



Results
sitawi
summary 2009

Letter from our CEO

Dear friends,
2009 was an exceptionally important and positive year for sitawi!

We saw the first contributions to our Social Fund and were able to make our first loans tailored to the non-profit sector of Brazil, helping to transform people's lives and vulnerable communities. In addition, we supported respected institutions to meet administrative and organizational challenges.

Today, the Fund holds R\$400,000 (US\$230,000) in contributions and future commitments. At the end of the year, 75% of available resources were on loan to organizations working in fields such as health, employment and livelihood creation, and human rights.

Despite the financial crisis, we were able to maintain high levels of consulting activity, working on projects with corporations, foundations and social organizations. We also participated in important forums like Social Capital Markets (USA) and the Social Innovation Summer School (Portugal). This report is a summary of the past year.

2010 has already begun with greater visibility for our mission: our work has been profiled in the Brazilian media (in newspapers, magazines and websites) and we have been granted OSCIP status (Organização da Sociedade Civil de Interesse Público – a status similar to an NGO, granted by the Brazilian government to transparent organizations working for the public good). We are confident that this will lead to even more loans and other new developments.

The challenge today, however, is to raise the funds necessary to continue responding to the demand among social businesses and organizations. That is why your help is so important.

Yours, Leonardo Letelier (April 2010)



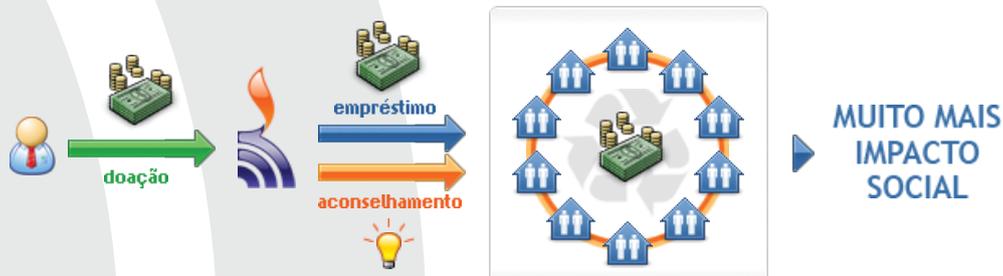
The Social Fund

sitawi is a Social Fund which aims to broaden the impact of organizations and companies committed to social and environmental causes. We do this by means of loans and advisory services, so introducing a new form of social funding in Brazil.

We are a non-profit organization; our Social Fund is made up of donations (from private individuals and corporations) and is 100% dedicated towards the Social Loans.

Our mission is to develop a financial infrastructure for the social sector in Brazil. We believe that appropriate financing and effective advice can strengthen social organizations, increasing their impact as well as the causes themselves and those benefitted.

In the long term, increasing resources available to the social sector in terms of variety and quantity will mean that the sector's leaders will have greater incentives to create more innovative and more sustainable models, with greater impact. And we will be able to create a fairer country more quickly.

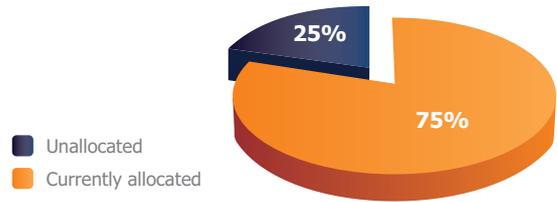


Our numbers

sitawi ended 2009 with R\$400,000 (US\$230,000) in our Social Fund, of which 75% was on loan to organizations with recognized social impact. In 2010, sitawi will increase its efforts to obtain further donations, aiming to reach R\$1,000,000 (US\$575,000) in the Social Fund and maintaining 80% of the volume actively on loan.

Social Fund (on 31/12/2009, R\$ '000)

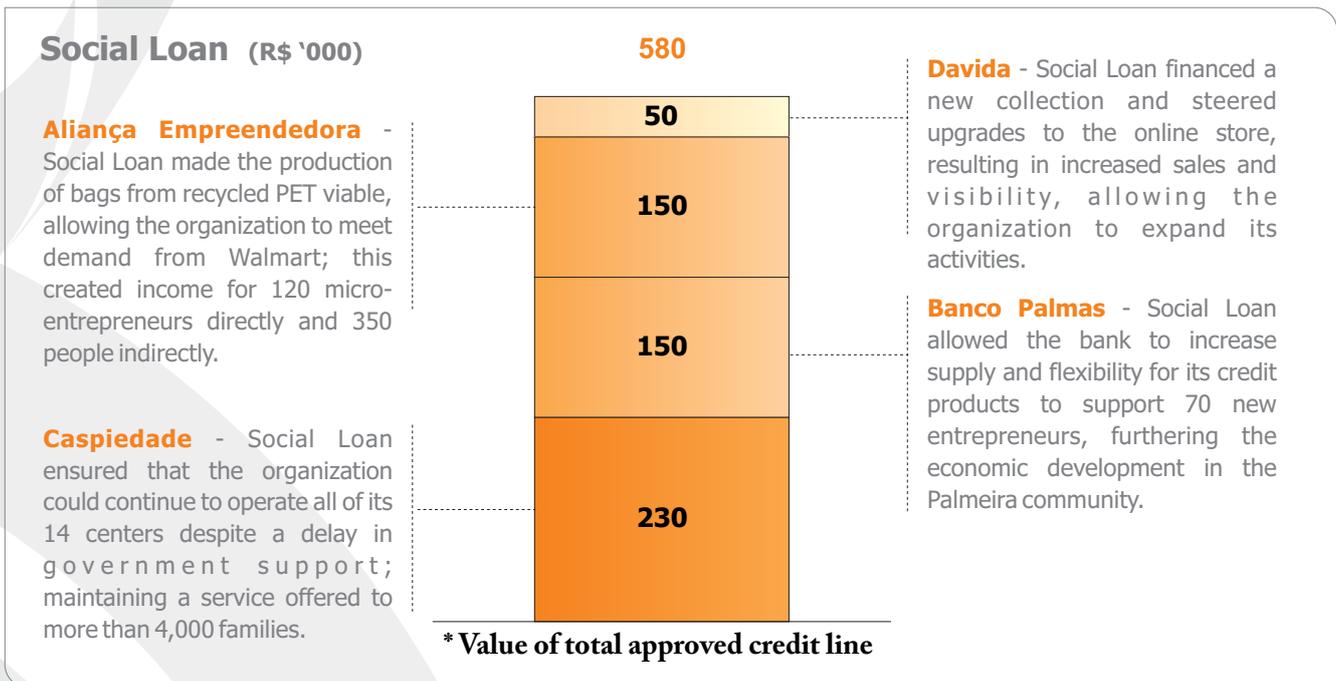
Fund Capital 400



Social Loan

Since we started operating, sitawi has loaned a cumulative total of R\$580,000 (US\$334,000) to four organizations meeting needs in different locations and sectors. At the same time, we have maintained nonpayments at zero, indicating substantial potential for the model.

Alongside the financial assistance, these institutions were advised on organizational management, allowing them to strengthen and broaden their positive impact and transforming the lives of thousands of Brazilians, as we can see below:



Financial Sustainability

As in 2008, sitawi made a net profit this year of just over R\$6,000, in keeping with our model to bear the cost of expenses without using Social Fund capital. The majority of revenues in 2009, close to 75%, came from consulting services to apply a business mindset to social causes, while the remainder is divided between interest on loans and donations for operational expenses.

As the Social Fund grows, the proceeds on the loans and the fund itself should become the principal revenue stream for sitawi, reducing the reliance on advisory services.

Expenses in 2009 added up to R\$184,000. Compensation costs make up the majority of the expenses, as it is key for sitawi to retain professional specialists in synthesizing the social and business sectors, in order to develop both the organization's Social Loans as well as its advisory services.

Efforts in fundraising and marketing were intensified in the last quarter of 2009, re-launching the website and developing printed material: these comprised 20% of the annual expenses.

Operational expenses related to consulting and

loan services made up 5% of the total, as loan efforts were only intensified in the fourth quarter once the Social Fund had been consolidated.

In the coming year, we foresee an increase in expenses both in terms of institutional development with greater fundraising efforts, and in terms of compensation with the beginning of remuneration of the CEO.

Operations (R\$ '000) ⁽¹⁾	
Revenues	190
Advisory	143
Donations for operations	37
Interests (Fund and Loans) ⁽²⁾	10
Expenses	184
Personnel/Compensations	88
Administrative Expenses	36
Institutional Development	31
Operating Expenses	8
Accumulated Depreciation	2
Taxes	18
Profit (loss)	6

(1) Total revenue and expenditure of sitawi, excluding donations to the Social Fund, there are small differences from book income due to the mismatch between cash and competence regime.

(2) Income from capital fund and the capital allocated in loans.

Acknowledgement

We would like to thank everyone who has supported sitawi's work, especially our donors. Without their collaboration, our Social Fund would not be able to support and strengthen the work of our clients.

Our circle of supporters is made up of:

Counselor	Avina
Principal	Halloran Philanthropies
Leader	Anonymous (1)
Prime	Fram Capital and Stratus Group
Associate	Masatomo Sakari, Tomaz Solberg, Enio Stein e Megaron Advisory

Testimonials



"As a result of sitawi's Social Loan in 2009, our organization saw a leap in sustainability and better financial management, lowering the negative impact caused by the high interest rates in the financial market.

sitawi's strategic support also allowed us to introduce data management tools, as well as to professionalize our social enterprise projects and widen our business vision, which will allow greater income generation for the community and our financial sustainability.

We had a 20% increase in demand compared to the previous year, and we hope for even more growth. At the start of 2009, our handicrafts office had two artisans and 25 apprentices; today we have already doubled the number of artisans and have 33 apprentices."

Emilio Andreozzi is Coordinator of Resources and Social Partnerships at Caspiedade



"Before Gerartis, I didn't make anything and spent all day at home, I was sad and I felt worthless. After I joined the project, though, I am a much happier person. I never thought I'd make such beautiful things! I love working here and the people from Gerartis are like a family for me. I'd recommend it to anyone; it's more than therapy, it's another source of income for my family."

Ursulina Barbosa de Sá Teles has been an apprentice artisan for four months in Gerartis – Caspiedade's handicrafts workshop.

Support us

To make a donation to sitawi's Social Fund

Visit our website: www.sitawi.net
Phone +55 21 2247-1136 and schedule a visit or meeting

Multiply your social impact!.