centered design assessment that leads to a product and delivery model tailored to local customer needs and market conditions. In addition, we utilize an innovative management information system to track individual sales and installations—giving us unprecedented insight into how the market is responding to our sanitation efforts.

The goal, however, isn't toilet sales, but ensuring that every family *everywhere* has access to affordable, safely managed sanitation, as defined in Sustainable Development Goal 6.2.

(Left) Chin Sunly and Chey Vanna own a medium-sized concrete production business in Svay Rieng Province, Cambodia. The ring shelter display promotes the cost of the EZ Latrine along with multiple shelter options. (Photo by Tyler Kozole)

One plant doctor can introduce climate-smart products to a remote village miles from the nearest road.

Hundreds of agriculture entrepreneurs can prevent a natural disaster from becoming a hunger crisis.

(Left) Deepa Poudel is a Community Business Facilitator and Plant Doctor in Nepal. Deepa earns her livelihood by marketing climate smart technologies. Her new business provides agricultural inputs, training, and technical support to 750 small farmers in Surkhet District. (Photo by Bimala Rai Colavito)

United Nations' Sustainable Development Goals

Climate Action



People living in the world's poorest locations have always been more vulnerable to natural disasters like drought, typhoons, earthquakes, floods, and landslides. This is why evaluating communities and markets, not just individual households, at a local level is important to developing solutions that help people become resilient when disasters strike, like early warning systems, diversifying income streams, and implementing climate-smart technologies.

iDE has pioneered a method of measuring local resilience and employs that data to strengthen the resilience of the whole community. The Market System Resilience Index (MSRI) is based on three categories (the structure, connectivity, and support of the market), each with three determinants that can be evaluated and graded separately.

Measuring resilience enables us to gauge progress on reaching SDG-13 in places affected by global climate policies, keeping the focus on women, youth, local, and marginalized communities.



The United Nations' Sustainable Development Goal 17 is to encourage and foster collaboration in an effort to enhance and accelerate our shared efforts to end the world's most intractable problems.

Our most important partners are the small, local entrepreneurs who have been forgotten or neglected because of where they live, far from market centers.

But iDE's outstanding scale and impact would not be achieved without a number of other partners, including our donors both big and small, non-governmental organizations focused on similar or complementary missions, corporations, government agencies and universities, as well as many others focused on creating a sustainable, just society.



Partnering to Promote Design Thinking

Through immersive experiences located in the field, we teach and promote design principles that firms and organizations can immediately apply to a practical problem in the context of people making less than \$2 a day.

In September 2019, iDE hosted a group of eight senior professionals from Intellectual Ventures/Global Good in Bangladesh to undergo a design immersion experience. For the next week, two teams of four were led by iDE's design staff in looking at the dairy and horticulture value chains in the Dhaka and Rangpur regions with the goal of creating solutions addressing how last mile consumers and entrepreneurs could be better integrated in the marketplace. The teams learned how to apply human-centered design principles, step-by-step, by engaging in this real-life project to collect user data, identify insights into behavior and beliefs, creating prototypes, and testing their designs with actual users.

(Photo by iDE)



Partnering for Impact at Scale

Collaboration has the potential to reach ambitious goals, especially when the partners are aligned on priorities yet have diverse approaches to tackling problems.

iDE Ethiopia addresses the root causes of displacement and irregular migration through a multistakeholder partnership. Together, this consortium creates diversified economic opportunities and strengthens the capacity for resilience of the most vulnerable 25,000 households, benefiting 150,000 people. iDE leads the Resilient Economy and Livelihoods (REAL) project, including Caritas International Belgium, Amref Health Africa, SOS Sahel Ethiopia, ECC-SCO, and OMO microfinance institution with funding from the European Union.

(Photo by Ephrem Abebe)

Partnering for Innovation

Powerful results come with partners who are willing to explore new areas—geographic, technical, sectoral, or financial.

For the last decade, our landmark Sanitation Marketing program in Cambodia, where we developed the Easy Latrine and other products using our human-centered design methodology, has been instrumental in increasing national toilet coverage from 29% to 70%. Now, the team is focusing on the finish line: enabling villages to declare themselves “open defecation free.” The funding to achieve this is being made possible through an innovative Development Impact Bond (DIB), where the Stone Family Foundation has provided upfront investment capital that funds iDE’s sanitation efforts and USAID makes outcome payments to the Stone Family Foundation for every village declared open defecation free. The DIB mechanism enables us to pivot as we learn more about the market and the needs of our customers, especially the poorest and most marginalized.

(Photo by Chhom Dinat)



Partnering with Governments

By engaging with government from the highest federal levels to provincial and municipal levels and advocating for strategies that address rural agriculture, iDE enables small farmers to have a place at the negotiation table when addressing the challenge of climate change.

In Nepal, iDE plays a fundamental role in supporting government to respond to the challenges of climate change. Starting in 2015, iDE piloted an approach to climate adaptation that harmonized parallel disaster risk reduction and adaptation planning processes at the local level, enabling the voices of small farmers to be heard at the national level. The Nepal government has since codified this approach in its Local Disaster and Climate Resilience Plan framework, which has been rolled out nationally. iDE's Multiple-Use Water Systems approach for allocating scarce water resources was recognized in 2016 as a key component of Nepal's strategy and subsequently incorporated into the Government's flagship Nepal Climate Change Support Project. The public-private Commercial Pocket Approach for climate-smart agriculture and grassroots climate adaptation was recognized in a Nepal government conference declaration.

(Photo by Chris Nicoletti)



Partnering to Put Research into Practice

Engaging with researchers helps iDE gain a deeper understanding of the problems as well as access to fresh ideas and laboratory resources to create better solutions.

As part of iDE's commitment to ensuring that our solutions are local, we partner with research organizations to de-risk agricultural improvements and new technologies in rural locations where these have yet to be tested or utilized. In Bangladesh, that partner has been the International Maize and Wheat Improvement Center (CIMMYT), where we have been working on scaling agricultural mechanization technologies by introducing tractors and similar equipment that are the right size and price by easing access to finance for both service providers and farmers to be able to supply or purchase these items. A critical mass of users of mechanization services needs to occur in order for a robust supply chain to develop: supporting sales, training on the proper use of the equipment, and the availability of skilled equipment maintenance providers.

(Photo by Ranak Martin)

COVID-19 RESPONSE

The pandemic has illustrated the need for a more resilient food supply chain—from procuring quality inputs to getting harvests to tables—which our networks of small entrepreneurs and commercial pockets are attempting to do despite lockdowns.



NEPAL

As COVID-19 lockdowns threatened to trigger a food crisis, iDE's teams redrafted our previous plans to support farmers via cell phones and SMS messaging, and used local radio and TV ads to instruct farmers on how to fight the recent invasion of the fall armyworm on top of preventing the spread of COVID-19.

(Photo above by Bimala Colavito)



ZAMBIA



CAMBODIA

In many ways, iDE has been preparing for this pandemic for years. COVID-19 has helped make the world aware of the need for better hand hygiene, something we've been integrating into our sanitation work in an effort to reinforce this important habit.

(Photos by iDE)



GHANA

From our landmark Sanitation Marketing program in Cambodia to our nascent social enterprise Sama Sama in Ghana, iDE proactively supplied hand washing supplies and materials to rural communities while our staff handed out pamphlets and provided information about the virus and how to stop its spread.

COVID-19 RESPONSE



MOZAMBIQUE



MOZAMBIQUE

Almost exactly one year after being hit by Cyclone Idai, COVID-19 arrived in Mozambique to exacerbate problems for the already vulnerable population. To rebuild, we used our market development capabilities to facilitate the short-term efforts of major relief organizations, while fostering resilient supply chains and food security through the Farmer Resilience and Rebuilding Initiative.

iDE's Input Trade and Technology Fair in Dombe attracted more than 40 input suppliers and 2,000 beneficiaries, who received vouchers to exchange for farming products. We adapted to COVID-19 by requiring social distancing between participants, as well as conducting COVID-19 sensitization and information sharing.

(Photos this spread by Lina Henao)

We feel tremendous gratitude that our donor community stepped up and helped us raise funds that allowed us to do what we do best: adapt to a rapidly changing environment and provide innovative solutions, such as putting smartphones in the hands of hundreds of Farm Business Advisors, to ensure people have what they need to continue on their journey towards prosperity.

Thank you to our Donors, Partners, and our Board of Directors

FOUNDATIONS & TRUSTS

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Deutsche Gesellschaft für Internationale Zusammenarbeit
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United States Agency for International Development (USAID)
United States Department of Agriculture (USDA)
World Bank
World Food Programme (WFP)

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Frankfurt School of Finance & Management
International Maize and Wheat Improvement Center (CIMMYT)
North Carolina A&T State University
The Consultative Group for International Agricultural Research (CGIAR)
University of California - Davis
University of Technology Sydney
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AECOM
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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.

2019 EXPENSES BY COUNTRY

in US Dollars

Bangladesh	\$	4,328,769
Burkina Faso	\$	0
Cambodia	\$	5,411,348
Ethiopia	\$	2,124,421
Ghana	\$	2,451,252
Honduras	\$	748,533
Mozambique	\$	3,577,583
Nepal	\$	1,540,437
Vietnam	\$	230,194
Zambia	\$	1,321,797
Other	\$	1,863,564 *

* Includes expenses for multi-country projects.

2019 EXPENSES OF IDE'S SOCIAL ENTERPRISE

Hydrologic (Cambodia)	\$	1,022,467
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This social enterprise is a separate but wholly-owned IDE legal entity.

EXPENSE BREAKDOWN

in US Dollars

Field Programs	\$	20,666,510	78%
Field Programs / G & A [†]	\$	2,222,903	8%
Headquarters / G & A [†]	\$	3,406,485	13%
Fundraising	\$	202,566	1%

[†]General & Administrative

2019 EXPENSE DETAIL

in US Dollars

Subgrants	\$	2,945,913	11%
Personnel	\$	14,099,449	53%
Professional Services (Subcontracts, Consultants)	\$	5,040,357	19%
Travel & Transportation	\$	1,819,519	7%
Vehicle & Equipment	\$	1,046,018	4%
Office Expenses	\$	1,547,208	6%
TOTAL		\$26,498,464	

2019 INCOME

in US Dollars

Grants (Public & Private Foundations)	\$	21,181,269	78%
Individual Donations	\$	609,526	2%
Interest Income	\$	23,758	0%
Field & Program Revenue	\$	2,879,489	11%
Sales & Other Income	\$	2,421,483	9%
TOTAL		\$27,115,525	


ENDING NET ASSETS

As of end of reporting year

TOTAL	\$ 4,087,548
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2019 GLOBAL KEY PERFORMANCE INDICATORS

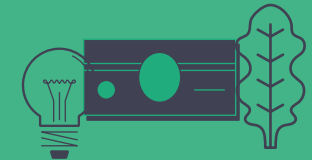
SCALE



In 2019, the number of individuals impacted through our programs was

1,275,516

IMPACT

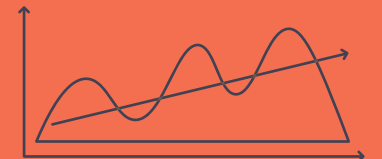


The average annual net household increase in income or livelihood savings in 2019 was

\$287 PPP[†]

†US dollars in terms of purchasing power parity

ROI



The 2019 ratio* of income (or savings) generated by households for every dollar deployed by iDE was

18:1

**calculated on a 3-year rolling average*

We collect data through our own surveys, research, and databases that track sales, along with accessing government records. We analyze that data to determine statistical significance. We evaluate and grade our results based on the type and quality of the data. And we report those results consistently and openly.

Because of our business-oriented mindset, iDE believes that data is the best measure to guide both our actions and understanding of our progress in achieving our goals. Our internal measurement and evaluation team, the majority of whom are in the field, conduct data collection, analysis, and reporting. This work is supplemented when possible by outside independent research. Our evidence library is accessible through our cloud-based management information system. This is how we guarantee on average at least \$10 in increased income for every \$1 in donor funds received.



The Activators Circle

iDE's recurring
giving program

iDE delivers market-based solutions that create sustainable, lasting change. We believe that entrepreneurs can be found everywhere, and that through design and innovation, they can have the opportunity to build a better world for themselves, their families, and their communities.

ideglobal.org/activators

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(Cover photo by Alice Lee)