

2004 YEAR IN REVIEW

# Inter-American Foundation



*Options for the Future*

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OCTOBER 1, 2003 TO SEPTEMBER 30, 2004



*Options for the Future*

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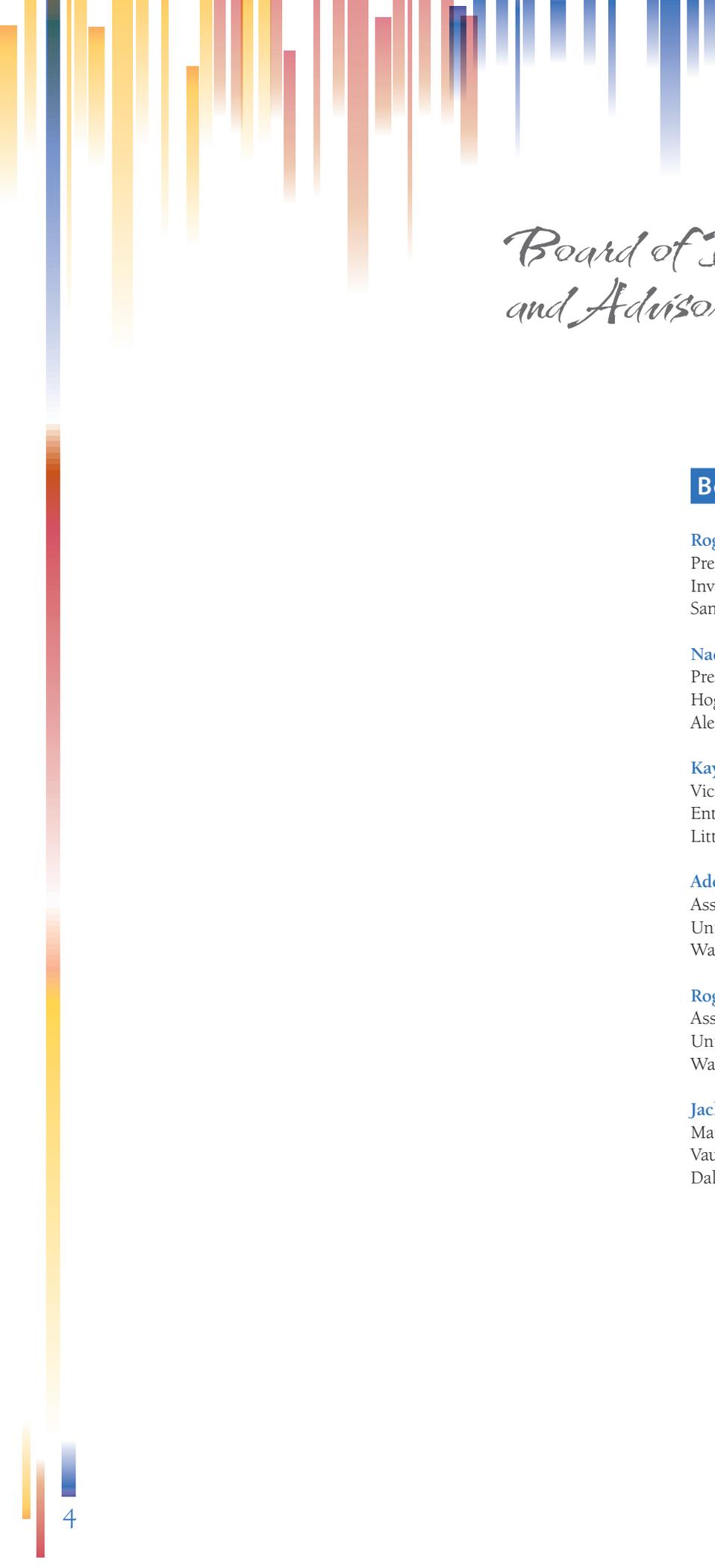
Sean Sprague

# Inter-American Foundation

**T**he Inter-American Foundation (IAF), an independent foreign assistance agency of the United States government, provides grants to grassroots organizations in Latin America and the Caribbean. Created in 1969 as an experimental program, the IAF responds to innovative, participatory and sustainable self-help development projects proposed by grassroots groups and organizations that support them. It also encourages partnerships among community organizations, businesses and local governments directed at improving the quality of life for poor people and strengthening democratic practices. To contribute to a better understanding of the development process, the IAF shares its experiences and the lessons it has learned.

The Inter-American Foundation is governed by a nine-person board of directors appointed by the president of the United States and confirmed by the U.S. Senate. Six members are drawn from the private sector and three from the federal government. The board is assisted by an advisory council. A president, appointed by the board, serves as the Inter-American Foundation's chief executive officer, managing a staff of 47 employees based in Arlington, Virginia.

Congress appropriates funds annually for the Inter-American Foundation. The IAF also has access to the Social Progress Trust Fund administered by the Inter-American Development Bank and consisting of payments on U.S. government loans extended under the Alliance for Progress to various Latin American and Caribbean governments. Since 1972, the IAF has made 4,524 grants for more than \$571 million. Together, the IAF and its grantees have created cost-effective models of social and economic development which have often been replicated by government and larger donor agencies to better the conditions of hundreds of thousands of poor families in communities throughout the hemisphere.



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\* This listing is current as of Sept. 30, 2004.

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Randall Blair, *Program Staff Assistant, Argentina, the Dominican Republic, Haiti, Paraguay, Uruguay, Venezuela and the Eastern Caribbean*

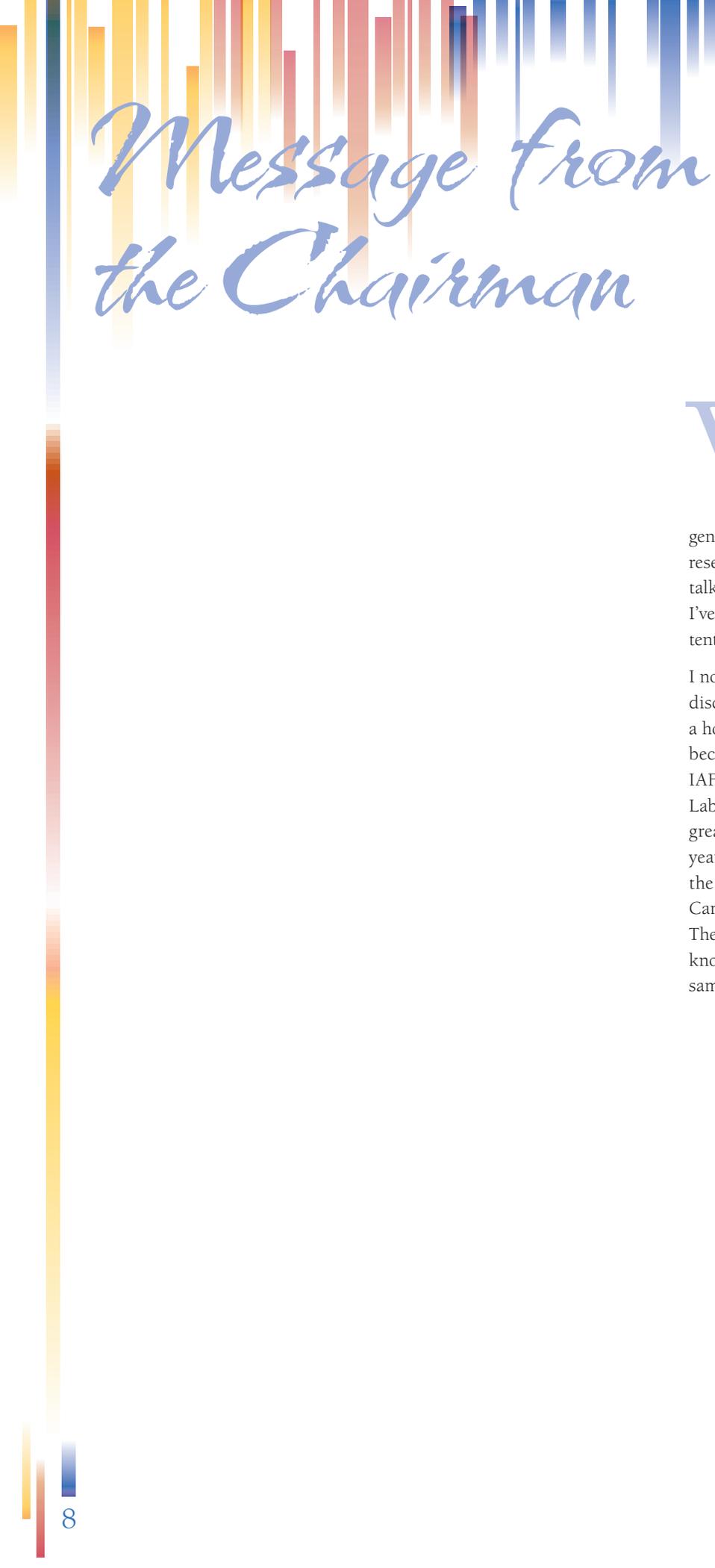
Hilary Brand, *Program Staff Assistant, Mexico, Panama and Honduras*

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# Message from the Chairman

When I was first approached by the White House about serving as the chair of the board of directors of the Inter-American Foundation, I knew of the IAF's work but in the most general terms. Over the past few months I've done some research to better understand what my charge would be. I've talked to people, I've read commentaries and, most recently, I've read three remarkable books written on the IAF's fifth, tenth, and fifteenth anniversaries.

I now know that from the beginnings of a concept discussed by members of a congressional delegation in a hotel room in Guatemala City in late 1968, to when it became operational under President Nixon in 1971, the IAF has been a unique experiment. It is a kind of Bell Laboratory of development assistance — the place where great ideas are born and made practical. For the last 33 years, it has tapped into a vast pool of creativity and “on the ground” knowledge throughout Latin America and the Caribbean and delivered assistance to those most in need. The clearest expression of its mission may simply be “they know how,” the message put forth in the volume by the same title chronicling the IAF's first five years.

By trusting in the ability of the poor to understand their needs and the actions required to address them, the Inter-American Foundation has funded a rich variety of self-help projects. Through small grants and careful evaluations of the results, it has created new approaches to development aid. These are shared not only with other U.S. agencies but, increasingly, with corporations and foundations. The IAF, for example, played a seminal role in creating RedEAmérica, a formal network of private-sector organizations interested in community-based development. I have seen first-hand the remarkable breadth and depth of the individuals involved, from the CEOs of some of Latin America's most powerful corporations to young people born in favelas and now running programs to improve life for the poor. In an era of great demands on our federal budget, the IAF's leadership has become increasingly entrepreneurial. We are leveraging not only our expertise but our dollars.

I'm honored to be a part of this institution, and I look forward to working with Nadine Hogan, my vice-chair, who seems to know everyone in the development profession in Washington; Roger Noriega, our distinguished assistant secretary for Western Hemisphere affairs; Adolfo Franco who oversees USAID's programs for the region and has a long history with the IAF; Jack Vaughn, my good friend from Texas, who has been involved in development projects in Haiti for many years; and Kay Arnold who, as the senior member of our board, provides historical perspective and sage advice. I want to express my appreciation to President Bush for this opportunity to serve and for the pleasure of being part of the Inter-American Foundation in the early years of this new century.



Roger W. Wallace  
Chairman, Board of Directors

# President's Report

Courtesy the OAS



By the time the Inter-American Foundation's *2004 Year in Review* appears in print I will have concluded my tenure as president and a career at the IAF that spanned approximately 25 years. It is a departure that was planned. When I accepted the IAF presidency in 2000, I budgeted five years to pursue my three main goals, which have been achieved thanks to strong support from IAF's board of directors and hard work from the IAF staff.

## Operational improvements

My first goal was internal: Major restructuring, streamlining and other operational improvements to keep support costs in check and effectively manage our financial resources. Four consecutive perfect financial audits testify to our success in this area. Outsourcing major administrative functions to the Bureau of Public Debt and the Department of Interior enabled us to focus our limited staff resources on our program areas, to ensure the best possible compliance with U.S. government procedures and reporting requirements, and reduce overhead by about 20 percent. At the same time, renewal of the Social Progress Trust Fund agreement brought the IAF additional nonappropriated resources for our program. Better management resulted in an increased congressional appropriation and support from the Office of Management and Budget. In connection with IAF's improved financial and administrative performance, I particularly appreciate the work of Linda Kolko, IAF's vice president for operations.

## A higher profile

My second goal was to strengthen the IAF's relations with the Congress, the administration and the development community. For many years the IAF had opted for a low profile in the government and among its peers, preferring to focus on grantees and institutions in Latin America and the Caribbean. I believed it was time for closer ties with other federal agencies and partnerships with other assistance organizations. Examples of our outreach follow:

- Since fiscal 2000, all grant proposals have been reviewed by the U.S. ambassador in the respective country, which has strengthened understanding and cooperation between the IAF and U.S. missions abroad as well as an appreciation of IAF's contribution to public diplomacy.
- The IAF has been an enthusiastic participant in the Summit of the Americas follow-up process, sharing experience with poverty reduction, indigenous and African descendent communities, gender equity, corporate social responsibility, local governance and the potential of remittances in development.
- The IAF was a member of the U.S. delegation to events sponsored by the Organization of American States that focus on decentralization, citizen participation and social development.
- The IAF joined a partnership with the World Bank and the United Nations Development Program to explore poverty reduction through the successful collaboration of businesses, local governments and civil society in eight Latin American and Caribbean countries
- For three consecutive years, the IAF and the Inter-American Development Bank have co-sponsored the Annual Conference on Corporate Social Responsibility in Latin America and the Caribbean, and helped the World Bank organize a global meeting on local development.
- With the Inter-American Dialogue, the Pan American Health Organization, the Ford Foundation, the IDB and the World Bank, the IAF contributes actively as a member of the Inter-Agency Working Group on Race and Inclusion.
- The IAF supports the Annual Conference of Latin American and Caribbean Mayors sponsored by Miami Dade County and Florida International University, organizing panel discussions and training sessions around successful IAF grantee partnerships working for poverty reduction and local development.
- We have strengthened our dissemination efforts with regular issues of Grassroots Development, specialized reports, studies and events; our updated Web site which receives over 40,000 hits per week.
- Despite a heavy workload as grant-makers and portfolio managers, IAF employees remain committed to sharing their expertise on specific aspects of grassroots development.

## Focus on themes

My third goal was to sharpen the IAF's thematic focus based on our mission, experience and the significant changes occurring in Latin America and the Caribbean since the end of the Cold War. The IAF chose to deepen its understanding, expertise and leadership role with respect to the role of local government in development, the role of business in development partnership, and the transnational phenomenon.



## LOCAL DEVELOPMENT

During much of the 1970s and 1980s, the IAF supported the self-help efforts of poor people with grants to grassroots groups as well as to nongovernmental organizations assisting them. Countless microcredit programs, for example, received their first lending capital from the IAF. Given the preponderance of authoritarian governments during those two decades, grassroots organizations were unlikely to build alliances with other sectors. Local governments were limited in scope and usually not beholden to a local electorate. Central governments viewed grassroots organizations with skepticism, if not hostility.

Over the past 15 years, the landscape has changed significantly. While corruption remains endemic and almost half the population of Latin American and the Caribbean still lives below the poverty level, democracy is the norm in most countries and local governments now consist of elected officials. Decentralization and devolution allow citizens in many countries to participate in processes that affect their daily lives. These days, IAF's grantees often bring local government into their self-help projects, an arrangement the IAF calls local development. This report includes several examples of grassroots groups working with the support of their municipality. The relationship not only engages citizens in resolving local concerns according to their own priorities, but also strengthens democratic practice and promotes accountability.



Courtesy the OAS

IAF's May 4 seminar on its investment in people, held in the in the Hall of States of the Organization of American States: David Valenzuela, far left, Fernando Castellanos, assistant secretary general Luigi Einaudi, Ambassador John Maisto, Jesús Aguilar, Ruben Calle and senior IAF representative Judith Morrison. For more on the seminar, see page 53.

### CORPORATE SOCIAL RESPONSIBILITY

Local development, in fact, requires the concerted cooperation of all sectors, including the business community. In recent years, civil society and the business sector have overcome their distrust of each other. Civil society is now aware of the resources a concerned business partner can contribute to communities and the business sector is awakening to its social responsibility. Such partnerships, championed by the IAF during this past decade, are key to social progress. The IAF has strived to reach out to businesses as essential players. In 2002, the IAF invited several corporate foundations to exchange ideas on developing their communities, and those in attendance decided to form a network supporting sustainable grassroots development. Two years later, the network known as RedEAmérica, and profiled in this report, has grown to 52 members and is fast becoming a leader for businesses interested in reducing poverty through grassroots development.

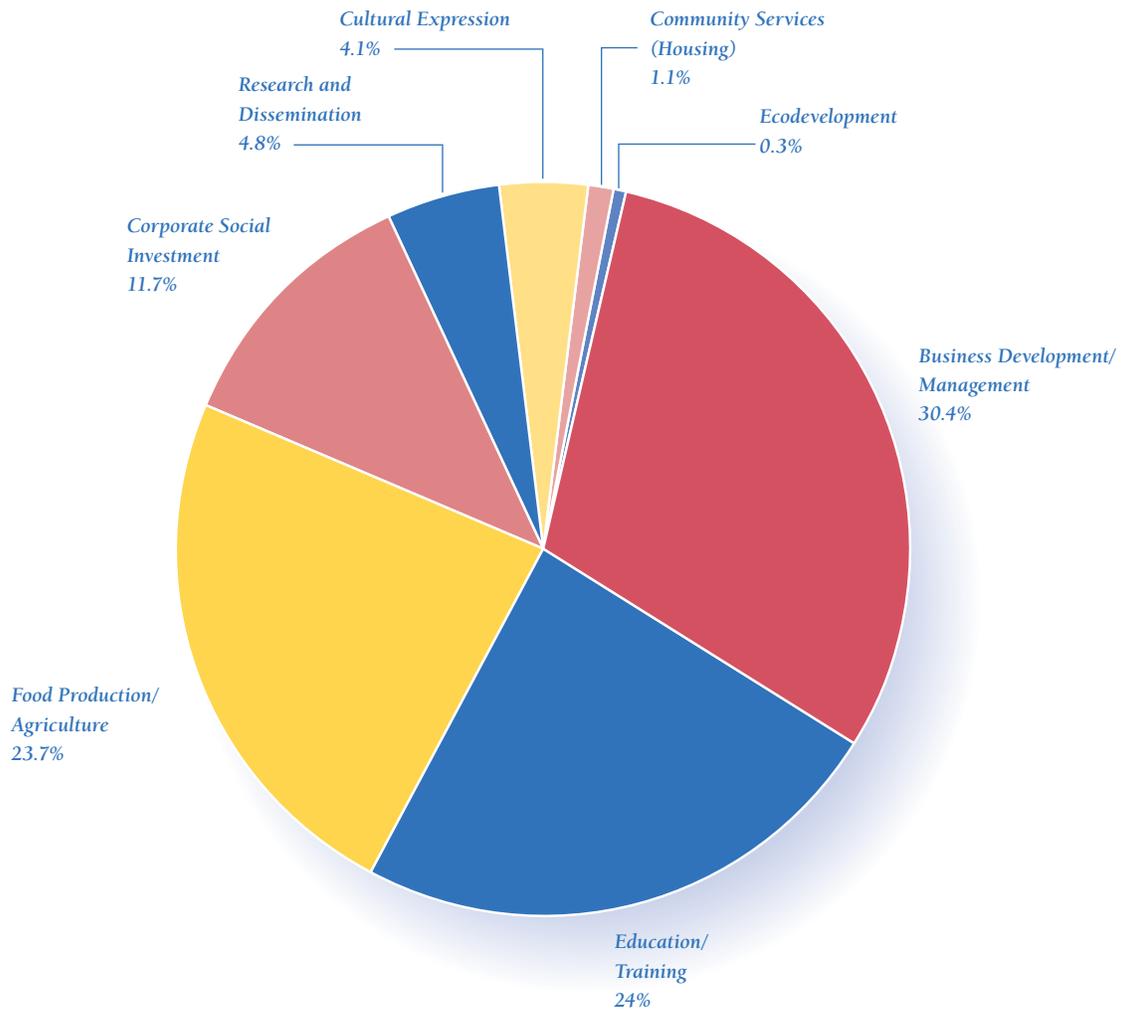
### TRANSNATIONALISM

The concept of transnationalism, the IAF's third thematic focus, is evolving rapidly in conjunction with the growing importance of the remittances that migrants abroad send home to Latin America and the Caribbean. According to the Multilateral Investment Fund of the Inter-American Development Bank, the annual value of this flow could total \$38 billion dollars. Along with money, migrants send ideas, technology and values acquired in the United States. The IAF knows that organized migrants in the United States want to improve conditions in their communities. Several IAF-funded projects, including two profiled in this report, are influenced and supported by migrant organizations. How can we help them become more effective at improving the lot of those left behind? How can we help channel some of their remittances into grassroots development? These are new challenges in the dynamic context in which IAF works.

The core of the IAF mission has been to promote community participation in development and democratic institutions. By observing, listening and responding to the ideas and initiatives of people in Latin America and the Caribbean, the IAF has helped build a culture of cooperation. Serving in the IAF has been an enormous privilege.

David Valenzuela

# Grant Program Profile



## Fiscal 2004

Primary Program Area	Percentage
Business Development/Management	30.4%
Education/Training	24.0%
Food Production/Agriculture	23.7%
Corporate Social Investment	11.7%
Research and Dissemination	4.8%
Cultural Expression	4.1%
Community Services (Housing)	1.1%
Ecodevelopment	0.3%
<b>Fiscal 2004 Total</b>	<b>100.0%</b>

# Financial and Statistical Report

## Investment by Country

Country	Fiscal 2004			Totals for 1972-2004	
	New Grants	Supplements	Funds*	Grants	Funds*
Anguilla	0	0		1	3
Antigua and Barbuda	0	0		8	507
Argentina	6	2*	999	218	27,744
Bahamas	0	0		7	144
Barbados	0	0		11	925
Belize	0	0		78	3,959
Bolivia	5	4	1,341	251	32,575
Brazil	6*	5	905	358	43,397
Chile	1	1*	220	258	42,347
Caribbean Region				62	7,308
Colombia	2*	1*	660	300	39,504
Costa Rica		1	49	217	15,148
Dominica				75	2,282
Dominican Republic				222	22,225
Ecuador	3	6*	1,205	174	26,107
El Salvador	2	5	846	185	28,957
Grenada				17	540
Guatemala	3		659	178	26,781
Guyana				7	294
Haiti		3	289	129	13,845
Honduras		1	26	151	23,193
Jamaica				67	4,080
Latin America Region	4	1	677	131	11,706
Mexico	8	1*	2,416	337	50,476
Montserrat				1	3
Netherlands Antilles				2	126
Nicaragua	6	3	1,330	164	28,280
Panama	3	1	759	195	23,550
Paraguay	1		127	141	17,553
Peru	7	4	1,403	252	42,681
St. Kitts and Nevis				6	541
St. Lucia				12	696
St. Vincent				12	746
Suriname				3	347
Trinidad and Tobago				14	949
Turks and Caicos				2	12
Uruguay	1	1*	84	130	17,135
Venezuela	2*	0	268	148	14,902
<b>TOTALS</b>	<b>60</b>	<b>40</b>	<b>14,263</b>	<b>4,524</b>	<b>571,617</b>

\*Investment is indicated in thousands of dollars.

\*Includes RedEAmérica program.

# Argentina

## New Grants

**Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC)**, \$174,000 over two years

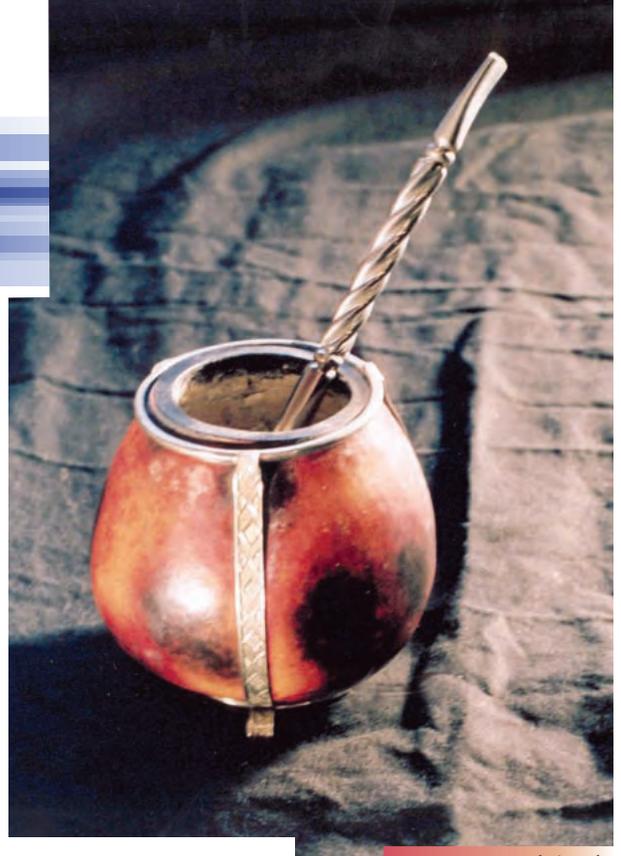
CIPPEC will train vulnerable residents of Alderetes, Tucumán, to identify their primary health needs and develop and monitor health care programs through the formation of a local health council (LHC) in each of four existing primary health care facilities. Each LHC will include representatives from the facility, local NGOs and community residents. Guides, training modules and toolkits will be developed to disseminate the experience. (AR-333)

**International Institute for Environment and Development-Latin America (IIED-LA)**, \$112,000 over two years

IIED-LA will undertake a community-based urban development project in La Matanza, a municipality in greater Buenos Aires, in partnership with the municipal government and the Municipal Council of Children and Youth. Approximately 250 adolescents, the demographic group most affected by Argentina's economic crisis, and 580 members of community-based organizations will directly benefit from stronger grassroots organizations, improved support for the productive activities of young entrepreneurs, increased participation in the Municipal Council and more decentralized governance. (AR-334)

**Cooperativa de Provisión de Servicios para Recolectores "El Ceibo" Ltda.** (El Ceibo), \$164,200 over two years

El Ceibo-RSU plans to consolidate and expand its recycling operation in the Buenos Aires neighborhood of Palermo. The grantee will train members and partners in all aspects of recycling and will finance equipment, including vehicles, for better collection of sorted materials and more efficient overall operations. The project will improve the standard of living of approximately 200 recyclers and 3,800 Palermo residents and will indirectly benefit many others in the neighborhood. (AR-335)



Mark Caicedo

**Fundación Vida Silvestre Argentina (FVSA)**, \$48,900 over 18 months

FVSA will pilot the organic cultivation of *yerba mate*, a tea widely consumed in the Southern Cone of South America, and *palmitos*, or hearts of palm, in Colonia Andresito, Misiones, an environmentally fragile buffer zone located between two national parks and populated by low-income landowners. The grantee will provide training and technical assistance, facilitate access to loans, and promote organic certification. The project will benefit directly approximately 120 producers, their families and seasonal workers, and, indirectly, more than 200 farm workers and service providers. (AR-336)

**Centro de Iniciativas para el Desarrollo Local** (La Choya), \$76,200 over two years

La Choya, in partnership with five municipalities and citizen councils in the province of Corrientes, Argentina, will train municipal and council representatives to prepare plans identifying local development priorities and the best use of public funds. The project will benefit approximately 2,000 low-income men and women as they participate in decision-making. (AR-337)

**Fundación Redes**, \$187,000 over three years

Fundación Redes will support small enterprises managed by 50 groups of rabbit producers and beekeepers in La Pampa, Argentina. The program to strengthen management, marketing, negotiation, leadership and technical skills, as well as to provide access to loans, will benefit approximately 3,000 participants and members of their families. (AR-338)

## Recycling for a Better Life

To survive one of Argentina's worst economic crises in history, tens of thousands of unemployed workers turned to recycling cardboard. Every day these *recuperadores*, literally "recoverers," as they are called in Spanish, travel to elegant Buenos Aires neighborhoods to sift through garbage for cardboard, a product whose value has increased since the devaluation of the peso. Over the past two years, more aware of the benefits of working together, recyclers have been rapidly coalescing into organized groups.

In the upscale neighborhood of Palermo, *Cooperativa de Provisión de Servicios para Recolectores El Ceibo Ltda.*, also known as *El Ceibo Residuos Solidos Urbanos* (El Ceibo RSU), sends its members door to door according to a pick-up schedule arranged with each participating neighbor. Separation of materials at origin is the theme of its campaign emphasizing the environmental benefits of recycling; the process begins at home, where the residents separate glass, plastic, cardboard and paper items before discarding them. Collected materials are transported to a facility donated by the municipal government for further sorting and treatment before sale. Environmental advocates, adolescent volunteers and the children of El Ceibo members knock on doors to recruit new clients for the recyclers' initiative.

A grassroots organization, El Ceibo RSU evolved from a cooperative, known as El Ceibo Trabajo Barrial, first organized in 1989 by a group of squatter families from Palermo and nearby Villa Crespo to address pressing health and housing needs. Many members of El Ceibo Trabajo Barrial were already recycling for a living and over the next decade the organization began to formalize their activities. Two years ago they launched their neighborhood program to generate legitimate, meaningful work while preserving the environment.

El Ceibo RSU will use its IAF award toward consolidating and expanding its operations. The grantee will train members and partners in all aspects of recycling: institutional organization, management, marketing, worker safety and equipment operation. Additionally, El Ceibo RSU will purchase equipment to improve collection and overall efficiency. Plans also include a study to determine demand and price elasticity as well as the grantee's own comparative market advantage.— *Gabriela Boyer, Foundation representative*



Courtesy El Ceibo

# Bolivia

## New Grants

**Fundación para la Investigación Antropológica y el Etnodesarrollo** (ASUR), \$308,918 over two years.

ASUR will revive traditional weaving techniques and designs to increase the skills, income, self-esteem and cultural pride of 370 indigenous individuals, mostly women, in the Calcha and Tinquipaya zones of the Potosí region. The grantee will develop four weaving centers as well as provide training and technical assistance in product development and quality control, cultural research, promotion, marketing, and institutional organization. (BO-489)

**Centro de Capacitación y Formación para Mujeres** (CCIMCA), \$143,510 over three years

CCIMCA will undertake a project to advance democratization and decentralization reforms under Bolivia's Law of Popular Participation for the direct benefit of 300 low-income residents of Oruro. An intensive training program and follow-up activities will emphasize working through neighborhood boards, other community organizations and the municipal government's citizen committees. CCIMCA aims to create greater civic awareness and encourage participation with public authorities in the formulation of a grassroots development agenda. (BO-490)

**Equipo Técnico de Fortalecimiento Comunitario** (TENTAPEGUA), \$158,995 over three years

TENTAPEGUA will improve food security, economic opportunities and conservation in Tentayapi, a community of 95 Guarani-speaking families in the southern part of the department of Chuquisaca. The project will enable these indigenous people to develop a land management system for the territory the recently received from the Bolivian government. Activities will relate to planning, mapping, livestock-raising, agriculture, potable water, building infrastructure, cultural promotion and marketing. (BO-491)

**Asociación Boliviana para el Desarrollo Rural** (PRO RURAL), \$355,051 over three years.

PRO RURAL, in partnership with Irupana Andean Organic Foods, a Bolivian food-processing company, and will facilitate the transition of some 250 participating farmers to producing and exporting high quality, organically-grown quinoa or amaranth. The program of financing and technical assistance will improve market opportunities, income and the well-being of farm families. (BO-492)

**La Central de Cooperativas Agropecuarias "Operación Tierra" Ltda.** (CECAOT), \$140,039 over three years.

CECAOT, a federation of 14 cooperatives, will increase member-farmers' income from quinoa by improving the quality, volume and ecological sustainability of this traditional Andean crop. The grantee will build and equip a processing plant and provide technical assistance to farmers interested in expanding their production of organically grown quinoa. (BO-493)

## Supplemental Grants\*

**Grupo de Asesoramiento Multidisciplinario en Medio Ambiente y Agroecología** (GAMMA), \$84,273 over one year

GAMMA will complete the assistance required for herder-beneficiaries to develop a more comprehensive herd management strategy for optimal production and marketing. The municipal government is complementing IAF's supplement with impressive new counterpart (cash on the barrel). (BO-464-A8)

**Centro de Estudios Regionales de Tarija** (CERDET), \$48,650 over six months

CERDET will continue promoting its 10-year development plan with the local and departmental government and with a business consortium that is investing in natural gas production in the area CERDET serves. The partnership has had important socio-economic impacts on indigenous Guarani communities in Tarija, and has leveraged private-sector support for this six-month phase of the project. (BO-471-A3)

**Centro de Investigación y Servicio Popular** (CISEP), \$16,000 over nine months

CISEP will formalize its coordinated effort with a new district association of community organizations during this extended phase of project activities. (BO-472-A4)

**Protección del Medioambiente Tarija** (PROMETA), \$85,434 over 18 months

PROMETA will use its supplement to continue basic technical assistance and credit and to make small investments in cooperatives and micro-enterprises, in a school-based environmental education program, and in a series of community projects, including plant and tree nurseries, erosion control, reforestation and a program to distribute bottled gas for sale so that communities are not compelled to deplete wood resources. (BO-475-A4)

\* This review includes only supplemental grants for more than \$10,000

## Empowering Farmers for the Global Marketplace



Indigenous farmers around the world, and particularly in the Andes, have faced great difficulty finding a niche in the new global marketplace. Their incomes have been falling, worsening their already acute poverty. This gloomy scenario calls for bold new arrangements to economically empower communities of subsistence farmers and serve others as models.

One such initiative is the partnership *Asociación Boliviana para el Desarrollo Rural* (PRO RURAL), a Bolivian NGO, forged with the socially responsible Irupana Andean Organic Food Company whose annual sales of natural food products — including breads, flours, granolas, cereal bars and assorted snacks processed from high-protein Andean grains grown on small plots — total \$2 million. The NGO-private company endeavor will work with 150 Aymara amaranth farmers to develop more sustainable production technologies using organic methods and with 350 Aymara quinoa farmers to improve their post-harvest technology for a better, more competitive product. Irupana Andean Organic Foods will provide a guaranteed market for the Aymara farmers. Over the course of the next two years, with financing from the International Finance Corporation of the World Bank, the enterprise will greatly expand its productive capacity by building a new industrial complex for making multi-cereal bars that add value to the native grains and increase export opportunities for the producers.

PRO RURAL's IAF grant will enable the NGO to offer amaranth farmers training and technical assistance with organic fertilizers and fungicides, crop rotation, disease and pest management, natural fencing, erosion control and planning. Quinoa farmers will be introduced to superior drying platforms, storage bins, threshers, manual windbreakers, sacks for wrapping straw and grains, and tents for storage. This new equipment will be co-financed with the farmers. Annual visits will lead to organic certification, enabling the farmers to access lucrative international markets. PRO RURAL's project should demonstrate how a business working with an NGO and indigenous communities can create the conditions for globalization that benefits the rural poor. — Kevin Healy, *Foundation representative*

Rebecca Janes



# Brazil

## New Grants

**Instituto Pauline Reichstul (IPR)**, \$347,000 over three years

IPR will improve opportunities for 300 young adults in Belo Horizonte through youth-led businesses. Participants will increase their income by up to 40 percent and learn marketable skills that will lead to employment options. An estimated 1,500 other individuals will retain or improve their positions as an indirect result of project activities. (BR-818)

**Associação de Desenvolvimento Comunitário Rural de Barra do Brumado (Brumado)**, \$187,733 over two years

Brumado's project is directed at improving income in three communities in the northeastern state of Bahia through construction of a fruit-processing factory and offering related technical assistance, training and marketing support. (BR-819)

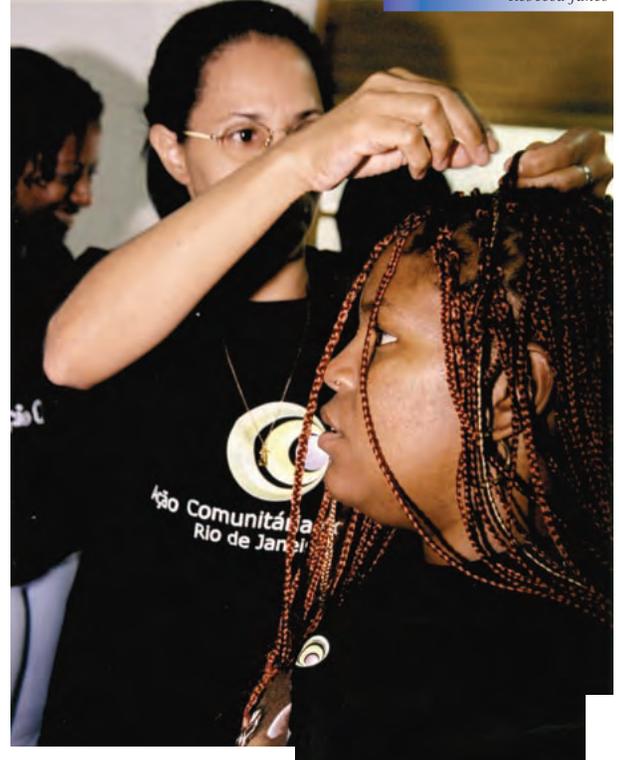
**Instituto Palmares de Direitos Humanos (IPDH)**, \$25,000 over one year

IPDH will undertake activities preparatory to adapting an entrepreneurship training program to the needs of high-risk entrepreneurs in Rio de Janeiro. It will establish the conditions for a business incubator and a cultural products training unit and market. The grant will cover program development, administration, staff and equipment costs. (BR-820)

**Associação das Comunidades Negras Rurais Quilombolas do Maranhão (ACONERUQ)**, \$25,000 over one year

ACONERUQ will use its planning grant to prepare its program to build the capacity of more than 80 rural community associations through dialogue and exchanges on local development. (BR-821)

Rebecca Janes



## Supplemental Grants

**Ação Comunitária Brasileira (ACB)**, \$44,000 over one year

ACB offers participants approximately 300 hours of vocational training in five areas. This amendment supports the expansion of the grantee's salon training program to include Afro-Brazilian hairstyles, or *beleza negra*, and will cover the costs of an administrative coordinator, trainers, and supplies and equipment. (BR-807-A1)

**Fundação Casa Grande (Casa Grande)**, \$106,939 over one year

Additional funds for training, equipment and supplies will allow this youth-led communications and development program to expand its regional exchange activities. (BR-814-A2)

**Centro Diocesano de Apoio ao Pequeno Produtor (CEDAPP)**, \$24,810 over one year

Additional resources for site visits will enable contractors to provide services related to planning, project monitoring and impact evaluation as well as curriculum development. (BR-815-A1)

## Economic Development in Three Bahian Quilombos

Communities of runaway or freed slaves, called *quilombos* or *quilombolas*, were common during Brazil's colonial period. After the 400-year old institution of slavery was officially abolished in 1888, other African-descendant communities sprouted on lands donated, abandoned or sold by former slaveholders. Today *quilombos*, characterized by their own traditions and social relationships, are found in every Brazilian state and are estimated to total some 1,100. Their residents are among the poorest of Brazil's rural poor, living primarily from subsistence agriculture and fishing and enjoying the most limited access to health, education, land titling or even water, electricity and telephone services.

Barra do Brumado, Bananal and Riacho das Pedras are *quilombos* whose origins date back to a ship that sank during the 17<sup>th</sup> century off the coast of Bahia, in northeastern Brazil, while transporting slaves from Africa. The African survivors swam to shore and fled inland, following the Contas River in search of a safe haven. They settled on the shores of the Brumado River. In 1987, *Associação de Desenvolvimento Comunitário Rural de Barra do Brumado*

(Brumado) was founded to defend the rights and interests of their descendants. Brumado has built a strong record as a participatory self-help organization. All 700 families resident in the three *quilombola* communities are members. Despite their extreme poverty, the *quilombos* have helped each other build churches and significant community spaces.

Over the next two years, Brumado will use its funding from the IAF to install a fruit pulp- and jelly-processing factory and provide related technical assistance, training and marketing support, enabling approximately 100 families to improve their income from fruit. With this value-added project developed from a participatory planning process involving subsistence farmers, the grantee hopes to decrease migration to urban centers and improve the

environmental conditions locally. In addition to computer training, Brumado will offer traditional courses aimed at improving a literacy rate that currently stands at 20 percent. Núcleo Cultural Niger Okan, a nongovernmental organization, and the Bahia State University will be partners in the project.

— Miriam E. Brandão, senior Foundation representative



Miram Brandão

# Chile

## New Grant

*Red Sinergi@Regional*,  
\$150,000 over three years

Red Sinergi@Regional will design a continuing education program in local development and decentralization for implementation by six teams working in 20 regional universities. A job bank, professional journal and Web site will strengthen this effort to build bridges and common agendas among Chile's academic, municipal and private sectors. Funding for this grant includes a gift to the IAF of \$75,000 contributed by Fidelity C. Gift Fund/Bill Melton in fiscal 2005. (CH-512).



# Costa Rica

## Supplemental Grant

*Fundación Localidades Encargadas de la Administración del Desarrollo* (Fundación LEAD),  
\$49,000 over one year

Fundación LEAD will promote local and regional development, strengthen the decentralization process and foster citizen participation by training 1,500 community leaders from the Brunca region. (CR-326-A2)



Patrick Breslin

# Ecuador

## New Grants

**Escuela de Ciudadanía** (EDC), \$199,605 over three years

EDC will create meeting spaces for approximately 1,700 community residents, facilitate leadership training and skill-building seminars, and network to improve municipal support and identify funding for 45 neighborhood sports leagues to be converted into Focused Spaces of Human Development that support civic participation. (EC-387)

**Fundación Rainforest Rescue de Ecuador** (FURARE), \$221,950 over two years

FURARE will strengthen the organizational skills of 230 individuals in four indigenous Zapara communities by working with the Organización de la Nación Zapara (ONZAE) on community development strategies to secure sustainable food production systems, generate alternative income sources and preserve rainforests. (EC-388)

**Corporación Ecuatoriana para el Desarrollo de los Recursos Naturales** (CEDERENA), \$320,400 over three years

CEDERENA will launch Payment for Environmental Services Protection Programs in 10 municipalities based on its successful water conservation model in the Pimampiro municipality. Its project will include activities to strengthen Municipal Environmental Unit staff, training for 1200 farming families, and exchanges and dialogue among key stakeholders. (EC-389)

## Supplemental Grants

**Centro de Investigaciones de los Movimientos Sociales del Ecuador** (CEDIME), \$67,880 over one year

CEDIME will finalize the application of its model of crop diversification, organic production, marketing and reforestation on 1,020 small farms in Santa Clara, an ecologically fragile lowland municipality, and study the feasibility of developing a native animal feed supplement using local plants. (EC-372-A2)

**Corporación de Estudios Regionales Guayaquil** (CER-G), \$39,520 over one year

Using an environmentally safe process called technical closure, CER-G will shut down a dump that oozes waste and pollutants into the grantee's nearby landfill. (EC-379-A2)

**Fundación Cooperación y Acción Comunitaria** (CACMU), \$87,930 over one year

CACMU will provide additional technical assistance to newly formed cooperatives and will improve the sale of its members' textiles and agricultural products through market studies, quality control, publicity, brand names and attendance at various artisan fairs, thereby benefiting approximately 1,000 women in Imbabura province and their families. (EC 380-A1)

**Movimiento Mi Cometa** (Mi Cometa), \$40,700 over one year

Through training, technical assistance and sub-grants to micro and small enterprises, and by publicizing project activities, Mi Cometa will generate jobs and leadership opportunities for 1,000 families in the Guasmo Sur neighborhood of Guayaquil. (EC-383-A2)

Dana Hill



## *Sports Leagues as a Platform to Development*

*I always turn to the sports pages first, which record people's accomplishments. The front page has nothing but man's failures.*

— Supreme Court Chief Justice Earl Warren

Participation in sports has many benefits: it improves fitness, fosters healthy competition, facilitates social contact, teaches teamwork, instills pride and literally levels the playing field for minorities. Can it also promote grassroots development? The experience of *Escuela de Ciudadania* (EDC) might provide an answer. With its IAF grant, EDC, originally founded to advance women's rights and civic responsibility in general, has identified Quito's approximately 200 sports leagues as a logical platform for the civic participation on which self-help projects depend.

The leagues' administrative structure is simple but very effective. Traditionally a few individuals elected to each league's board organize games and tournaments, manage facilities, fundraise, procure equipment and provide safe recreation for their neighborhoods. Each league is composed of 25 clubs of 35 players; aggregated, they routinely bring together hundreds of thousands of players, managers, referees and fans without a problem in this city of 1.4 million. Through training members in local governance, leadership skills and developing community agendas, EDC hopes the leagues will channel their tested organizational ability into promoting social change and development.

Contemplated in the program are committees of community residents to further diversity in the leagues through the inclusion of groups traditionally underrepresented, such as girls, women and the elderly. The leagues will offer chess, track and field, and other activities to draw a wider following. Motivational workshops will address project identification and development, budget planning, cultural identity, self-esteem, mutual respect, solidarity, equality and human rights. As sports league leaders are identified and trained to expand beyond the soccer field into their community's political life, they will help train others, multiplying the effect.

Drawing on the desire to participate and on pride in the leagues, EDC hopes to rectify problems of social apathy, inadequate civic participation, lack of community pride, gender inequality and violence, insufficient public spaces, poor community cohesion and other social ills associated with a large metropolis. Its successes should score a significant win for the communities served and the city.— Eduardo Rodríguez-Frías, program staff assistant



# El Salvador

## New Grants

**Asociación Salvadoreña de Desarrollo Campesino** (ASDEC), \$350,000 over three years

ASDEC will enable 500 shrimp farmers in the Department of Usulután to improve production, create a processing facility and take advantage of new local and international markets. Individuals and home town associations in the Salvadoran community in the U.S. and Canada will help secure additional technical support and help identify U.S. markets. (ES-212)

**Asociación Alianza para el Desarrollo de la Microempresa de El Salvador** (ALPIMED), \$350,000 over three years

ALPIMED, a network of 10 organizations providing microcredit services, will offer the necessary training, technical assistance and access to credit to enable 200 families in the departments of Cuscatlán, San Vicente and La Paz to invest their remittance income in microbusinesses. U.S.-based home town associations will contribute to community development in partnership with the nine municipal governments included in the program and engaged in democratic planning processes. (ES-213)

## Supplemental Grants

**Fundación para el Desarrollo de la Ciencia y la Tecnología** (FUDECIT), \$20,815 over one year

FUDECIT will build and install the infrastructure necessary for a water purification system using new technology called "Hidro-Pur-Sec" in the community of Los Almendros. (ES-193-A5)

**Agencia de Desarrollo Micro-Regional de los Municipios de Ilopango, Soyapango, y San Martín** (ADEMISS), \$42,550 over one year

ADEMISS will rebuild fingerling ponds destroyed during the October 2003 mudslides in San Salvador and conduct an environmental study of Lake Ilopango.

**Fundación Promotora de Productores y Empresarios Salvadoreños** (PROESA), \$30,000 over one year

PROESA will establish a working capital fund for beneficiaries and make the infrastructure improvements necessary for their food processing facility to meet the Salvadoran government's certification standards. (ES-206-A2)

**Asociación de Organizaciones de Microfinanzas** (ASOMI), \$50,000 over one year

ASOMI will support local microfinance institutions' efforts to implement and market a new remittance transfer system in cooperation with the MicroFinance International Corporation (MFIC). It will provide training in this new technology to its member institutions and to members of ALPIMED, described above. (ES-208-A1).



Sean Sprague

## Building a Transnational Enterprise

More than 10 percent of Salvadorans have some form of disability, often because of landmines or other aspects of the civil war that ended in 1992. *Asociación Salvadoreña de Desarrollo Campesino* (ASDEC) targets their integration into the social and economic mainstream. It also encourages the participation of the transnational community and of women, other IAF priorities.

ASDEC was formed in 1993 by two *campesino* organizations to assist in the demobilization and reinsertion process. With European Union support, ex-combatants and refugees obtained title to farm land and shrimp farms in the department of Usulután's Jiquilisco Bay region. ASDEC helped them make salt areas productive, revive the shrimp harvest and form the 18 cooperatives participating in this project.

Cooperative members own 600 hectares of shrimp farms, but only 95 hectares are in production, most below capacity due to deterioration and low quality stock. With its IAF grant, ASDEC will renovate tanks and increase productive hectares to 140. With support from the government fisheries agency, ASDEC will introduce better shrimp larvae to improve the harvest. Shrimp will be stored pending domestic sale or processed for export in an ice plant to be built with EU funds, and surplus ice will be sold. The community-based business partner handling sales will create 286 new jobs and should double the farmers' income.

Orders from the United States will be brokered by Salvadoran hometown associations and expatriate business owners.

Nonmonetary "remittances" also include technical assistance, training and help in attracting investors to ASDEC's credit fund. A potential partner is the new association of *viajeros*, who carry funds and goods between the U.S. and hometowns, working with the U.S. Embassy in San Salvador to ensure products entering the U.S. meet regulatory standards.

The 500 members of ASDEC's cooperatives reflect the impact of the war and the challenges to development in El Salvador: About 4 percent are disabled; in individual cooperatives this proportion can reach 20 percent; one cooperative consists entirely of farmers with disabilities. About 35 percent of all members are female heads of households, often war widows; one cooperative has only women. Due to years spent as refugees or combatants, most members are uneducated. A community-based business should build their administrative and managerial capability while growing the local economy. — Kathryn Smith Pyle, Foundation representative, and Eduardo Rodríguez-Frías, program staff assistant



# Guatemala

## New Grants

*Asociación para el Desarrollo Agroforestal y Ambiental del Municipio de Santa María Chiquimula* (ADAFORSA), \$145,218 over three years

ADAFORSA will reduce poverty and environmental damage in the area it serves by developing nurseries, offering training in carpentry and opening a commercial wood depot and a carpentry business. Area communities will contribute land, labor and organizational resources toward preserving and managing forest resources as a basis for new economic activities. (GT-278)

*Asociación Organización para la Promoción Comercial y la Investigación* (OPCION), \$242,607 over three years

OPCION will expand its existing program of agricultural production and marketing and increase the participation of women. The project will benefit 700 low-income Mayan families in small-farmer organizations in the departments of Sacatepequez, Chimaltenango, Solola, Quiche, Quetzaltenango, Huehuetenango and Totonicapán. (GT-279)

*Coordinadora de Organizaciones de Desarrollo Integral de Occidente* (CODINO), \$270,725 over three years

CODINO will undertake a project to strengthen the administrative capacity and the financial base of its network of 10 community development and savings and loan organizations in the department of Totonicapán. The project will assist the economically depressed region by channeling loans through member organizations to approximately 1,000 small-business owners. (GT-280)



Sebastian Aloor

## *A Better Option for Women*

For five years, *Organización para la Promoción Comercial y la Investigación* (OPCION) has been improving the standard of living of Guatemalan farmers by offering them access to credit, technical assistance and markets. Such has been its contribution to increasing rural productivity in an area where most farmers subsisted on \$50 a month, that OPCION was awarded the World Bank/Soros Foundation Prize in 2002.

A Chimaltenango-based nongovernmental organization, OPCION works in tandem with Aj Ticonel, its business arm, to organize a steady output by 93 small-farmer organizations in seven Guatemalan departments, identify buyers and assure produce meets the standards set by clients abroad. As a result, OPCION's mainly indigenous beneficiary farmers export 95 percent of their 4 million pounds of snow peas and snap beans, as well as baby squash, eggplant and peppers, to restaurants and grocery stores in the United States and Canada. In addition to learning to grow these lucrative nontraditional crops, they are engaged in production, processing and marketing plans — and thus are exposed to all aspects of the business.

Most of the workers employed by Aj Ticonel in tomato hothouses and in the plant processing produce for export are women who receive on-site literacy training leading to recognized educational credentials. Additionally, other women have benefited from OPCION's small loans and skill-building courses. But OPCION recognizes that women still tend to fill restrictive niches and that its continued success depends on addressing traditional gender inequity. Formally committed to encouraging more significant participation by women, OPCION will use its IAF award to design a policy promoting greater access by women to credit as well as to training in new hothouse production techniques at which, OPCION claims, women are especially adept. This policy could become a model for other NGOs interested in moving women beyond their traditional roles in agricultural programs. The inclusion of women in all aspects of production and processing will provide immediate economic benefits for their families, especially those they head. OPCION expects its effective incorporation of women into all aspects of its work to impact business as well as community dynamics. — *Megan Moriarty, program staff assistant*



# Haiti

During the periods of political upheaval and natural disasters that plagued Haiti in 2004, IAF's service contractors in the country worked hard to maintain contact with IAF's active grantees and to keep the Arlington headquarters apprised of their circumstances. As a result of the turbulence and devastation, all five grantee organizations suffered material losses and program setbacks and the need in the communities they serve across Haiti is now greater than ever. While no new grant applications for 2004 could be processed during the program cycle, the IAF invited its current grantees to request supplemental funding to make up their losses and restart their projects. Those listed below are able to continue for another year with this support. Additionally, the deadline for Haitian organizations to apply to the IAF's fiscal 2005 program was extended by several months, resulting in a record number of proposals from Haiti to consider for funding next year.

— Audra Jones, Foundation representative

## Supplemental Grants

**Fondasyon Enstitusyon pou Developman Ki Soti Nan Baz-la** (FIDEB), \$125,150 over one year

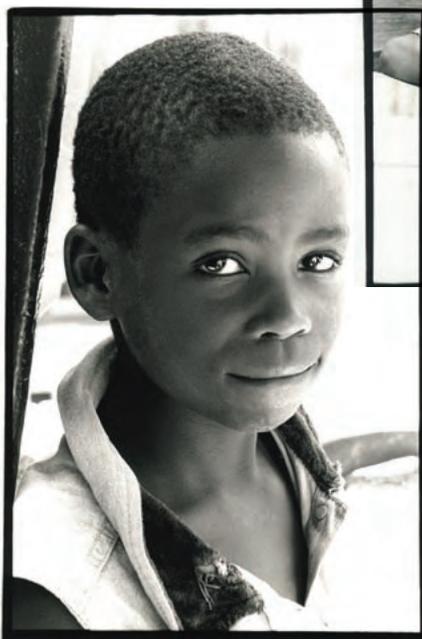
FIDEB's will use its supplement to improve its administrative and management systems, mitigate the impact of inflation, provide sub-grants, and build its capacity to interface with the Haitian diaspora. (HA-198-A1)

**Haitian Partners for Christian Development** (HPCD), \$75,589 over one year

HPCD will provide working capital and equipment to four incubator enterprises, receive training and technical assistance in marketing, and improve internal accounting and management systems. (HA-199-A1)

**Coordination des Groupements et Organisations Communautaires** (COGOC), \$88,744 over one year

COGOC will cover material losses and the impact of inflation related to the project vehicle, computer, production equipment, construction and administrative systems. (HA-200-A1)



Miguel Sayago



Rebecca Janes

# Honduras

## Supplemental Grant

*Centro Independiente para el Desarrollo de Honduras*  
(CIDH), \$25,630 over six months

CIDH will bolster its credit fund and complete construction of the Dr. Martin Luther King training center on land, valued at \$29,000, donated as counterpart by the government of the municipality in which the center is located. (HO-231-A5)

# Latin America Regional

## New Grants

**CIVICUS World Alliance for Civil Participation** (CIVICUS), \$30,000 over five years

CIVICUS, an international alliance founded in 1993 to strengthen citizen action and civil society throughout the world, will fund the Nelson Mandela Graça Machel Innovation Awards providing seed money for creative ideas emerging from organizations or groups of organizations represented in CIVICUS' World Assembly. (LA-162)

**International Guarantee Fund** (IGF), \$260,000 over five years

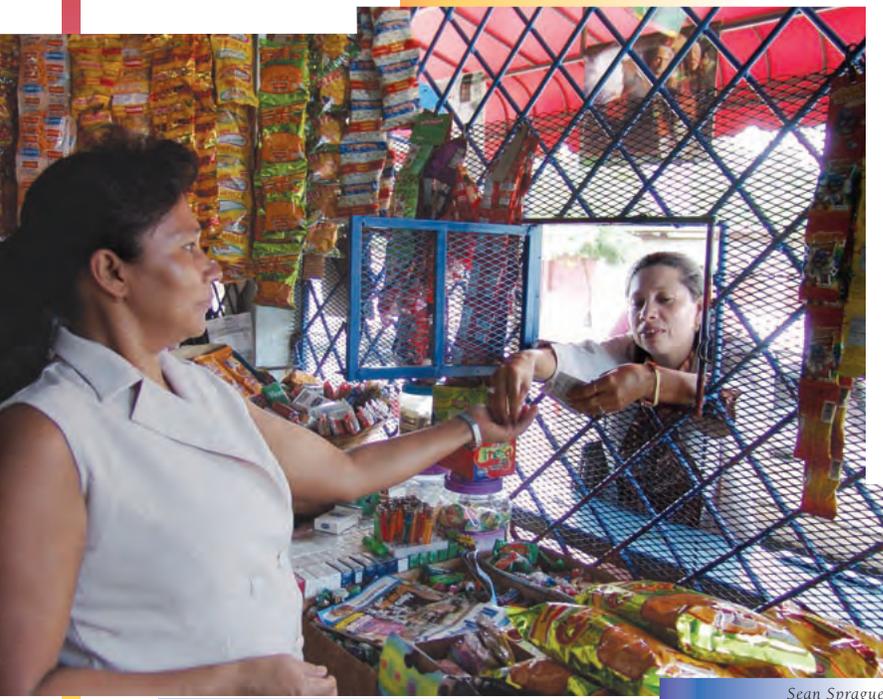
IGF will establish an international facility, the Latin American International Guarantee Fund (LAIGF), to guarantee loans from local banks or international soft lenders to qualifying nongovernmental organizations and cooperatives engaged in microfinance, agriculture, crafts production and marketing, and other initiatives focused on improving income. An executive committee and a guarantee committee will administer the respective local fund and, to increase its initial capitalization of \$400,000, will identify potential contributors. The facility will focus primarily on Central America, but will reserve the option to expand to South America on a case by case basis. (LA-163)

**The Inter-American Democracy Network** (IADN), \$193,600 over 18 months

IADN will host at least 10 conflict resolution workshops in Latin America and the Caribbean. Trained NGO staff from each participating country will organize deliberative forums in their local communities where participants will learn to debate public concerns in a constructive manner. (LA-164)

**Fundación Social** (FS), \$33,100 over one year

FS, a Colombian NGO, will examine the intangible and tangible results of grassroots development projects and publish a list of indicators for measuring the intangible results along with suggestions on the use of this tool by the IAF and by the Inter-American Network of Corporate Foundations and Companies for Grassroots Development (RedEAmérica). (LA-165)



Sean Sprague

## Supplemental Grant

*The International Labour Organization's Delnet Program* (Delnet), \$160,000 over two years

Delnet will provide online courses in local development for approximately 240 practitioners from throughout Latin America and the Caribbean and annual technical workshops on specialized themes for 75 practitioners. (LA-160-A2)



Rebecca Janes



Sean Sprague

# Mexico

## New Grants

**Fundación Internacional de la Comunidad A.C.** (FIC), \$400,000 over three years

FIC will strengthen its partnership with business, NGO and philanthropic leaders; mobilize \$400,000 to match the IAF's contributions; bolster the organizational capacity of more than 200 NGOs and microbusinesses; support more than 60 small development projects managed by these local organizations; and benefit 1,800 residents of low-income communities in Baja California. (ME-460)

**Fundación Juan Diego** (FJD), \$75,000 over one year

FJD will create a legal and governing structure for the Fondo Mexicano de Microfinanzas and hire a fund manager. The grantee will try to raise \$5 million in capital for the fund, which will provide credit and technical assistance for 10 microfinance institutions and entities serving the sector. Ultimately, the fund will indirectly benefit more than 1 million micro-entrepreneurs in at least eight Mexican states. (ME-468)

**Pronatura Noreste A.C.** (PNE), \$290,600 over three years

PNE will use its grant toward preserving the ecosystem of the Laguna Madre de Tamaulipas through alternative self-employment for fishing families, environmental education and the construction of ecological latrines. Stronger community organizations, reduced dependence on harmful fishing practices, and the lagoon's improved sustainability will benefit 2,700 community members directly and 10,000 other nearby residents indirectly. (ME-469)

**Terra Peninsular A.C.** (Terra), \$345,270 over three years

Terra will undertake a transnational project providing 350 marginalized Mexicans of indigenous Yuma descent the opportunity to strengthen their organizations, to implement income-generating projects and to promote the environmental sustainability of fragile areas in northern Baja California. This project targets the expanded production and sale of crafts and the growth of ecotourism businesses through the application of ecologically-sensitive community management. (ME-470)

**Fundación del Empresariado Chihuahuense A.C.** (FECHAC), \$218,000 over two years

FECHAC will strengthen democratic participation internally and in two marginalized zones of Ciudad Juárez. The nongovernmental organization of business people will transform itself into a community foundation with a sub-grant program directed at encouraging citizen participation in resolving community problems, and it will design a structure for divesting its micro-credit fund. (ME-471)

**Desarrollo Binacional Integral Indígena A.C.** (DBIIAC), \$257,430 over three years

DBIIAC will undertake a program to increase horticulture and poultry production; promote sales of crafts and prepared foods; support savings and credit programs; and strengthen the leadership and organizational capacity of indigenous women in the Mixtec region of Oaxaca. The program will include training, technical assistance, a new loan fund, learning exchanges and collaboration with migrant organizations in Mexico and the U.S. (ME-472)

**Migración y Desarrollo A.C.** (MIDE-ac), \$312,460 over three years

MIDE-ac will promote the creation of "social enterprises" in regions of high out-migration and facilitate cross-sector and transnational alliances that support income-generating projects. Primary activities will focus on Abeja de Oro, a honey producers' organization in Apulco, Zacatecas, that works in partnership with the Zacatecan Federation of Fort Worth, Texas. (ME-473)

**Red Internacional de Migración y Desarrollo A.C.** (RMD), \$400,000 over three years

RMD will work in partnership with the Foundation for Integrated Development of Southern Zacatecas and the Zacatecan Federation of Southern California on a program to identify and develop new opportunities for migrant investment in income-generating projects in southern Zacatecas. (ME-474)

## Learning from a Transnational Partnership

A new IAF grant will support an alliance offering a better income to residents of the communities it serves and an opportunity for donors to learn more about the potential role of migrant associations in development.

*Migración y Desarrollo A.C. (MIDE-ac)* is a small nongovernmental organization dedicated to improving the quality of life in Mexico's migrant-sending communities through the creation of income-generating enterprises. MIDE-ac works to identify opportunities, facilitate cross-sector partnerships, and incorporate local, state and transnational entities into activities that will benefit the surrounding community. With its IAF award, MIDE-ac will launch a honey-production enterprise by building on its partnership with Abeja de Oro, S.P.R, a beekeepers' cooperative in Apulco, Zacatecas, and with the Zacatecan Federation of Fort Worth (ZFFW), Texas. The program will include technical assistance, training, a market study and a loan fund. Alliance-building, marketing and dissemination activities will target Zacatecas, Michoacán, Oaxaca, Guanajuato and other migrant-sending Mexican states.

MIDE-ac's approach to economic development has attracted valuable resources, including time and expertise, for the honey-production enterprise from a variety of collaborators. ZFFW will fund training, technical assistance and, partially, a warehouse. It will also provide a pick-up truck and advice on organizational development and business management. The Secretariat of Agricultural Development of Zacatecas is expected to fund production and processing equipment. The municipality of Apulco will allocate space for honey processing and storage. MIDE-ac will assign two full-time staff members to the project. Local entrepreneurs will share knowledge and market contacts. In-kind donations from beekeeper-beneficiaries will include equipment, land, labor and warehouse space. The IAF will fund administrative and operating expenses, travel and transportation, and a loan fund.

The grantee aims to build on its success with this project by supporting the creation of at least one additional enterprise in a migrant-sending region. As an organization committed to evaluation and the exchange of ideas, MIDE-ac will document this transnational partnership and share the lessons with the international development community.

— *Jill Wheeler, Foundation representative*



Jill Wheeler



# Nicaragua

## New Grants

**Fundación para la Rehabilitación Walking Unidos** (FURWUS), \$257,000 over three years

FURWUS's project to assist people with disabilities in finding meaningful employment will support the individuals and businesses interested in hiring them and will address social attitudes that serve to exclude those people from the economic life of their communities. Approximately 200 León residents with disabilities in will directly benefit from the project. (NC-256)

**Fundación Investigación, Capacitación y Desarrollo Social** (INCADESO), \$155,500 over two years

INCADESO's highly participatory project will improve the income and housing of approximately 230 families in five communities in the municipality of Jinotepe, especially those headed by women, through training and loans. It will organize a steering committee of community representatives to oversee implementation and will create a loan fund for home construction and remodeling and for income-generating activities undertaken by members of community banks. (NC-257)

**Unión de Cooperativas SOPPEXCCA** (SOPPEXCCA), \$151,500 over two years

SOPPEXCCA, a union of 12 cooperatives, will strengthen its capacity to process, transport, store and market its members' coffee, as well as to control quality and promote sales in national and international venues. Project beneficiaries are approximately 450 small-scale producer-members of the coffee cooperatives and their families in the department of Jinotega. (NC-258)

**Grupo Fundemos** (Fundemos), \$122,000 over two years

Fundemos's project will contribute to the development of democratic governance in 12 municipalities by strengthening relationships between civil society organizations and local governments. Fundemos will engage these groups in defining the social needs of their respective communities and move toward the institutionalization of citizen participation and the adoption of policies and laws that favor decentralization and local development. (NC-259)

**Fundación de Investigación y Desarrollo Holístico en Educación Sexual** (FIDHES), \$251,000 over three years

FIDHES will develop an integrated model of support that addresses the social, cultural, economic and emotional development of young people. It will provide life skills, technical and vocational training for approximately 600 youths living in marginal neighborhoods in the coastal strip along Lake Managua. Beneficiaries will have access to financing as well as job placement support. FIDHES may provide job training and start-up loans to young entrepreneurs interested in opening businesses. (NC-261)

**Asociación Nicaragüense para la Integración Comunitaria** (ASNIC), \$196,600 over two years

ASNIC will develop a pilot community integration project to assist families and community-based associations in developing strategies that ensure children with disabilities receive an education. The project will be implemented in Managua, Ocotal and Boaco in Nicaragua, and Ciudad Guatemala, Quetzaltenango and Santiago Atlitán in Guatemala. (NC-262)



## Economic Opportunities for Individuals with Disabilities

In Central America, people with disabilities have consistently ranked employment as their highest priority. Employment projects specifically for the disabled are no longer considered the answer, as they can be isolating and may not foster economic independence. The newest thinking advocates integration into the ordinary work place and job individualization in tune with market priorities.

IAF grantee *Fundación para la Rehabilitación Walking Unidos* (FURWUS) follows this line of thought. Founded in 1989 in partnership with the citizens of León and the U.S.-based Polus Center for Social and Economic Development, FURWUS takes a holistic approach to rehabilitation. It provides and repairs prosthetic and orthotic (bracing) devices, pursues follow-up care, and works with clients and their families to respond to other needs, such as education and employment. It has already trained several clients as skilled prosthetic technicians, and it has a close relationship with the Ben Linder Internet Café, whose computer training and job opportunities focus on individuals with disabilities.

Now FURWUS wants to assist workers with disabilities by addressing attitudes that limit their options and by supporting employers interested in hiring them. In addition to IAF's support, its project will receive technical assistance from the Polus Center, the León-based Disabilities Leadership Institute and *Fundación León 2000*, a local micro-finance institution. Depending on their skills and on existing opportunities, 200 León residents with disabilities are expected to fill positions in industrial and agricultural cooperatives, businesses, the city government and the local university. An additional 800 family members will benefit because a father, mother, son or daughter will become economically independent and contribute to the household's income and social networks.

With its IAF grant, FURWUS, which was instrumental in the founding of *Vida Nueva*, a prosthetic outreach project in Choluteca, Honduras, also aims to identify a culturally appropriate model for the economic integration of people with disabilities in Central America. The goal is to unite the community around a class of citizens who are normally discriminated against; to foster in them an increased sense of dignity; and to help them participate fully in economic and social life. — *Miriam Brandão, senior Foundation representative*



Sean Sprague

### Supplemental Grants

***Asociación para el Desarrollo de la Costa Atlántica***  
(Pana Pana), \$99,000 over one year

Pana Pana will support the sustainable production of food and forestry products, marketing of agricultural crops, micro-enterprise development, rehabilitation of infrastructure and equipment, and strengthening base groups in 11 Miskito communities. (NC-235-A2)

***Cooperativa Agropecuaria de Servicios de Extracción de Aceites Esenciales R.L.*** (COOPESIUNA), \$46,219 over one year

COOPESIUNA will use this amendment to guarantee the transport and installation of equipment used to extract highly valued essential oils from allspice. (NC-249-A1)

***Cooperativa de Servicios Múltiples San Isidro R.L.*** (COOPECAFE), \$51,096 over one year

COOPECAFE will continue to fund marketing efforts and provide accounting support for coffee cooperatives serving growers in six municipalities. (NC-250-A1)

# Panama

Mark Caicedo



## New Grants

**Fundación para el Desarrollo Integrado Sustentable** (FUDIS), \$294,200 over two years

FUDIS will strengthen local development by building capacity and efficiency in municipal government, local organizations and the rural economy. The grantee will move producers from destructive subsistence practices toward market-oriented, agro-ecological farming and environmental conservation. Activities include training, technical assistance and the introduction of a credit fund and a community development grant fund. (PN-276)

**Asociación para el Desarrollo del Micro y Pequeño Productor** (ADEMIPP), \$189,800 over three years

ADEMIPP will reduce poverty and environmental damage by replacing harmful farming methods with agro-ecological production of basic foods for consumption and/or sale. The grantee will introduce a credit program and a local extension system for both production and marketing along with support for community activities directed at reforesting the local watershed. (PN-277)

**Asociación Programa Veragüense de Desarrollo Ecológico Sostenible** (PROVERDES), \$225,000 over three years

PROVERDES will promote sustainable agriculture, environmental protection through reforestation, and basic sanitation in the community it serves. A credit fund, training and a community extension service system are its key tools. The grantee will also further communication among diverse ethnic groups and the inclusion of women in economic and social development. (PN-278)



## Strengthening Family Farms; Protecting the Environment

### Supplemental Grant

*Fundación Para la Promoción de la Mujer*  
(FUNDAMUJER), \$50,000 over one year

FUNDAMUJER will extend artisan training to 40 indigenous Ngöbe-Buglé women living and working in the Comarca Ngöbe-Buglé, an indigenous reserve. Training will take place at the craft store run by the women located on the Pan American Highway. (PN-267-A3)

Traditional small-scale farmers in rural Panama face degradation of agricultural and community lands and of local watersheds as well as an increasingly competitive marketplace transformed by globalization. But two new IAF grantees are working to reverse the possibility of a bleak future: *Asociación para el Desarrollo del Micro y Pequeño Productor* (ADEMIPP), located in the Peninsula of Azuero, and *Programa Veragüense de Desarrollo Ecológico Sostenible* (PROVERDES), in Veraguas province and the Comarca Ngöbe Buglé, an indigenous area.

ADEMIPP's beneficiaries are largely *latino* while PROVERDES serves *latino* and indigenous beneficiaries, but the two grantees share similarities. Both organizations' projects are based on the farm as a self-managed, family-based enterprise. Both center resources on the use of sustainable agro-forestry techniques, including reforestation and watershed conservation, to improve food security, diet and income as well as to restore and protect the environment. Seedling nurseries supporting reforestation of private and community lands are integral to both projects.

The two grantees will develop extension agent programs to provide training and assistance to farmers. Agro-ecological techniques to be introduced include, but are not limited to, the use of organic fertilizers and wind breaks. Each grantee follows up on group training with technical assistance visits. Both will promote wide participation, especially by women and young adult beneficiaries. ADEMIPP will apply its extensive experience with credit toward developing a traditional rotating loan fund. PROVERDES, also experienced, will develop an alternative credit program capitalized with proceeds derived from agricultural production. Upon termination of the respective grant period, both credit funds will be controlled by a community organization established for that purpose. In both cases, the goal is to grow the beneficiary base through extension of credit to new members.

Although each project incorporates other elements specific to the local reality, both are characterized by the same three strands: agro-ecological techniques, credit and technical assistance. These entwine to form a rope with which small-scale producers can pull themselves out of subsistence farming and into the marketplace. Throughout the process a balance is struck between the development of privately held parcels and the improvement and conservation of community land. — *John Reed, Foundation representative*

# Paraguay

## New Grant

*Casa de la Juventud-Paraguay* (Casa),  
\$127,000 over two years

Casa will provide institutional, educational and technical support to youth organizations. Its IAF award will support the participation of youths in public hearings, strengthen their consensus-building skills, develop public information campaigns and extend small grants to young Paraguayans in approximately 10 localities. The grantee expects to benefit some 4,200 youths from low-income neighborhoods. (PY-190)



Courtesy Casa



## *A Casa Offering More than Shelter*

With 25 percent of its citizens between 15 and 24 years of age, Paraguay has one of the youngest populations in South America. Studies indicate that many of these teenagers and young adults are struggling to find their place in society. An estimated 24 percent are unemployed, and they increasingly migrate to urban areas offering no better than temporary and seasonal jobs.

In this discouraging context, *Casa de la Juventud* has developed a promising approach to helping young people demand their rights, take charge of their lives and work toward economic independence. The group of youth advocates who founded the nongovernmental organization in Asunción in 1995 initially created a venue where youth could gather, feel at home, engage in cultural activities and exchange information. Eventually the group evolved to specialize in multi-pronged grassroots initiatives. Casa's Alternative Communications Project, for example, has helped launch a radio station, a self-employment support program and leadership training directed at young adults in metropolitan Asunción. Success over the years has led Casa to assume a greater role in providing information, training and strategic assistance to other youth organizations, advocates and policy-makers, as well as in developing public awareness campaigns targeting young people.

With funding from the IAF, Casa will expand its offerings to include 95 training sessions, forums and workshops covering the rights of young people, participation and organizational capacity-building. Casa will also work with volunteers and trainees to hold 20 public hearings and conduct 10 awareness campaigns on 10 themes conveying the message that young people can act as positive agents for social and economic change. IAF will also support a new Youth Development Fund for approximately 30 grants of \$1,000 each for entrepreneurs between 15 and 24 who have completed the appropriate training and have presented feasible proposals for income generation. In keeping with its founders' vision, Casa de la Juventud will give young Paraguayans a stronger voice along with a roadmap toward a more stable, dignified role in society. — *Randall Blair, program staff assistant*



# Peru

## New Grants

**Asociación Cultural Ayllu Yupaychay** (Yupay), \$35,610 over eight months

YUPAY will formalize its teaching methodology using art as the vehicle for providing elementary education to indigenous children in remote Andean villages. (PU-520)

**Centro para el Desarrollo Sostenible** (CEDESOS Puno), \$56,800 over two years

CEDESOS Puno will promote rural eco-tourism in the district of Capachica along the northern shore of Lake Titicaca. Training, technical assistance, credit and promotional services will be provided to 50 families operating hostels and craft workshops in the five participating communities (PU-521)

**Asociación para el Desarrollo Local** (ASODEL), \$181,815 over 18 months

ASODEL will provide training and technical assistance to 1,080 residents of more than 70 villages and 15 communities in three districts in the department of Cajamarca, for the formulation of an integrated local development plan and budget expected to benefit more than 17,000 residents (PU-522)

**Estrategias para el Desarrollo Internacional** (SID-Perú), \$268,990 over two years

SID-Perú will provide training and technical and financial assistance to a consortium of six municipal districts implementing economic development initiatives included in their jointly prepared local development plans, which are expected to directly benefit 1,020 families. (PU-523)

**Centro de Investigación Social y Educación Popular-Alternativa** (ALTERNATIVA), \$171,695 over two years

ALTERNATIVA will conduct training and advisory and promotional activities that will prepare 250 leaders in nine municipalities in metropolitan Lima to undertake the decentralization and participatory planning processes required under recent legislation applicable to local governments (PU-524)

**Asociación Arariwa para la Promoción Técnico-Cultural Andina** (ARARIWA), \$219,980 over two years

ARARIWA will implement the second phase of its program of pest management, during which it will introduce a methodology to control diseases affecting fruit crops in 30 communities of Cusco's Valle Sagrado (PU-525)

**Instituto Promoción y Desarrollo Agrario** (IPDA), \$244,500 over three years

IPDA will undertake a project in partnership with the Association of Users of the Rimac River Irrigation District to increase the production and income of 5,000 farmers on the eastern fringe of metropolitan Lima. The project will include the introduction of a new, more efficient irrigation technology, training in its installation and use, technical assistance in intensive crop production and small livestock husbandry, and processing and marketing services for the farmers' harvests (PU-526)

## Supplemental Grants

**Centro de Estudios para el Desarrollo Regional** (CEDER), \$64,000 over seven months

CEDER will complete training, technical assistance and marketing services benefiting 2,150 farming families in the province of General Sánchez Cerro (PU-481-A6)

**Centro de Investigación Y Promoción Social "Violeta Sara Lafosse"** (CIPS), \$10,000 over six months

CIPS will complete delivery of technical assistance and training to its direct beneficiary group of small-scale farmers producing artichokes for domestic sale and export. The farmers have attained an excellent level of quality and are now strengthening their marketing and negotiating skills (PU-497-A4)

**Programa Integral para el Desarrollo del Café** (PIDECAFE), \$50,000 over one year

PIDECAFE will complete the construction and equipping of 10 artisan sugar mills as part of its three-year program to assist 20 associations of coffee producers affiliated with CEPICAFE, the regional coffee growers association. It will facilitate the creation of a network of community enterprises to produce brown sugar as a source of income and economic diversification in six municipalities of the northern Peru. (PU-509-A1)

**Servicios Educativos, Promoción y Apoyo Rural** (SEPAR), \$99,980 over one year

SEPAR will conclude its effort, in partnership with four other NGOs, the municipality and the Cámara de Comercio, Agricultura, Producción e Industrias de Huancayo, to promote local tourism and agro-industrial enterprises in the province of Huancayo. The project has been highly successful in generating interest in economic expansion in both areas and in acquiring the support of other local entities (PU-513-A1)

# *A Partnership Builds on Serenity and Scenic Splendor*

Jutting out into the northern reaches of Lake Titicaca, the narrow peninsula of Capachica is home to several villages that use the lake for fishing, irrigation and travel to other towns on the water. The communities on this finger of land are extremely poor; they have few services; their soil is rocky and depleted of nutrients. They are barely accessible by land; reaching them by small motor launch is slow and tedious. What the peninsula does have is some of the most picturesque views imaginable. From the mountainous ridge running down the center of the peninsula, the panorama is spectacular.

*Centro para el Desarrollo Sostenible* (CEDESOS) and residents of five of peninsula communities have put together a project that takes advantage of their beautiful setting and of a growing interest in backpacking and trekking by adventuresome tourists. Families in each community will either renovate their homes or construct a shelter to provide sleeping space for travelers, and will offer other basic amenities. A warm meal and shower await the visitor upon arrival in the evening; the smell of fresh coffee or herbal tea greets the

guest the following morning, along with breathtaking views. Tourists can hike trails overlooking the shores, swim in the blue waters of the world's highest navigable lake or just relax and take in the splendor and tranquility. Villagers are organically cultivating a greater variety of vegetables and fruits and refining their local handcrafts for sale locally or for shipment to Puno. The expanded activities will provide jobs for 250 residents and attract an estimated 4,000 tourists.

This project began with the municipality's participatory process to draft a local development plan that would clearly state the objectives and the role of each participant. Guided by that document, the groups involved brought forth resources: the municipality, infrastructure and promotional support; the communities, land and labor; and CEDESOS, coordination and Foundation support. Success hinges on the combined effort. The villagers have also approached the Peruvian Ministry of Tourism and the regional government of Puno. Activities are under way and soon both host and guest will share Capachica's serenity and scenic majesty. — *Wilbur Wright, senior Foundation representative*



Wilbur Wright

# Venezuela



## New Grant

*Instituto de Estudios Superiores de Administración* (IESA), \$120,000 over two years

IESA will hold a conference in Caracas focusing on two characteristics of successful grassroots entrepreneurship: integration into corporate supply chains and access to the global marketplace. The conference represents an opportunity to influence corporate and civil society leaders and government officials toward creating an enabling environment for Venezuelan grassroots entrepreneurs. Conference proceedings will be available in print and on IESA's Web site. (VZ-193)

# Globalization at the Grassroots

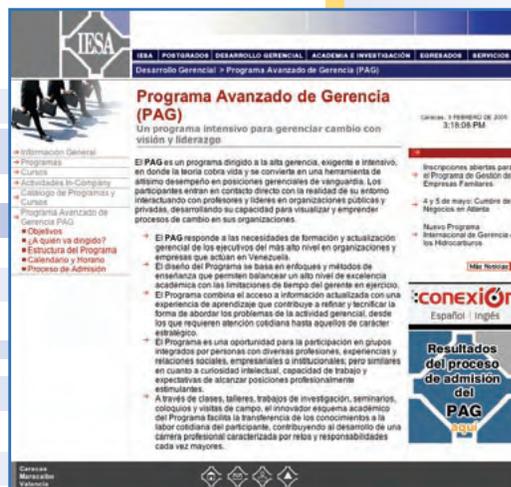
Consider that 4 billion people in the world have a per capita income of less than \$1,500 annually. Of these, 1 billion, one-sixth of the global population, live on less than \$1 a day. The United Nations reports alarming growth in the income disparity between the rich and the poor. In 1960, 70 percent of the world's total income flowed to the richest 20 percent of its population and 2.3 percent to the poorest 20 percent. By 2000, the richest 20 percent claimed 85 percent and the poorest, just 1.1 percent.

In Venezuela, formerly one of the richest countries in the hemisphere, more than 42 percent of the population is below the official poverty line. Notwithstanding the ongoing effects of political instability, including a three-month strike in 2003, some Venezuelan grassroots entrepreneurs have succeeded in improving their position. This attracted the attention of the Inter-American Foundation and the *Instituto de Estudios Superiores de Administración* (IESA), which educates individuals capable of leadership as professionals, managers or entrepreneurs and promote best management practices in business, public-sector and not-for-profit organizations.

IESA was founded in 1965 with financial support from Venezuelan companies and public agencies, and with advisory assistance from a committee of U.S. business-school deans (from Northwestern University, the University of Chicago, Harvard University, the Massachusetts Institute of Technology, Syracuse University and Cornell University) and from the Ford Foundation. IESA effectively leads much of the research influencing public- and private-sector social policy in Venezuela. With a \$100,000 grant from the IAF, IESA will research grassroots entrepreneurship in Latin America and the Caribbean for cases that illustrate (1) successful integration into the corporate supply chain or (2) effective management of social and financial capital and technology to gain more equitable

access to the global marketplace. At least 18 such cases will be presented at a conference aimed at influencing corporate leaders and government officials toward creating the enabling environment necessary for other grassroots entrepreneurs to succeed similarly. The conference points to new horizons for those at the bottom of the pyramid.

— Audra Jones, Foundation representative



# RedEAmérica

The Network of Corporate Foundations and Companies for Grassroots Development (RedEAmérica) was launched in 2002 as an IAF initiative. By the close of fiscal 2004 it had grown from an alliance of 27 corporate foundations interested in making grassroots development the keystone for poverty reduction to 52 member foundations and companies, representing 12 countries.

RedEAmérica members elect a council of directors and a general secretariat, currently the Polar Foundation of Venezuela. Business leaders are directly engaged through committees coordinated by the chief executive officer of Holcim Industries in Brazil. A learning program coordinated by the Juan Minetti Foundation of Argentina organizes exchanges, workshops and studies to identify best policies and methods and to standardize budgets, accounting practices, and results measurement and reporting. Fundación Corona of Colombia coordinates the development of training for new members. In December, RedEAmérica launched its new portal, [www.redeamerica.org](http://www.redeamerica.org), featuring current network activities, a “project of the month” and links to each member’s individual Web site.

Under bilateral, three-year cooperative agreements with the IAF, RedEAmérica members match IAF funding for sub-grants to support the self-help projects of nongovernmental organizations and grassroots groups. IAF cooperative agreements also fund RedEAmérica activities focused on improving the effectiveness and coverage of grassroots development services and on facilitating the involvement of new members in this work. In fiscal 2004, RedEAmérica members entered into six new cooperative agreements; six cooperative agreements from fiscal 2003 were amended with supplemental funds.

## Cooperative Agreements

### **Fundação Acesita (Acesita) \$61,000**

Created in 1994 by Acesita S.A. a steel company in the state of Minas Gerais, Brazil, Fundação Acesita supports community development in the Valle Del Acero, especially in the municipality of Timóteo, with an emphasis on low-income families, unemployed youths, community groups and social enterprises. (BR-813 / CP-014)

### **Fundação Otacílio Coser (Coser) \$76,000**

Grupo Coimex in Brazil legally incorporated Coser in 1999. Under its agreement with the IAF, Coser works in the Aribiri River region and in the municipality of Vila Velha, Espírito Santo, on basic education, job training, urban infrastructure, and environmental education and preservation. (BR-812 / CP-007)

### **Fundación Restrepo Barco (FRB) \$140,000**

Created in 1967 with Antonio Restrepo Barco’s personal funds, FRB will support community development on Colombia’s Atlantic coast. (CO-501/CP-020)

### **Fundación Empresarios por la Educación (ExE) \$180,000**

ExE was legally incorporated in 2002 by 62 companies and 22 individuals from Colombia’s industrial, commercial and service sectors. Its mission is to improve education from pre-kindergarten through grade 11. Under its agreement with the IAF, ExE will support educational projects by grassroots organizations in the departments of Antioquia, Atlántico, Bogotá, Bolívar, Caldas, Casanare, Cundinamarca, Huila, Quindío, Risaralda, Tolima and Valle. It will also conduct studies on the incorporation of grassroots development principals and methods into its programs. (CO-502 / CP-021)

**Fundación ACAC Cooperative (ACAC) \$34,000**

Cooperativa de Ahorro por Capitalización legally incorporated ACAC in 1993. Its mission is to improve the well-being of poor Uruguayan communities through an active civil society. ACAC will work with public and private educational institutions to address the problems of low income children, particularly in Artigas, Salto, Paysandú, Rio Negro, Flores, San Jose, Colonia, Canelones and Montevideo. (UR-178 / CP-015)

**Fundación Polar (Polar) \$147,600**

Polar, created in 1977 by Empresas Polar, supports initiatives that improve the quality of life and strengthen the social fabric of Venezuela. As RedEAmérica's secretariat, Polar will coordinate programs and events and conduct priority studies. (VZ-196 / CP-019)

## Amendments

**Fundación Juan Minetti (Minetti) \$230,680**

Minetti was founded in 1987 by the Minetti Group, a cement and finished concrete manufacturer, to fund initiatives that develop the potential of individuals and civil society organizations. This second amendment supports Minetti's coordination of RedEAmérica's learning program as well as community development in Córdoba capital and Malagueño, Córdoba; Las Heras, Mendoza; Puesto Viejo, Jujuy; and Zárate-Campana, Buenos Aires. (AR-331-A2 / CP-002-A2)

**Fundación Pehuén (Pehuén) \$70,000**

Pehuén, legally incorporated in 1992 by the Empresa Nacional de Electricidad in Southern Chile, provides financial and other support to indigenous communities in Alto Bio-Bio. This first amendment will fund self-help projects. (CH-511-A1 / CP-001-A1)

**Fundación Corona (FC) \$340,000**

FC, founded in 1963 by Organización Corona, a Colombian manufacturer of ceramic tiles, fixtures and other items used in home construction, promotes social responsibility with a particular focus on urban community development. This second amendment funds FC's continued coordination of RedEAmérica's training program for new members. (CO-500-A2 / CP-013-A2)



Courtesy Fundación Corona

**Fundación Esquel Ecuador (FEE) \$225,000**

Established in 1990 by a businessmen and other leaders working for a more just and equitable society for all Ecuadorians, FEE promotes economic, social and educational development. This amendment expands its support to community organizations and funds the development of alternative strategies for resource mobilization for RedEAmérica members and the Global Fund. (EC-385-A2 / CP-006-A2)

**Fundación Merced (Merced) \$117,500**

Merced, founded in Mexico in 1964 by the Hermun S.C. Real Estate Company, is funded by an endowment and by corporate resources mobilized for micro-enterprises, social responsibility and training. Merced will provide small grants, training and other support to community organizations for self-help projects. (ME-464 / CP-004 A1)

**Fundación Zonamerica (Zonamerica) \$50,000**

Zonamerica, founded in 2002 by Zonamerica Limited y Bonacqua S.A., promotes research, development and technology transfer to low-income communities throughout Uruguay. With these supplemental funds, representing a donation from Levi Strauss routed through the IAF, Zonamerica will support community self-help projects, giving priority to those initiatives that contribute to decentralization. Zonamerica will also coordinate at least one study for RedEAmérica. (UR- 176 / CP-009 A1)

# Office of Evaluation

The Office of Evaluation monitors the impact of current IAF-funded projects and assesses IAF's investment once the funding period has ended.

## Results of Active Grants

More than 90 percent of the grantees scheduled for monitoring in fiscal 2004 were visited, and the grantees' data were verified through reviewing files, interviewing managers and beneficiaries, and inspecting infrastructure. The information was compiled in the comprehensive document distributed annually to representatives of relevant U.S. government offices. Following is a summary of the aggregated results of IAF's funding in Latin America and the Caribbean:

- More than 26,000 individuals improved their diet and health.
  - Nearly 23,000 beneficiaries received medical attention.
  - Close to 3,000 individuals benefited from access to clean water.
  - More than 123,000 individuals benefited from trash removal.
  - IAF grantees in nine countries helped their beneficiaries build or expand homes; 138 new houses were constructed and 871 were improved.
  - Registration in courses, workshops and seminars exceeded 38,000 individuals in finance including loan management; approximately 32,000 in agriculture and environmental related topics; 18,000 in planning and administration; and 16,000 in health-related issues, such as prenatal care and disease prevention.
  - Grant activities generated 5,500 full-time and 4,300 part-time seasonal positions and created more than 3,200 full-time and 1,200 part-time permanent positions.
  - More than 27,000 individuals benefited from innovative practices.
  - More than 1,900 organizations voluntarily cooperated with IAF grantees.
- Of the 1,000 organizations in partnerships with IAF grantees, 340 became partners in fiscal 2003.
  - Grantees leveraged \$11.6 million for project activities: \$7.8 million in cash and \$3.8 million in kind.
  - International nonprofit organizations donated \$1.5 million in cash to IAF grantees. Mercy Corps and the Hewlett Packard Foundation led the way.
  - Central government agencies contributed 30 percent of the total resources mobilized by grantees.
  - IAF grantees extended close to 139,000 loans averaging \$270 each. Loans for business development represented 55 percent of all loans and averaged \$385 each. Agricultural loans averaged \$1,022. The largest loan, for \$17,000, helped start a revolving credit fund in Colombia. Mexican grantees accounted for 88 percent of all loans funded in FY-03.

## Evaluation of Completed Projects

In fiscal 2004 the Office of Evaluation concluded its first annual assessment of 10 completed projects randomly selected from IAF's portfolio. Projects evaluated this year centered on a variety of themes. Examination by IAF's contractor, the Getulio Vargas Foundation (FGV) of Brazil, revealed not only that most had achieved the goals and objectives set forth in the original proposal, but that two years after the IAF's funding ended many continued to benefit the communities served. FGV's findings were based on background data from the IAF and grantees' archives, site visits, questionnaires, and interviews with grantee staff and beneficiaries, as well as local authorities and other community stakeholders. Findings so far are preliminary and amount to hypotheses about best practices. A second random sample of 10 projects, whose funding ended in fiscal 2003, will be evaluated in fiscal 2005 for short-term results and for insights into the long-term capacities on which development ultimately rests. Emilia Rodríguez-Stein, director, Office of Evaluations

## Summary Evaluation of 10 IAF Projects

### PROJECTS EVALUATED

Projects studied were selected from among those whose funding terminated in 2002:

- Fundación para el Desarrollo del Centro Chaqueño (FUNDECCH), in Argentina's Chaco province, offered technical assistance and a revolving fund to micro-entrepreneurs in the informal sector.
- Taller de Historia Oral Andina (THOA) in Bolivia trained indigenous leaders reestablishing ayllus, traditional indigenous territories, in the provinces of Aroma and Munecas.
- Asociación Campesina "El Limón en Lucha" in the Dominican Republic created an information technology center equipped with computers for a community that previously had no electricity or telephone service.
- Comité de Desarrollo Local de Guamote (Guamote), Ecuador, focused on the management of productive activities, including forestry and irrigation, with the participation of historically marginalized Quechua residents, including public officials whom the grantee trained.
- Programas Comunitarios para El Salvador (PROCOSAL) created water collection, purification and distribution systems benefiting three communities on the outskirts of San Salvador.
- Coordinadora Comunitaria Miravalle, A.C. (COCOMI) in Miravalle, Mexico, used its IAF award for a loan fund, savings program, a micro-enterprise producing medical herbs, and training and technical assistance.
- Centro de Promoción del Desarrollo Local (CEPRODEL) in Nicaragua created a local development corporation and a micro-lending institution for farmers and small businesses, and provided training and technical assistance.
- Instituto Panameño de Desarrollo Municipal (IPADEM) in Panama oversaw the formation of a local development network involving communities in 36 corregimientos, or administrative units.
- Asociación ARARIWA para la Promoción, Técnico-Cultural Andina (ARARIWA) in Peru introduced pest control to reverse crop loss and increasing poverty.
- Fundación Técnico Agropecuaria de Guanare (FUNTAG) in Venezuela planned to generate employment for high school dropouts by developing a chicken farm.

### FINDINGS

#### 1. Community participation in project design is a key factor in sustainability.

Projects in operation beyond the grant period evidenced strong community participation in the identification of the issue and the design of the activity. Goals and objectives were concrete and clearly responded to a community need: a computer center (El Limón); a water distribution system (PROCOSAL); a microcredit program (CEPRODEL); pest control (ARARIWA).

#### 2. Projects inserted in a broader local development strategy, including partnerships with local authorities, businesses and other community forces, had a greater chance of becoming sustainable.

A broader base allowed grantees to solve problems en route to the final goal. El Limón, for example, formed a partnership with local authorities to install the electricity and phone lines necessary for a computer center.

#### 3. For a donor, "knowing when to let go" is critically important.

The donor should allow for mid-course adjustments to unanticipated circumstances or opportunities.

#### 4. Leadership from outside the community can be constructive, but only when the expertise serves to empower local leaders.

Beneficiary dependence on the outside interventor can be difficult to overcome. Before moving on, outsiders with El Limón legitimized the local leadership taking the helm. FUNTAG and COCOMI brought their beneficiaries good ideas and expertise but never developed their capacity to shape and implement their own ideas. When the experts left, the projects withered away.

#### 5. Short-term tangible results contribute to long-term sustainability.

Grantees that achieved tangible results were best able to continue and expand: Guamote, El Limón, ARARIWA, CEPRODEL and PROCOSAL. Concrete results validate an activity as one that addresses an immediate felt need. The challenge is achieving short-term results while teaching beneficiaries to implement their own solutions in the future.

#### 6. Projects should be seen in the context of broader policy opportunities.

The political or institutional context may offer opportunities. Decentralization policies and laws requiring participation, for example, might facilitate project implementation with a legal framework and additional resources. THOA and IPADEM are cases in point.

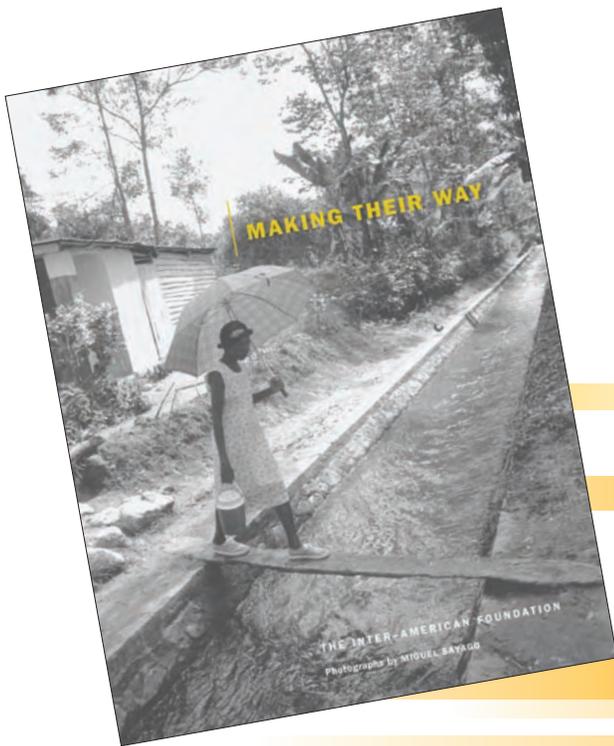
# Dissemination

The Office of External Affairs produces and distributes the Inter-American Foundation's publications and news releases and maintains the IAF Web site. Its dissemination effort is complemented by an agency-wide commitment to sharing IAF's experience and expertise with the development and foreign affairs communities and with interested scholars and researchers. During fiscal 2004 the IAF was represented at conferences and other events around the world.

## Publications

During fiscal 2004, the IAF published *Making Their Way*, a case-bound collection of photographs from the portfolio of Miguel Sayago depicting the beneficiaries of IAF's assistance in their homes, neighborhoods and workplaces in Latin America and the Caribbean. Spanish, Portuguese and Haitian Creole translations of the original English commentary were published separately for insertion into the book. A group of 30 photos, with commentary, excerpted from *Making Their Way* is available for loan to interested institutions. This exhibit was displayed in April in conjunction with the Organization of American States' ministerial meeting of the Inter-American Commission on Social Development in Santiago, Chile, and in June in the Patio Azteca at OAS headquarters in Washington, D.C. Selected photos from *Making Their Way* have been compiled as an essay on the IAF Web site.

English and Spanish versions of IAF's annual report and journal were printed and distributed; pdf and html files were posted on the Web site in English, Spanish and Portuguese. Because of the extensive coverage of Brazilian projects, *Grassroots Development* for 2004 was also printed in Portuguese. The Office of External Affairs produced fact sheets on IAF's work with grantees on the U.S.-Mexico border, with transnational communities and with a project bring digital access to the Brazilian Northeast. Additionally, the 2003 journal was reprinted in Spanish and English.





## Dissemination Online

Published material was further disseminated as follows:

- The University of Florida used “Stages of Micro-Enterprise Growth in the Dominican Informal Sector” from the 1983 *Grassroots Development* for a class on Caribbean anthropology.
- “The Third Sector in Global Perspectives,” Lester Salamon’s article in the 2002 *Grassroots Development* summarizing his work with civil society, was selected for inclusion in the LexisNexis database.
- Brown Reference Group of London is reprinting “The Life Cycle of A Corporation’s Socially Responsible Initiative: Inti Raymi Goldmine” by former IAF intern Kellee James in *PRO/CON 4*, a six-volume work complemented by materials for use in debating and aimed at readers 15 to 18 in the U.S. market.
- The ILO’s Delnet program reprinted on its Internet database part of “IAF’s Argentine Grantees: Caught in the Crisis,” by Paula Durbin in the 2003 *Grassroots Development*.
- Durbin’s entire article, supra, and Patrick Breslin’s “Bogota’s Recyclers Find a Niche and Respect” from the 2002 *Grassroots Development* was used in political science classes at University of Massachusetts-Lowell.

The IAF Web site is constantly updated with new publications, news releases, information on special events, and current application procedures and forms. In fiscal 2004, application materials were simplified into a single file which could be downloaded in HTML, PDF or Word formats. English, Spanish and Portuguese journals published between 1977 and 1994 were posted on the Web site after the hard copies were scanned and the scans converted to pdf format. English, Spanish and Portuguese versions of *IAF Connections*, which has more than 3,200 subscribers, was uploaded quarterly. Photo essays have been archived by year to facilitate searches. Visitors can now enlarge and download photos.

We regret any inconvenience caused when we lost a vital database in September. To prevent this from happening again, the IAF purchased a server to host our Web site and it is now housed in our Arlington office. Lost information has been recaptured and placed in appropriate locations, and the site is now fully functional.

# Conferences and Events

**I**AF grantee Associação dos Catadores de Papel, Papelão e Material Reaproveitável (ASMARE), a successful recycling enterprise, hosted the **Second Trash and Citizenship Festival** in Belo Horizonte, Brazil, Oct. 27-30. The event drew recyclers from throughout Brazil and abroad, Brazilian government officials, and IAF staff and contractors, among others. IAF grantees represented included Fundação Centro de Defesa dos Direitos Humanos Bento Rubião, Centro de Articulação de Populações Marginalizadas (CEAP), Centro Integrado de Estudos e Programas de Desenvolvimento Sustentável (CIEDS) and Nova Pesquisa e Assessoria em Educação, all of Rio de Janeiro; Centro de Educação Popular (CEPO) from Rio Grande do Sul; Papyrus from Venezuela; and Asociación de Recicladores de Bogotá, a beneficiary of IAF partner Fundación Corona in Colombia. On display were Patrick Breslin's photos of the Colombian recyclers and Miguel Sayago's photos of ASMARE.

The IAF sponsored the **first regional workshop on socio-economic development for African-descendent communities** in La Ceiba, Honduras, Feb. 1-4. Representatives of the World Bank, Inter-American Development Bank, Inter-American Dialogue, Pan-American Health Organization, Ford Foundation and the Department for International Development of the United Kingdom as well as 160 community leaders from 18 countries participated, 121 of them IAF travel grantees. These included delegates from Centro de Apoio ao Desenvolvimento, Minga, Criola, União de Negros pela Igualdade (UNEGRO), and Centro de Articulação de Populações Marginalizadas. Additionally, Maria Lucia Dutra Santos, of Grupo de Mulheres Negras Mãe Andresa and Osvaldo Cruz from Circulo Olympio Marques (COLYMAR), both in Brazil, led a session on economic development, and Romero Rodríguez from Mundo Afro in Uruguay facilitated a discussion on public policy and partnerships. U.S. Ambassador Larry Palmer; Costa Rican congresswoman Epsy Campbell, Colombian congressman Edgar Torres and Elías Lizardo, Honduras' minister of health, attended the plenary sessions. President Ricardo Maduro of Honduras closed the interactive workshop that included visits to two garifuna communities.



Patrick Breslin



Courtesy Inter-American Dialogue

The IAF and the Permanent Mission of the U.S. to the Organization of American States cosponsored **Investing in People**, a half-day seminar held May 4. The event introduced the Permanent Council of the OAS to the IAF's contemporary approach to democratic grassroots development involving three sectors: corporate foundations; associations of U.S.-based migrants; and elected community leaders. Representatives from grantees who work daily with these sectors shared their experience with the audience in the Hall of the Americas: Fernando Castellanos, executive director of Fundación Zonamerica, Uruguay, discussed RedEAmérica. Jesús Aguilar, executive director, Centro de Recursos Centro Americanos (CARECEN International-El Salvador), described how the IAF is working with collective remittances sent by hometown associations to their communities of origin. Rubén Calle, president, Asociación de Parroquias Rurales, Ecuador, explained how his organization promotes discussions on policy at the grassroots level. On display during the reception following the seminar were photos by Miguel Sayago who signed complimentary copies of *Making Their Way*.



Courtesy the OAS

Left to right, David Valenzuela, Miguel Sayago and John Maisto, U.S. ambassador to the OAS.

## Conferences & Events continued



Dona Geralda at the World Bank.

Heidi Smith

**Investing in Local Development**, held June 16-18 in Washington, D.C., was organized by a team from the IAF, the World Bank and the German development bank, KfW Entwicklungsbank. Six representatives of current and former IAF grantees in Argentina, Brazil, Ecuador and El Salvador were among the 530 participants from 88 countries who heard how civil society around the world is partnering with local governments to provide better municipal services, promote micro-enterprises, reflect community diversity and protect natural resources. A session led by ASMARE's Dona Geralda, Robert Yaguachi of Corporación para el Desarrollo de los Recursos Naturales Renovables (CEDERENA) in Ecuador, and José Francisco Coto of Fundación Salvadoreña para la Reconstrucción y el Desarrollo (REDES) in El Salvador, highlighted how NGOs and grassroots organizations, in partnership with local governments, identify problems, set priorities and decide on solutions that translate into intervention.

Also attending the conference were Sérgio Gregório Baierle of Centro de Assessoria e Estudos Urbanos (CIDADE) in Brazil and Gerardo Bacalini from Federación de Asociaciones Centros Educativos para La Producción Total (FACEPT) in Argentina. Cido Gonçalves and Cristina Bove, both of ASMARE, joined Dona Geralda and Baierle in addressing the Inter-American Dialogue, and a presentation for the Esquel Group featured Bacalini as well. Individual agendas included various embassy programs, the Pan-American Health Organization, the World Bank and the U.S. Congress.



IAF grantee representatives at the Tenth Inter-American Conference of Mayors and Local Authorities.

At the **Tenth Inter-American Conference of Mayors and Local Authorities**, held June 22-24 and organized by Miami-Dade County and Florida International University, the IAF sponsored workshops on funding local government, economic development and job creation, transparency, health management, and disaster relief. More than 500 mayors and city administrators from throughout the hemisphere participated. Facilitators included eight professionals from IAF grantees and partners: the DelNet program of the International Labor Organization's International Training Center in Turin, Italy; Centro Latinoamericano de Economía Humana (CLAEH) in Uruguay; Fundación Nacional para el Desarrollo (FUNDE) in El Salvador; FACEPT; CHF International; and Paraguay's Gestión Local. Four participants had participated in the planning meeting.

The IAF, CIVICUS and the United Nations Development Program co-sponsored **Weaving a New Society** in Antigua, Guatemala, Aug. 15-21. Some 200 professionals, including 14 representing IAF grantee organizations, shared approaches to global challenges at conference organized by the Institute of Cultural Affairs, an international NGO working to strengthen strategic development relationships. Ramón Daubón of the IAF spoke on development in Latin America at the opening dinner. Multi-country panels representing IAF's Central America and Mexico portfolio, as well as site visits to local IAF grantees, offered the substance for discussions of sustainable economic development and building social capital.



IAF senior representative Miriam Brandão and Angelina Aspuac, manager of Asociación Feminina para el Desarrollo de Sacatepéquez (AFEDDES), an IAF grantee visited by participants in the Institute of Cultural Affairs' conference.

Sebastian Aloot



IAF grantee Sebastián Paitán Ccanto at the Native Nations Procession.

Patrick Breslin

The IAF's long and productive relationship with indigenous peoples was capped with the presence of 45 IAF-sponsored representatives of former grantees and other communities at **the inauguration of the Smithsonian's National Museum of the American Indian** in Washington, D.C., Sept. 19-26. The 45 visitors from Latin American and the Caribbean marched in the Native Nations Procession with thousands of other Native Americans and their supporters and then joined the First Americans Festival for a display of their traditions. Showcased over six days were scissor dancers and a Taquile Island folk ensemble from Peru, Bannaba performers from Panama, Suyá from Brazil, Tarabuco and Jalq'a weavings from Bolivia, and the craftsmanship of Guatemalan marimba-makers. IAF staff introduced the exhibits and performances.

# Executive Calendar

Testifying before the Subcommittee on Domestic and International Monetary Policy, Trade and Technology of the Financial Services House Committee on October 2, IAF president David Valenzuela, described the IAF's efforts to reach communities on both sides of the remittance transaction in order to improve living conditions in Latin America and the Caribbean. In November, he spoke on transnationalism at the Museum of Immigration in San Diego and on immigration at the University of San Diego.

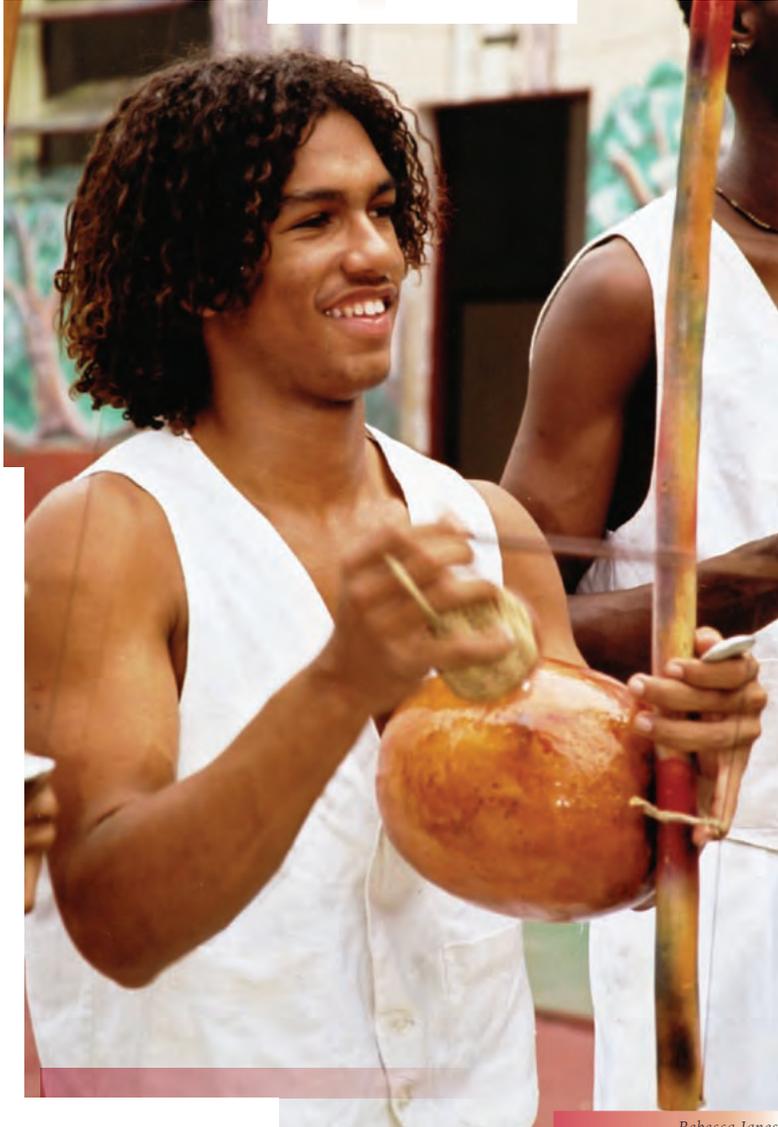
Valenzuela addressed local development at an international meeting in Brussels in November, at the Iberian Peninsula Seminar in Barcelona in January, and, in July, at the UNDP forum on democracy in Latin America held in Washington and the international municipal forum in La Paz. He also discussed North America beyond NAFTA at the Mexican Cultural Institute in Washington and detailed the IAF's history at the Second Social Responsibility Conference in Santiago, Chile. Additionally he joined the group advising CARE on basic education policy and was elected chair of the board of directors of Hispanics in Philanthropy, an association of grantmakers working to promote stronger partnerships between organized philanthropy and Latino communities.

Ramón Daubón, IAF vice president for programs, was the keynote speaker at the November 3 meeting of the U.S.-Mexico Border Philanthropy Partnership in El Paso. In January, he spoke on IAF projects dealing with youth and entrepreneurship at the Annual Meeting of Governors of the Inter-American Development Bank in Lima. His Arlington workshop on concertación was attended by nine researchers from Latin America and the Caribbean. Deputy vice president for programs Marcy Kelley spoke at CEMEFI's annual meeting in Mexico City in November. In March she attended the World CIVICUS Assembly in Gaborone, Botswana, where she coordinated a panel on the impact of international donors on civic participation. Panelists were Rafael Márquez of the Unión de Museos Comunitarios de Oaxaca, Mexico, Rosario Quispe of Warmi in Abra Pampa Argentina, and John McPhail of PROCOSAL in El Salvador.



Patrick Breslin, IAF vice president for external affairs, spoke at the International Forum on Rural Development in Brasilia about IAF's experience with multisector cooperation, offering examples from Nejapa, El Salvador, and Valente, Bahia, Brazil. In January, he traveled to Brigham Young University to speak on IAF initiatives and in April, he participated in the World Affairs Conference in Boulder, Colorado.

# Thematic Outreach



Rebecca Janes

The Inter-American Foundation continues to be one of the leading development institutions working with **communities of African descendents in the Americas**. In addition to the conference in Honduras described above, the IAF's grassroots approach was presented at several other meetings, including the Congressional Black Caucus Foundation's summit on economic development in African descendent communities co-sponsored with the American Chamber of Commerce in São Paulo, Brazil; the prestigious Allied Social Science Associations' gathering of economists; the Inter-American Development Bank's Sustainable Development Program; and USAID's forum on African descendents and development held in Cartagena, Colombia.

The IAF's promotion of **corporate social responsibility** represents the combined effort of the Program Office and the Office of the President. Foundation representative Audra Jones moderated a panel on community involvement with the private sector, IAF president David Valenzuela led a discussion on the future of CSR, and 22 representatives from IAF grantees participated in the Inter-American Conference on Corporate Social Responsibility held Oct. 25-28 in Panama City. In June, Jones traveled to Amsterdam to speak at the Second Conference on International Corporate Social Responsibility organized by the Center for International Corporate Responsibility and the Tepper School of Business, Carnegie Mellon University. In July she represented the IAF at IDB conferences in Tokyo, where she discussed her articles on CSR in Latin America and the environmental education program of IAF grantee Fundación Papyrus, a Venezuelan corporate foundation, and in Santa Cruz, Bolivia, where she spoke to more than 150 business representatives. Her articles for the Tokyo conference are included in an internal IDB publication scheduled for 2005. Jones chaired a panel on partnerships, and David Valenzuela chaired the final plenary, at the IDB's Second Annual Inter-American Conference on Corporate Social Responsibility on held in Mexico City Sept. 27-29. Co-sponsors included the IAF, the Mexican government and Alianza para la RSE. IAF grantee and RedÉAmerica member CEMEFI was the IDB's lead partner in organizing the event attended by 15 representatives of other IAF grantees. For more on CSR and the IAF, see the section in this report on RedÉAmerica.



Kevin Healy with members of the FLAG-Latin America Group.

Patrick Breslin

IAF representative Kevin Healy's *Llamas, Weavings, and Organic Chocolate: Multicultural Grassroots Development in the Andes and Amazon of Bolivia* (Notre Dame Press: 2001), on IAF's pioneering work with **indigenous peoples**, continues to generate dialogue in academic and policy circles: In fall 2003, *The American Anthropologist* reviewed it; Healy attended the Fair Trade Transnational Forum in Cancun, along with two former grantees profiled in the book: CECAOT, a Bolivian quinoa producer, and El Ciebo, a Bolivian chocolate producer; and Healy spoke to the National Network of Grantmakers' Indigenous Funders' Network, in Tucson, Arizona.

Healy's schedule in fiscal 2004 included a talk on Latin American indigenous movements to the FLAG-Latin America Group of retired Foreign Service Officers, an orientation for Foreign Service Officers assigned to Latin America; and discussions of IAF experiences with staff from the World Bank and the IDB. Healy described IAF-supported mapping projects at the Forum on Indigenous Community Mapping in Vancouver, British Columbia, and he was a luncheon speaker at the State Department's "Conference on Indigenous Leadership: Challenges to the Old Guard in Bolivia, Ecuador and Peru." He traveled to Oaxaca, Mexico, to address representatives from community museums on cultural revitalization and grassroots development in Bolivia. His academic agenda also included Eastern Mennonite University, the Washington Center for Internships and Academic Seminars, and graduate courses at George Washington University where he completed his seventh year of teaching.

Pilsen, Chicago



Patrick Breslin

The IAF emphasized **transnational initiatives** through a designated staff committee that maintained communication with U.S.-based migrant organizations, established new contacts in several U.S. cities, and conducted site visits to counterpart organizations and projects in migrant-sending communities. A five-city series of dialogues on transnationalism and community development, begun in fiscal 2003, concluded on May 25 with a meeting in Chicago attended by representatives from foundations, networks of foundations, six Latino organizations, financial and technical assistance agencies, a state agency, and three universities. Outreach efforts have resulted in a noticeable increase in inquiries from transnational organizations, as well as an increase in transnational proposals.

Additionally, IAF staff also explained the IAF's work in transnationalism at public events such as the Binational Forum of Michoacán (Mexico) Migrants and a meeting of the Civil Society Task Force organized by the Esquel Group Foundation, Partners of the Americas and the United States National Coordinator for the Summit of the Americas. IAF staff met formally and informally with representatives of the Ford Foundation, Rockefeller Foundation and other regional and local foundations. Two staff members participated in an event of the Migration Learning Community, a program supported by the Ford Foundation and Migration Policy Institute to improve transnational grantmaking. The IAF and the Multilateral Investment Fund of the Inter-American Development Bank began work in fiscal 2004 work on a collaborative agreement to fund transnational initiatives.

Through communication and relationships with other donors, the IAF hopes to better coordinate funding and to encourage counterpart resources for transnational projects.



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