



# Inter-American Foundation



**Congressional Budget Justification**

**Fiscal Year 2010**

Front cover: Woodworkers participating in an IAF Project being conducted by Centro de Investigación, Diseño Artesanal y Comercialización de la Artesanía Cruceño (CIDAC), in Santa Cruz, carved these jaguar figurines, a traditional form of artistry in Bolivia. CIDAC offers marginalized indigenous artisans training and marketing development for handicrafts to enable them to increase their income through product quality control and marketing economies of scale. ARTECAMPO, the artisan federation of which CIDAC is a member, grossed more than \$300,000 for its roughly 1,300 producers in 2007. Photo by Lorgio Vaca.

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FY 2010**

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## EXECUTIVE SUMMARY

With the challenges facing the 111<sup>th</sup> Congress and new Administration, particularly the global economic crisis and two ongoing wars in the Middle East, it would be easy to look past the need to strengthen U.S. relations in Latin America and the Caribbean. However, building stronger partnerships in the region brings crucial benefits to the United States. Capable Latin American partners can help share the responsibility of tackling large-scale economic and political challenges, including the economic crisis or the threat of terrorism, by increasing the legitimacy of policy decisions made collectively and helping defray the costs of implementing these decisions. Additionally, enhancing U.S.-Latin American relations provides the country with more robust trade partners as well as more peaceful, stable and prosperous neighbors.

### Grassroots Development & U.S. Foreign Policy

In light of the complex, multi-faceted challenges currently facing the U.S. and the world, the U.S. government's need to employ a 'smart power' approach by complementing its defense tools with its diplomacy and development tools to foster comprehensive, long-term solutions to these problems has become readily apparent. In this context, programs that enable the U.S. government to modify its strategic outreach to each country based on its overall diplomatic posture give the U.S. a wider range of options by allowing the U.S. government to take a multi-pronged approach in conducting foreign relations.



Two women package xate palms, commonly used as filler in floral arrangements, for sale as part of a project being conducted by Asociación de Comunidades Forestales de Peten (ACOFOP). With IAF funding, ACOFOP promotes development by implementing environmentally sustainable forest management practices under a concession from the Guatemalan National Council for Protected Areas to conduct controlled harvesting of palms growing in and around the Biosfera Maya Nature Reserve.

As an independent foreign assistance agency, the Inter-American Foundation (IAF) plays a critical role in this process by enabling the U.S. government to reach out directly to the grassroots – the organized poor – throughout Latin America and the Caribbean. The IAF builds U.S. partnerships and alliances with people, not foreign governments, which ultimately creates long term bonds between the countries. This approach is particularly salient in countries in which U.S. government policy and national interest dictate a more nuanced diplomatic approach.

The IAF plays an important role in U.S. foreign policy by delivering U.S. government assistance *directly* to the poor of Latin America and the Caribbean and the groups that support them. Year after year, the IAF's investment in the ideas and energy of ordinary people has yielded extraordinary returns in the form of economic improvement for

families and better living conditions in communities throughout the Hemisphere. Many of the grassroots leaders supported by the IAF have gone on to play influential roles in democratic processes and have helped strengthen good governance principles, as well as increase civic participation and accountability, especially at the local level. By strengthening communities and training local leaders, the U.S. government is able to continue to develop positive relationships and mutually-beneficial partnerships in Latin America.

## RESPONSIVE FUNDING

The IAF takes a direct approach to foreign assistance provided by the U.S. government that offers many benefits. First, the IAF uses a responsive approach to funding. The agency sets out general funding parameters and, through a rigorous selection process, chooses programs that combine sustainable development, economic empowerment and democratic principles that are proposed by the poor themselves. Because they are developed at the grassroots level, IAF-funded projects are customized to the capacity and need of the beneficiary community based on the community's own analysis of local challenges, priorities and solutions. These projects are designed by the rural farmers, urban youth, single mothers, women's associations, African descendents, indigenous communities, and persons with disabilities, who come together to create and implement innovative solutions to their own problems. This approach has served as a model for other organizations in overhauling top-down funding structures.

### **Nilda Callañaupa**

CTTC  
Cuzco, Peru

Nilda Callañaupa, 48, was born in the indigenous community of Chinchero, Peru. As the first girl from her village to graduate from secondary school and then college, Nilda always had a passion for weaving and began to learn the art form at the age of seven. In college, she studied tourism and eventually made her way to California. Once there, she had a tough decision to make -- return to her home country or stay on in a new country with many opportunities for her. Nilda's love of weaving drew her home. She became one of the founding members of the Cultural Project of Chinchero, an organization established to pair the cultural preservation of weaving with the creation of new economic opportunities for indigenous women in her hometown. With time, she realized she could expand her dream to other communities so she helped form Centro de Textiles Tradicionales de Cuzco (CTTC), which works with indigenous women from nine communities surrounding Cusco, allowing them to enhance their economic bargaining power while remaining in their home communities instead of migrating to urban areas.

Through her experience with CTTC, Nilda has drawn on her connections with her community and articulated their needs while simultaneously expanding and promoting their cultural traditions in Cuzco, where they have ample access to many domestic and international tourists eager to see the ancient Incan city as well as nearby Machu Picchu. CTTC assists weaving cooperatives in recovering ancient Incan designs and techniques and in marketing their products for sale in Peru and abroad.

Beginning in 2003, IAF support helped CTTC promote the appreciation and sales of traditional textiles, offer training and technical assistance to weavers, and secure greatly expanded commercial opportunities. CTTC received a second IAF grant in 2008 to continue to expand its activities to several communities near the Sacred Valley of the Incas, with a special emphasis on involving young weavers in the restoration of traditional designs and in the adaptation of garments and items to the needs of contemporary consumers. The organization also plans to open two new sales outlets in the Sacred Valley as part of the new project. Profits from the museum store go directly to the participating communities to support social and economic development projects.



## FLEXIBILITY

The IAF's grassroots approach to development also provides the flexibility necessary to adapt to changing conditions on the ground in Latin America and the Caribbean. The IAF's modest size as a federal agency and limited bureaucratic structure, paired with its practice of providing foreign assistance dollars directly to the poor themselves, allow the agency to quickly adapt to shifting local needs and priorities. In these situations, the IAF works directly with grantee organizations to revise project plans to more effectively respond to community needs.

## COMMUNITY OWNERSHIP



A shrimp farmer casts his net in Usulután, El Salvador. The Asociación Salvadoreña de Desarrollo Campesino (ASDEC) uses IAF support to modernize the equipment, and improve quality control measures and market access for shrimp farmer cooperatives to enable them to increase their livelihoods. A number of disabled veterans participating in the project have also been able to enhance their earning potential as shrimp farmers.

Projects funded by the IAF are targeted, small-scale investments in Latin American communities and locally-developed ideas. Instead of establishing rigid funding priorities based on outside perceptions of community needs, the projects funded by the IAF are designed and implemented by the poor themselves, which means that the community "owns" its project and this, in turn, results in greater community commitment to its outcomes and success.

## PRESIDENT'S REQUEST

The President has requested an appropriation of \$22.76 million for the IAF in FY 2010, which will include:

- \$14 million to support community-initiated and beneficiary-driven development projects;
- \$1 million to leverage an additional \$2-3 million via the IAF's corporate network initiative.

With \$5.49 million from the Social Progress Trust Fund, the IAF's operating budget would total \$28.36 million, administered by 50 employees. The agency's FY 2010 request reflects a commitment to poverty reduction and economic development, as well as U.S. national security interests, throughout the region. In light of the global economic turmoil and its impact on Latin America and the Caribbean, this request takes on even more significance as the agency strives to maximize the programmatic impact of its resources.

## Changing Lives

In FY 2008, more than 335,000 people in Latin American and the Caribbean benefited from IAF programs. In addition, IAF grantees and their participants:

- incorporated over 29,000 individuals into civic processes and citizen participation;
- promoted food security and use of sustainable agricultural techniques to conserve valuable natural resources with more than 145,000 people;
- improved the diets of more than 12,800 people;
- helped facilitate medical care to over 19,000 people;
- provided training to acquire the skills necessary to increase their family incomes, in areas such as agricultural skills, loan management and vocational skills;
- benefited from improved access to clean water and enriched nutrition.



A group of indigenous weavers dye yarn to be used for traditional weavings created through a textile project in Peru receiving IAF support. Centro for Traditional Textiles of Cuzco (CTTC) assists weaving cooperatives in recovering ancient Incan designs and techniques and in marketing their products for sale in Peru and abroad.

Many of the IAF's recent grants were awarded to organizations serving historically marginalized and excluded groups including women, African descendants and indigenous communities as well as persons with disabilities and at-risk youth. These projects strive to bring the marginalized into their countries' economic and political life.

## Complementing U.S. Foreign Policy Initiatives

The global challenges of the 21<sup>st</sup> century require that the U.S. government optimize use of all of the tools of national power available in order to most effectively promote its interests. These challenges necessitate the integration of foreign assistance as a 'soft power' tool designed to help achieve U.S. strategic national security and foreign policy objectives, along with more traditional defense and diplomatic tools. Diplomacy serves U.S. interests by emphasizing state-to-state relations, whereas development can operate on a more local level, often by working directly with the people themselves as well as with local governments. Development assistance provided at the grassroots level by the IAF furthers U.S. interests by building durable partnerships directly with individuals and communities throughout Latin America and the Caribbean.

The IAF works to complement and maximize the investments made by other U.S. foreign assistance agencies in the region by helping grassroots groups magnify the scale of their activities, utilizing opportunities made available through other larger-scale foreign assistance programs and helping to create partner organizations for other U.S.

government initiatives that advance U.S. national interests over the long run. As an example, the IAF has funded several rural agricultural projects that will benefit from Millennium Challenge Corporation (MCC) community and transportation infrastructure activities in northern El Salvador through improved access to domestic and international markets, as well as through reduced transportation and opportunity costs in carrying out their agricultural activities.

### **Leveraging Resources**

In order to foster community ownership and long-term sustainability, the IAF requires all grantees to contribute to their project in cash or in kind, encourages them to partner with local governments and urges them to mobilize funds to sustain their impact after the grant period. The IAF is also nurturing community foundations as development donors and reaches out to U.S.-based immigrants interested in supporting self-help in their home communities.

With additional resources from an FY 2010 appropriation, the IAF intends to expand its efforts to foster the development of durable partnerships throughout the region, especially at the local government level. These efforts will be designed to empower local actors to harness their own resources to best serve their needs, increasing people's capacity to sustain and advance their own development beyond the resources provided by the U.S. government. For example, IAF funding to help organizations position themselves and local governments to access national level development funding, as in Peru, enables local entities to identify, propose, and implement their own development projects with national government funding in order to maximize local resources garnered in support of development initiatives.

Beyond its grant program, the IAF-initiated corporate network, RedEAmérica, marshals considerable private sector resources for social responsibility programs supporting grassroots development. Corporate network members that are parties to IAF cooperative agreements must match IAF funding by at least two-to-one; the entire network raises contributions from a variety of sources. As an example, RedEAmérica corporate partners are providing \$ 3.3 million in addition to \$ 4.7 million from the Multilateral Investment Fund of the Inter-American Development Bank to support micro-level grassroots development projects in Latin America. The Spanish foreign assistance agency (through the CODESPA Foundation of Spain) has committed \$1 million toward the development of country-wide funds for grassroots development in Peru, Guatemala and, pending approval, Colombia. Additionally, IAF staff is actively pursuing collaborations with Latin American governments, including through their Social Investment Funds.

An appropriation of \$ 22.76 million would support the productive initiatives that lift poor people out of poverty and encourage them to work together in strengthening civil society and creating good governance structures and a culture of accountability.



# Section I



## Justification for the Request

“We all have a stake in reducing poverty. There is suffering across the globe that doesn’t need to be tolerated in the 21<sup>st</sup> century. And it leads to pockets of instability that provide fertile breeding grounds for threats like terror and the smuggling of deadly weapons that cannot be contained by the drawing of a border or the distance of an ocean.”

-- Presidential candidate Barack Obama, September 25, 2008

### CONTRIBUTING TO U.S. FOREIGN POLICY OBJECTIVES

In light of the new ‘smart power’ paradigm in U.S. foreign policy, the inclusion of development as a necessary, complementary approach to defense and diplomacy is increasingly discussed as the most effective strategy for maximizing foreign policy efforts. Within that context, grassroots development assistance such as that provided by the IAF is a crucial tool for the advancement of U.S. interests. This direct assistance approach allows the U.S. government to help build stronger foreign partners, enhance trade relationships, and promote national security interests and efforts on a community-by-community basis.

Difficult economic times require Congress and the Administration to make tough policy choices, and each taxpayer dollar spent must be maximized. Under these circumstances, IAF programs – which make small-dollar, targeted strategic investments in the communities of our neighbors – provide some of the most valuable and effective outreach to build the alliances necessary to fully attain U.S. foreign policy goals in the region. As the IAF was created in part as a foreign assistance program designed to withstand the politics of short-term policy decisions both domestically and internationally, the agency’s approach creates opportunities to achieve these foreign policy goals through partnerships with communities throughout the Hemisphere that have developed over the long term.



A farmer in northwestern Argentina harvests peppers as part of an IAF grant to Asociación para el Desarrollo Social (ADESO) designed to promote the use of environmentally sustainable agricultural technologies by low-income farmers. ADESO farmers dry and process these peppers to make paprika.

### Grassroots Development and U.S. Foreign Assistance

Although there are a variety of approaches to development that are available to the U.S. government through its various foreign assistance agencies, many development experts believe that providing assistance at the grassroots level – directly to poor, marginalized communities throughout the Hemisphere – is critical to a successful development

strategy. Grassroots development is one of the most effective and efficient ways to help alleviate poverty and address inequality throughout the region. Currently, the IAF funds just over 10 percent of the proposals it receives each year, many of which come from the poor who seldom have a voice in their countries.

IAF programs are small in comparison with other foreign assistance institutions in the region, but the impact of these small funding actions is widely felt. Unlike most other U.S. government foreign assistance agencies, the smaller scale of IAF's programs and initiatives, coupled with less bureaucratic process, allows the agency to be flexible and respond more quickly to conditions on the ground. Through the IAF's grants, the U.S. government can make lower-risk, higher-yield investments in novel development projects. Moreover, IAF funding can be used as 'seed capital' to the poor, which is then leveraged many times over. These projects have a significant and direct impact in the

**Jean-Ronel Noel and Alex Georges**  
HPCD business incubator participants  
*Port-au-Prince, Haiti*

In 2002, Jean-Ronel Noel (left) and Alex Georges established ENERSA, a microbusiness developing alternative energy sources in Haiti. ENERSA designs and manufactures practical, affordable and easy-to-use electrical products that convert sunlight to energy and are appropriate to the Haitian context. Its products, which range from cell phone chargers to street lamps, use solar and LED technology to meet the needs of Haitian people, many of whom live off the electrical grid in rural communities and do not have access to reliable electricity.



Haitian Partners for Christian Development (HPCD), a Haitian association of volunteer businessmen and women, founded a business incubator in 2002 with IAF support to provide small- and medium-sized manufacturing businesses access to low-cost electricity, water and internet as well as business, marketing and other technical assistance. ENERSA joined the incubator, which is located in the industrial sector of Varreux in Port-au-Prince, in 2003.

When the political crisis erupted in Haiti in 2004, violence and riots broke out in Varreux, and operations at the incubator became untenable. ENERSA worked out of Jean-Ronel's home, where the founders continued to test new products even though they could not continue production during the crisis. When stability returned to Haiti and the business climate improved, ENERSA rejoined the incubator and further expanded, turning a crisis into a development opportunity by recruiting its workforce from among the youth residing in one of Haiti's most violent and economically marginalized urban areas, Cité Soleil. Jean-Ronel and Alex provided young men hands-on training and paid them approximately four times the minimum salary. Today, ENERSA employs 15 young men from Cité Soleil; local governments are buying and using ENERSA's solar panels and streetlamps to provide additional light and security in urban areas, and ENERSA is helping Haitian senators develop energy efficient projects for their constituents.

ENERSA's success and continued expansion has outgrown the incubator's capacity, and it is currently in the process of relocating. Meanwhile, HPCD has opened a second business incubator in Martissant—another of Port-au-Prince's most marginalized neighborhoods—to help create employment opportunities and improve Haitians' quality of life.



communities involved, and help create the foundation for successful, productive partnerships over the long term.

### Promoting U.S. Interests from the Grassroots

IAF programs form a crucial component of U.S. foreign policy and promote U.S. interests in the region by:

- ❖ **Promoting U.S. Foreign Policy Interests:** providing a 'smart power' tool to enable the U.S. government to build partnerships directly with communities in Latin America and the Caribbean, even in some areas where other agencies' operations are limited or nonexistent
- ❖ **Combating Poverty:** helping dispel and alleviate the conditions that create unnecessary human suffering and can lead to political, social, and economic instability as well as breed hostility toward the U.S. and its interests
- ❖ **Strengthening Civil Society:** increasing civic participation and strengthening local organizations to help hold governments accountable, enabling people to play a stronger role in forging their own destiny, creating better business climate, and improving access to public services
- ❖ **Building Partners:** establishing durable partnerships at multiple levels of society in which countries are able to share the responsibilities of global decision-making as well as the benefits of increased interregional and international trade
- ❖ **Developing New Leaders:** helping create and empower the next generation of leaders and partners for the U.S. in both in public and private sectors

"The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications. ... [m]uch of Latin America... lack[s] sufficient cash reserves, access to international aid or credit, or other coping mechanism. Statistical modeling shows that economic crises increase the risk of regime-threatening instability if they persist over a one to two year period. Besides increased economic nationalism, the most likely political fallout for US interests will involve allies and friends not being able to fully meet their defense and humanitarian obligations."

-- Dennis Blair, Director of National Intelligence, February 12, 2009

### ❖ Promoting U.S. Foreign Policy Initiatives

Given the complex global challenges presented by recent economic and political developments, the U.S. government's need to avail itself of the full complement of its 'smart power' tools to promote U.S. national interests has become increasingly apparent. Defense- and diplomacy-based tools generally emphasize relations at the national or state level; development tools serve to round out U.S. foreign policy efforts by, in many cases, operating on a more local level to address the needs and priorities of communities rather than governments. Foreign assistance provided at the grassroots level creates the opportunity for the U.S. government to work directly with the communities and local leaders to build durable partnerships that alleviate poverty, improve the image of the U.S. government, strengthen civil societies and build



**Servicios Ambientales de Oaxaca, A.C.**  
*Oaxaca, Mexico*

With IAF support, Servicios Ambientales de Oaxaca, A.C. (SAO) is supporting Oaxacan nongovernmental organizations in protecting biodiversity while expanding income generation potential for poor rural families in Mexico. SAO works to create and improve sustainable local land management plans, gather environmental data, and develop the monitoring and compliance systems necessary to provide carbon capture and other environmental services. Participating organizations conduct reforestation activities that are measured and aggregated to create carbon offsets. These offsets are then sold to businesses who want to neutralize the carbon footprints of their commercial activities.

The SAO network has become one of the leading vendors of this cutting edge environmental service in Mexico. Recently, Chinoín, a pharmaceutical company, and Fundación Televisa, bought over 15,000 tons of carbon offsets worth approximately \$178,000 from SAO. Payment was divided up between ten participating communities according to the number of reforested hectares that they contributed. SAO aims to negotiate a five-year commitment from businesses for similar amounts of offsets, which would provide over \$2,000,000 in offsets sales and matching payments from National Forestry Commission of Mexico (CONAFOR), to each community.

communities' capacity to participate robustly in the economic, political, and social advancement of their countries.

The IAF complements U.S. foreign policy initiatives in two principal ways – by working directly in communities where opportunities for other U.S. government initiatives are limited and by providing a necessary link for many poor people to larger-scale foreign assistance programs. While IAF programs are small in comparison to many other foreign assistance institutions in the region, their impact should not be understated. The IAF often works in areas where the Millennium Challenge Corporation (MCC) and U.S. Agency for International Development (USAID) do not.

The agency's partnership with many of the most marginalized populations throughout the Hemisphere provides the U.S. government an opportunity to support the poor by enabling them to participate more fully in the development and success of their communities – a key element of the U.S. government's 'smart power' approach to foreign policy. In many places, these opportunities would not otherwise exist without assistance provided by the IAF. This is especially beneficial in countries where relations with the U.S. at the national government level have become more challenging. In such cases, IAF development efforts are often able to transcend strained government-to-government relations, maintaining a U.S. presence where the operations of other foreign assistance agencies are very limited or nonexistent. For example, MCC suspended new activities in Nicaragua in December 2008, citing concerns about the national government's actions and electoral irregularities. The IAF's programs, however, are operating throughout the country, working directly with the poor themselves to improve their economic situation and support their efforts to fully participate in the

country's civic life. Sustaining direct support for people at the grassroots level, whose interests are often undermined by the very same governments, allows the U.S. government to maintain a positive presence in these communities and provides an alternative perspective of U.S. interests in the region.

Much remains to be done. Many marginalized, poor communities have not yet gained the level of economic and civic access to fully participate in our region's economic growth; as the impact of the global economic crisis continues to spread and the ranks of the newly poor expand, access to these opportunities is likely to be even more limited than in the past. This reality underscores the rationale for supporting the valuable work of the IAF in creating stronger foundations for good governance, civil society participation and accountability among some of our closest neighbors who are currently suffering significant security setbacks. In comparison to other foreign assistance agencies, investment in the work of the IAF is extremely modest, yet it yields extraordinary long-term, strategic benefits for U.S. foreign policy. It is increasingly important to make sound, targeted investments that are affordable in light of today's difficult budgetary choices.



Using IAF support matched by corporate dollars, Fundación Nobis is providing financing and technical assistance to a group of young men in La Entrada, Ecuador, who are learning to raise oysters in captivity. During the pilot phase, the young fishermen raised 3,000 oysters, and the first harvest is expected to yield about 7,000 oysters.

Moreover, prioritizing support for grassroots approaches such as the IAF's demonstrates a more nuanced understanding of and long term commitment to building successful partnerships in the Americas. The IAF's programs contribute significantly to advancing the U.S. government's goal of sustained, locally-supported economic development in the region. Responding to these communities by investing in their ideas for reducing poverty also represents a sound investment in U.S. foreign policy.

IAF funding also provides an important link between poor communities and the

activities of other foreign assistance organizations. Through its funding strategy, the IAF strives to maximize the impact of U.S. government funding in the region so that project successes are amplified by benefiting from both IAF support and the larger-scale programs of organizations such as USAID and the MCC, as well as other donor organizations.

In El Salvador, for example, IAF funding strategy and outreach take MCC activities in the country into account; the IAF targets groups in the northern region, one of the poorest regions that was among the most heavily affected during the civil war. The IAF has funded several projects in the area that enable rural agricultural producers to take advantage of the MCC's investment in community and transportation infrastructure by:

- improving and expanding access to domestic and international markets that should allow them to increase their sales volume, including through increased exports;
- reducing transportation and opportunity costs of carrying out agricultural activities through easier, quicker transportation of materials and finished products; and
- bringing more traffic into traditionally isolated areas in which the communities of grantees have had limited access to consumers.

The transportation infrastructure improvements to be undertaken with MCC funding in northern El Salvador are expected to increase the ability of:

- the farmers participating in the IAF-funded project carried by the Asociación de Desarrollo Económico y Social Santa Marta (ADESSM) to sell their hothouse produce to more vendors;
- coffee farmers who are members of the cooperative Sociedad Cooperativa Mariás 93 de R.L. (MARÍAS 93) to export their organic coffee beans; and
- the women farmers of the Asociación Comunal para el Desarrollo de la Mujer Rural (ADEMUR) to transport their Pelibuey sheep products to San Salvador and other large domestic markets.



In rural El Salvador, a farmer participating in an IAF-funded project being carried out by Asociación Comunal para el Desarrollo de la Mujer Rural (ADEMUR) greets his sheep. Through the project, the farmers – mostly women – receive Pelibuey sheep and quail on credit, as well as training in their care and processing, and then repay the loan as their livestock business grows. They also gain better access to local and regional markets for their meat products.

The IAF is also helping to create partner organizations for other U.S. government initiatives. For example, the U.S. and Brazil recently signed The Joint Action Plan to Eliminate Racial Discrimination, in which both countries pledged their cooperation in promoting equality of opportunity for members of all racial and ethnic communities of the United States and Brazil. The Joint Action Plan calls for the engagement of the public, civil society and private sector of both countries for a long-term investment to combat racial inequality. Because of the IAF's long history of working with grassroots groups of African descent to improve their economic opportunities, civic participation and living conditions, the agency was included in the State Department's official delegation. Moreover, IAF grantees and former grantees made significant contributions to the civil society conversation that is helping shape Brazil's national policies on this issue.

❖ **Combating Poverty**

Although some measures of quality of life seem to indicate that Latin America and the Caribbean could be considered comparatively better off than other parts of the world, there remain many unmet economic, political, and social needs. Poverty remains widespread, and the region includes some of the most glaring examples of extreme wealth inequity in the world. The current global economic crisis has only intensified the significance of poverty alleviation as more people are pushed to the economic margins of extreme poverty. The effects of poverty have important implications for a number of U.S. foreign policy objectives, particularly in the long term.

Some might ask if the relatively small grants made by the IAF are making a significant difference. In light of the poverty many in our Hemisphere still experience, there are two important, interrelated ways that the IAF's grants are making a difference – improving the quality of life of the poor and advancing U.S. foreign policy goals over the long term by promoting stronger foundations for good governance, broader civic participation, and a culture of accountability among some of our closest neighbors.



A woman collects recycling materials as part of a project being conducted by Asociación Civil Raíces (Raíces), with support from the IAF, in Cordoba, Argentina. Participants gain access to their own recycling carts after successfully completing a training program, and they are assigned collection routes that include 400 - 800 houses in approximately 50 neighborhoods. They are then paid for the recyclable materials they collect.

At the IAF, grants go *directly* to the poor and the organizations that support them. The IAF's support to grassroots organizations in Latin America and the Caribbean focuses on income generation and job creation in poor communities, among other goals. IAF grants help build stronger microfinance institutions and offer training and technical assistance for small and micro-entrepreneurs. These programs aim to provide feasible economic opportunities and support programs that create and expand opportunities for Latin Americans to remain

with their families, earn decent wages and actively participate in the development of their communities, all of which can serve to mitigate the desire to, and incentives for, individuals and families to migrate in search of other economic prospects.

❖ **Engaging and Strengthening Civil Society**

The IAF's programs and initiatives aim to foster a broader, bottom-up "demand for good governance" that enables people to participate robustly in their communities and creates spaces for greater citizen participation. The agency works with individuals and communities to create a viable civil society that not only expects and demands good

governance, but has the capability to hold their governments and institutions accountable, ensuring that governments fulfill their responsibilities in providing public services and in the management of resources.

The IAF has long been dedicated to what was a novel idea forty years ago – promoting “bottom-up” development from the people rather than “top-down” from the government. Ownership of the development process by individuals and communities engaged in activities that they design themselves enables them to realize their hopes and full potential, ultimately making democracies stronger and creating a more peaceful, prosperous region. The IAF’s partnership with many of the most marginalized populations in the Hemisphere provides an opportunity for the poor to participate more fully in the development of their communities. In many places, these opportunities would not exist without assistance provided by the IAF.

This grassroots participation of the poor has:

- Created new jobs, businesses and enterprises;
- Enhanced communities’ and individuals’ ability to benefit from trade opportunities;
- Lifted families and communities out of poverty;
- Enabled people to participate in government reforms, strengthen the rule of law in their communities and hold government leaders accountable to the people.

#### ✧ **Building Alliances Between Peoples**

The IAF’s activities in the region also lend support to long term U.S. foreign policy interests by creating alliances between the U.S. and our southern neighbors, and by presenting Latin Americans with alternative viewpoints of the U.S. government and American people. Even in countries that might be considered to have somewhat strained relations with Washington, the IAF’s direct, positive interactions with poor and marginalized communities present the opportunity to strengthen the bonds of friendship with the U.S.

#### ✧ **Developing New Leaders**

At the IAF, development is viewed as more than income growth. It is people’s ability to sustain their own advancement over time, without long-term reliance on others. A developed and prosperous community is, most of all, self-reliant.

The IAF’s aim is to support people and organizations that have the capacity to become leaders in their communities so they can serve as a voice and inspire others to develop their own innovative solutions to address their needs and create opportunities to lift individuals out of poverty. IAF projects have contributed to the development of a wide range of emerging leaders in the Hemisphere, such as Adonai Ríos Samaniego, a businessman in Panama whose micro-enterprise development association received two IAF grants to promote sustainable basic foods production, marketing and crop

diversification, and to reduce environmental damage caused by destructive farming practices. Through his leadership experience in these projects, he gained communication skills, public trust, and a responsive approach to successful development that equip him to more effectively carry out subsequent responsibilities at the national government level. He served as the Minister of Panama's Social Investment Fund and is currently the Vice Minister of Agricultural Development. The skills he gained through these IAF projects enable him to engage small-scale farmers who have identified the issues in their own communities and then to ensure that the Panamanian government appropriately responds to the needs.

### **MAKING A DIFFERENCE IN THE LIVES OF THE POOR**

Through a variety of programs and initiatives, the IAF strives to improve the quality of life for poor communities in the Western Hemisphere. To highlight some of the agency's impact in 2008, IAF projects helped improve the lives of nearly 335,000 people, improved the diets of more than 12,800 people, and helped facilitate medical care to over 19,000. Recently, the IAF has made significant advancements in each of the following priority areas:

#### **INCOME GENERATION AND JOB CREATION**

In addition to creating more than 2,000 new formal sector jobs, many IAF grants were used to provide training and skills designed to enhance productive activities and increase incomes. In FY 2008, more than 3,600 individuals received training in finance, including loan management; approximately 29,000 in agriculture; over 22,000 in management and nearly 8,000 in environment-related topics.



GJD (described below) is receiving IAF funding to expand its vocational training program for at-risk youth, such as these young women learning hairstyling skills, in Tegucigalpa, Honduras. GJD also provides start-up capital and in-kind loans to several youth-led microenterprises, including a bakery and a carpentry business, through the project.

- \* In Honduras, Centro de Educación Vocacional Grupo Juvenil Dion (GJD) manages a job-training program to promote the employment of at-risk youths from Tegucigalpa. With IAF funding, the organization provides vocational training for young adults in carpentry, sewing, baking, and other areas. As students gain practical skills, they also receive training and advice on establishing micro-enterprises. GJD also operates an in-kind loan fund that provides materials to students and training program graduates as they begin to establish their own micro-businesses, in addition to providing job-training skills. A similar loan program is offered for group loans of up to \$4,000 for enterprises formed by small groups of youth participants. GJD provides job-placement

services and other programs to engage parents and community members in activities designed to support the development of successful youth entrepreneurs. The IAF's support benefits 400 young adults.

### CIVIC AND CITIZEN PARTICIPATION

In FY 2008, the IAF funded more than 21 projects (totaling \$3.5 million dollars) that helped strengthen civil society initiatives and increase the direct participation of the poor in these processes. These projects incorporated over 29,000 individuals into civic processes and substantially increased citizen participation.

- \* Through its IAF grant, Círculos Femeninos Populares is training young men and women in 17 communities in Venezuela to serve as community leaders and providing community development workshops to more than 1,000 women. This leadership and violence reduction training provides women and youth with opportunities to develop the advocacy and negotiation skills necessary to participate in local decision-making processes and to broker access to local resources that help address their needs, enabling them to participate more fully in the civic life of their communities. For example, one woman who participated in CFP training took on a leadership role in the transportation subcommittee on the local community council in order to address busing needs in her community. Others have worked to expand the services provided by the health clinic to their neighborhood, brokering professional medical services as well as basic medicines through a partnership with the local health secretariat.

### ACCESS TO CREDIT

In FY 2008, IAF grantees extended 4,900 loans averaging \$696 each. Loans for business development represented 43 percent of all loans.

- \* In Nicaragua, the IAF is supporting the consolidation of Fundación para el Desarrollo de la Mujer (FUNDE MUJER), a new microcredit organization that provides direct financial and technical support to female entrepreneurs in the department of Estelí. In the past year, FUNDE MUJER made over \$150,000 in loans to 320 women operating small retail and service-oriented businesses and provided start-up capital for the creation of 48 new women-owned and -operated



A woman prepares traditional Nicaraguan fare for sale at FUNDE MUJER's (at left) weekly Friday market. The municipality provides plaza space and a tax break for FUNDE MUJER's vendors to sell food and crafts in this successful market in Estelí. With IAF funding, FUNDE MUJER provides poor women such as these vendors with access to microcredit as well as training and technical assistance for small business creation and improvement.

businesses. The average loan size was \$420, to be repaid over a period of approximately six months. In addition to the financing, FUNDE MUJER provides training and technical assistance to women entrepreneurs, and it provided training to over 500 women in small-business administration, basic accounting, feasibility analysis and business planning strategies in the past year alone. As a result of the IAF support, FUNDE MUJER recently received an additional \$200,000 for the Nicaraguan Rural Credit Fund to expand their lending and training activities with female entrepreneurs.

### FOOD SECURITY AND SUSTAINABLE AGRICULTURAL PRODUCTION

IAF funding in 2007-08 supported approximately 30 projects designed to promote food security and improve agricultural techniques to include sustainable practices that conserve valuable natural resources in Latin American communities. Forty-five percent of IAF funding was in the sustainable agricultural field and more than 145,000 people benefited from these activities.

- \* Working with small rural communities on the southern coast of Mexico, Ecosta Yutu Cuii Sociedad de Solidaridad Social (Ecosta) is helping nearly 400 individuals generate economic opportunities through improved food production and the conservation of natural resources. Through its grant from the IAF, Ecosta helps the communities preserve wildlife reserves, establish ecotourism attractions, and address regional food security issues. They are working with farmers in organic food production and sustainable farming practices. Through conservation and managed use, the animals raised in these areas have reached sufficient numbers that they are now available for sale as well as personal consumption. This includes iguana meat, a favorite among the locals.

- \* In El Salvador, Asociación Local Mangle para la Prevención de Desastres y el Desarrollo en el Bajo Lempa-Bahía de Jiquilisco (MANGLE) supports low-income families in Usulután, many of them former civil war combatants. To ensure environmentally sound practices and preserve limited natural resources, MANGLE is helping families improve their food production through crop diversification, extended growing seasons, organic techniques and improved sales. Irrigation systems, reforestation and introduction of fruit trees are being used to reduce community vulnerability during droughts and flooding.



With support from the IAF, rural farmers learn about vermicomposting, a technique that uses earthworms to create organic fertilizer from plant matter, through MANGLE's project (at left) that promotes the use of environmentally sustainable agricultural practices to improve food production and preserve natural resources in Jiquilisco, El Salvador.

## ACCESS TO PUBLIC SERVICES AND RESOURCES

In 2008, IAF-funded projects also helped enable community organizations and local governments expand their access to public services and budget resources available at the national level in order to address local needs and priorities.

- \* IAF grantee Red de Municipalidades Rurales del Perú (REMURPE), an organization of rural municipalities that trains government employees and officials to facilitate social and economic development, is providing training and technical assistance to around 300 local government and municipal officials. The training is designed to assist them in meeting the technical requirements necessary to apply for local development funding available from the national government as part of the Peruvian decentralization process and then to successfully implement the projects that are subsequently funded. Participants receive training in municipal administration, participatory budgeting, project management, and development planning. REMURPE also assists them in preparing and submitting their local development proposals to the relevant Peruvian ministries and agencies.

## LEVERAGING RESOURCES



Workshops presented by the Corporación Sociedad Activa prompted ten housewives to seek funding to establish a beauty salon in Villa San Gabriel, outside of Santiago, Chile. With IAF support for their project, the women began receiving training on hair coloring, styling, cutting and other beauty treatments, and they remodeled a commercial space with beauty salon equipment. Their salon is now open for business and, as a result, the women feel more productive.

In recent years, the IAF has increased its focus on leveraging its resources into long-term, strategic benefits for the poor in order to capitalize on opportunities to maximize the impact of U.S. government dollars. The IAF understands the necessity for an organization or community to mobilize resources in order for its development efforts to attain long-term sustainability. For this reason, counterpart mobilization is a significant component of the IAF's proposal evaluation process. IAF grantees have leveraged more than \$907 million dollars over the IAF's history of funding in Latin

America, and this commitment to resource mobilization continues to be a crucial component of IAF activities. In 2008, IAF partners committed nearly \$24 million in counterpart funds for their projects.

In the private sector, the IAF has supported the formation of a network of corporate foundations and partners throughout Latin America representing over 300 companies,

called RedEAmérica, to serve as a vehicle for leveraging corporate dollars and channeling them into grassroots development projects throughout the region.

In addition, the IAF collaborates with organizations such as Fundación CODESPA of Spain, which receives funds from the Spanish Agency for International Cooperation to promote public-private partnerships. In Guatemala, the IAF and CODESPA have joined forces to support Fundación Pantaleón in a program to promote the engagement of Latin American corporate leaders in raising resources and implementing a small grants fund. The IAF's grant of \$215,000 is mobilizing over \$645,000 in counterpart funds, including an estimated \$345,000 from the private sector in Central America. In Peru, the IAF's award of \$400,000 to Asociación Atocongo will be matched with \$800,000 from CODESPA and is expected to mobilize a total of \$1.6 million in contributions during the four-year grant period. A substantial portion of these funds are from the Peruvian private sector.



**Yadira Chavarria Altamirano**  
SOPPEXCCA  
*Jinotega, Nicaragua*

Yadira Chavarria Altamirano, 35, owns two coffee parcels totaling approximately 10 acres outside of Jinotega, an area known for producing some of the best coffee beans in Nicaragua. Initially, her production and income were limited by factors such as inconsistent bean quality and access to markets available only through costly intermediaries. However, through an IAF-funded project carried out by SOPPEXCCA that provided her with microloans to finance expanded production activities and marketing as well as with training to improve agricultural and marketing techniques, she has become a very successful producer. With support from the IAF, SOPPEXCCA is strengthening its capacity to process, transport, store and market coffee, improving overall product quality, and promoting coffee sales in national and international markets. Over the course of the project, some 2,700 people have benefited with training and technical assistance. Approximately 20 young people were trained in promoting coffee products in domestic and international markets effectively, and around 450 cooperative members (organized into 12 member cooperatives) received training and technical support on how to improve the overall quality of their coffee production and harvesting techniques.

Yadira is now a member of the women's group that sells its own coffee under the organic and Fair Trade-certified brand Café Las Hermanas that is sold in the United States by Peet's Coffee. Women

who participate in this group are required to hold title to the land that they are farming. They also commit to employ ecologically sound farming practices and ensure that their children attend school. IAF support for SOPPEXCCA has allowed Yadira to significantly enhance both the quantity and quality of her coffee beans with amazing results – between 1999 and 2008, her production increased by more than tenfold, she is now able to sell her beans at a 500% increase and her beans made her a semi-finalist in the 2004 “Cup of Excellence” international coffee competition.



# Section II



## IAF BUDGET RESOURCES

### I. OPERATING EXPENSES

<b>Table 1.1 Multi-Year Estimates</b>			
	FY 2008	FY 2009	FY 2010
	Actuals	Budget	Request
		Authority	
OMB Planning Level	20,829,900	22,500,000	22,760,000
Carryover No-Year Appropriated Funds	1,512,047		
Carryover No-Year Appropriated Funds-Recoveries	7,639		
Carryover Funds- 0708	182,000		
Recoveries 0708	878,369		
Carryover Funds		116,000	100,000
Upward Adjustment 0506	55,100	-	-
Upward Adjustment 0607	66,343	-	-
Gift Fund	2,250	-	-
Gift Fund - Recoveries	33,694		
Carryover SPTF Fund	5,084,662	6,803,000	5,487,000
SPTF Fund - Recoveries	498,957		
<b>TOTAL BUDGET</b>	29,150,961	29,419,000	28,347,000
<b>PROGRAM ACTIVITIES</b>			
Grants (Development, Corporate) and Audits			
Appropriated Fund - Current Year	10,149,739	9,779,484	9,201,199
Gift Fund - Recoveries	33,694		
Carryover SPTF Fund	5,084,662	6,803,000	5,487,000
SPTF Fund- Recoveries	498,957		
Recoveries 0708	516,317		
Carryover Funds		33,000	100,000
No-Year Appropriated Funds - Recoveries	7,639		
Carryover No-Year Appropriated Fund	1,512,047		
Subtotal - Grants/Grant Audits	17,803,055	16,615,484	14,788,199
Evaluations and Other Program Activities			
Appropriated - Current Year	2,720,211	4,013,000	4,053,000
0506 Upward Adjustment	55,100		
0607 Upward Adjustment	66,343		
Carryover Funds- 0708	118,200		
0708 Recoveries	161,800		
Subtotal - Eval and Other Prog Activities	3,121,654	4,013,000	4,053,000
<b>Total Program Activities - Grants/Evaluations</b>	<b>20,924,709</b>	<b>20,628,484</b>	<b>18,841,199</b>

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<b>PROGRAM SUPPORT</b>			
Program Management and Operations			
Appropriated - Current Year	7,843,452	8,707,516	9,505,801
Gift Fund	2,250		
Carryover Funds - 0708	62,000		
Recoveries 0708	318,550		
Carryover Funds - Actuals 0809		83,000	
<b>Total Program Support -- Management and Operations</b>	<b>8,226,252</b>	<b>8,790,516</b>	<b>9,505,801</b>
<b>GRAND TOTAL OBLIGATION AUTHORITY</b>	<b>29,150,961</b>	<b>29,419,000</b>	<b>28,347,000</b>
Overhead	28.22%	29.88%	33.53%
FTEs	44	47	47

<b>Table 1.2 Detail of Object Classifications</b>				
		FY 2008	FY 2009	FY 2010
Object		Actuals	Budget	Request
Class	Category		Authority	
<b>PROGRAM SUPPORT</b>				
<u>Staff Salaries &amp; Related Expenses</u>				
11.1	Permanent Positions	3,764,815	4,154,391	4,264,614
11.7	Other Personnel Compensation	109,750	50,000	50,000
11.0	Subtotal -- Personnel Compensation	<u>3,874,565</u>	<u>4,204,391</u>	<u>4,314,614</u>
12.0	Civilian Personnel Benefits	1,030,676	1,114,635	1,146,389
<u>Travel and transportation</u>				
21.0	Travel and transportation of persons	663,480	742,255	822,630
22.0	Transportation of things	10,406	15,500	15,500
<u>Support Services</u>				
23.2	Rental Payments to Others	1,029,900	721,000	736,000
23.5	Communications, Utilities., Misc.	44,580	44,000	52,000
23.7	Non-ADP Rentals/Copier (new BOC)	10,418	9,000	9,000
23.8	Postage, Messenger, Non-ADP Rentals	30,087	35,000	39,000
24.0	Printing and Reproduction	46,509	50,000	50,000
25.2	Representation Allowance	4,861*	3,000	2,000
25.2	Other Services	40,005	150,900	154,400
25.2	Staff Training	46,406	85,500	87,700
25.3	Serv from Other Gov Agencies	1,258,699	1,351,900	1,800,043
25.7	Maintenance-Equipment	62,000	139,455	149,675
26.0	Supplies and Materials	53,660	60,480	61,350
31.0	Equipment	20,000	63,500	65,500
<b>Program Support Total</b>		<b>8,226,252</b>	<b>8,790,516</b>	<b>9,505,801</b>
<b>PROGRAM ACTIVITIES</b>				
<u>Learning &amp; Dissemination</u>				
22.1	Contract Mail Service	17,366	20,000	22,000
23.8	Postage	115,660	120,000	120,000
24.0	Printing and Reproduction	170,183	185,000	180,000
25.1	Studies & Evaluations	55,100	200,000	250,000
25.1	Fellowship Program	485,531	525,000	550,000
25.1	Translations	78,552	120,000	120,000
25.1	Other Services	45,802	46,500	21,500
25.3	Services from other Agencies	130,000	140,000	50,000

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	<u>Technical Assistance to Grantees</u>			
25.1	Local Advisory Service (LAS)	521,596	956,500	989,500
25.1	Data Verifiers (DV)	791,864	850,000	900,000
25.1	Program Conference Support	710,000	850,000	850,000
	<u>Grants</u>			
41.0	Grants/Grant Audits	17,803,055	16,615,484	14,788,199
	<b>Program Activities Total</b>	<b>20,924,709</b>	<b>20,628,484</b>	<b>18,841,199</b>
	<b>GRAND TOTAL PROGRAM SUPPORT</b>			
	<b>AND PROGRAM ACTIVITIES</b>	<b>29,150,961</b>	<b>29,419,000</b>	<b>28,347,000</b>
	Overhead	28.22%	29.88%	33.53%
	Full-Time Equivalent Usage	44	47	47

\* Includes funds received through private donation.

**II. PROGRAMMATIC FUNDING**

In its total portfolio, the IAF has more than 250 active grants totaling over \$60 million. (Note: IAF grants average approximately \$200,000 over a three-year period.) In FY 2008, the IAF funded 76 new grants in the amount of \$15.3 million and amended 25 ongoing projects in the amount of \$1.8 million, for a total of nearly \$17.1 million in grant funding. (See Table 2.1; Brief descriptions of the new and supplemental grants for FY 2008 are included in Appendix I.) Approximately 75% of the IAF's grants in FY 2008 supported projects with an income-generation component including enterprise development, training, and agricultural production (see Table 2.2 and Figure 2.1). In addition, IAF grantees have committed more than \$23.7 million in counterpart funds from outside sources (see Table 2.3).

In FY 2010, the IAF will continue to emphasize grants that support income generating activities and engage citizens in democratic practices and processes that result in good governance. The agency will also continue to identify and support programs that reach some of the poorest and most marginalized groups in the region, including indigenous populations, African-descendant communities, women and youth. In addition, the IAF will seek creative ways to continue mobilizing resources from new sources, including the private and public sectors, community foundations, migrant associations and other partners.

**Table 2.1**

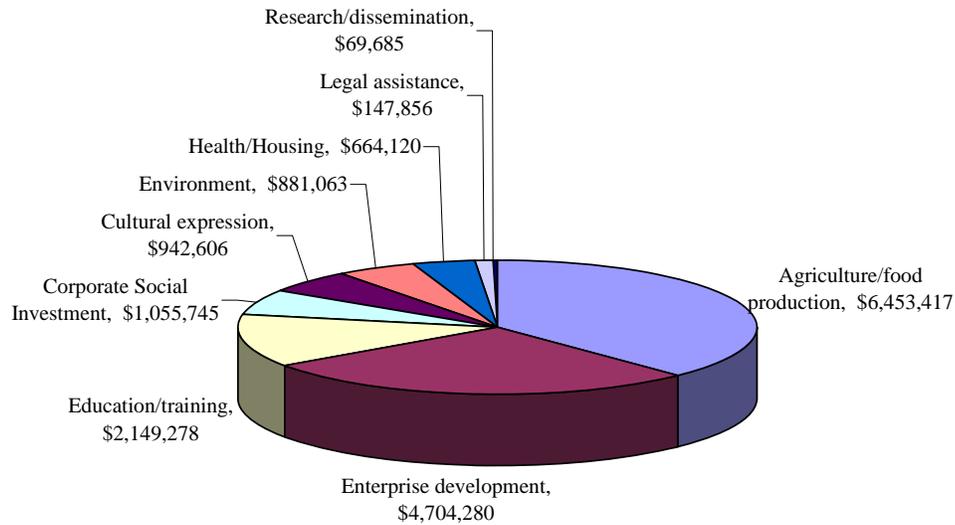
**Grant Statistics 1996-2008**

<b>Fiscal Year</b>	<b>No. of Grants</b>	<b>No. of Grant Supplements</b>	<b>Amount in Grants (thousands)</b>
1996	64	158	15,276
1997	81	32	14,494
1998	84	14	17,973
1999	100	19	22,671
2000	48	13	11,393
2001	43	27	13,874
2002	52	22	13,378
2003	64	35	15,930
2004	60	40	14,264
2005	54	33	14,102
2006	54	54	14,153
2007	65	28	14,390
2008	76	25	17,068

Table 2.2

<b>FY08 GRANTS FUNDED BY PRIMARY PROGRAM AREA</b>		
<i>Program Area</i>	<i>IAF \$</i>	<i>Grants</i>
Agriculture/food production	\$ 6,453,417	30
Enterprise development	\$ 4,704,280	32
Education/training	\$ 2,149,278	16
Corporate Social Investment	\$ 1,055,745	3
Cultural expression	\$ 942,606	7
Environment	\$ 881,063	5
Health/Housing	\$ 664,120	4
Legal assistance	\$ 147,856	2
Research/dissemination	\$ 69,685	2
<b>Total</b>	<b>\$ 17,068,050</b>	<b>101</b>

Figure 2.1



**FY08 Grants by Program Area**

Table 2.3

Fiscal Year	IAF Funds (thousands) <sup>3</sup>	Counterpart Contributions (thousands) <sup>3</sup>	Total IAF & Counterpart Funds	Counterpart Funds as % of Total	Counterpart Funds as % of IAF Total
1972	2,794	2,504	5,298	47%	90%
1973	2,944	4,263	7,207	59%	145%
1974	11,884	13,248	25,132	53%	111%
1975	12,634	18,787	31,421	60%	149%
1976	12,190	15,100	27,290	55%	124%
1977	14,967	18,458	33,425	55%	123%
1978	11,726	10,596	22,322	47%	90%
1979	16,866	14,431	31,297	46%	86%
1980	22,399	25,360	47,759	53%	113%
1981	21,811	27,949	49,760	56%	128%
1982	21,060	28,869	49,929	58%	137%
1983	17,662	21,826	39,488	55%	124%
1984	17,683	24,750	42,433	58%	140%
1985	22,659	35,256	57,915	61%	156%
1986	18,817	16,664	35,481	47%	89%
1987	19,552	37,400	56,952	66%	191%
1988	20,267	25,564	45,831	56%	126%
1989	22,026	26,883	48,909	55%	122%
1990	19,414	12,050	31,464	38%	62%
1991	26,934	37,125	64,059	58%	138%
1992	21,917	32,639	54,556	60%	149%
1993	24,429	37,163	61,592	60%	152%
1994	24,739	38,135	62,874	61%	154%
1995	22,926	37,550	60,476	62%	164%
1996	15,276	49,938	65,214	77%	327%
1997	14,494	38,915	53,409	73%	268%
1998	17,973	37,381	55,354	68%	208%
1999	22,671	36,218	58,889	62%	160%
2000	11,393	24,027	35,420	68%	211%
2001	13,874	29,849	43,723	68%	215%
2002	13,378	23,227	36,605	63%	174%
2003	15,930	16,299	32,229	51%	102%
2004	14,264	14,618	28,882	51%	102%
2005	14,102	13,272	27,374	48%	94%
2006	14,153	24,120	38,273	63%	170%
2007	14,390	13,256	27,646	48%	92%
2008	17,068	23,735	40,803	58%	139%
<b>Total</b>	<b>629,266</b>	<b>907,425</b>	<b>1,536,691</b>	<b>59%</b>	<b>144%</b>

Note: In 1994, the IAF revised its methodology for tracking counterpart resources provided to include them in routine project audits. In 2008, the IAF began to verify the amount of counterpart resources received *in addition to* those contained in the grant agreement. Combined with changes in the IAF's annual appropriation, such adjustments result in apparent fluctuations in the amount of counterpart resources received by the agency.

**III. SOCIAL PROGRESS TRUST FUND**

For much of its history, the IAF has received a supplement to its Congressional appropriation in the form of the receipts from the Social Progress Trust Fund (SPTF). SPTF funds consist of repayments for loans that were made to Latin American countries under the Alliance for Progress program. These loans are reaching the end of their repayment periods and, starting in FY 2008, the IAF began expending all of the SPTF funds it received for the prior year. SPTF funds will diminish over the next several years, and repayments to the SPTF will end by FY 2015.

**Table 3.1**

<b>Fiscal Year</b>	<b>Congressional Appropriation (thousands)*</b>	<b>SPTF Amount (thousands)</b>
1990	16,932	10,593
1991	25,000	13,058
1992	28,000	8,617
1993	30,960	7,244
1994	30,960	7,654
1995	30,960	5,771
1996	20,000	7,992
1997	20,000	5,214
1998	22,000	4,690
1999	20,000	12,720
2000	5,000	9,673
2001	12,000	7,694
2002	13,107	5,600
2003	16,200	8,824
2004	16,200	8,566
2005	18,000	6,069
2006	19,500	5,609
2007	19,500	6,317
2008	21,000	4,966
2009	22,500	6,831
2010**	22,760	5,487

\* Does not exclude amounts withheld under across-the-board rescissions, where applicable.

\*\* If enacted at the President's request level for FY 2010.

Figure 3.2

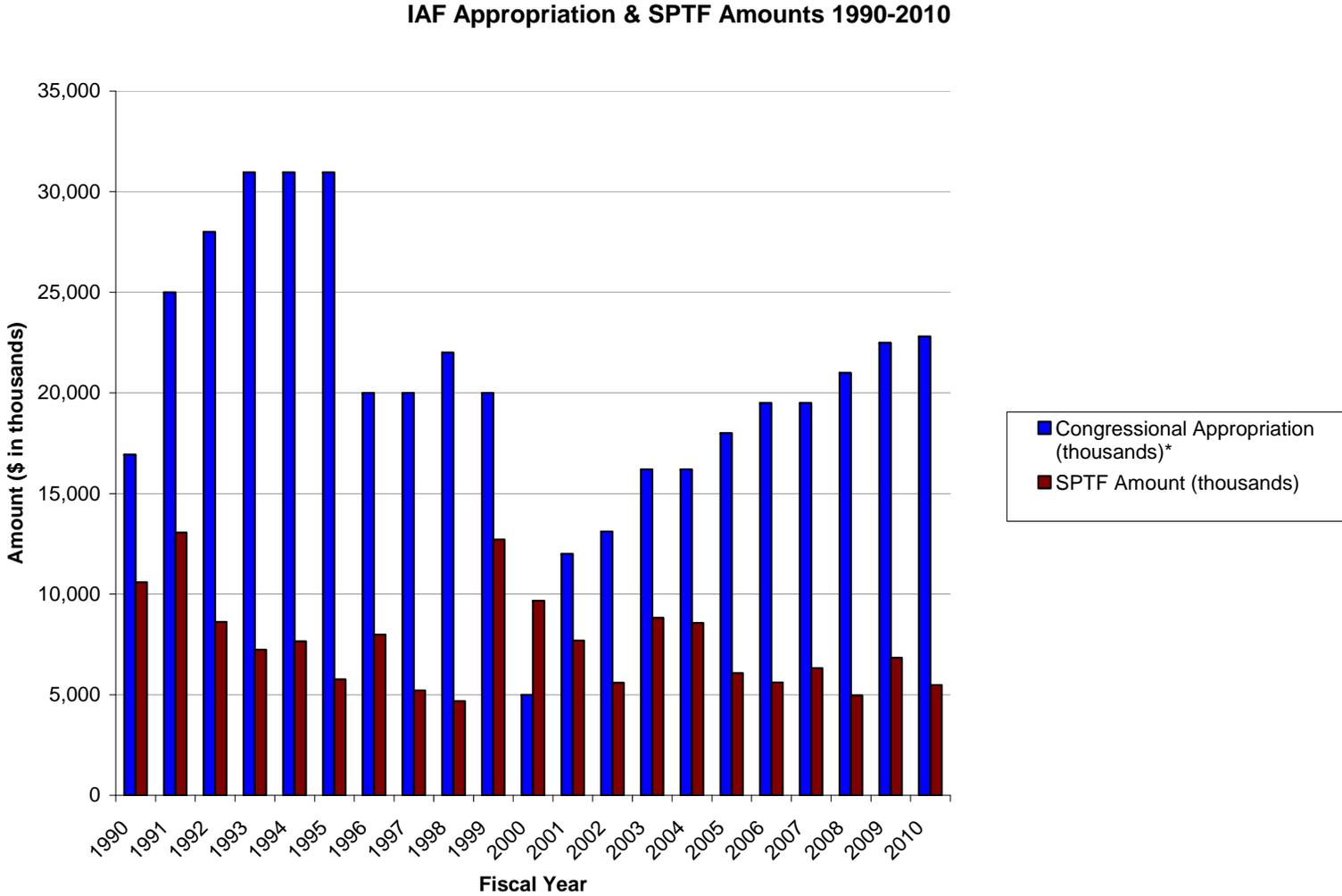


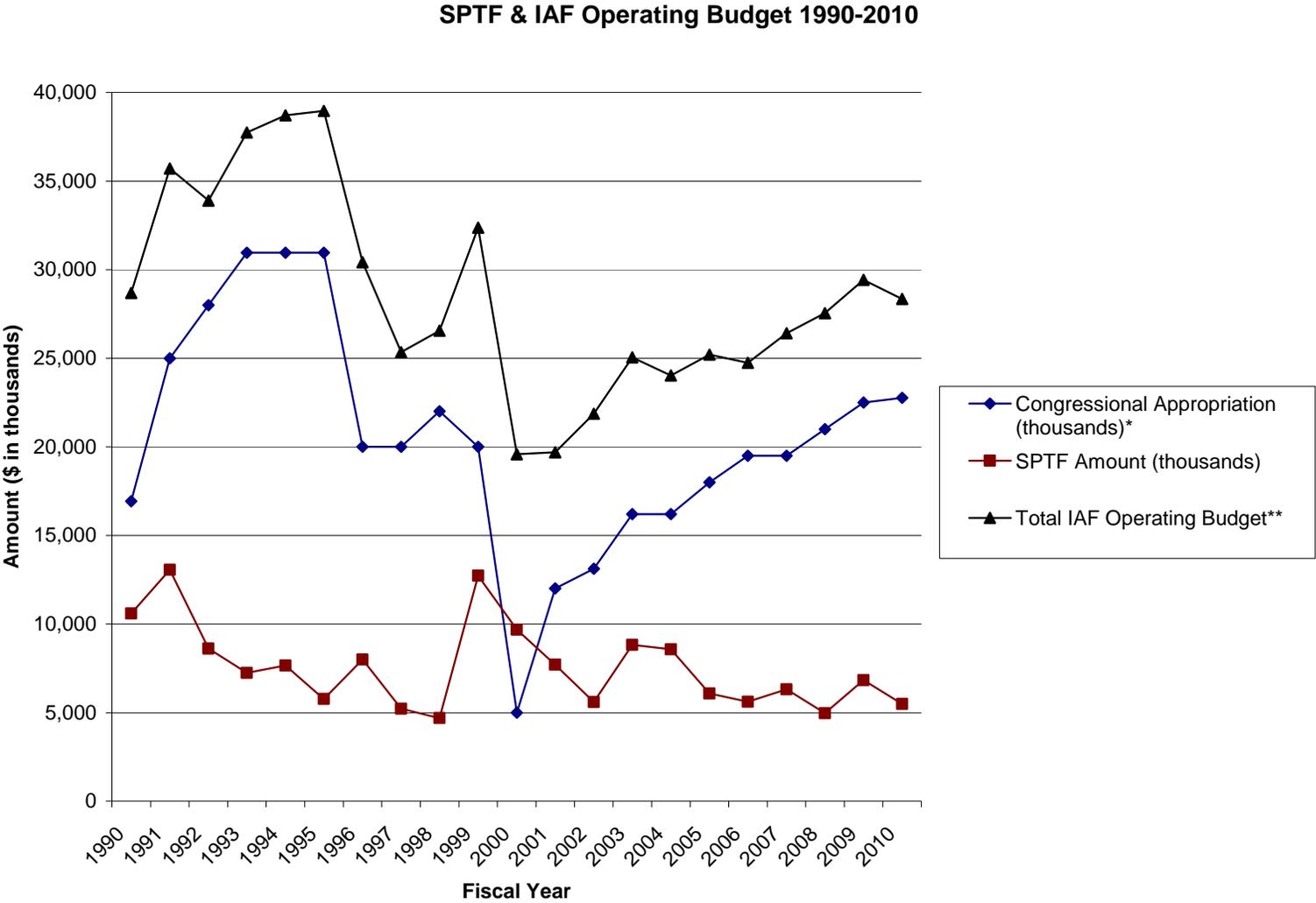
Table 3.3

<b>Fiscal Year</b>	<b>Congressional Appropriation (thousands)*</b>	<b>SPTF Amount (thousands)</b>	<b>Total IAF Operating Budget**</b>
1990	16,932	10,593	28,683
1991	25,000	13,058	35,712
1992	28,000	8,617	33,898
1993	30,960	7,244	37,746
1994	30,960	7,654	38,704
1995	30,960	5,771	38,960
1996	20,000	7,992	30,424
1997	20,000	5,214	25,337
1998	22,000	4,690	26,556
1999	20,000	12,720	32,375
2000	5,000	9,673	19,581
2001	12,000	7,694	19,694
2002	13,107	5,600	21,867
2003	16,200	8,824	25,043
2004	16,200	8,566	24,028
2005	18,000	6,069	25,203
2006	19,500	5,609	24,736
2007	19,500	6,317	26,408
2008	21,000	4,966	27,544
2009	22,500	6,831	29,419
2010	22,760	5,487	28,347

\* Does not exclude amounts withheld under across-the-board rescissions, where applicable. For purposes of comparison, the President's request level for the IAF was used for FY 2010.

\*\* Total Operating Budget amounts are based on actual figures, where available, and therefore include smaller-scale adjustments such as rescission and carry-over amounts. Where actual figures are not available, Total Operating Budget reflects addition of estimated annual appropriation, SPTF receipts and projected carryover amounts.

Figure 3.3





# Appendix I



## FY 2008 NEW & SUPPLEMENTAL GRANTS

# ARGENTINA



*Asociación para el Desarrollo Social (ADESO)*, \$192,700 over three years

ADESO is working with 75 farmers organized as the Cooperativa Diaguita in Santa María to improve their production of paprika and other spices and, on land donated by the municipality, to construct and equip a center for processing value-added products, which the cooperative is operating. The farmers are improving their income and 375 other residents of Santa María are benefiting indirectly from the activities.

*Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC)*

\$96,185 over two years

In collaboration with businesses and municipal and provincial government agencies, CIPPEC is working with informal health councils created by community-based organizations to

identify preventive services lacking in Alderetes in the province of Tucumán. Approximately 480 residents are benefiting directly from project activities and another 2,400 individuals are benefit indirectly.

*Circo Social del Sur (CSS)*, \$144,095 over two years

CSS is using circus arts to teach skills such as teamwork and communication methods to 250 children, teenagers and young adults in poor neighborhoods in Buenos Aires. The project also benefits 1,000 family members indirectly.

*Fundación Alternativa 3, Estrategias de Desarrollo Comunitario (A3)*, \$33,400 over one year

A3 is studying the feasibility of expanding its microcredit program and network of entrepreneurs into five neighborhoods of Greater Buenos Aires.

*Fundación ph15 para la Artes (ph15)*, \$64,500 (Supplemental)

Ph15 is assisting 15 former students in developing micro-enterprises using their knowledge of photography and computer skills acquired through the grantee's program in Ciudad Oculta in Greater Buenos Aires.

# BOLIVIA



*Consultora en Servicios de Desarrollo Rural y Agricultura Ecológico (ECOTOP)*, \$136,110 over two years

ECOTOP is introducing “succession agro-forestry,” a method that incorporates the recovery and protection of soil quality and biodiversity, to 200 farmers from seven communities in the Alto Beni region of La Paz. Farmers are diversifying their production to include cacao, bananas, pineapples, yucca, mango, and citrus and indigenous fruits as well as swine to be used for personal consumption.

*Fundación Suiza de Cooperación para el Desarrollo Técnico (SWISSCONTACT)*, \$298,000 over three years

SWISSCONTACT is working with the Irupana Andean Organic Food Company and more than 800 Andean farm families to introduce organic technology that improves the production and marketing capacities of the Andean grains quinoa, amaranth and canahua, and to expand the exportation of organic quinoa to the U.S. and Europe markets.

*Centro de Mujeres Rurales (CEMUR)*, \$197,900 over three years

CEMUR is working with 250 farm families in northern Santa Cruz to introduce technologies that are compatible with sound environmental resource management to improve chicken, egg, grain and organic vegetable production. The grantee is also emphasizing expansion of access to markets for the farmers’ products.

*Centro de Investigación, Diseño Artesanal y Comercialización Comunitaria (CIDAC)*, \$48,768 (Supplemental)

CIDAC is continuing to provide technical assistance to associations of handicraft artisans in Santa Cruz and is organizing a two-week exhibit of their products at the National Museum of Art in La Paz.

*Asociación de Artesanos Andinos (AAA)*, \$59,625 (Supplemental)

AAA is continuing its work with indigenous weavers in the Arque and Tapacari provinces of the Cochabamba department to revive and further develop traditional techniques and designs. The grantee focuses on generating employment for artisans from 34 communities by improving and diversifying their production, formulating an effective marketing strategy and strengthening their organization.

# BRAZIL



**Rede de Defesa Ambiental do Cabo de Santo Agostinho (REDE)**, \$142,200 over three years

REDE is working in Cabo de Santo Agostinho, Pernambuco, to develop grassroots leadership skills and encourage community groups to partner with businesses and the local government to protect the environment. Its Socio-Environmental School provides training to 100 community leaders who will form Community Environmental Protection Hubs that are identifying solutions to community environmental challenges, drafting action plans and undertaking projects with support from a small-grant fund and external sources.

**Associação Produtiva do Assentamento do Engenho Serra D'água (APAESD)**, \$142,000 over three years

APAESD is working with 50 farmers residing on former sugar cane fields in Rio Formoso, Pernambuco, to improve their income through an agri-business engaged in the production and sale of fish and tropical fruits. APAESD is also creating an Agricultural and Livestock Training Center where 500 farmers will be able to learn new techniques for producing, managing and marketing crops and livestock.

**PANGEA—Center for Socio-Environmental Studies (PANGEA)**, \$228,000 over two years

PANGEA's program in education, organized solid waste collection and recycling is designed to improve the income of some 500 members of recycling cooperatives operating in five locations in Salvador, Bahia. PANGEA expects to create up to 200 new jobs as part of its program.

**Instituto Realice**, \$252,000 over three years

Instituto Realice is organizing a network to distribute hand-crafted mercado-solidário, or Fair Trade, products such as ceramics and jewelry through direct retail, catalogue and Internet sales. Through the project, Instituto Realice is also developing centers in Rio de Janeiro to connect producers with vendors. Its training is ensuring quality and promoting the self-sufficiency of a business structure that maximizes the earning potential of 1,000 Brazilians, mainly women.

**Associação Brasileira do Bem Estar Social, Turismo, Inclusão Social, Cultural e Meio Ambiente (ESTIMATIVA)**, \$35,000 for one year

ESTIMATIVA is providing vocational training and education to 40 hair-weavers of African descent in Rio de Janeiro to raise awareness of and pride in African history and culture as well as enhancing the hair-weavers' skills.

**Fundo Rotativo da Ação da Cidadania (CREDCIDADANIA)**, \$35,860 (Supplemental)

CREDCIDADANIA is providing the technical and administrative assistance necessary to consolidate community funds for low income individuals and groups to teach financial management and business skills, and to administer a revolving loan fund for local microentrepreneurs serving Goiana and Moreno, small towns in Pernambuco.

# COLOMBIA



*Fundación para el Etnodesarrollo de los Llanos Orientales de Colombia* (ETNOLLANO), \$196,800 over two years  
ETNOLLANO is working with 238 craftswomen from the Sikuni, Amorua and Piaroa resguardos, or indigenous territories, along the Orinoco River in the eastern Amazon region in the northern part of Vichada department, to improve their production of traditional crafts such as baskets, wood carvings, ceramics and woven handbags, which are sold to increase families' incomes.

*Empresa Cooperativa del Sur del Cauca* (COSURCA), \$221,285 over two years  
COSURCA is providing credit, technical assistance and training to 1560 coffee and fruit farmers from 13 of its affiliates in the southern provinces of the Cauca region. The project will help them renovate their farms, industrialize the processing of their crops and increase the volume of organic coffee marketed through international Fair Trade channels and of COSURCA members' fruit and fruit products sold in Colombian markets.

*Fundacion Hogar Juvenil* (FHJ), \$258,815 over two years  
FHJ is improving employment opportunities for 55 recyclers of glass, paper, cardboard and plastic, and improving environmental conditions for 6,000 households in Cartagena. It supports the recyclers and their organizations with technical assistance, training and educational campaigns targeting young students as well as with the equipment and transport necessary to collect solid waste effectively.

# DOMINICAN REPUBLIC



**Fundación Taigüey** (Taigüey), \$93,203 over two years

Taigüey is providing an organized group of women in La Ciénaga, Barahona, training and technical assistance to support the establishment of the 40-member cooperative, *Cooperativa para el Desarrollo de La Ciénaga* (COODECI), to purchase fruit for processing into value-added products such as jams and jellies for sale in Dominican niche markets. Approximately 100 individuals are benefiting from the project's income-generating activities and another 250 Dominicans are benefiting indirectly.

**Centro de Servicios Legales para la Mujer** (CENSEL), \$25,000 (Supplemental)

In exchange for donations, CENSEL is offering local businesses training for their employees on

issues related to domestic and gender-based violence. The grantee's ongoing programs are reaching more than 7,000 new beneficiaries in metropolitan Santo Domingo.

**American Chamber of Commerce of the Dominican Republic** (AmCham-DR), \$61,000 (Supplemental)

AmCham-DR is increasing its subgrant fund to support up to nine additional grassroots education, health, social and environmental development projects throughout the Dominican Republic and is holding a one-day corporate social responsibility conference for representatives of local corporations.

# ECUADOR



*Asociación de Desarrollo Integral del Norte (ADIN)*, \$242,720 over three years  
ADIN is working with approximately 125 low-income mestizo, African descendant and indigenous Ecuadorians to generate income and improve their quality of life by developing micro- and small businesses related to the tourism industry in and around the northern city of Ibarra.

*Gestión Ecuador (GE)*, \$216,549 over three years

GE's Solidarity Taxi program is offering services and training designed to increase and improve access to services for approximately 10,000 people with disabilities, 10,000 taxi drivers, 2,000 transit police officers and representatives of 100 social service agencies in Quito and two other cities. The project aims to improve the quality of life of disabled people and raise awareness about related issues.



*Fundación El Kaimán (KAIMAN)*, \$201,420 over two years

KAIMAN is improving the income and quality of life of 210 families from seven communities in or near the Mache Chindul Ecological Reserve in Esmeraldas through education in forestry and agro forestry, support for community-based tourism businesses, and strengthening their grassroots organizations.

*Movimiento Ciudadano por la Democracia (ORGANIZACION)*, \$161,750 over three years  
ORGANIZACION is working in Quito, Guayas and the Amazon region with five juntas parroquiales, the smallest unit of Ecuadorian local government, to train at least 25 elected officials in good governance practices, such as efficiency and transparency, and in undertaking activities that further economic development. It is also training approximately 1,000 Ecuadorians to monitor the work of the juntas parroquiales.

*Fundación Mujer y Familia Andina (FUNDAMYF)*, \$98,936 (Supplemental)

FUNDAMYF is working in at least 45 neighborhoods in the city of Esmeraldas to provide women, largely of African descent, with education and technical assistance related to preventive health practices, rights and responsibilities, and the administration of a loan fund to finance micro-enterprise businesses such as handicraft and sewing.

# EL SALVADOR



*Sociedad Cooperativa Marías 93 de R.L.* (MARIAS 93), \$313,096 over three years  
MARIAS 93, a farmers' cooperative in the department of San Miguel that produces and markets coffee certified as organic, offers its members training and technical assistance to improve the quality of their coffee, increase their income, strengthen their organization and ensure that their methods are environmentally responsible through this project.

*Asociación Comunal para el Desarrollo de la Mujer Rural* (ADEMUR), \$277,300 over three years

ADEMUR is working in the department of San Miguel to increase the income of women farmers and improve family nutrition. It is

providing technical assistance in raising livestock such as Pelibuey sheep and producing feed, managing an in-kind loan fund to support agricultural activities and promoting access to markets.

*Consejo Coordinador Nacional Indígena Salvadoreño* (CCNIS), \$63,656 over 18 months  
CCNIS is training indigenous Nahuat, Lenca and Cacawira Salvadorans to further social, cultural and economic development in their communities and to raise public awareness of their identity and heritage. Approximately 3,500 indigenous Salvadorans are benefiting from the project.

*Asociación para la Promoción de los Derechos Humanos de la Niñez en El Salvador* (APRODEHNI), \$234,437 over two years  
APRODEHNI is working to improve the income and diet of farmers and their families in extremely poor communities in Sonsonate. It is providing technical assistance and training in the cultivation of diverse vegetables and grains, in livestock production and in marketing; is undertaking initiatives to protect the environment and natural resources; and is strengthening the ability of municipal Community Development Associations to operate more effectively.

*Fundación para el Desarrollo Socioeconómico y Restauración Ambiental* (FUNDESYRAM), \$270,280 over three years

FUNDESYRAM is improving the income of women farmers and entrepreneurs in the departments of Ahuachapán and Sonsonate through technical assistance in crop diversification, livestock production and sales; workshops in leadership skills and self-esteem; and credit extended in-kind and in cash to enable about 50 small-scale women farmers to obtain and raise livestock for profit.

*Asociación Acuícola Lago de Ilopango* (ASALI), \$35,000 over six months  
ASALI is conducting a planning process with its board, members and the community to develop fish-farming activities in the Lake Ilopango basin. The project is strengthening ASALI's administrative skills, engaging residents in discussions of a range of possible economic activities, and is designed to result in a plan to promote economic development compatible with the responsible use of natural resources.

*Asociación Cooperativa de Ahorro, Crédito y Agrícola Comunal de Paraíso de Osorio de R.L. (COPADEO)*, \$33,988 over six months (Supplemental)  
COPADEO is providing technical assistance to four fishing cooperatives on Lake Ilopango and funding the purchase of essential equipment for their fish tanks.

*Asociación Salvadoreña de Desarrollo Campesino (ASDEC)*, \$40,893 over six months (Supplemental)  
ASDEC is offering SOCOPOMAR, an association of shrimp-farmer cooperatives in the department of Usulután, technical assistance, inputs and marketing support to ensure its readiness to manage the entire production cycle.

## GUATEMALA



*Asociación de Servicios Comunitarios de Salud (ASECSA)*, \$185,690 over three years

ASECSA is improving access to health services for 1,140 Guatemalans in Baja Verapaz. It is offering training and technical assistance to strengthen 12 community-based organizations, facilitate coordination with local health authorities to improve service and further environmental conservation, promote disaster prevention and preparedness, and support sustainable productive initiatives in areas such as agriculture, animal husbandry, and textiles.



*Asociación Museo Comunitario Rabinal Achi (AMCRA)*, \$163,000 over three years  
AMCRA is promoting, strengthening and preserving the Maya-Achi culture through training in traditional mask-making, compiling and recording traditional music, researching and drafting materials on dances and oral history, and developing permanent exhibits for the Museo Achi. Project beneficiaries receive a percentage of the proceeds from the sale of the masks, recordings and printed materials in the museum shop.

*Asociación de Comunidades Forestales de Petén (ACOFOP)*, \$226,885 over three years  
ACOFOP is providing training and technical assistance to enable members of 10 community organizations operating forest concessions in the Biósfera Maya Nature Reserve to develop environmentally sustainable xate palm plantations in secondary forests and forests affected by fire, and to process, package and market xate and other non-timber products certified as originating in a sustainably managed area. Members are learning accounting, business administration and marketing practices. ACOFOP is also assisting the community organizations in expanding their sales.

***Pastoral Social de Ixcán (PSI)***, \$195,310, over three years

PSI is offering training, technical assistance and subgrants to 12 community groups to improve and diversify the agricultural output of 160 member-farmers and open markets for organic coffee, honey, hearts of palms, pineapple, vanilla and cardamom, among other products. It is also encouraging community groups to suggest their members pool a portion of the remittances they receive from relatives abroad to invest in agriculture or livestock and encourage youths to consider and pursue alternatives to migration.

***Asociación de Promotores de Salud y Comadronas de Petén (APROSACOP)***, \$34,945 over one year

APROSACOP is offering training to its board and most active members, updating an assessment of its volunteers, and drafting a strategic plan to develop its technical and organizational capacity and identify challenges currently confronting its member health promoters and midwives.

***Organización de Desarrollo Integral para la Mujer con Discapacidad y Bajo Recurso Económico (ODIM)***, \$115,765, over three years

ODIM is expanding its current training to develop the self-sufficiency, civic participation and income-generating skills of Guatemalans with disabilities, primarily women, in Mixco. Two series of workshops are providing hands-on training in making crafts and specialized products and addressing topics such as business administration, accounting, marketing and the legal rights of persons with disabilities under Guatemalan law.

## HAITI



***Mouvman Peyizan pou Developman Petyon Vil (MOPDEP)***, \$208,855 over two years

MOPDEP is improving the quality and quantity of the vegetables its members produce for personal consumption and for sale to hotels, restaurants and other businesses. It is providing the farmers with agricultural inputs, tools, training and technical assistance and is constructing an office and processing center in Bellevue la Montagne, Pétionville.

***Mouvement Paysan 3ème Section Camp-Perrin (MP3K)***, \$347,710 over three years

MP3K is working in the Third

Communal Section of Camp-Perrin in the Sud department to apply the minissett technique, an inexpensive method of rapid propagation, to the cultivation of three yam varieties. The increased production and sales are expected to boost the income of MP3K's 1,500 members and indirectly benefit the 25,000 other residents of Camp-Perrin.

***Konbit Fann Kaskad-Dubreuil (KOFAKAD)***, \$207,350 over three years

KOFAKAD is constructing and equipping a workshop and training center in the southern town of Ducis, where 350 at-risk young women and adolescents can improve their computer literacy and acquire the skills to work as dressmakers, artisans and bakers. KOFAKAD is also developing its members' dressmaking, cake-decorating, and production of handicrafts and baked goods into a community-based enterprise.

*Quisqueya International Organization for Freedom and Development (QIFD)*, \$264,900 over two and a half years

QIFD is working to strengthen the agricultural sector and create economic opportunities through programs in agricultural development, natural resource management and microcredit, together with an umbrella organization of farmers groups, Komite Developman Lokal, the cooperative Sere Pou Lè W Bezwen, youth and women's organizations, and the local government to revitalize the agricultural sector in Savanette, a community located on Haiti's central plateau near the Dominican border.

*Fondasyon Enstitisyon pou Devlopman ak Edikasyon Sivik ki Sòti nan Baz-la (FIDEB)*, \$76,498 over one year (Supplemental)

FIDEB is continuing to fund economic development projects, such as the administration of a seed bank and the marketing and sale of shallots by its member organizations, developing materials for use in mobilizing resources locally and from Haitians abroad, and undertaking a strategic planning process.

*Coordination des Paysans pour Développement de Thomazeau (COPDET)*, \$162,290 over 18 months (Supplemental)

COPDET is developing a seed bank and provide training to help 300 farmers grow and sell shallots and other crops.



## HONDURAS

*Fundación Adelante (ADELANTE)*, \$295,667 over three years

ADELANTE is improving economic opportunities and the quality of life for 2,400 women, primarily indigenous, in Intibucá by expanding its program that offers access to credit and education to develop business and leadership skills.

*Instituto Hondureño de Desarrollo Alternativo y Sostenible (IHDEAS)*, \$216,447 over two years and six months

IHDEAS is assisting microbusinesses launched by at-risk youths from poor communities of metropolitan Tegucigalpa and developing its program of technical assistance, training and mentoring offered in connection with youth enterprise creation. Its project is improving living standards and economic opportunities for 100 young Hondurans.



*Consejo de Desarrollo del Sector Social de la Economía Regional de Intibucá* (CODESSE), \$10,672 (Supplemental)

CODESSE is creating promotional signs for 10 businesses, sponsoring participation in a marketing fair and covering additional salary costs related to its ongoing technical assistance in business organization, finance, production, and marketing to mostly women and young people in the rural communities of Intibucá.

## JAMAICA



*Good Hope Partners in Entrepreneurial Development* (GOHPED), \$35,000 over one year

GOHPED is creating a development plan for five communities in the Good Hope region of Eastern St. Andrew. As part of the process, it is surveying agricultural practices and launching pilot programs in alternative or nontraditional livelihoods such as beekeeping and greenhouse farming, as well as marketing skills training and organizational development. The project is directly benefiting 500 residents of the participating communities, including many young people, and indirectly benefits 16,000 other residents of the Good Hope region.

*People's Action for Community Transformation* (PACT), \$99,670 (Supplemental)

PACT, in collaboration with the Local Initiative Facility for the Urban Environment (LIFE), is providing capital, technical assistance and training to grassroots organizations to enhance their networking skills, to improve their access to information and to enable them to undertake social, environmental and income-generating projects. Approximately 250 additional low-income members of community-based organizations throughout Jamaica, many of them women, are benefiting.

# MEXICO



*Mujeres Indígenas Artesanas de Pantelho*  
years

(MUINARPA), \$46,905 over two

MUINARPA, a group of 53 women textile artisans formed 21 years ago in Pantelho, Chiapas, is obtaining legal status as a nonprofit entity and opening a bank account to enable it to access technical assistance and new markets. The project also includes a working capital fund, construction of a workspace/warehouse, and the development of promotional materials, labels and a brand name to increase sales of the textiles produced by participating artisans.



*K'inál Antsetik A.C. (K'inál)*,  
\$290,442 over three years

K'inál is making training, assistance with productive projects, and programs in health, education and communication available to indigenous women in Chiapas by improving Jolom Mayaetik, a textile cooperative, and founding the Women's Leadership Center. Some 350 members of 14 community groups are participating.

*Innovación y Apoyo Educativo, A.C. (IAE)*, \$251,160 over two years and six months  
IAE, in partnership with the Consejo Municipal de Participación Social (Municipal Council of Social Participation, or CMPSE), is training more than 1,500 parents, educators, students and other residents of the municipality of Santa Margarita, Chiapas, to deliberate and reach consensus on the allocation of the municipal education budget. Participants are learning democratic practices and crafting education policy, emphasizing the school as a place of learning that also furthers civic involvement.

*Centro de Formación Integral para Promotores Indígenas A.C. (CEFIPI)*, \$232,762 over three years  
CEFIPI is training farmers in organic agriculture, processing a children's nutritional supplement from the improved produce for local distribution, addressing women's employment opportunities and illiteracy, and developing a new, centrally-located marketplace. The program is benefiting 3,600 indigenous Mexicans in the municipalities of Chilón, Xihtalhá, Salto de Agua, Palenque, Ocosingo, Yajalón and Pantelho.

*Migramex Asociación Civil (MAC)*, \$259,512 over three years  
MAC is working in Jaltipán, Ciudad Isla, Catemaco, San Andrés Tuxtla, Acayucán, Sayula de Alemán, Minzapán and Playa Vicente to promote community-based opportunities to reduce migration by organizing 160 women, mostly heads-of-household, into community groups, train them in financial management, and develop their ability to earn income, maintain savings accounts and community-managed savings and loan associations.

**Fundación Comunitaria de la Frontera Norte, A.C. (FCFNAC), \$33,831 over one year**  
FCFNAC is determining the future management needs and legal parameters of the Border Philanthropy Partnership (BPP) plan to become legally constituted as a binational nonprofit organization with offices and staff on both sides of the U.S.-Mexico border. This plan will build and strengthen the organizational leadership, programs, and institutional resources of community foundations on both sides of the U.S.-Mexico border to root development efforts in local participation, and to build local social capital and encourage cross-border collaboration to improve quality of life in border communities. The grantee is also undertaking the first phase of a program to create a binational quality of life index for the U.S.-Mexico border region.

**Fundación Internacional de la Comunidad (FIC), \$55,269 (Supplemental)**  
FIC is developing a system to more effectively monitor and evaluate its IAF-funded grant program to strengthen partnership with business, NGO, and philanthropic leaders; bolster the organizational capacity of over 200 NGOs and microbusinesses; support over 60 small development projects managed by these local organizations; and benefit 1,800 people in low-income communities in urban and rural areas of Baja California.

**Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS), \$107,200 (Supplemental)**  
AMUCSS is providing logistical support, technical assistance and training to members of Envíos Confianza, a new association of financial institutions offering banking services, including remittance-cashing, in rural areas. With the participation of Envíos Confianza, AMUCSS is establishing 60 certified payment points to reach approximately 3,500 new clients.

## NICARAGUA



**Unión de Cooperativas Agropecuarias Productoras de Café Orgánico (UCPCO) \$353,120 over three years**  
UCPCO is improving the income and quality of life of farmers in Madriz by developing their capacity to produce and export certified Fair Trade and organic coffee. It is providing the farmers microcredit, technical assistance and equipment; constructing an office and a store; and improving its processing plant to include a quality control laboratory, a drying patio and a storage facility.

**Cooperativa Multisectorial Verde Esperanza, R.L. (COMULVERL), \$228,817 over three years**  
COMULVERL is working in El Jicaral and Santa Rosa del Peñon, rural municipalities in the department of León, to strengthen grassroots organizations in 22 communities; provide local farmers with access to credit, materials, training and technical assistance; and make credit and training available to entrepreneurs operating small retail and industrial enterprises.

**Fundación Caja Rural San Lorenzo (CARUSALO), \$287,400 over three years**  
CARUSALO is providing four groups of farmers in Boaco with training, technical assistance and credit toward improving their production of beans, rice, vegetables and



dragon fruit. It is also supporting farmers' efforts to apply new irrigation technologies, construct crop-collection centers and a greenhouse, and pool their crops to market in volume to wholesalers in Managua.

*Asociación para el Desarrollo de la Costa Atlántica "PANA PANA" (PANA PANA)* \$347,300 over three years

PANA PANA is assisting residents in 21 communities affected by Hurricane Felix by providing in-kind loans to support crop recovery, cash loans to entrepreneurs, and credit and materials to reconstruct housing. Its training program is strengthening traditional indigenous leadership structures and develops PANA PANA's staff.

*Unión de Cooperativas Agropecuarios Héroes y Mártires de Mirafior, R.L. (MIRAFLOR)*, \$264,453 over three years

MIRAFLOR is working in the rural communities inside the Mirafior Nature Reserve to augment the production of its organic pesticide business, increase water conservation and reforestation activities, promote the use of fuel-efficient stoves, provide credit to support the production of organic coffee, build wet-mills for processing coffee beans on farm sites, expand its revolving fund extending loans of dairy cattle, improve the physical plant of its agro-ecological institute and invest in local eco-tourism infrastructure.

*Asociación de Mujeres Profesionales por el Desarrollo Integral (AMPDI)*, \$34,685 over nine months  
AMPDI is collaborating with Voces Caribeñas, Movimiento Nidia White and Organización de Mujeres Afro-Nicaragüenses on research and a planning process addressing the economic development priorities of African descendent women in Bilwi, Bluefields and Managua.

## PANAMA



*Programa de Promoción y Desarrollo Social (PRODESO)*, \$239,725 over two years  
PRODESO is working with five watershed committees, local authorities, farmers and other organizations to promote agro-ecological practices that protect the environment while improving the earnings, living conditions and well-being of the residents of the Upper Río Santa María Watershed in central Panama. The grantee is strengthening the committees, creating sustainable farms, and providing training and technical assistance in reforestation.



**Fundación Biblioteca Nacional de Panamá (FBN), \$251,000 over four years**

FBN is developing the public library in Tolé, Chiriquí, into a model facility that serves as a center where 12,000 residents can become involved in cultural events and community projects. The library will offer research and planning activities, reading and literacy programs, opportunities to participate in the recovery of indigenous oral traditions, and training for teachers, community leaders and parents in the use of its resources.

**Asociación para la Promoción y Acción Social (PAS), \$180,000 over two years**

PAS is working with residents and four grassroots groups in three municipalities in Coclé and Colón provinces to conserve natural resources by modifying agricultural and land management techniques. In addition to promoting organic farming and the reforestation of watersheds, the grantee is marketing and developing the administrative skills of the community groups. Its program aims to improve the income and quality of life of 225 Panamanians.

**Asociación Pro-Artesana Panameña (PROARTESANA), \$225,000 over three years**

PROARTESANA is providing 300 craftspeople, mostly women from Panama City, the central provinces and indigenous reserves, training and technical assistance necessary to improve the skills, earnings, self-esteem, cultural pride and access to tourist and other high-end sales outlets, including via the Internet.

**Cooperativa de Servicios Múltiples Desarrollo Integral de Gualaca, R.L. (COOP), \$10,000 (Supplemental)**

COOP is offsetting the increased cost of materials and labor for the construction of a multipurpose tourism center and other project expenses.

## PARAGUAY



**Base Educación, Comunicación y Tecnología Alternativa (BASE ECTA), \$155,500 over three years**

BASE ECTA is providing sub-grants, training and technical assistance to grassroots organizations undertaking small, community-based development projects such as food security and agricultural production, directly benefiting least 3,000 Paraguayans.

**Grupo Sunu (Sunu), \$159,260 over three years**

Sunu is working with indigenous Ava Guaraní, Angaité Maskoy and Chamacoco Paraguayans in the departments of Canindeyú,

Presidente Hayes and Alto Paraguay to promote their identity, understanding of their rights as indigenous peoples under existing Paraguayan law, and economic, social and cultural development. The project is

directly benefiting 3,600 indigenous Paraguayans in the communities served and is indirectly benefiting 6,000 other indigenous Paraguayans.

**Fundación Saraki** (Saraki), \$249,315 over two years and six months

Saraki is working with Coordinadora Nacional por la Promoción de los Derechos de las Personas Con Discapacidad (CONAPRODIS) to provide training to 900 representatives of disability rights organizations in Asunción, Caaguazú, Ciudad del Este, Colonel Oviedo, Paraguarí and San Isidro, enabling these NGOs to more effectively serve 100,000 Paraguayans with disabilities.

**Fundación Arlequín Teatro** (FAT), \$38,800 (Supplemental)

FAT is preparing graduates of its theater workshops to teach residents of Lambaré and San Lorenzo, in suburban Asunción, to identify and address neighborhood priorities. Workshop graduates are also participating in professional internships.



## PERU



**Centro de Estudios y Desarrollo-  
APURIMAC** (CEDES-APURIMAC),  
\$198,212 over two years

CEDES-APURIMAC is providing training, technical assistance, credit and marketing services to more than 900 farm families and their municipal governments in central Peru as they undertake a coordinated program to develop organic agriculture.

**Centro Textiles Tradicionales del  
Cusco** (CTTC), \$294,100 over three  
years

CTTC is providing training, technical assistance, credit and marketing services to indigenous weavers

recapturing Incan designs and techniques in seven communities in the Sacred Valley of the Inca of the Cusco region. The program is benefiting 350 youths.

**Asociación ARARIWA para la Promoción Técnico-Cultural Andina** (ARARIWA), \$323,855 over three years  
ARARIWA is providing training, technical assistance, processing and marketing services, and exchange opportunities to 300 farmers in the Sacred Valley of the Inca as they revive their organic fruit production.

**Pacocha y Derivados, S. A.** (PACOCHA), \$197,000 over two years

PACOCHA is developing its training, technical assistance and marketing services benefiting approximately 260 alpaca-herding families who sell alpaca fiber in the 18 communities it serves in the Moquegua region.

**Red de Municipalidades Rurales del Perú** (REMURPE), \$200,800 over two years

REMURPE is coordinating meetings, conducting surveys and studies of community needs, and offering training, technical assistance, exchanges and an electronic communications network to enable municipalities

in the regions of Cusco, Piura, Puno and Ayacucho to access public resources made available through the national government for economic development projects.

**Visión para el Desarrollo (VIPADES)**, \$159,980 over two years

VIPADES is providing training, technical assistance and marketing support, including feasibility studies, to enable 320 farm families in the Puno region to grow herbs and other medicinal plants and process them into natural remedies for sale to retailers.

**Asociación Minga-Perú (Minga-Perú)**, \$84,575 (Supplemental)

Minga-Perú is expanding its network of rural promoters to increase interaction with 1,400 women from 10 additional indigenous communities on the banks of tributaries of the Amazon River and training 20 women in preventive health practices, gender equity and income generation.

**Asociación de Productores Agropecuarios de Chuquibamba (APROACH)**, \$77,786 (Supplemental)

APROACH is providing the training and technical assistance necessary for dairy farmers, cheese producers and women hog farmers in Chuquibamba, Arequipa, to increase productivity and receive the necessary certification required to market their products through commercial channels.



## URUGUAY



**Cooperativa Delicias Criollas Producción y Venta de Servicios (Delicias Criollas)**, \$149,200 over three years

Delicias Criollas is further developing its 13 affiliated enterprises managed and supplied by 150 low-income rural women in 10 Uruguayan departments through training and technical assistance in the commercial production, quality control and marketing of traditional foods such as fruit jams and jellies. These women benefit from increased sales income, and some 3,750 other individuals are benefiting indirectly from the project.

**Centro Latinoamericano de Economía Social (CLAEH)**, \$35,000 over one year  
CLAEH is studying trends in Uruguayan philanthropy through the commission of a report on the feasibility of developing community foundations using charitable trusts to support grassroots development.

**Una Casa Un Sueño (UCUS)**, \$94,440 (Supplemental)

UCUS is covering the cost of construction and labor for approximately 30 new homes on land donated by private organizations, benefiting more than 100 of Montevideo's poorest residents.

# VENEZUELA



***Cooperación Para Un Desarrollo Rural Sustentable (CODESU)***, \$327,300 over three years  
CODESU is working with some 50 coffee farmers organized as the Asociación de Productores de Torondoy (ASOPROTOY) in Mérida to increase their income by producing a greater volume of higher quality coffee, improve coffee farming infrastructure, obtaining organic and Fair Trade certification, marketing specialty coffee in Venezuela and abroad, and cultivating fruits and vegetables that improve soil quality and nutrition.

***Asociación Civil Sin Fines de Lucro Centro e Formación Popular "Renaciendo Juntos"*** (CEPOREJUN), \$388,410 over three years  
CEPOREJUN is working with artists on the island of Margarita to increase their income by improving the quality of their crafts through training and technical assistance, building a sales outlet near beach routes for arts, crafts and traditional foods, and introducing Fair Trade practices into their production and sales processes.

***Grupo Ambientalista de Reciclaje Everest (GARE)***, \$157,900 over two years  
GARE is developing its recycling enterprise and improving the quality of life in seven communities on the outskirts of Maracaibo by training at-risk youths and others in marketable skills such as marketing art made from recycled materials and business administration training, raising environmental awareness, promoting civic participation through a public awareness campaign and raising self-esteem.

***Fundación Tierra Viva (FTV)***, \$293,900 over three years  
FTV is assisting 50 farm families in the state of Carabobo in raising their earning potential by improving their cacao production and pursuing organic certification of their cacao. The grantee provides training, technical assistance and marketing services to participating farmers.

***Fundación Proyecto Paria (FPP)***, \$256,855 over two years  
FPP is helping four cooperatives of cacao farmers in the state of Sucre found and operate a larger organization designed to raise productivity, improve crop quality and processing, and sell cacao domestically and internationally, in order to increase farmers' income by up to 30 percent through this process. The grantee is also offering farmers training and technical assistance in cacao cultivation, product improvement and in the administration of their new organization.

***Circuitos Femeninos Populares-Mérida (CFP-Mérida)***, \$ 114,025 over two years  
CFP-Mérida is raising awareness of the impact of violence against women and children in the states of Mérida and Barinas by conducting a study, disseminating the results and training 55 young men and women in 17 communities to lead workshops on issues related to leadership training and domestic violence

prevention to reach more than 1,000 people. CFP-Mérida is also providing technical assistance and training to improve the organizational skills of members of CFP-Barinas and its leadership programs for women.

*Centro de Orientación, Formación y Salud Integral "Ángel de la Guarda"* (COFSIAG) \$27,360 over one year  
COFSIAG is working with organizations in four communities in the municipality of Guaraca to obtain baseline information in order to better serve children and other residents with programs that address civic participation, educational and vocational opportunities, problem-solving, decision-making and effective negotiation with public and private institutions.

## REDEAMÉRICA

**COSTA RICA:** *Empresa para el Desarrollo S. A.* (EDESA)

\$220,000 in IAF fund matched by \$664,033 (\$356,682 from EDESA and \$307,351 from FINCA) over three years

EDESA is incorporating grassroots development principles and practices into its approach to creating and supporting empresas de crédito comunitarias (ECCs), or community-owned lending businesses, throughout Costa Rica, and is extending microloans to these enterprises.

**GUATEMALA:** *Fundación Pantaleón* (Pantaleón)

\$215,000 in IAF funds matched by \$645,000 (\$115,000 from Pantaleón and \$530,000 from Fundación Novella, Fundación CODESPA, and other partners) over four years

In coordination with RedEAmérica's Guatemalan members, Pantaleón is developing a Guatemalan/Regional Program to provide small grants, training and other technical support to grassroots organizations undertaking small-scale community development projects with a focus on income generation.

**PERU:** *Asociación Atocongo* (Atocongo)

\$400,000 in IAF funds matched by \$1,600,000 (\$800,000 from Atocongo and \$800,000 from Fundación CODESPA) over four years

In coordination with RedEAmérica's other Peruvian members, Atocongo is developing a Peruvian National Program to provide small grants, training and other technical support to organizations conducting economic and social development projects at the grassroots level.

**ECUADOR:** *Fundación Lann Nobis* (Fundación Lann) (Supplemental)

\$440,745 in IAF funds matched by approximately \$1,027,310 (\$727,310 from Fundación Lann and approximately \$300,000 from the Ecuadorian Ministry of Tourism,) over two years

Fundación Lann is providing small grants, training and other technical support to grassroots organizations undertaking self-help development projects. It is also taking the lead in organizing other RedEAmérica members into an Ecuadorian National Program to further grassroots development and in creating an Ecuadorian network of CEOs to promote RedEAmérica among private and corporate foundations throughout the country.



Back cover: This jaguar mask was produced by an artisan who participated in a handicraft production and marketing project carried out by Centro de Investigación, Diseño Artesanal y Comercialización de la Artesanía Cruceño (CIDAC). Artisans from poor communities create and sell masks such as this one to tourists through a workshop and store in Santa Cruz that were built as part of the IAF-funded project. Artisans participating in ARTECAMPO, the federation affiliated with CIDAC through which many of the marketing activities are conducted, have significantly increased their income as a result of this project. Photo is the property of ARTECAMPO.



The Inter-American Foundation (IAF) is an independent agency of the United States government that provides grants to nongovernmental and community-based organizations in Latin America and the Caribbean for innovative, sustainable and participatory development programs.