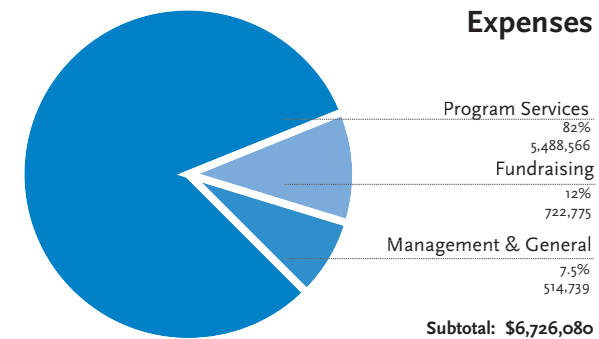
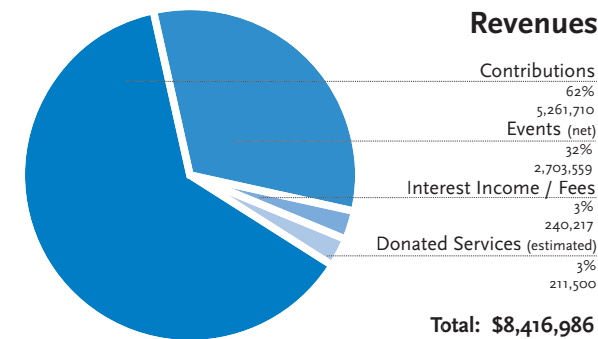


AIF delivers

FINANCIALS FOR YEAR-TO-DATE ENDED 12 / 31 /05



Note: These financial statements may contain certain estimates and assumptions and are unaudited. Program services include: Grants, Service Corps, Digital Equalizer, League of Artisans, Donor Advised Funds and Donor Education.

Did you know that AIF spends only 7.5% on overhead? That means almost all of your financial contributions go to AIF-funded grants and programs in India.

GRANTS

NGO	GRANT	REGION	PURPOSE
EDUCATION GRANTS			
JANARTH (repeat grant)	\$187,701	Maharashtra	Expand Sakhar Shalals to 12,000 children in sugarcane factories and build seasonal hostels in 9 villages to provide shelter for children while their parents migrate.
VIKALPA (repeat grant)	\$108,516	Bolangir, Orissa	Run and maintain seasonal hostels to provide shelter for children while their parents migrate, and operate educational bridge programs for migrant children.
COHESION	\$72,658	Kutch, Gujarat	Universalize elementary education for children of migrant saltpan workers.
YUSUF MEHERALLY CENTER	\$23,780	Kutch, Gujarat	Provide seasonal hostels for migrant children of the Waghar fishing community.
TSUNAMI GRANTS			
VESA	\$97,814	Nagapattinam, Tamil Nadu	Restore livelihoods of 1,760 Dalit families and ensure access to government relief efforts.
DHAN FOUNDATION	\$65,696	Pondicherry	Restore livelihoods of 805 small farmers and landless farm workers and promote sustainable agriculture.
SIFFS	\$45,673	Tamil Nadu	Develop accessible, reliable and efficient information using high-tech systems at village information centers for use by the fishing industry.
LIVELIHOOD GRANTS			
GRAMEEN DEVELOPMENT SERVICES	\$94,295	Uttar Pradesh	Develop sustainable farm-based livelihoods for 2,200 women in self-help groups by providing support services, and aggregating these groups into federations that link to banks.
MOVEMENT FOR ALTERNATIVES AND YOUTH AWARENESS (MAYA)	\$52,239	Bangalore, Karnataka	Enable 150 disabled people to establish livelihoods in small cooperatives and strengthen the capacity of 20+ NGOs to include the needs of disabled people.
ASSOCIATION OF PEOPLE WITH DISABILITIES	\$44,072	Bangalore, Karnataka	Become a job training/placement hub for 25 NGOs working with over 300 disabled people in urban and rural areas.
CENTER FOR RURAL DEVELOPMENT	\$23,845	Guwahati, Assam	Support 200 rickshaw pullers in urban centers to organize into self-help groups and provide funding guarantees to allow them to own their own rickshaws.
BLIND PEOPLE'S ASSOCIATION	\$20,016	Ahmedabad, Gujarat	Purchase equipment to train blind physiotherapists and place them in hospitals and clinics benefitting 150 students over 5 years.
SCHOOL FOR POTENTIAL ADVANCEMENT AND RESTORATION OF CONFIDENCE	\$17,214	Lucknow, Uttar Pradesh	Establish a job placement agency for the disabled urban poor and provide training for available jobs.
ENTREPRENEURSHIP DEVELOPMENT AND REHABILITATION CENTER FOR THE HANDICAPPED	\$12,178	Pune, Maharashtra	Train 14 groups of people in a parts-manufacturing business to work alongside disabled people.
SPASTIC SOCIETY OF KARNATAKA	\$11,734	Bangalore, Karnataka	Support a vocational school and provide job placement opportunities for disabled students.

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THE TRANSFORMATION OF AN NGO SKEPTIC

by Ameeta Mehta
Friend of AIF

As Indians, we are born with varying degrees of skepticism. I had heard about the NGO Nidaan from AIF. (Nidaan is a grant partner of AIF.) As a Patna-native I was curious to see the work of Nidaan for myself. Not surprisingly, when I got to Patna and mentioned the NGO Nidaan, everyone immediately told me to follow the money trail! "Look for the big car and the big house. Watch out for the song and dance routine staged for the bewildered foreign money bags. You'll see how little urchins are scrubbed clean for their appearance at the five-star hotel and taught to cheer enthusiastically." All this so donors can believe their dollars have been put to good use! In this atmosphere, I had to struggle to maintain my journalistic distance and balance about Nidaan.

This cynicism is across the board. When I spoke to some rag pickers on the street – seven to 17 year-old boys – they had no knowledge of any organization like Nidaan, located only a few blocks away. They seemed very independent and suspicious of

any offers of help. These boys made around 80 rupees a day (\$1.80) after selling the salvageable material to the middleman.

Some of my friends in the NGO community, however, had heard of Nidaan and spoke highly of Mr.

Arbind Singh, its Executive Director. At their suggestion I went to Angana, Nidaan's store, which graciously shares its space with other organizations. The store employees were two knowledgeable girls who explained to me that the fancy paper products sold there at a nominal cost were made by rag pickers. They are taught the process of breaking down clean paper to its original pulp-like state and recycling the paper into bags, calendars and stationary.

(continued on page 3)

“As Indians, we are born with varying degrees of skepticism.”

A Word from Lata & Kash...

Greetings from the AIF Family! We hope everyone had a wonderful holiday season. A new feature of our newsletter is the 'Your Feedback...' section, which we hope you will take the time to read and respond to. We want to know your thoughts on connecting you to India better, that's AIF's mission.

We hosted our second annual Leadership Visit to India in January 2006 for our trustees. You will see their comments in our new 'AIF in Action' section.

HIV-AIDS continues to be one of our main concerns, for which we are partnering with the Bill & Melinda Gates Foundation. You can read more about our new India Medicorps fellowship designed to augment India's efforts at combating the HIV/AIDS epidemic.

As the bonds between India and America become stronger, more complex, more creative and offer ever more potential, AIF is positioned to guide this vital relationship in the 21st century. It is your participation and your interest that makes this possible. We want to see you, hear from you and know you better.

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AIF President Lata Krishnan with children at a school in a Jaipur slum. India Leadership Visit, January 2006.



Lata Krishnan, AIF President
Pradeep Kashyap, AIF Executive Director

AIF HOSTS INDIA LEADERSHIP VISIT

AIF sponsored the India Leadership Visit for trustees and well-wishers in early January 2006. The trip took senior participants to field sites in Mumbai, Bangalore, Delhi and Jaipur. An AIF board meeting, chaired by Victor Menezes, at ICICI Bank in Mumbai kicked off the trip. Afterwards, the itinerary included visits to grant partners MAYA Organic and the Freedom Foundation in Bangalore, and Bodh in Jaipur. In Delhi, participants met with senior government leaders. In Jaipur, a lunch was hosted by TiE Jaipur and a dinner was hosted by the Chief Minister of Rajasthan, Ms. Vasundara Raje. Overall, participants gained a deeper understanding of AIF in action.

By Vinita & Naren Gupta,
AIF Trustees & Board Member

While in Bangalore, we visited AIF grant partner MAYA Organic, an NGO with a uniquely successful business model whose goal is to eradicate child labor by increasing education levels among youth and providing livelihood opportunities for adults.

We visited MAYA's toy factory on the outskirts of Bangalore, where artisans worked in a self-organized unit. They determine their own salaries, give cost estimates and create fixed price products. Average salaries have gone up significantly over the past two years and each worker is now able to save money every month. In a basic work environment artisans produce well-crafted products with colored lacquer finishes on par with products made in modern factories in China. MAYA Organic unites these craftspersons with their own in-house designers who develop new products based on the nuances of marketing and pricing. Artisans have their own outlets where retail and wholesale purchasers can place quantity orders for the toys. Quite a sophisticated approach!

We also visited a neighboring shed in Bangalore, which did not operate under MAYA Organic. Their lathe machines were much older. Their workers did not even have shoes. The designs of the toys were sub-standard and of low market value. In comparison, we were encouraged to see the substantive difference that AIF support can make in the lives of craftspersons. MAYA Organic has effectively combined entrepreneurship, business and philanthropy into a creative model. We thought the results were phenomenal! ■

AIF trustees and staff in Jaipur. India Leadership Visit, January 2006.



By Navneet Chugh,
AIF Trustee & Board Member

It is heartening to know AIF has so many friends and well-wishers who recognize the fantastic work they are doing.

We went to a village outside Bangalore where AIF has made a tangible difference in craftsmen's lives by doubling their income and providing a safe work environment.

In Bangalore, we also met HIV-positive children living in shelters funded by AIF. These kids have no parents, no support systems. Now they have hope. Perhaps it is a drop in the bucket of combating the problem of AIDS in India, but it is a beginning.

In Jaipur we visited a number of slums where AIF is helping teachers make classrooms places where real learning can start. These children face so many hurdles that it becomes even more important to lend them a helping hand early in life. That can make all the difference. Our school visit was so inspiring, we literally had tears in our eyes. ■

AIF in action

Vinita Gupta (left) observes a craft worker at MAYA Organic in Bangalore. India Leadership Visit, January 2006.



Transformation of an NGO Skeptic (cont.)

(continued from pg 1) My good impression of Nidaan was reinforced when I went to its office. Occupying an entire floor of a two-storied building, Nidaan's office was abuzz with activity. Within minutes, I was ushered into Mr. Singh's almost spartan office and I immediately realized that this was a man working hard to realize his vision. I found him to be a candid and pleasant person, as well as hands-on and detail-oriented about his work. He has a Masters in Social Work from JNU in Delhi.

I found out that Nidaan has a Loans and Credit Department that helps street cleaners and sweepers secure small business loans. It even offers them help to repay housing loans. The

Insurance and Legal Issues Department helps illiterate workers navigate the maze of bureaucracy and paperwork.

Another area of focus for Nidaan is improving working conditions. Nidaan has just signed a street-cleaning contract with the municipal government. One can now see women in aprons and masks using long-handled brooms. The cleaning contract has a two-fold benefit: not only are workers being paid regularly, they can also pick up recyclable metal, glass and paper goods to sell.

Mr. Singh envisions a stage when the organization can be turned over to the workers to manage and run as their own. I'd like to thank AIF for doing what they do and giving me the opportunity of getting a glimpse of how it all works! ■

"I immediately realized that this was a man working hard to realize his vision."

YOUR FEEDBACK...

AIF wants to hear from you. We would appreciate answers to our questions below. We are always open to comments and suggestions from our constituents.

Please reply via e-mail to: kavya@aifoundation.org

1: What does giving back to India mean to you?

2: What else would you like to see AIF do in India?

3: How can we better communicate with you?

"HIV affects people in their most productive years, from ages 15 to 45."

For this reason AIF Co-Chair Rajat Gupta says, "Indian-Americans must provide high-level visibility, leadership and resources to accelerate the prevention and mitigate against the stigma and

AIF in your community

AIDS FELLOWSHIP FOR AMERICAN HEALTHCARE PROFESSIONALS

India has the second largest HIV-positive population in the world, second only to South Africa. The number of known HIV-infected Indians is 5.1 million, but other estimates place the number as high as 10 million! In a window of five to 10 years the numbers are set to balloon and will undoubtedly strain the healthcare infrastructure in terms of treatment, care and delivery of services. The financial implications of the disease burden will force the Indian government to subsidize ARV (Anti-Retroviral) treatment. Sadly, HIV affects people in their most productive years, from ages 15 to 45.

discrimination of HIV/AIDS in India."

To further this goal, AIF is seeking applications to its newly-launched India Medicorps fellowship. In tandem with its broader Public Health – HIV/AIDS program strategy, AIF launched Medicorps to connect US-based healthcare professionals with recipient institutions in India to expand overall medical responsiveness to the HIV/AIDS crisis.

"By transferring state-of-the-art knowledge and skills to India, Medicorps Fellows will make a direct contribution to a top national priority – strengthening India's healthcare capacity to combat and contain the burgeoning HIV/AIDS epidemic," says Rema Nanda, Director of AIF's Public Health – HIV/AIDS Program.

AIF is seeking applications from US-based healthcare professionals who want to apply their professional expertise to make a meaningful difference in India.

For further information and application details, please visit our website: AIFoundation.org. ■



This HIV-positive boy (name unknown) currently on ARV medication is a successful painter in Bangalore. He is hopeful about his future.

AIF coming your way

SAVE THE DATE!

May 5, 2006	Digital Equalizer Summit	Bay Area, CA
May 19, 2006	AIF Annual Gala	New York, NY
May 20, 2006	AIF Chicago Gala	Chicago, IL
June 8, 2006	High-Level AIDS Summit	Washington, DC

Please visit AIFoundation.org for more information.