The Institute for Development, Evaluation, Assistance and Solutions (IDEAS) is an international non-profit that this year became a microfranchise. It created a microfranchise, TecAp, which is an innovative technology program to assist women in rural Nicaragua to become microfranchisees. This means that TecAp trains the women microfranchisees about solar energy and other appropriate technologies. To each microfranchisee, TecAp provides products and gives her an exclusive geographical area in which to sell. The woman can start earning within a week after she is trained. For some women this is her first business. For others the new income provides an important complement to other sources of household income.

These rural women sell solar-powered products and promote larger rooftop solar systems to their neighbors. This has succeeded in improving their own incomes and their neighbors’ quality of life in their fair trade coffee cooperatives and surrounding communities. The photos on the left column of this page and those on page 2 are some of the first microfranchisees.

The TecAp microfranchise is made up of the microfranchisor (IDEAS), the microfranchise (TecAp), and the microfranchisees (groups of rural women in fair trade coffee cooperatives).

As the microfranchisor, IDEAS:
- Develops and refines the business plan that will be replicated by the microfranchisees.
- Creates and manages the TecAp brand, marketing, and publicity
- Researches potential products, handles product procurement, negotiates with suppliers, and manages the importation of products
- Defines sales territories (each microfranchisee exercises exclusive rights to sell in her territory)
- Provides technical assistance and training to microfranchisees to help grow their business

The microfranchise, TecAp, is the business model that has been systematized in order to be replicated in many places by independent women microentrepreneurs in Nicaragua.

The microfranchisees are women in fair trade coffee cooperatives who learn the business model and are able to grow their business more quickly than a traditional microenterprise due to the advantages of being part of a microfranchising system that has been well developed and continuously improved. The microfranchisees provide IDEAS key information about the markets they serve, allowing IDEAS to tweak the product line as well as the sales process.

This year IDEAS did more market research for TecAp (technologies that are appropriate), a social enterprise. TecAp launched pilot projects in different rural communities with poor rural women who were trained to become microfranchisees.

As a result of the success of the pilots, IDEAS borrowed $95,000 from socially responsible investors to buy 6900 products and import them to Nicaragua so that the microfranchisees to sell to their neighbors.

TecAp facilitated the entire process with the Municipal Government of El Jicarao that resulted in installing 19 rooftop solar systems for families who were so poor that they were selected to receive the systems free, allowing them to have electricity for the first time in their lives.

A new webpage was launched for the program, www.tecap.info, to help the dissemination of information to a wider audience.
One of the biggest obstacles for a low income coffee producer to buy a roof-top solar system is obviously the cost. The IDEAS’ partnerships with the coffee cooperatives and fair trade coffee companies has allowed the farmers to obtain longer term financing with payments that are compatible with the coffee growing season. An international lender in the coffee sector, Root Capital, agreed to consider coffee coops’ requests for 3 year loans so the coops can lower the annual payment amount for roof-top solar systems to their members. The first success of this system was 50 systems that were installed in 2010. Root Capital lent for 3 years to the coop, which in turn has lent for 3 years to its members. This year, Root Capital lent to a second coop for solar energy.

IDEAS repeated its success with another international lender by assisting Oikocredit to learn about the financial viability of solar loans. Oikocredit made its first loan for solar energy in Central America when it lent $100,000 loan the “Cooperativa 20 de Abril” in Nicaragua in late 2011.

IDEAS has received funds from the IEEE Foundation to train a set of “micro-technicians,” who are youth and women to be trained formally in how to diagnose the size, install & repair the solar roof-top systems. This will provide them new employment while providing a local repair person for the hundreds of systems that have been installed but not gotten repair because the majority of the country’s technicians live in faraway cities.

The cooperatives are excited about youth being able to sell their services in a high tech field. This would be in contrast to so many youth that have had to migrate from the coffee communities. The coops are helping with the selection of the students.

While the students have classroom work to help them thoroughly understand solar energy and solar system problem solving, they also have practical installation and repair work as part of the course. This do field trips to visit sites of solar installations.

TecAp will be able to use some of the trained youth to install solar systems that are sold by the women microfranchisees. As the system grows, there will be women microfranchisees selling a neighbor a roof-top system and a youth in her community having been trained to install it.
IDEAS is committed to help Central Americans learn how microfranchising can be as successful as it has been in Asia and Africa.

IDEAS taught governmental and NGO leaders in El Salvador about microfranchising and helped them to assess the next steps in two working visits to the country. The governmental entity in charge of small business, CONAMYPE, invited IDEAS to present microfranchising in a public forum, which had good attendance as well as press coverage. IDEAS explored the innovative concept with personnel of different governmental ministries. It assisted an NGO to map out the steps to transform its income-generating operations with branch offices into a microfranchise in which independent businesses in various cities could become microfranchisees.

The Executive Director and Vice President for Latin America visited an MFI in Guatemala to assess the potential with their staff to launch a microfranchise, Also, they explored training on microfranchising with the network of MFIs in Guatemala, REDIMIF.

The Executive Director taught a webinar on microfranchising at Pfeiffer University in North Carolina as well as an academic course on the topic at Tulane University.

**Evaluation, Strategic Planning & Consulting for Organizations**

The Nicaraguan Office of IDEAS, with the support of the International Office, worked with non-profits to do evaluations to help them improve their operations in order to serve the poor more efficiently and effectively.

IDEAS worked with the US based non-profit, Agros International, which works in Mexico and Central America. They sought IDEAS’ assistance in improving their Monitoring and Evaluation system. IDEAS did field work in two different countries, Nicaragua and Honduras, as well as research in the US. The IDEAS team involved persons from 4 countries. IDEAS worked to develop the first step that led to a successful $1 million loan by Oikocredit to a large national non-profit, Habitat for Humanity in El Salvador.

IDEAS assisted two different US entities in feasibility studies to consider starting up social enterprises in El Salvador and Nicaragua to the poor with innovative products and employment.

**Training, Capacity Building, & University Teaching**

IDEAS continued providing training, mentoring and field work opportunities for students and young graduates during the startup of the non-profit social enterprise, TecAp, & in the research for another social enterprise.

IDEAS supervised volunteers from US universities (Emory U; Georgia State U; Georgia Tech; Tulane; University of Chicago & the New School for Social Research in NYC) as well as professionals who had finished their Masters.

The Executive Director, Dr. Garber, developed and taught three one-credit courses on microfinance, microenterprise development, and microfranchising to graduate students at Tulane University in the Spring Semester 2012.

IDEAS Nicaragua trained youth (ages 12-18) to develop their own business plans as a part of three contracts with Compassion International.
IDEAS Annual Report 2012

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The IDEAS contributes to the sustainable economic development and the quality of life of the poor and low asset persons by providing training, teaching, technical assistance, consulting, mentoring, & information on innovations of financial & non-financial services to both development institutions & professionals.

We are celebrating 35 years of service and 25 years of working internationally in this rewarding work. We invite you to join us in providing new opportunities to poor people around the world.

IDEAS builds its institutional capacity

IDEAS maintained its International Office in Atlanta, Georgia and its regional office for Latin America and the Caribbean in Nicaragua. The IDEAS Office in Nicaragua continued to report to various departments of the Nicaraguan government while the Atlanta office reported to the State of Georgia and the IRS.

A new software program was installed in Nicaragua that will provide more sophisticated inventory control and accounting for TecAp and the other Nicaraguan programs. The office in Atlanta, Georgia provided administration, bookkeeping, IT, communications, and direction to the international network.

The Board of Directors had representatives from Latin America, US and Canada. The Advisory Council is composed of 5 Nicaraguans who have worked with IDEAS through the years. IDEAS benefited from the work of Jennifer Sarpong, a Ghanaian-American proposal writer.

The whole organization worked on a six month bilingual Strategic Planning process, based on the balanced scorecard methodology, to develop the 2012-2016 Strategic Plan.

A year of excellent bilingual volunteers

This year we were fortunate to continue to have many dedicated volunteers. Here we will highlight just three of them.

Stephanie Atli spent 12 months in Esteli, Nicaragua assisting TecAp with organizational development, research, financial projections, developing management tools, and documentation. She also assisted IDEAS with qualitative evaluation and research.

Fabrizio Giustiniani is a Costa Rican who spent 4 months in our International Office doing research, assisting in developing training and academic course materials, translating documents, and providing support to IDEAS consulting with an NGO on a regional program on monitoring and evaluation.

Maille Faughnan spent 2.5 months in Nicaragua documenting the group of microfranchisees who are featured on page 1-2. She did in-depth interviews and wrote articles before returning to her doctoral studies at Tulane U. Later, she continued her work by assisting Dr. Garber with his teaching of 3 one-credit academic courses at Tulane University.

Thanks to our donors and lenders for making the IDEAS work possible

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