



World Vision®

ECONOMIC
EMPOWERMENT

» PROGRESS REPORT: October 2017 through September 2018

Prepared January 2019

ECONOMIC EMPOWERMENT

GLOBAL SUMMARY

THRIVE (Transforming Household Resilience in Vulnerable Environments) is one of the building blocks of World Vision's global livelihoods strategy and economic empowerment work. To document the level of impact that it has on child-wellbeing, World Vision and TANGO International (Technical Assistance to NGOs) are working collaboratively in the five THRIVE countries: Honduras, Malawi, Rwanda, Tanzania, and Zambia.

Our work addresses the underlying causes of poverty: food insecurity, vulnerability to climatic events, and lack of access to information, markets, and financial services. Our goal is to lift the most vulnerable families out of the intergenerational cycle of poverty.

We equip families with the knowledge, skills, and resources

to ensure that children are well nourished and free of hunger; families with children have resilient livelihoods, income, and assets; children have reasons and resources to be in school; and adolescents develop hope and skills for a productive future. Our pathway out of poverty focuses on building secure livelihoods and market access through strengthening a family's ability to radically improve their income-growing capacities.

We also offer access to needed financial services through VisionFund International. Our microfinance-specific work is represented through two global funding opportunities focused on women's empowerment and technology, as well as projects focused in Senegal and Myanmar.

Understanding that poverty is the result of an unequal power structure,

World Vision microfinance programs are informed by an analysis of gender and power dynamics as well as the needs and strengths of marginalized groups.



GLOBAL UPDATE

1 MILLION PEOPLE* were provided with access to economic empowerment activities since the programs began in FY16, with 351,898 in FY18.

This figure includes VisionFund clients and their families who, through our OneVision Technology project, are able to use mobile money applications to handle their financial transactions and/or apply for loans close to home as a result of loan officers having the ability to use computer tablets in the field to gather information.

Program-to-Date Spending

\$ 31,101,904 spent

87%

Program-to-date spending expressed as a percentage of program-to-date funding of \$35,727,235.

HONDURAS

PROGRAM OVERVIEW

This is a turbulent time in Honduras.

The Dry Corridor in Central America—Guatemala, Honduras, and El Salvador—is experiencing one of the worst droughts of the last ten years with over 3.5 million people in need of humanitarian assistance, according to the Food and Agriculture Organization of the United Nations. The drought is caused by the climatic phenomenon, El Niño, which warms the water in the Pacific Ocean, resulting in a lack of rain and huge crop losses.

In addition, this fall thousands of Central Americans, including Hondurans, fled their countries

into Mexico and headed to the U.S. border in a human caravan, in part to search for economic stability.

Now, more than ever, we are grateful for the THRIVE initiative begun in 2017 to improve the incomes of small-scale farmers in 31 rural communities. These are among the people most vulnerable to drought and, because of a lack of agricultural employment opportunities, most likely to migrate out of the country.

THRIVE accomplishments in FY18 are reasons to have hope in these troubling times. Thank you for your support!



2,050 people trained on improved agricultural technology



3,544 people provided with increased access to financial services



3,595 people provided with increased access to markets



Accomplishments during this reporting period included:

- The project strengthened 212 savings groups and 228 producer groups, with a total membership of 7,139 people. The goal was to help producers understand the importance of increased savings, strengthen group cohesion, and promote business ideas that generate income.
- Twenty-six irrigation districts have been developed to irrigate 390 hectares (about 964 acres) in eight municipalities. The project was done in association with two USAID projects, Aliaza Corredor Seco and Proyecto Mercados.

Project-to-Date Spending



MALAWI

PROGRAM OVERVIEW

Ireen Madzumbi, a mother of five children in Chilenje, once harvested only five bags of soybeans from her 2.5 acre plot. After learning farming techniques from the THRIVE program, she doubled her land—and increased her harvest eight-fold.

The Malawi THRIVE program helped nearly 7,700 smallholder farmers like Ireen to sell close to \$700,000 in crops in FY18, almost tripling the planned amount. Through more than 80 demonstration plots, farmers learned improved agricultural technologies. Nearly 90 commercial villages provided farmers with opportunities to collectively market

their products. Almost 3,000 clients took out microloans to support and expand their businesses.

With her increased income, Ireen is able to pay school fees for her children and construct a new home. “I was one of the vulnerable people,” she said, but THRIVE has “induced a calling in me to help my fellow farmers.”

By increasing their skills and changing their mindsets, participants continue to develop sustainable livelihoods and become more resilient.



10,121 smallholder farmers used improved agricultural technology.

Life-of-program target: 12,000 **84%**

14,810 members accessed financial services.

Life-of-program target: 16,000 **93%**

9,461 members accessed new markets.

Life-of-program target: 10,000 **95%**

Accomplishments during this reporting period included:

- 7,696 farmers participating in producer groups amassed sales of \$690,207, nearly triple the planned amount. Cumulative project sales have reached \$1,028,475, an amount that is 106 percent above the target.
- Farmers collectively sold 548 tons of soybeans, 217 tons of peanuts, 78 tons of corn, 61 tons of cassava, and 49 tons of rice to private buyers. Each end-of-year amount was at least 16 times greater than the midyear total.

Project-to-Date Spending

\$3,378,235 spent **96%**

MEXICO

PROGRAM OVERVIEW

Doña Liz and her husband, Gerardo Sánchez, breed sheep, cows, and chickens, plus grow corn. When they heard about a new project to breed rabbits, they hopped at the opportunity. As Liz said, “If we wish things, we have to work to get them.”

The couple’s desire to learn and industriousness fit well with Phase 2 of Empowering Families. The project helps rural farmers in San Felipe del Progreso and San José del Rincón better provide for their families and improve family relationships.

The second phase has helped nearly 5,900 people. In collaboration with key partners, more than 2,200

people participated in savings groups—almost two-thirds of the project goal.

Participants have planted nearly 1,400 kitchen gardens to better feed their families. Trainings in financial education, entrepreneurial vision, and Empowered Worldview all point away from dependency and toward greater self-sufficiency.

Donors make it possible not only to help parents, but the next generation. “You give us a lot of knowledge to help our children,” said Liz, the mother of three, “so in the future, they have successful well-being in their families.”



2,230 members accessed financial services.

Life-of-program target: 4,680

48%

Accomplishments during this reporting period included:

- The first savings cycle for Phase 2 saw 2,330 participants, a gain of nearly 40 percent from a year earlier. They formed 199 savings groups, up 35 percent, and saved \$98,598, an increase of 72 percent from FY17.
- Farmers planted 1,366 kitchen gardens to better feed their families, especially with more nutritious food, and to increase self-sufficiency. In the future, the gardens will grow in importance as income generators.

Project-to-Date Spending

\$388,289 spent

74%

MYANMAR VISIONFUND

PROGRAM OVERVIEW

With more than 75 percent of the population lacking access to formal financial services, Myanmar remains a country with vast needs.

VisionFund Myanmar continues to respond to those needs as one of the largest, longest-serving, and most strategically positioned microfinance institutions (MFIs) serving the poor in Myanmar.

In FY18, VisionFund served more than 187,000 clients (86 percent women) with a total portfolio of \$34 million. More than 52,000 clients—half of them new—used their loans to support agriculture-related businesses without needing to resort to loan sharks.

VisionFund disbursed 306,299 loans

in the past fiscal year, with the loan value totaling nearly \$83 million. All loan clients were encouraged to save money to boost family resilience and financial planning. As a result, 431,143 clients have saved \$5.2 million.

With improved incomes, smallholder farmers and small-scale entrepreneurs can give their children an opportunity to enjoy better health, nutrition, and education.



PROGRAM UPDATE

418,282 CHILDREN impacted by microfinance during the reporting period

187,608 ACTIVE BORROWERS

\$34 MILLION outstanding loan portfolio

Project-to-Date Spending

Loan Capital and
Program Operations

\$449,287 spent

100%

RWANDA THRIVE

PROGRAM OVERVIEW

During fourth quarter of fiscal year 2018, Rwanda THRIVE doubled down on its efforts to build the capacity of participants in the areas of financial literacy and business facilitation.

The goal was to motivate all savings group members to profitably invest their savings and, when appropriate, to take out loans to maintain or grow income-generating opportunities, or to buy household assets including livestock.

As a result, 1,313 savings group committee members from 330 savings groups were trained on the

Savings4Transformation model that World Vision uses for its savings groups. In addition, 174 savings groups received help in linking to, and opening accounts with, VisionFund, World Vision's microfinance network.

THRIVE facilitated the share-out events of 62 savings groups that had accumulated about \$157,000 in savings and issued loans of \$57,000.

Since the project began, 664 savings groups with 16,524 members have been created, already reaching the targeted number of participants.



3,529 farmers have been trained in improved agricultural techniques.



16,524 people were provided with access to financial services.



13,439 farmers have access to new markets.



Accomplishments during this reporting period included:

- 100 percent of Rwanda THRIVE participants are members of savings groups, a monumental achievement that represents a huge investment of staff time and commitment.
- At the end of FY 2018, 552 producer groups have been formed, with 13,439 members. The most common crops raised are corn, beans, bananas, cassavas, pineapples, mangos, cabbages, carrots, and tomatoes. Farmers also raise pigs and poultry. Twenty-nine groups have been linked to markets, selling mainly onions, carrots, tomatoes, eggplants, and eggs.

Project-to-Date Spending



SENEGAL VISIONFUND

PROGRAM OVERVIEW

In the last six months of FY18, the two new VisionFund Senegal branches that were opened in southern Senegal in 2017 have seen strong growth. The branches in Kedougou and Tambacounda serve clients located in several World Vision community development areas. The number of active borrowers in the two branches has increased dramatically to 3,844, and the loan portfolio to \$772,381. The two branches are impacting families that have 8,382 children.

VisionFund Senegal is serving clients like smallholder farmers and women who traditionally have little access to financial services. Currently, 86 percent of our clients are women, exceeding our target of serving 80 percent women.

During FY18, VisionFund Senegal disbursed 2,595 loans. At the end of the fourth quarter, the average loan size was \$299. During the past three years, VisionFund Senegal has grown exponentially. From September 2015 through FY18:

- Loan portfolio: From \$981,000 to \$4.7 million.
- Active borrowers: From 6,737 to 18,739.
- Branches: From two to six.
- World Vision program areas supported: From 12 to 24.



PROGRAM UPDATE

83,335 CHILDREN IMPACTED BY MICROFINANCE

18,739 ACTIVE BORROWERS

\$4,741,000 OUTSTANDING LOAN PORTFOLIO

Project-to-Date Spending

*Loan capital and
Program Operations*

\$1,271,929 spent

69%

TANZANIA

PROGRAM OVERVIEW

This marks the completion of the first year of the second phase of THRIVE project implementation. In phase two, the number of value chains was scaled back as a result of the midterm evaluation that indicated resources were spread too thin over too many value chains during phase one. The primary value chains are bananas, poultry, honey, and pigeon peas, with secondary value chains being tomatoes, onions, red kidney beans, and orange-fleshed sweet potatoes.

The goals of the project are to increase incomes, diversify income sources, help farmers grow nutrition-

rich crops, and improve natural resource management. The project interventions are sequenced to lead to empowered communities.

The 33 villages supported by the project have received more timely technical support and the project has been able to scale interventions quicker by intentionally engaging with community development officers and agriculture/livestock extension officers who are employed by local government agencies. This is part of the phase two strategy to ensure sustainability.



8,800 farmers benefiting from improved agricultural technology

Life-of-program target: 8,300

106%

13,541 people accessing financial services*

Life-of-program target: 15,561

87%

3,815 farmers with improved access to markets

Life-of-program target: 3,682

103%

**The original target of registering 9,000 savings group members (that this metric is based on) was met in phase one. It was recalculated in phase two to serve 15,561 savings group members over the life of the project.*

Accomplishments during this reporting period included:

- Bananas are being harvested up to 2,000 bunches per acre. Before THRIVE, bananas had not been grown commercially in the project area.
- Project staff continues to work with community members to rehabilitate watersheds and forests in outlying areas. Watershed areas have been mapped, and a land use planning exercise in two villages has been implemented.

Project-to-date spending

\$13,033,751 spent

99%

ZAMBIA

PROGRAM OVERVIEW

The THRIVE program in Zambia emphasizes coaching and mentoring to help smallholder farmers change their mindsets, increase productivity, and improve their livelihoods.

THRIVE helps participants break the dependency syndrome through gaining an empowered worldview—a key element for farmers still affected by a depressed economy and periods of drought.

World Vision continues to encourage and train Zambian farmers to save money and sell crops collectively, access microloans, and manage natural resources.

Farmers made significant gains in FY18, recording double-digit increases in using improved seeds, participating in producer groups and savings groups, and seeking loans to expand their enterprises. More than 50,000 people have benefited so far, including parents who can better care for their families and send their children to school.

Thanks to your support, “the farmers look alive and have some belief that they can make it,” said Wilfred Mufwambi, World Vision’s THRIVE manager in Zambia. “We continue to thank God for you. You have brought hope to the hopeless.”



7,342 smallholder farmers used improved agricultural technology.

Life-of-program target: 15,000

49%

7,321 members accessed financial services.

Life-of-program target: 15,000

49%

5,007 members accessed markets.

Life-of-program target: 7,000

72%

Accomplishments during this reporting period included:

- In Buyantanshi, Mpika, and Katete APs, farmers recorded bulk harvests of 234 tons of peanuts, 233 tons of beans, 79 tons of corn, and 45 tons of soybeans, a combined tonnage increase of 114 percent from a year earlier. The bulked prices were 12.5 percent higher for peanuts and 25 percent higher for beans than unbulk prices.
- 7,321 people participated in 494 Savings 4 Transformation (S4T) groups, for 17 percent growth. Members collectively saved \$248,542, doubling the amount from a year earlier.

Project-to-Date Spending

\$3,418,928 spent

78%

VISIONFUND GLOBAL

ONEVISION GLOBAL TECHNOLOGY FUND

Prisca Mwachilenga once survived by selling cupcakes door-to-door. Three VisionFund loans later, she has grown her business, sent her children to school, and renovated her house.

The widowed mother of four daughters, who lives in Zambia's Kalikiliki township in Lusaka province, used the loans to build her fruit and vegetable sales business.

"Mobile banking changed my story of having to walk long distances to access my loan at the bank," Prisca said. "I no longer have to queue in the banks while my business remains unattended."

Increasing access to financial services in remote, impoverished rural areas in more than 25 countries has helped vulnerable families increase their incomes and take better care of their children. Those are the goals of OneVision, a comprehensive technology platform developed by VisionFund.

Highlights for FY18 include:

Mobile Money: Zambia served 24,456 clients and completed basic mobile banking and mobile money integration for customers of Airtel. In Cambodia, customer mobile banking for Apple and Android phones was launched. In Rwanda, basic mobile banking and mobile money integration was completed through a mobile-operator preferred service aggregator, which also enables payments of utility bills.

Tablet and Front Office Tools: Malawi completed phase one implementation, serving 31,746 clients. The customer registration app was completed, though the rollout of the app was postponed by a vendor delay in



integrating the loan application function with the core banking system. In Tanzania and Cambodia, the loan collection and customer registration apps were completed and rolled out.

Data Warehouse: Through BankBI, a data warehouse provider, VisionFund has the ability to slice and dice the vast amount of information collected across the global network. This will bring the most detailed and up-to-date information into the hands of managers to enable improved decision-making for our MFIs. Data warehouse environments have been established at 30 MFIs to extract operational, social performance, and financial data. Four MFIs (Kenya, Sri Lanka, Tanzania, and Zambia) have fully implemented BankBI, and 24 MFIs have started providing monthly data through BankBI. These MFIs are better prepared to transition to daily reporting for FY19.

General Ledger: A process of aligning the various legacy accounting

systems around the network has been under way through the support of the OneVision Technology Fund. VisionFund aims to have as much of the network as possible producing financial accounts and reports through Sun6, a cloud-based system. Implementation has been completed in Uganda and Myanmar, and started in Sri Lanka, Ghana, and Malawi, with completion expected in FY19.

Core Banking: VisionFund operations in Uganda and Malawi went live in implementing Temenos 24, a core banking system upgrade. For both MFIs, all operational processes were included in the scope of the work, and bank reconciliation and payment processes were automated with correspondent banks. Core banking implementation work with other vendors also started in the Ethiopia, Myanmar, and Kosovo MFIs and is expected to be completed in FY19.

VISIONFUND GLOBAL

WOMEN'S EMPOWERMENT FUND

The Women's Empowerment Fund aims to build the resilience of women and their families, improve gender equality, and support the development of livelihoods by increasing access to and quality of financial services to vulnerable women.

The fund is managed by VisionFund, World Vision's microfinance network.

The current and first phase of this two-phase project is focusing on significantly growing loan capital

for women that can be invested to expand small businesses and farms.

Phase two, which begins in FY19, will seek to strengthen the services we provide women, such as developing links to savings, developing insurance products specifically for women, and expanding financial education.

So far, \$1.55 million has been raised toward the \$25 million needed to impact the lives of these women and children, with 5,062 women currently receiving loans through this fund that impact 13,037 children.



Accomplishments during this reporting period at some of the MFIs included in the fund:

- In the Dominican Republic, an educational loan, primarily to serve women with school-age children, has been launched to cover the cost of uniforms, shoes, school supplies, and school fees. Through September, 89 women with 161 children have taken out \$28,814 in loans, which offer VFDR's lowest interest rate and no commission charges.
- In Mexico, the Women's Empowerment Fund helped support a community loan product that allows repeat clients in good standing to receive a loan without a co-signer or collateral.
- VisionFund Myanmar (VFM) has achieved a mobile banking milestone, signing with cloud-based core banking system, Musoni. The system will be rolled out across all 51 VFM branches, with additional digital services that will enable loan officers to use tablets and texting to serve clients, and allow clients to do banking on mobile devices.
- In the last half of FY18, VisionFund Senegal conducted three focus group discussions in one of the areas receiving funds. The women interviewed cited specific benefits as a result of working with the MFI, including developing their businesses, paying their children's hospital fees, and covering school expenses.

Project-to-Date Spending

Loan capital and
Operating Expenses

\$2,220,869 spent

99%

CHILDREN LEAD THE WAY IN SAVINGS GROUPS

With training in Savings 4 Transformation, children have ‘better financial management skills than some adults,’ helping them pay for school fees and uniforms—and inspire their parents and community members.

“Jesus said, ‘Let the little children come to me and do not hinder them, for the kingdom of heaven belongs to such as these.’ ” (Matthew 19:14)

Pascalina Mulenga, a community agent in Mwamba AP in Zambia, is known for taking these words of Jesus to heart when working with local children. She has brought Savings 4 Transformation (S4T)—World Vision’s savings group model—to her community, training and encouraging 46 children to collectively save small amounts of money.

In August 2017, the children formed two savings groups. Twelve months later, they had accumulated combined savings and interest of \$1,800.

“They make sure that when it’s time to save, they ask for money from their parents,” Mulenga said. “When they get loans [from their savings group], they loan it to their parents [in] the interest of the group. In other words, they are indirectly saving on behalf of the parents.”

Introducing S4T to children helps them build character and teaches them to handle money at a young age. Compared with three adult S4T groups Mulenga manages, “these

children have better financial management skill than some adults,” she said.

Community members and the children’s parents have been inspired by the children’s dedication and passion to save for their future. From their share of savings and interest, children have paid school fees and bought school uniforms and other clothes.

Some children plowed back part of their share into their second cycle of S4T. Other children wanted to join the current savings groups, while some children wanted to start new ones.

The children in the initial two groups are viewed as change agents in their community. World Vision recently started a campaign against early child marriage in the Kasama district and invited the two children’s savings groups to participate in the launch event.

The children trained fellow children and adults on the importance of saving and, in the presence of Paramount Chief Chitimukulu and other high-profile officials, gave testimonials on how S4T helped them and their parents.



Children in the Chimwemwe savings group in Mwamba AP in Zambia display their savings envelopes. A second children’s savings group also was formed.



World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. Motivated by our faith in Jesus Christ, we serve alongside the poor and oppressed as a demonstration of God’s unconditional love for all people. World Vision serves all people, regardless of religion, race, ethnicity, or gender.

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