

S³IDF

Small Scale Sustainable
Infrastructure Development Fund

US Annual Report 2011 - 2012





Dear Friends,

In FY 2011 – 2012, The Small-Scale Sustainable Infrastructure Development Fund (S³IDF) continued to successfully pursue its mission to reduce poverty in developing countries by expanding access to energy and other basic infrastructure services through the creation and strengthening of local small-scale enterprises. The organization also remained committed to its two mission objectives to affect change on both local and global levels. These objectives are: 1) to employ S³IDF's Social Merchant Bank ApproachSM (SMBA) in India to build micro-, small-, and medium-scale enterprises that positively impact the poor and the environment, and 2) to promote, disseminate, and transfer the SMBA to achieve a broader and greater impact within poor communities by enabling other development institutions to leverage both philanthropic and development capital by facilitating local commercial co-financing to these enterprises that explicitly benefit the poor.

With the assistance of supporters, individual contributors, and partners, S³IDF expanded the impact of our Indian portfolio through project implementation and project pipeline development. To date we have created and/or strengthened 199 small-scale enterprises across a range of energy and productive-use technologies, which have impacted over 140,000 people as enterprise owners, operators/employees, and direct beneficiaries of services.

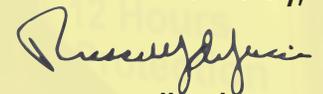
Examples of our newest projects include a community-based renewable energy and climate change program in Chattisgarh, an Areca palm products enterprise and a pico-hydropower initiative in Karnataka. In addition, we also explored additional technologies and business models for our project pipeline, including an enterprise-centric household fluoride-removal water filter model for rural villages in Andhra Pradesh.

S³IDF also pursued mission-consistent fee-for-service and cost-share contract opportunities with bilateral and multilateral development entities to expand the reach and impact of our SMBA. Through this structure, we continued work on an ADB-supported project in Nepal, which is working to expand the Government of Nepal's Improved Water Mill Programme that better the livelihoods of rural households and communities through access to energy and productive-use technologies.

We also engaged in dialogues with international development institutions, had discussions with foundations that share similar mission objectives, and gave presentations at various international and academic meetings. The dialogues, discussions, and presentations furthered our proselytization, dissemination and SMBA transfer efforts.

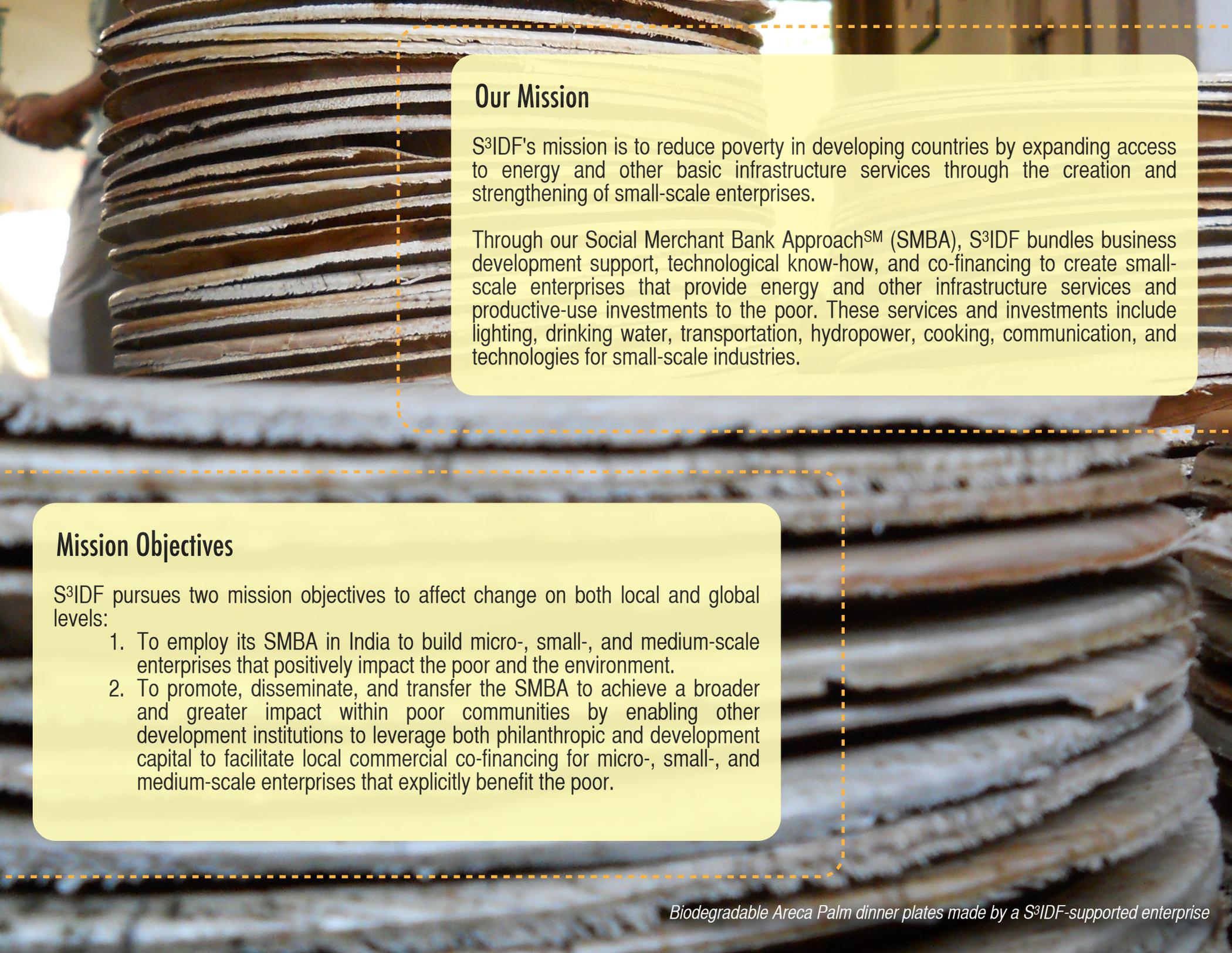
We look to build on our successes in FY 2011 – 2012 in the coming year!

Sincerely,



Russell J. deLucia

Principal Founder & Executive Director



Our Mission

S³IDF's mission is to reduce poverty in developing countries by expanding access to energy and other basic infrastructure services through the creation and strengthening of small-scale enterprises.

Through our Social Merchant Bank ApproachSM (SMBA), S³IDF bundles business development support, technological know-how, and co-financing to create small-scale enterprises that provide energy and other infrastructure services and productive-use investments to the poor. These services and investments include lighting, drinking water, transportation, hydropower, cooking, communication, and technologies for small-scale industries.

Mission Objectives

S³IDF pursues two mission objectives to affect change on both local and global levels:

1. To employ its SMBA in India to build micro-, small-, and medium-scale enterprises that positively impact the poor and the environment.
2. To promote, disseminate, and transfer the SMBA to achieve a broader and greater impact within poor communities by enabling other development institutions to leverage both philanthropic and development capital to facilitate local commercial co-financing for micro-, small-, and medium-scale enterprises that explicitly benefit the poor.

Our Approach

S³IDF's SMBA addresses the problems the poor face by simultaneously overcoming their lack of access to financing, technological knowledge and/or business experience by using innovative co-financing mechanisms and on-the-ground support. S³IDF understands that there is not enough development, social, or philanthropic capital to finance the poor's infrastructure needs without leverage and, in response, brings local commercial co-financing into its projects by providing a "gap filling" menu of finance.

By bundling and tailoring support to local conditions and market demands, S³IDF enables the poor to gain access to basic services, employment, and asset-creation opportunities. These benefits also help to improve standards of living and stimulate local economic development.

Designed to be widely applicable across technologies and geographies, the SMBA enables S³IDF (and others who want to adapt the SMBA) to create and strengthen small-scale enterprises in a variety of sectors. Currently, S³IDF is focusing on solar lighting and electricity generation for multiple domestic and small-scale commercial applications, modern cooking fuels from biomass and other sources, small-scale hydropower for electricity generation and productive-use applications, and water and sanitation solutions.



Pico-hydro electricity generation unit in India



Project Highlights:

Improved Water Mill Programme expansion in Nepal

With support from the Asian Development Bank (ADB) and in collaboration with the Alternative Energy Promotion Center (AEPIC) and its Energy Sector Assistance Programme (ESAP), the Centre for Rural Technology in Nepal (CRT/N), and other local partners, S³IDF is assisting the continuing efforts to expand the Government of Nepal's Improved Water Mill Programme (IWMP). More specifically, S³IDF is assisting with the integration of its Social Merchant Bank Approach (SMBA) into IWMP. This multi-year project is working to improve the livelihoods of rural households and communities through access to energy, electricity for lighting, and productive-use technologies, such as oil seed expellers, rice hullers, and grain grinders.

Grain grinder powered by an improved water mill in Nepal

Project Highlights:

Business model development for household fluoride water filters in villages around Madanapalli, Andhra Pradesh, India

High incidence of fluoride contamination of drinking water supplies around Madanapalli, Andhra Pradesh, has caused widespread health problems among the population. During the reporting period S³IDF began working to develop an enterprise-centric solution with the support of partners. Pre-feasibility and feasibility studies as well as financial projections of a specialized water filter and servicing business have been completed and plans for implementation are scheduled for 2013. Pre-feasibility work began in March 2012.

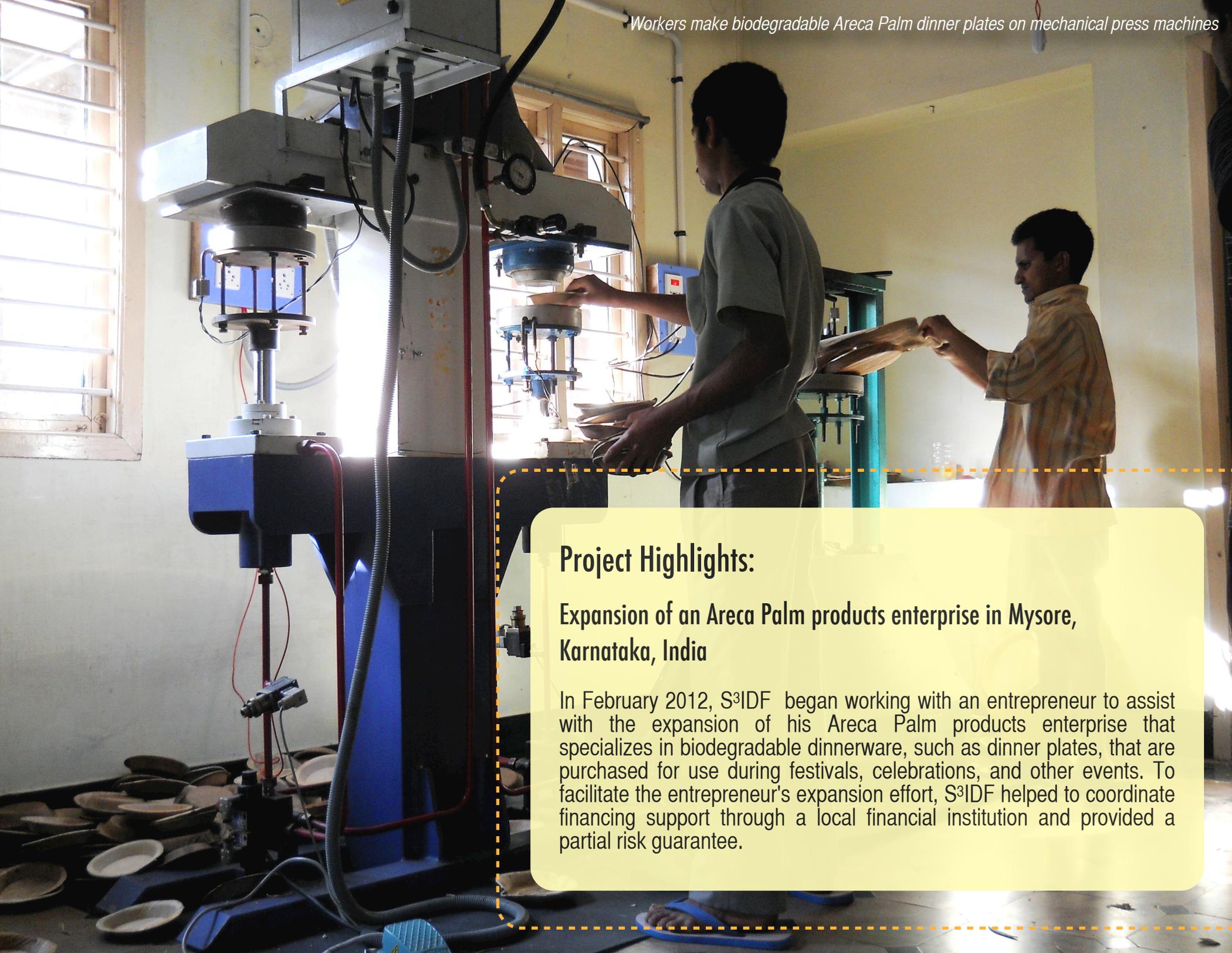
Women testing drinking water for fluoride to determine levels of contamination



Project Highlights:

Climate Change and Renewable Energy in Rajnandgaon District, Chattisgarh, India.

Under the UNDP/MNRE Accelerated Clean Energy (ACE) program and with support from partners (including Green Urja Technologies and Systems), S³IDF is promoting awareness about climate change consequences of the use of traditional household energy technologies in Rajnandgaon district, Chattisgarh. S³IDF is financing small investments, partially through subsidies, to assist members of the community with the transition to cleaner, more efficient energy technologies. The Mahila Urja Centre has been created to i) facilitate meetings of self-help groups and civil societies to discuss issues relating to energy, the environment, and women's empowerment, and ii) display products, manage the sales and after-sales services of solar equipment, and to provide demonstrations of products. Implementation of the project began in April 2012.



Project Highlights:

Expansion of an Areca Palm products enterprise in Mysore, Karnataka, India

In February 2012, S³IDF began working with an entrepreneur to assist with the expansion of his Areca Palm products enterprise that specializes in biodegradable dinnerware, such as dinner plates, that are purchased for use during festivals, celebrations, and other events. To facilitate the entrepreneur's expansion effort, S³IDF helped to coordinate financing support through a local financial institution and provided a partial risk guarantee.

Other Highlights:

SMBA Dissemination through Presentations & Workshops

2011

JULY Rural Energy & Climate Workshop & Marketplace
in Siem Reap, Cambodia

Nexus Carbon for Development General Assembly
Meeting in Siem Reap, Cambodia

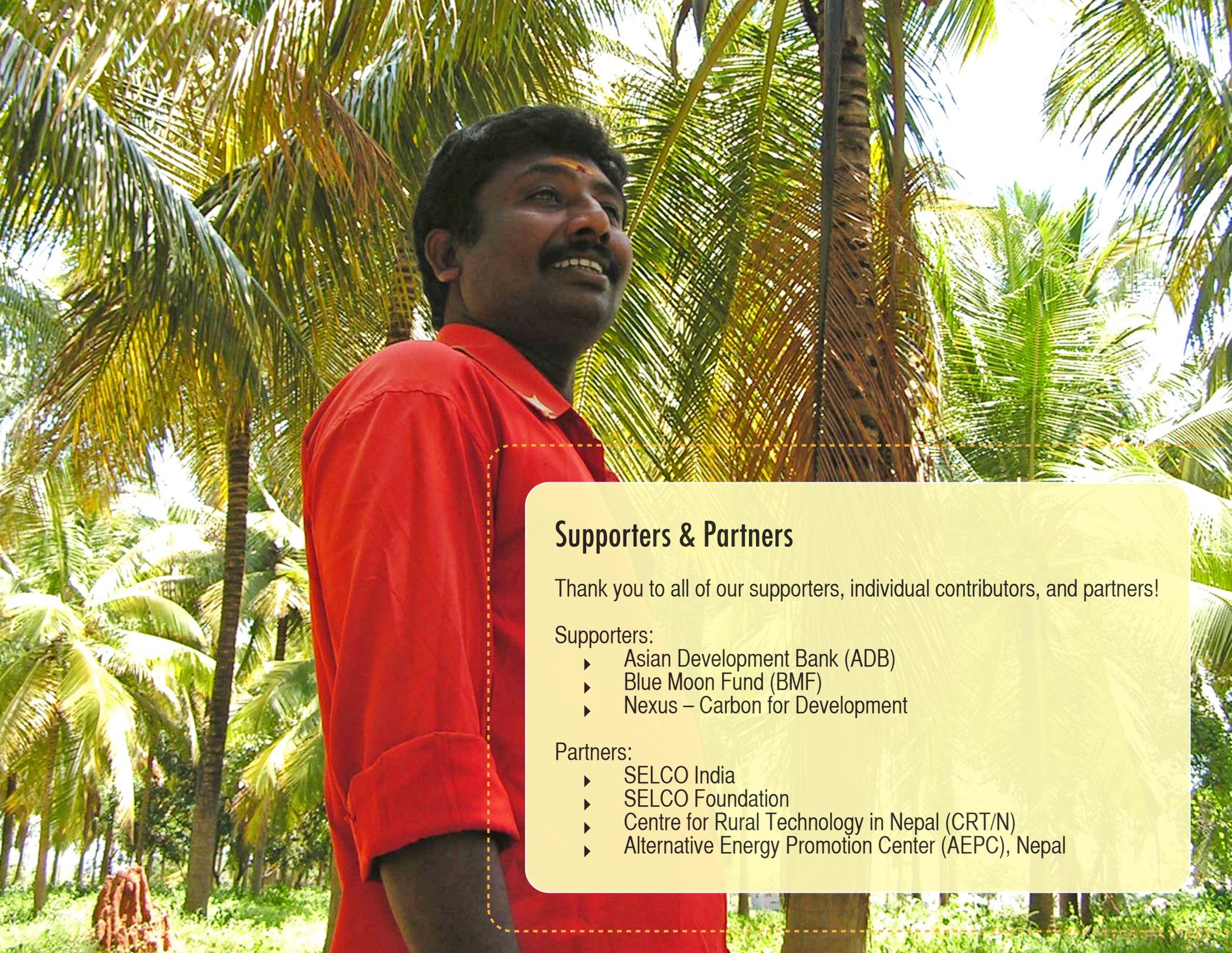
2012

FEBRUARY Energy Solutions for the Base of the Pyramid, Harvard
Social Enterprise Conference, Cambridge, MA, USA

MAY Fairness and Transparency in Climate Finance
Workshop in Bangkok, Thailand

JUNE International Workshop on Innovative Financing
Mechanisms for Access to Energy at ADB Headquarters
in Manila, Philippines



A man with a mustache, wearing a red shirt, is smiling and looking upwards. He is standing in a lush grove of tall palm trees under bright sunlight. The background is filled with the green fronds and brown trunks of the palm trees.

Supporters & Partners

Thank you to all of our supporters, individual contributors, and partners!

Supporters:

- ▶ Asian Development Bank (ADB)
- ▶ Blue Moon Fund (BMF)
- ▶ Nexus – Carbon for Development

Partners:

- ▶ SELCO India
- ▶ SELCO Foundation
- ▶ Centre for Rural Technology in Nepal (CRT/N)
- ▶ Alternative Energy Promotion Center (AEPC), Nepal

Financial Statements: Statement of Position

	2012 as of June 30	2011 as of June 30
ASSETS		
CURRENT ASSETS		
Cash	\$1,000,990	\$1,006,071
Contracts Receivable	\$10,610	\$33,765
Total Current Assets	\$1,011,600	\$1,039,836
PROPERTY & EQUIPMENT		
Office Equipment	\$2,622	\$2,622
Less: Accumulated Depreciation	-\$1,311	-\$437
Total Property & Equipment	\$1,311	\$2,185
TOTAL ASSETS	\$1,012,911	\$1,042,021
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$17,529	\$6,571
Loan Payable	\$10,000	-
Total Current Liabilities	\$27,529	\$6,571
NET ASSETS		
Unrestricted net assets	\$885,382	\$935,450
Designated for S ³ IDF India	\$100,000	\$100,000
Total Net Assets	\$985,382	\$1,035,450
TOTAL LIABILITIES & NET ASSETS	\$1,012,911	\$1,042,021

Financial Statements: Consolidated Statement of Activities

	2012 as of June 30			2011 as of June 30
SUPPORT & REVENUE	Unrestricted	Temporarily Restricted	Total	Total
Contributions	\$17,660	\$100,000	\$117,660	\$10,513
Released from Restriction	\$100,000	-\$100,000	-	-
Contracts	\$15,958	-	\$15,958	\$152,214
Interest Income	\$2,272	-	\$2,272	\$1,295
In-Kind Salaries & Consultants	\$202,231	-	\$202,231	\$217,233
Total Support & Revenue	\$338,121		\$338,121	\$381,255
EXPENSES				
Program Services: Projects	\$106,412	-	\$106,412	\$199,790
Program Services: Dissemination	\$157,921	-	\$157,921	\$188,856
Total Program Services	\$264,333		\$264,333	\$388,646
General & Administrative	\$72,999	-	\$72,999	\$78,879
Fundraising	\$50,857	-	\$50,857	\$19,900
Total Expenses	\$388,189		\$388,189	\$487,425
CHANGE IN NET ASSETS	-\$50,068		-\$50,068	\$106,170
NET ASSETS AT THE BEGINNING OF THE YEAR	\$1,035,450		\$1,035,450	\$1,141,620
NET ASSETS AT THE END OF THE YEAR	\$985,382		\$985,382	\$1,035,450

In the US

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S³IDF US is a registered public charity under section 501(c)(3) of the Internal Revenue Service code.

In India

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S³IDF is a non-profit company registered in India, since 2003, under section 25 of the Indian Companies Act 1956. S³IDF is registered as 12A (a) under India Tax Act which helps Indian donors claim tax exemption under section 80G.

