



2008 Annual Report



Introduction

Income is a Basic Human Need

In October 2008, the IDE Board affirmed the mission statement of IDE as “IDE creates income opportunities for poor rural households.” This was not a new direction; this has been our preoccupation for the past 25 plus years.

It isn't just about more money. Income provides options: options to eat better; options to acquire education for the kids; options to access health care; options to improve the home site; options to acquire a draft animal; options even to acquire a cell phone.

IDE did not phrase its mission as “creating social welfare programs for poor rural households.” Necessary as they are, especially for households in distress or facing destitution, our preference is for sustainable solutions which allow our clients to make their own choices about what is most important to them. Creating income opportunities is to respect the freedom of our clients to allocate new resources in accordance with their needs and preferences.

Our clients are mainly subsistence households. This means that in a good year, they can just eke out enough food production or other cash income to provide the bare essentials of a basic diet. It also means that in a bad year, they run short of resources. The consequences which follow may include under nutrition, illiterate children, poor health, and intractable debt burdens.

IDE's focus is to create opportunities to add, on average, at least \$300 in annual income. This is a modest gain by the developed world's standards. On the other hand, in the economy of the poor this incremental gain offers the possibility of moving a little beyond mere subsistence, and that is huge. It becomes the basis for food security and improved wellness and a more optimistic future.

We appreciate the grants and the investments and the private donations which support IDE's pursuit of its mission.

Al Doerksen
CEO





Clients as Customers



Treating clients as customers is the core of IDE's philosophy. IDE views the rural poor as entrepreneurs, producers, and customers. Only when we listen to the men and women we work with do we discover what they need in order to increase their incomes. It's a respect issue. Rather than deciding for them what they need, we allow our customers to decide whether our offerings have value for them or not. Along the way, we have learned that many affordable technologies, such as microirrigation, can create large incremental gains for our customers.



Success

IDE's three key metrics in measuring success in mission achievement are:

- **Scale**
Number of households
- **Impact**
Increase in annual income at the household level
- **Cost Effectiveness**
Ratio of additional income earned by the household compared to IDE's cost to create that income gain

SCALE

In 2008, IDE's active projects worked with a total of 106,505 households.

Since 1982, 3.8 million farm families and more than 9,000 small enterprises have directly benefited from IDE's involvement.

IMPACT

Our active projects in 2008 increased participants' incomes by an average of \$205.50

Cumulatively, participating farm families have increased their income by a total of \$1.01 Billion.

COST EFFECTIVENESS

The average benefit/cost ratio for IDE's active projects in 2008 was 3.3 to 1.

Cumulatively, IDE has invested \$90,688,000 and participating families have generated \$1.01 Billion in additional income.

Productive Water



More than 70 percent of the world's poorest people are small scale farmers. For many of them, access to irrigation water provides a substantial productivity gain and increase in food production.

IDE views productive water as the entry point to creating income opportunities. IDE identifies locations where improved access to water would have a positive impact, and then offers affordable technologies for lifting, storing, and distributing that water. In addition, IDE looks for ways to reduce on-farm costs, reduce input costs, and increase margins available from market access and post harvest activities.

We are also concerned about natural resource management; IDE's technologies have low environmental impact and often produce better results with less water than traditional methods.



Major Donors and Partner Organizations

Action Aid – UK
 Ansara Family Foundation
 Asian Development Bank
 ASP
 Australian Agency for
 International Development
 AVRDC
 AWM
 Benson Family Foundation
 Bill and Melinda Gates Foundation
 Bradley Foundation
 Canadian International Development
 Agency
 CARE
 CAVAC
 CF&H
 CGIAR
 CLIFS
 CODESPA
 Colorado State University
 Conservation Food and Health
 Foundation
 Cooperative League of the USA
 DFID
 EIG
 FIELD
 FINIDA
 Ford Foundation
 German Embassy
 Government of the Netherlands
 Hodi
 I Do Foundation
 IDEO
 IFDC
 INAWAB

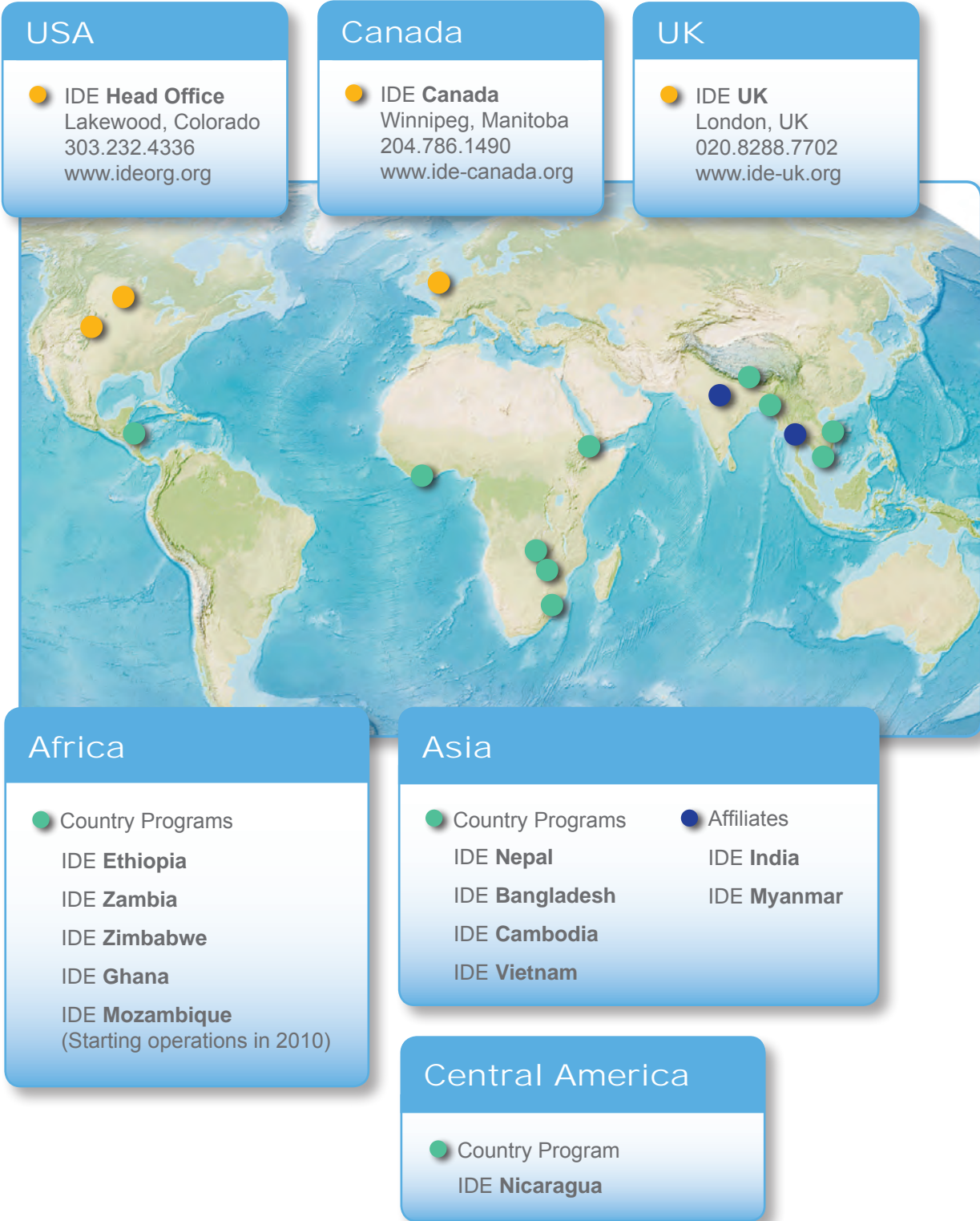
International Development
 Research Centre
 International Water
 Management Institute
 JSPRS
 Katalyst/Swisscontact
 Keller-Bliesner Engineering
 Lemelson Foundation
 Mennonite Central Committee
 Mennonite Economic
 Development Associates
 Misereor
 NESTEC
 NZAID
 Norwegian Embassy
 Office of US Foreign Disaster
 Assistance
 Oregon State University
 Oxfam GB
 Oxfam HK
 PACT
 Plan International
 Practica Foundation
 RAINER
 Richard G. Miller Foundation
 SEILA
 Stanford University
 Taubman Foundation
 Taylor Family Fund
 UNICEF
 USAID
 Winrock International
 World Bank
 Yahoo!



In addition to the above donors, we rely on the generosity of individual donors to support our programs.

Our Locations

With a head office in Lakewood, CO, as well as national organizations in Canada and the UK, IDE presently operates in 12 countries in Africa, Asia, and Latin America. Two affiliate organizations in India and Myanmar, which began as IDE country programs, have become financially independent, but maintain close relations within the global IDE group.



Innovation & Technology



IDE's success in the productive water arena depends on successful technology offers. Ultimately, it is our smallholder farmer customers who will determine whether the technologies offered are acceptable or not. Our technologies include treadle pumps, rope pumps, water storage units, drip systems, and sprinklers. In all cases, these technologies need to increase income, making affordability a key issue, along with quality and access to service and local supply outlets for spare parts. Throughout the process, listening to the voice of the farmer is key.



Markets



The market is essential to small farm prosperity. Once farmers are able to grow enough food for their families, the next step is to be able to sell their surplus. IDE's approach strengthens small farmers' ability to be profitable participants in the local markets that supply their needs and buy their produce. We seek out ways to connect farmers with buyers in local and regional markets, hotels and catering companies, and international exporters.

2008 Highlights

In November, Bill Gates Jr. and several family members visited IDE/IDEI's microirrigation project in Pune, India to get a firsthand look at the work being done there.

IDE's Board approved two new African country programs, in Ghana and Mozambique, for launch in 2009 and 2010 respectively. In addition, the board approved a micro irrigation initiative for the smallholder coffee sector in East Africa.

IDE's Rural Prosperity Initiative continued work in six countries with a total of 26,400 families.

IDE was selected to collaborate with design firm IDEO to produce the **Human Centered Design Toolkit**, which draws upon a customer centered approach to design to develop a set of tools that can be used by many different kinds of organizations. "Deep Dives" were undertaken in Ethiopia and in Cambodia.

Two student teams from Stanford University's Design Course for Extreme Affordability worked in our technology development center in Ethiopia and worked on two new affordable technologies related to pepper processing and to manufacturing pellets for lower cost fuel options.

In August, IDE was selected as a non-profit partner for the Clinton Global Initiative.

IDE Cambodia commemorated the sale of its 100,000th Ceramic Water Purifier. The program was also a winner of the World Bank's Development Marketplace award, a competitive grant program which funds innovation in development.

Our microirrigation project in partnership with IDE India is on track to disseminate affordable microirrigation technologies through the market to 250,000 farmers.

We conducted a market feasibility study for an affordable micro-diesel pump engine in India, Bangladesh and Ethiopia.

IDE was selected to participate in a three year Agricultural Water Management project led by IWMI; other partners are IFPRI, FAO and Stockholm Environmental Institute. We were selected to be a part of a three year Agricultural Water Management project which will evaluate options for improving smallholder water management and disseminate a portfolio of promising interventions in Sub Saharan Africa and South Asia.

We won significant new grants from World Bank, CIDA, DFID/RIU, Comic Relief, and USAID.

Board of Directors

Paul Myers, *Chair* (USA)
Tom Ebling, *Vice Chair* (USA)
Gary Barr, *Treasurer* (USA)
Bill Fast, *Secretary* (CAN)
Ron Enns, *Chair, Program Committee* (CAN)
Dr. Shoa Asfaha (UK)
Karen Debax-Latour (UK)
Frank DeFehr (CAN)
Al Doerksen (CAN)
Gerry Dyck (CAN)
Michael Edesess (USA)
Norman Fiske (CAN)
Robert Hill (USA)
Andrew Hunt (UK)
Herta Janzen (CAN)
Jack Keller (USA)
Michael McCune (USA)
Ted Paetkau (CAN)
Paul Polak (USA)
Jenny Rohde (UK)
Amy Smith (USA)
Mohan Uttarwar (USA)
Les Woodward (USA)

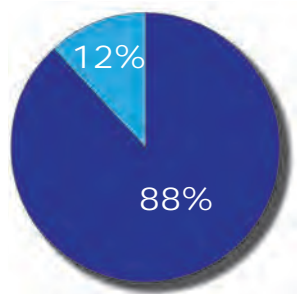


IDE Group Senior Staff

Al Doerksen, CEO
Sue Drummond Haley, VP / Africa
Bruce McCrae, VP / Asia
Gary Zamis, VP / Finance
Zenita Tata, VP / USA
Lewis Temple, Executive Director - IDE UK
Stu Taylor, Executive Director - IDE Canada
Robert Yoder, Director of Water Technologies

Financials

Expense Breakdown



General/Administrative
\$1,687,805

Field Programs
\$12,687,551

2008 Funding by Country

Bangladesh	\$462,559
Cambodia	\$1,030,646
Ethiopia	\$696,307
Myanmar	\$650,900
Nepal	\$1,435,001
Vietnam	\$513,212
Zambia	\$1,062,681
Zimbabwe	\$187,390
India	\$2,632,622
RPI (Multi-country)	\$3,771,245
Other	\$244,988
Total	\$12,687,551

Balance Sheet

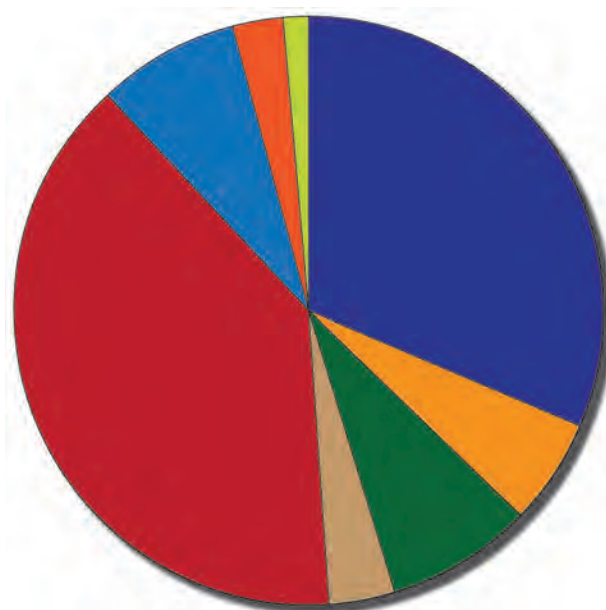
CURRENT ASSETS	
Cash	5,186,625
Foreign Cash	992,788
Investments	574,090
Net Account Receivable	217,632
Grants Receivable	549,699
Inventories	60,745
Prepaid & Other	1,680,504
Total Current Assets	9,262,083
Net Office Equipment	27,469
Deposits	5,300

Total Assets **9,294,852**

CURRENT LIABILITIES	
Accts Payable and accrued	1,646,482
Deferred grant revenue	6,373,897
Total Current Liabilities	8,020,379

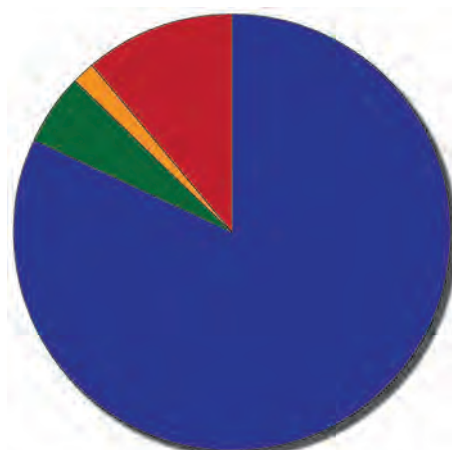
NET ASSETS **1,274,473**

Expense Detail



Personnel and Benefits	\$4,272,356
Capital Expenses	\$342,371
Administrative	\$790,142
Fundraising	\$186,008
Travel	\$1,073,266
In-country Market Development	\$504,777
Subcontracts/Consulting	\$5,295,857
Program Services	\$1,081,538

2008 Income



Total: \$14,590,258