



ANNUAL REPORT 2008

STEP AHEAD

Integrated Community Development

Hope Is Just A Step Ahead

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Who Are We

Step Ahead is a Christian based integrated community development organization, operating in Thailand, focused on partnering with the working poor to see comprehensive and sustainable transformation.

Step Ahead serves all people, regardless of religion, race, ethnicity, age or gender.

Our Vision

To see comprehensive transformation that demonstrates the love of God in action among poor individuals, families, and communities in Thailand.

Our Mission

To amalgamate micro-finance, mentoring, community economic development, and capacity building into an integrated service that powerfully displays the love of God while actively developing and empowering the poor, the vulnerable, and the marginalized.

Our Values

The following core values guide us as we serve those in need:

We demonstrate God's love in action.

We believe in equality and seek justice.

We empower and stand with the poor.

We advocate for those who cannot speak for themselves.

We practice partnership and collaboration.

We are committed to life-long and participatory learning.

We strive for excellence and sustainability.

“*God is in the slums, in the cardboard boxes where the poor play house . . . God is in the debris of wasted opportunities and lives, and God is with us if we are with them . . .*”

Bono, lead singer, U2

CEO Message

I would firstly like to offer my sincere thanks and gratitude to all our sponsors, supporters, board members, staff, volunteers, and friends from around the world who have enabled Step Ahead to experience significant growth, expansion and evolution over the past year.

As the ancient Chinese proverb says, "A journey of a thousand miles, begins with a single step." So too is our progress together: to see comprehensive and sustainable transformation for individuals, families, and communities across Thailand.

2008 In Review

Marking Step Ahead's sixth year serving in Thailand, in 2008, the working poor admirably faced soaring food and fuel prices, the global financial crisis, plus political and social challenges that threatened stability in the Kingdom of Thailand.

Through adversity, our Micro-enterprise Development (MED) programs grew from strength to strength with 1,000 active member clients as of December 2008 (40 percent increase YOY). Through these programs our clients receive micro-loans, saving services and mentoring support to keep them moving forward steadily as they grow and seek to care for their families.

Our four child development centers, initially established in tsunami impacted communities

to serve women and children at risk, now four years on continue to build hopes and futures.

Our Community Economic Development (CED) programs create sustainable alternative livelihoods and continue to grow and diversify from Thai Totes® - designer ladies purses - to mushroom production, orchid farming, and eco-tourism.

Our capacity building programs, serving over 3,000 villagers and slum dwellers, clearly demonstrate that building language and computer skills opens doors and instills confidence that only comes by actively participating in today's global village.

Stepping Ahead In 2009

Excitement grows as we look forward to exploring new partner and program opportunities as we work, serve, and learn together. Thank you for joining us in our next steps ahead.



John H. Quinley, Jr.
Founder & Chief Executive Officer

What We Do

Our Programs & Priorities

Step Ahead, in partnership with the poor, operates core programs in the following areas: Micro-finance, Women & Children At Risk, Community Economic Development, and Capacity Building.

Step Ahead began with a focus on micro-enterprise development (MED); however, the organization has rapidly developed in response to identified needs in the communities we serve across Thailand.

In 2005, Step Ahead expanded in response to the devastation of the Asian Tsunami, opening the Khao Lak office, in the hardest hit area of the south, and offering support for women and children at risk as

well as community development and capacity building initiatives.

In 2008, foundations were laid for future expansion and the establishment of the

Step Ahead Pattaya office, which will focus on women and children at risk, community development, and capacity building.

Step Ahead continues to explore new partnership and

program opportunities as a part of furthering our commitment to see the individuals, families, and communities, we serve comprehensively and sustainably transformed.



2008 - At - A - Glance

Active Member Clients Served Through MED Programs

1,000

Beneficiaries Reached Through Child Development Centers

600+

3,000+

Participants In Mentoring, Community Development & Capacity Building Activities

Micro-Finance

What is Micro-enterprise Development?

Micro-enterprise Development (MED) works with poor people utilizing small amounts of money, in order, to serve their particular micro-business and financial needs.

Through MED the working poor (or economically active poor) receive small loans and training that changes their lives. Their businesses grow, increasing the security and well-being of their families, and most importantly, creating a foundation of hope for the future.

Worldwide, MED repayment rates range from mid to upper 90 per cent. Step Ahead has maintained repayment rates of 98 percent for two consecutive years, a testament to the determination of our partners to break free from the cycle of poverty once and for all.

Step Ahead micro-finance loans are made accessible to those who can not qualify for traditional loans. These people often have no option but the local money lender or loan shark who charges a minimum of 20 percent interest per month – it is this sort of exploitive service we seek to render redundant.

What has been achieved?

In 2008, we welcomed 400 new member clients to our micro-loans program. In addition to basic financial services, our staff also provided over 13,500 hours of business/ money mentoring. We offered counseling support to clients and their families, community development and capacity building activities in Thai traditional massage, English, computers, flower arranging, nail art, cooking and food preparation, and jewellery making.



Srisuda Supsin, Bangkok Program Manager, visits a micro-entrepreneur making delicious roasted chicken.

HIGHLIGHTS

- 400 new clients partnered with Step Ahead in 2008
- Over USD 100,000 (THB 4 Mn) given in micro-loans in 2008
- Over 13,500 hours of mentoring, coaching, counseling + capacity building provided in 2008
- Over 300 member clients received free women's health check from Queen Sirikit Center For Breast Cancer

“ Some think poor people are lazy ... actually it takes a lot of work to survive when you're dirt poor. ”

Muhammad Yunus, Founder of Grameen Bank,
Nobel Peace Prize Laureate

Women & Children At Risk

I believe children are the most vulnerable citizens on the planet and poverty has a women's face. Step Ahead is passionate about helping women and children at risk – rebuilding lives and restoring hope one step at a time.

Our child development centers were born out of the chaos of the 2004 Asian Tsunami. They started as safe zones to protect the weak and vulnerable children living in displaced persons camps. Four years on, we have built solid buildings and served hundreds of families trying to put their lives back together. Our vision continues today. We desire to equip village leaders, teachers, families, and churches to help the community create a sense of caring support for each other, while safe-guarding those at risk, especially widows, orphans, women, and children.



Child development centers are now firmly at the core of our integrated community development. Caring for little ones is a primary concern for families and strengthening families helps develop healthy, sustainable communities.

A handwritten signature in black ink that reads "KK Quinley".

Kimberly K. Quinley
Director, Women & Children At Risk

"Many things can wait; the child cannot ... To him we cannot say tomorrow; his name is today."

Gabriela Mistral



"This center gives me peace. When I'm at work, I don't worry about my daughter. She's in a safe, secure place, where she feels loved and cared for."

Mother, Pru Teow Child Development Center

What has been achieved?

We began 2008 with four child development centers serving 135 children and over 600 members of the community. Our 24 teaching staff also participated in over 2,000 hours of professional training and capacity building activities.

While students stay for only a few short years, we believe the opportunity to positively impact their lives, and their families is a life-long opportunity – one that will bear fruit as they blossom into adults and in turn positively impact their communities.

Center sustainability remains a challenge with 1 in 4 parents under 24 years old, 60 percent of families earning less than USD 200 per month, and just over 50 percent of parents with a grade six level education.

Community Economic Development



What is Community Economic Development?

In the daily battle against poverty, employment plays a critical role in changing lives, instilling hope, and empowering individuals to believe they can create a better future for themselves and their families.

Community Economic Development (CED) is action taken locally by a community to provide economic opportunities and improve social conditions in a sustainable way. CED initiatives aim to create alternative livelihoods for the poor, vulnerable and marginalized by “localizing economics” through a community-centered process that blends social and economic development to foster the economic, social, ecological and cultural well-being of communities.

What has been achieved?

In 2008, Step Ahead launched a variety of new community economic development initiatives including mushroom farming, orchid farming, and an eco-tourism program with three homestay bungalows in a sea gypsy village.

Our long-standing initiative, Thai Totes® purse project, was first launched in Khao Lak with natural swamp grass material.

Italian style woven leather is new, promising new hope and economic opportunities for women at risk in Pattaya. Each purse is made of locally sourced, high quality materials following internationally recognized fair trade standards.

The fourth quarter of 2008 brought new partnership opportunities for Step Ahead as we laid foundations to expand our product range and program reach to Pattaya. This new initiative will give women at risk and people living with HIV/ Aids the skills to improve the quality of their lives and the lives of their loved ones.

Community Close Up

The grandmother pictured below with her grandchildren live in Tapdawan Sea Gypsy Village. In this village, Step Ahead unites the community by running a child development center, three homestay bungalows, and the Thai Totes® purse project.



Capacity Building

“ Education is the most powerful weapon which you can use to change the world . . .
Nelson Mandela, Former President of South Africa, Nobel Peace Prize Laureate ”

EDUCATE



EQUIP



ENCOURAGE



At Step Ahead capacity building is a core component of everything we do. It starts internally with our employees, university interns, and our volunteer network, ensuring each individual is empowered to achieve their best every day. A commitment to excellence and growth encourages our people to seek opportunities to discover their potential through professional and personal development and has created an atmosphere of collaboration, creativity, and continuous improvement.

But capacity building doesn't stop there. Step Ahead also provides a significant variety of activities and services for program participants and community members including children, young adults, women at risk, the poor, the unemployed, and the marginalized.

What has been achieved?

In 2008, over 3,000 community members took part in a range of tailor-made capacity building activities to deliver relevant, practical, and applicable skills for real life including foreign language skills (English & German), basic computer skills, youth mentoring, soccer skills, family enrichment activities, and money management.

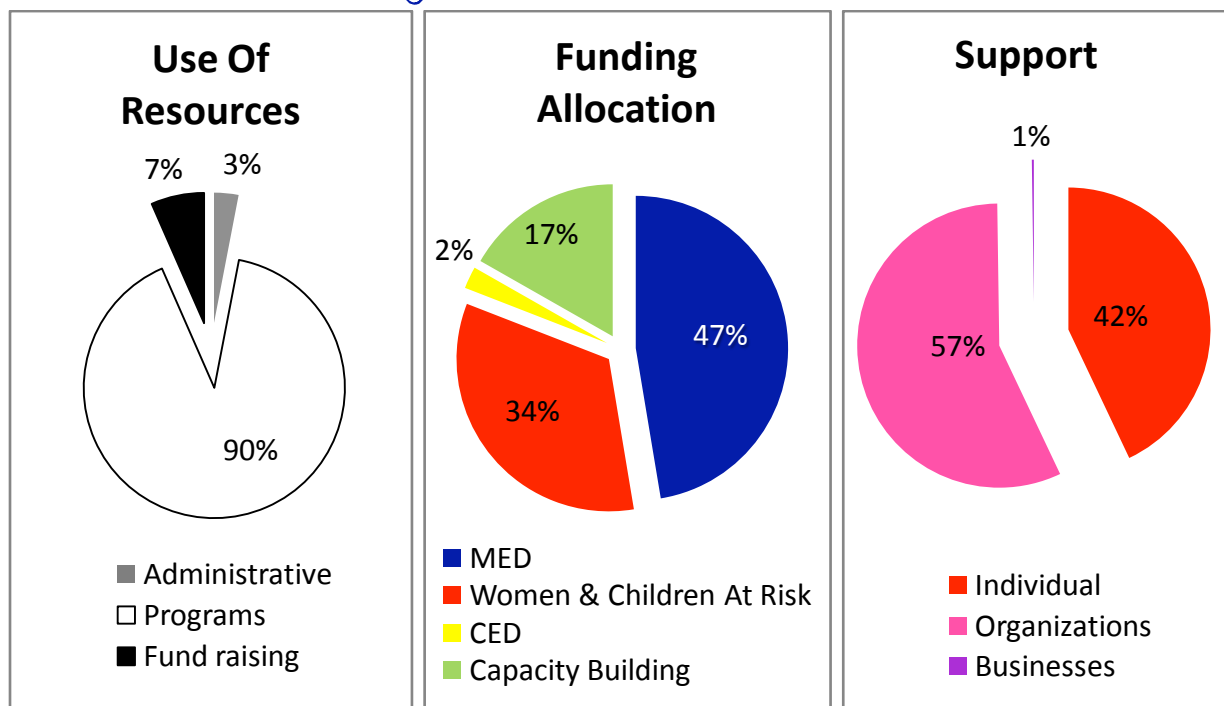
Staff from our child development centers also participated in over 2,000 hours of training including: *Celebrate Children, The Value Of A Child, Child Protection Laws & Policies, A Learning Centered Approach to Education, Creativity in the Classroom, Teaching Thai Phonics using Montessori Techniques, and Health & Hygiene at Home & School.*

Financial Summary

Step Ahead is committed to accountable and transparent financial management. In accordance with internationally recognized financial principles, we adhere to strict procedures ensuring funds are received and utilized as intended. Annually, we undergo a comprehensive financial audit by independent third party auditors and submit full year financial reports to an independent advisory board for review.

Step Ahead is also committed to the long-term goal of sustainability, and as such, all executive leadership positions are non-salaried. In addition, over 95 percent of all funding goes to field programs directly benefiting poor individuals, families, and communities across Thailand.

2008 Financial Summary



Since our beginning Step Ahead has dispersed nearly half a million dollars to our micro-entrepreneurs with an average repayment rate of 95 percent.

Should you have any additional questions, we invite you to visit www.stepaheadmed.org for more information or contact us at:

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Step Ahead All Together at 2008 Staff Conference

STEP  **HEAD**

Integrated Community Development

2008 Annual Report

*For more information please visit
www.stepaheadmed.org*

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