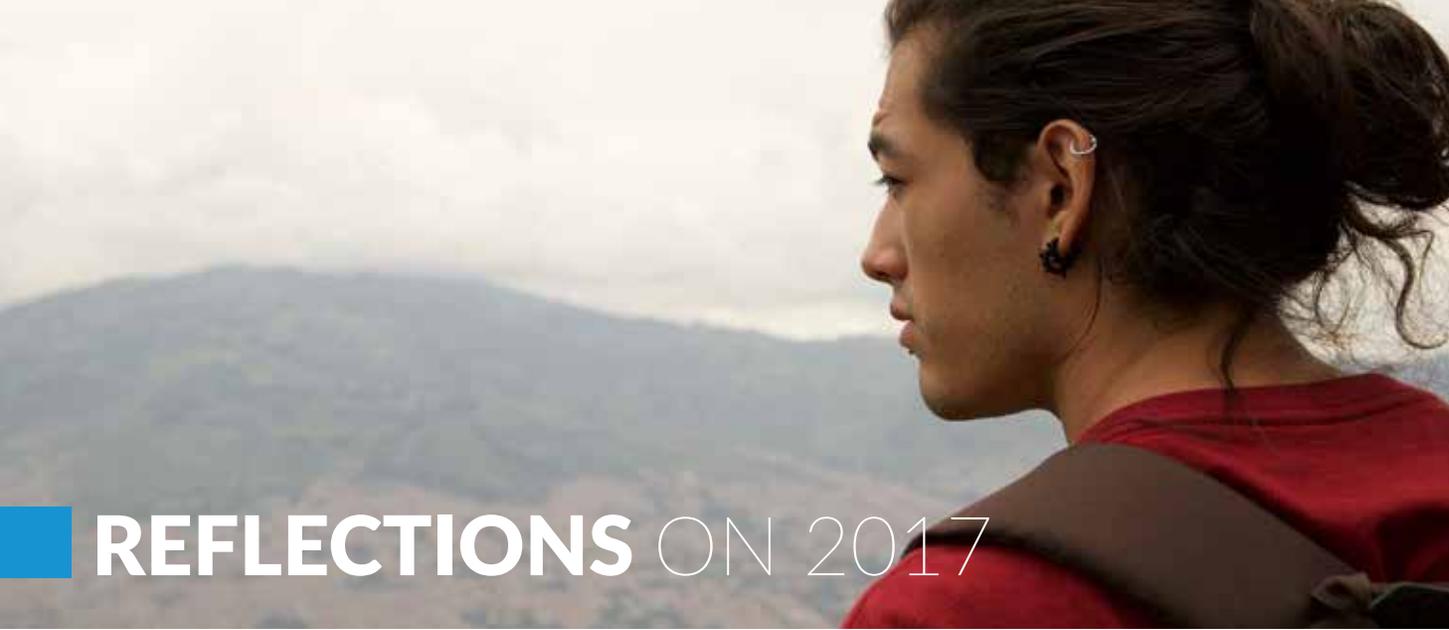




2017 IN REVIEW

BUILDING PARTNERSHIPS FOR SUSTAINABLE IMPACT



REFLECTIONS ON 2017



Eddy Arriola

The past year was one of transitions for the Inter-American Foundation (IAF). While transitions by their nature bring challenges, the IAF's accomplishments eclipsed the tests it faced. The Foundation strengthened not only its resolve, but its commitment to providing the poor of Latin America and the Caribbean with an alternative to traditional aid – direct support that responds to their priorities and jump starts their solutions.

Early in the year, just as Colombia was moving into a post-conflict period following more than 50 years of war, members of the IAF Board and Advisory Council visited grantee partners in country. They met with community groups forging alliances with the public and private sectors, and investing together in community peacebuilding and national reconciliation. As Colombia's formal peace process progresses, the IAF will continue to support communities' desires to participate in the day-to-day work of transitioning to peace.

Further north, the IAF ramped up its support for grassroots development approaches to persistent crime, violence, poverty, and corruption in El Salvador, Guatemala, and Honduras. The foundation's Northern Triangle portfolio nearly tripled in size from 2016 to 2017.



Paloma Adams-Allen

The year was marked by the release of a new strategic plan, which outlines a new vision for the Foundation and strategies for embracing the future – finding and funding the most industrious groups and transformative ideas, tapping into non-traditional approaches and co-funding, and honing the IAF's evaluation and learning capabilities.

What has remained constant this year is the Foundation's commitment, rooted in its distinct bottom-up approach to development, to ensuring that grantee partners work toward sustaining their organizations and projects. In fiscal year 2017, the IAF awarded \$16.9 million to 122 grassroots and nongovernmental organizations in 20 countries. Those organizations in turn dedicated another \$19.5 million in matching resources. The current portfolio of 306 active projects represents a \$73.8 million investment by the IAF and \$98 million from grantee partners.

The IAF has also remained steadfast in communicating results to its diverse stakeholders. In August, the Foundation led congressional staff delegations to Colombia, Guatemala and El Salvador, which enabled staffers from committees with jurisdiction over the IAF to review active projects, interact with grantees, and assess impact.

Throughout the visits, smallholder farmers, women entrepreneurs, and youth leaders shared how the IAF's direct and patient funding model helped them improve social and economic conditions in their communities.

In April, the IAF said goodbye to Robert N. Kaplan, who retired after more than six years of service, and welcomed Paloma Adams-Allen as the new president and CEO of the Foundation. She brings a wealth of regional, development, and executive experience to the IAF. Paloma's arrival has reinvigorated the IAF's commitment to deepening its impact and mobilizing resources for grassroots development.

The first order of business for Paloma was to see the IAF in action where its staff and grantees truly shine: in the field. She felt the IAF's impact in her interaction with members of the Committee of Relatives of Deceased and Disappeared Migrants (COFAMIDE), who shared how targeted IAF support, sometimes as small as \$200 to purchase business equipment or repaint a shop front, was helping them carve paths out of despair, violence, and poverty. And she saw the IAF's impact when young women entrepreneurs of Los Córdoba, Colombia, a region formerly wracked by conflict, proudly welcomed her into their successful micro-enterprises.

Moments of transition are indeed marked by challenges, but as the IAF family learned repeatedly this year from grantee partners, change also presents opportunities – opportunities for the Foundation to evolve, innovate, and look to the future with hope.

Eddy Arriola
Chair, Board of Directors

Paloma Adams-Allen
President and CEO

“The fundamental concept of peace is conceived as political, economic and social. It’s not enough to just stop the war.”

— RODRIGO QUINTERO,
MEMBER OF CORPORACION CONSORCIO
PARA EL DESARROLLO COMUNITARIO

BUILDING PEACE AT THE GRASSROOTS IN COLOMBIA

By the time the historic agreement to end the 52-year conflict between the FARC and Colombian government was reached last October, the IAF was poised to launch an initiative to help lay the groundwork for building peace. The IAF saw that its partners were not going to wait for peace; they had already been coping with and building alternatives to conflict in their territories for years. Relying on its flexible model and strong in-country networks, the IAF invited current and former grantee partners to identify what they need for peace in their communities and apply for support to carry this out.

In addition to new traditional grants, the IAF awarded 18 small grants for this special initiative, enabling its grantee partners to expand and adapt their efforts to build peace street by street, farm by farm, community by community. They organized their communities and partnered with the public and private sectors to create local development plans essential for long-lasting peace. They offered alternatives to participating in violence and illicit economies, raised awareness about basic human rights, and created coalitions for peace implementation that include incipient civil society voices.

For example, the coffee cooperative Empresa Cooperativa del Sur del Cauca (COSURCA), born in a region that saw FARC skirmishes and coca cultivation, had already reached success, with the IAF’s support, in the cultivation of organic coffee and Andean fruits as alternatives to coca. One of the keys to this success was COSURCA’s skills in local organizing. With its new peace-building grant, COSURCA harnessed these skills again to guide community members through a healing process and prepare them to engage their local officials about their needs.

Achieving a future free of conflict in Colombia will surely take time. The IAF model is facilitating peace by enabling people in the territories and in urban settlements to take the lead in crucial steps toward their development and reconciliation.

IAF Peace Building Initiatives

18,300

direct participants

\$38,830

Average amount invested per grant

\$698,954

Total IAF investment in 18 small grants

1964

Year the conflict began

CREATING AND EXPANDING ECONOMIC OPPORTUNITY I

Consistent with the U.S. Strategy for Engagement in Central America, the IAF's 2017 investments in the region are making it possible for more people to remain and engage in their communities. Community-led initiatives in El Salvador, Guatemala and Honduras create opportunities for residents to start and expand social enterprises, and to encourage youth to lead and contribute to projects that improve their conditions and futures. They empower citizens to push back against corruption, demand transparency and accountability from public institutions, and ask for resources, attention to their needs, and safety.



"We have learned that we don't need thousands of dollars. We only need someone to believe in us and have tools to move forward."

— SANTOS PAULINO VASQUEZ

COFAMIDE Snapshot

120

Families participating directly

\$50,000

Total IAF investment

\$100

Monthly income for one-fifth of COFAMIDE members

\$350-\$725

Value of materials for family businesses

EL SALVADOR

Asociación Comité de Familiares de Migrantes Fallecidos y Desaparecidos de El Salvador (COFAMIDE), an organization of family members of missing or deceased migrants, provides seed funding and training for its members to start businesses and begin to recover financially from their grief. For many members, it is COFAMIDE's counseling services and cathartic leadership training among others who have lost family members in similar ways that enables them to regain the confidence and desire to work and associate with others. Santos Paulino Vasquez, who lost

his wife, was able to open a small clothing and accessories store to support his two children. A groundbreaking report by COFAMIDE, released in April 2017, described the economic conditions and disadvantage of families of disappeared migrants. It called for critical support from public institutions to enable them to stay and be productive citizens. COFAMIDE also launched a campaign online, on the radio and in schools to warn of the risks of migrating, including kidnappings and violence, with the message: "Your dreams can turn into nightmares."

ADESJU Snapshot

77%

Poverty rate where ADESJU works

75%

Proportion of the population under age 30

\$358

Total IAF investment per participant

4,500

Number of people reached



N CENTRAL AMERICA

GUATEMALA

Huehuetenango is a department bordering Mexico, plagued with poverty, high levels of outmigration and narco-trafficking activity. There, IAF grantee partner Asociación Para el Desarrollo Sostenible de la Juventud (ADESJU) is working with the young people of 25 youth groups to strengthen their leadership skills, create small enterprises, access scholarships for technical degrees and raise awareness of their needs with local government officials. As a result, youth are finding alternatives to migration, illicit activities, alcoholism and drugs, and increasingly have a say in local decision-making. Since 2012, they have documented their needs, and steadily engaged local officials in a dialogue about municipal funding for youth priorities. For the first time in Guatemala, these municipalities last year committed funding to part of this plan: a subgrant fund for microbusinesses and small projects of up to \$1,500 each. These changes are empowering youth to make the decision to stay in their home communities rather than leave.



HONDURAS

Honduras Youth Network Initiative

1,100
Direct participants

6,000
Indirect beneficiaries

14-30
Age of participants

\$362
Total IAF investment
per participant

In Honduras, poverty, economic stagnation, ongoing droughts and lack of educational and employment opportunities contribute to rural-urban and cross-border migration. In the face of all these challenges, the IAF is supporting three organizations with successful strategies in youth development – one in high-crime urban neighborhoods of the north and two in the drought-stricken rural south – to work together to leverage their respective strengths. Asociación de Desarrollo Pespirense (ADEPES), Asociación de Desarrollo

Triunfeña (ADETRIUNF), and Organización para el Empoderamiento de la Juventud (OYE) are creating a social enterprise that advances youth leadership, vocational education and economic development options in and beyond the agricultural sector – the largest source of employment in the country. Early results include the training for more than 100 youth to launch more than 40 enterprises to employ local young people in agriculture, honey production, bakery, carpentry, shoe-making, leather works, and sales.

HIGHLIGHTS OF IAF INVESTMENTS IN GRASSROOTS DEVELOPMENT

RESULTS*

239,930

individuals **BENEFITED DIRECTLY** from IAF investments



906,906

individuals **BENEFITED INDIRECTLY** from IAF investments



54,492

individuals acquired **NEW KNOWLEDGE AND SKILLS**

in agriculture, manufacturing, civic engagement, marketing and conservation



59%

of program participants were **WOMEN and YOUTH**

and **YOUTH**



households of **26,833** individuals **MET BASIC NEEDS**

(access to potable water, shelter, nutrition, health and other improvements)

7,221

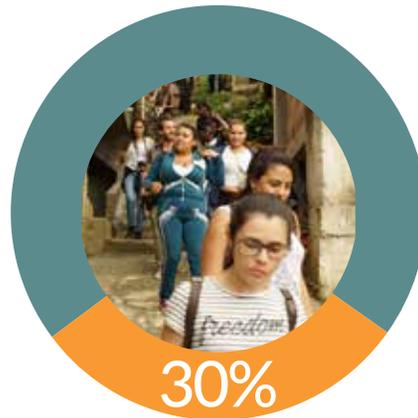
JOBS

created or maintained

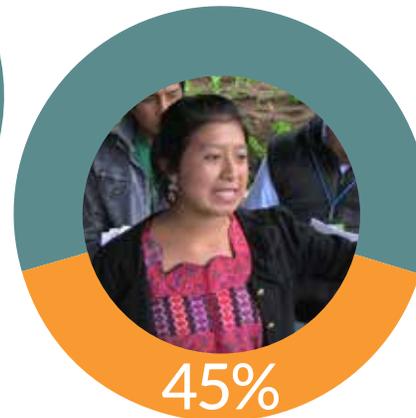


COMMUNITIES

PERCENT OF IAF GRANTS AWARDED TO CIVIL SOCIETY GROUPS ENGAGED IN ADDRESSING THEIR OWN CHALLENGES



CREATED ALTERNATIVES TO IRREGULAR MIGRATION



STRENGTHENED GOVERNANCE



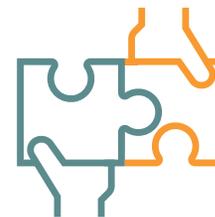
FACILITATED SOCIAL AND ECONOMIC INCLUSION

PARTNERS



For every **\$1** invested by the IAF

on average **IAF GRANTEE PARTNERS** commit **\$1.33**

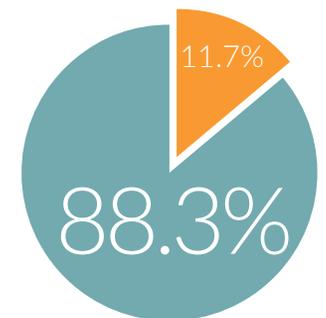


2,355 Number of **PARTNERSHIPS** grantees secured to mobilize resources and share experiences

EFFICIENCY

HOW THE IAF BUDGET WAS USED

ADMINISTRATIVE COSTS



DIRECT PROGRAM INVESTMENTS

*These totals represent cumulative year-end results for all active grants.

TOTAL ACTIVE PROJECT PORTFOLIO

20 COUNTRIES
306 GRANTS
\$73.8 M

FY 2017 INVESTMENT
\$16.9 M BY IAF
\$19.5 M BY GRANTEE PARTNERS

CARIBBEAN \$6.2 M

24 GRANTS

DOMINICAN REPUBLIC	8
HAITI	15
JAMAICA	1

MEXICO \$4.9 M

24 GRANTS

CENTRAL AMERICA \$27.2 M

108 GRANTS

BELIZE	3
COSTA RICA	8
EL SALVADOR	20
GUATEMALA	26
HONDURAS	32
NICARAGUA	17
PANAMA	2

ANDEAN COUNTRIES \$15.2 M

74 GRANTS

BOLIVIA	12
COLOMBIA	33
ECUADOR	8
PERU	21

BRAZIL \$6.9 M

29 GRANTS

SOUTHERN CONE \$8.9 M

32 GRANTS

ARGENTINA	10
CHILE	3
PARAGUAY	17
URUGUAY	2

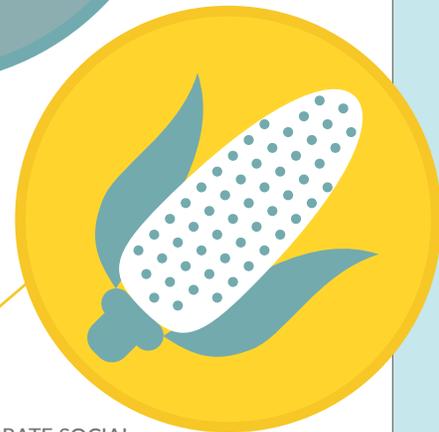
MULTI-COUNTRY \$4.5 M

15 GRANTS

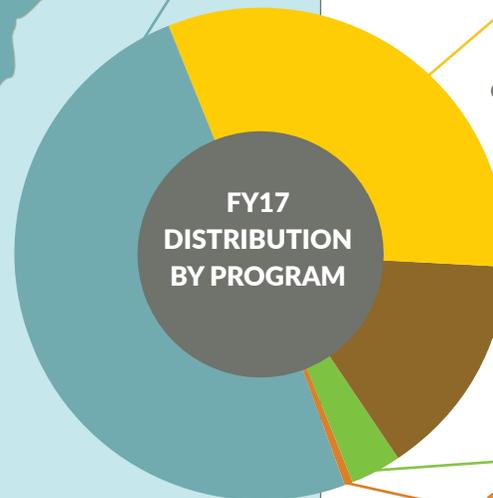
PROGRAMS



SKILLS TRAINING AND CIVIC ENGAGEMENT
\$8.4M



FOOD SECURITY AND SMALLHOLDER AGRICULTURE
\$5.4M



CORPORATE SOCIAL INVESTMENT AND MICRO-ENTERPRISE DEVELOPMENT
\$2.5M



NATURAL RESOURCE MANAGEMENT
\$0.6M



HEALTH AND HOUSING
\$0.05M

INTER-AMERICAN FOUNDATION

The Inter-American Foundation (IAF), an independent foreign assistance agency of the United States government, was created in 1969 to promote citizen-led development in Latin America and the Caribbean. The IAF works directly with community organizations to help them realize opportunities and solve their own problems. This approach results in effective, community-owned development characterized by economic opportunity, resilience to violence, social inclusion and greater citizen participation in democratic processes.



INTER-AMERICAN FOUNDATION

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Photos: Front cover courtesy of OYE; pages 1, 3, and back cover by IAF staff; pages 4-5 by Sean Sprague, and courtesy of ADESJU and ADEPES.

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The Inter-American Foundation is governed by a board of directors appointed by the president of the United States and confirmed by the U.S. Senate. Our board members are drawn from the private sector and the federal government.

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