

A photograph of two young children outdoors. In the foreground, a young girl with light brown, curly hair and large, expressive eyes looks directly at the camera. She is wearing a bright red short-sleeved shirt. Behind her, another child with dark skin and curly hair is visible in profile, looking towards the left. The background is a soft-focus green, suggesting foliage. The bottom of the image is divided into two horizontal bands: a light green band on top and an orange band on the bottom.

ECONOMIC EMPOWERMENT

» PROGRESS REPORT: October 2017 through March 2018

Prepared July 2018

ECONOMIC EMPOWERMENT

GLOBAL SUMMARY

The 2030 Sustainable Development Goals were adopted by world leaders in 2015. Perhaps most significant among the 17 approved goals is the overall target to eliminate extreme poverty by 2030.

Achieving sustainable development means ensuring that all people have the resources needed to fulfill their human rights, and poverty is a key driver of child vulnerability, directly affecting children's education, health, and nutrition outcomes. The impact of extreme poverty on children's development remains significant. The prevalence of malnutrition among young children from developing countries is approximately 2.5 times higher in the poorest families compared with the richest.

In response, World Vision's THRIVE (Transforming Household Resilience

in Vulnerable Environments) program targets rural and predominantly subsistence farming households with dependent children. We are working with parents and caregivers who generally have some skills and assets, including small plots of land, but are living below the national poverty line. The results from a third-party evaluation of our Tanzania project suggest a significant and positive impact in parents' capacity to provide for their children's needs through THRIVE, specifically to pay school expenses and provide improved household food security.

Through the second quarter of fiscal year 2018, the THRIVE program has already reached 231,252 men, women, and children in five participating countries (Honduras, Malawi, Rwanda, Tanzania, and Zambia).

We continue to work on standardizing the metrics we are monitoring in each country, which will help us provide an objective assessment of project progress and performance.



GLOBAL UPDATE

849,845 PEOPLE were provided with access to economic empowerment activities since the program began in FY16.

During the most recent reporting period, we found that we were inaccurately counting all beneficiaries from microfinance programs in our totals. These beneficiaries had been counted in previous totals for the Economic Empowerment Program, but were actually supported through funding from other World Vision offices, and have, therefore, been removed from the totals. This represents a drop of approximately 650,000 beneficiaries from what was reported in the FY17 annual report. We have since moved to a proportional approach that more accurately represents the contribution of World Vision U.S. through the campaign, which is consistent with other beneficiary counting standards for the campaign.

Program-to-Date Spending

\$ 23,576,260 spent **68%**

Program-to-date spending expressed as a percentage of program-to-date funding. Note: Spending is less than the last report because two projects (Armenia and Rwanda Inzosi Nziza) have since closed.

HONDURAS

PROGRAM OVERVIEW

Honduras THRIVE, begun in 2017, reports that 265 savings and producer groups have been organized and 4,401 farmers are working on developing business plans. The farmers also are participating in training designed to give them a more empowered worldview and better relationships with family members and other community members.

These producers are being provided with specialized technical assistance in the coffee, vegetable, and bean value chains to increase productivity and profitability.

THRIVE is focusing on empowering

families through church leaders, youth through youth political advocacy networks, and producers through Entrelazos (meaning intertwined) business education.

Communities are being encouraged to protect micro-watersheds by establishing community nurseries that will provide plants for reforestation, and to establish sustainable water management by developing water harvesting infrastructure and drip irrigation systems. Participation in these efforts is through educational centers, neighborhood associations, and water management boards.



593 people trained on improved agricultural technology



1,431 people provided with increased access to financial services



1,424 people provided with increased access to markets



Accomplishments during this reporting period included:

- Provided technical assistance to 1,611 farmers in coffee, vegetable, and bean value chains to improve their production systems to be more environmentally friendly.
- Held a knowledge fair about using water resources wisely and adapting to climate change on International Water Day in La Labor, Ocotepeque, as well as facilitating Water Day celebrations at 14 educational centers. These events were coordinated with the area's 14 water management boards.

Project-to-Date Spending



MALAWI

PROGRAM OVERVIEW

THRIVE continues to change the mindsets of smallholder farmers and entrepreneurs in Malawi.

They are equipped to save money, sell crops, access loans, start or expand businesses, prepare for emergencies, increase their agricultural and business skills, and conserve the environment.

More than 9,000 farmers are participating in close to 400 producer groups, with nearly 2,000 receiving microloans to support and grow their businesses.

During the reporting period, 5,516 farmers—83 percent of those

targeted and 43 percent women—participated in various interventions and commercialization activities. Presale forums and partnerships helped facilitate sales of 33 tons of rice, 14 tons of peanuts, 7 tons of soybeans, 5 tons of corn, and 1 ton each of tomatoes and honey.

Farmers learn how to build relationships, sell collectively, and identify market opportunities. They become more resilient and go far beyond what they could do alone.

Thank you for your generous support to help families develop more secure and sustainable livelihoods and futures.



7,856 smallholder farmers used improved agricultural technology

Life-of-program target: 12,000

65%

13,418 members accessed financial services

Life-of-program target: 16,000

84%

9,461 members accessed new markets

Life-of-program target: 10,000

95%

Accomplishments during this reporting period included:

- 2,217 farmers established 82 demonstration plots, each 10 acres, as a platform for learning climate smart technologies, and planted improved soybean, peanut, and cassava seeds.
- Farmers learned the benefit of storing commodities for speculative increases in farm-gate prices (the price when buying directly from the producer). Those who had stored rain-fed soybean and peanut crops, for instance, saw price gains of 29 percent and 16 percent, respectively, by waiting to sell when demand was higher.

Project-to-Date Spending

\$2,585,195 spent

74%

MEXICO

PROGRAM OVERVIEW

Phase 2 of the Empowering Families project stepped up activities to help rural Mexican farmers in San Felipe del Progreso and San José del Rincón better provide for their families and improve family relationships.

Building on the work of Phase 1, the second phase has helped nearly 4,600 people. In collaboration with key partners, nearly 1,700 people participated in savings groups during the reporting period—more than one-third of the project goal.

Gaining the community's involvement first required gaining their trust, no small task because many people were not interested in a project that did not provide handouts. By building up their self-esteem and promoting community values, Empowering Families helped participants increase their confidence and self-reliance.

That set the foundation for generating wider community participation—as early participants start showing success, their experiences become known by word of mouth, further building interest—and improving conditions for economic development. Phase 2 is geared toward helping families

develop technical skills for higher incomes, and driving business growth to impact 21,000 people.

Thank you for your support of Empowering Families. With your partnership, we will continue to move participants from dependence to dignity.



1,677 members accessed financial services

36%

Life-of-program target: 4,680

Accomplishments during this reporting period included:

- Community members who once would come to our trainings only if they received a handout now are more willing to attend. For instance, meetings to review our services once drew fewer than 10 people; now more than 40 turn out.
- By collaborating with World Vision partners who are familiar to the community—including the Intercultural University of the State of Mexico (UIEM) and ADR Fuder SC, a rural development agency—and their clients, we increased total participation in the project and strengthened our influence in the area.

Project-to-Date Spending

\$244,018 spent

51%

MYANMAR VISIONFUND

PROGRAM OVERVIEW

Myanmar is a country with great economic needs—and potential. More than three-quarters of the population lacks access to formal financial services.

VisionFund Myanmar, the microfinance institution (MFI) of World Vision, continued to make inroads in the first half of fiscal year 2018, opening five new branches.

VisionFund disbursed more than 150,000 loans totaling \$41 million, ending the reporting period with an outstanding loan portfolio of \$32 million.

More than 220,000 clients saved nearly \$4.5 million, and the equivalent of almost 240,000 jobs

were sustained. Affordable and accessible financial services helps smallholder farmers and small-scale entrepreneurs who would otherwise borrow from private moneylenders at high interest rates.

By becoming more economically empowered, clients gain financial security and improved quality of life. Increased household income gives their children an opportunity to enjoy better health, nutrition, and education.

Thank you for your generosity in helping to bring brighter futures to families and children in Myanmar by further opening up the last frontier of microfinance.



PROGRAM UPDATE

366,829 **CHILDREN** impacted by microfinance during the reporting period

178,693 **ACTIVE BORROWERS**

\$32 **MILLION** outstanding loan portfolio

Project-to-Date Spending

Loan capital and operational costs

\$226,004 spent

57%

RWANDA THRIVE

PROGRAM OVERVIEW

The five-year Rwanda THRIVE project is already impacting the communities where it is being implemented. For example, 483 project participants have initiated income-generating activities and bought livestock. Savings groups and commercial producer groups are continuing to form.

The project has vastly exceeded its goal by training 651 World Vision and VisionFund staff members and faith leaders (260 percent of the target) on the Empowered Worldview curriculum. The training emphasizes changing mindsets from

being dependent on nonprofits and government for support to being more self-reliant.

Almost 12,000 savings group members have total savings of

\$51,869. Savings group members also are successfully borrowing money to build their businesses. The outstanding loan portfolio value is \$46,429.



617 farmers have been trained in improved agricultural techniques.



11,817 people provided with access to financial services.



9,012 farmers have access to new markets.



Accomplishments during this reporting period included:

- Project participants bought 1,943 animals as a result of increasing their incomes. The animals purchased included cows, pigs, rabbits, goats, and chickens.
- 104 savings groups, consisting of 2,777 members, were formed, bringing the total number of groups to 504, with 11,817 members.
- 734 farmers from Nyaruguru and Nyamagabe were grouped into three cooperatives (Abishyizehmwe-Ngera, Twitezimbere Mwiterambere, and COAMI) to sell corn to the African Improved Food Co. The farmers recently sold 77,618 pounds of corn for \$7,746.

Project-to-date spending



SENEGAL VISIONFUND

PROGRAM OVERVIEW

After a five-month lending suspension, VisionFund Senegal began lending again in March 2017 when it received its new government-mandated license.

After only seven months of lending, we reported in January that the microfinance institution had a portfolio of \$2.7 million. That has increased slightly to almost \$3 million. Women make up 86 percent of borrowers, with 54 percent of clients coming from rural areas. The number of clients who have taken out agricultural loans (including loans to buy animals) is 5,398.

Updates during the reporting period include:

- Expanding operations to southern Senegal to serve more World Vision area programs is proceeding well, with the two

new branches open in Kedougou and Tambacounda. Together, they have 655 borrowers, with a portfolio worth \$58,085. These transactions have impacted the lives of 2,572 children.

- To better serve women without credit histories, VisionFund Senegal lends to groups of women, which are called community banks. Group members all agree to secure each other's loans.

Saliou Ndour, pictured, started taking out loans from VisionFund two years ago. Saliou is a stockbroker—meaning he brokers deals between buyers and sellers of animals—and has increased his income two-fold by taking out loans from VisionFund. He now can purchase school supplies for his seven children who all attend school.



PROGRAM UPDATE

54,450 CHILDREN IMPACTED BY MICROFINANCE

12,916 ACTIVE BORROWERS

\$2,992,000 OUTSTANDING LOAN PORTFOLIO

Project-to-Date Spending

*Loan capital and
program operations*

\$1,049,125 spent

77%

TANZANIA

PROGRAM OVERVIEW

Thank you for partnering with World Vision to change the lives of farmers like Mr. Abdi, his wife, Zaina, and their seven children. Their view of farming began to change in 2014 when Mr. Abdi was chosen to go on a learning visit to Yatta, Kenya, when the THRIVE project started. He learned new agricultural techniques, but mostly it was a change in his mindset that made the difference. He felt empowered to make his family life better.

Before then, he grew corn and pigeon peas, making about \$250 a year, which was not enough to feed his family. He

was forced to rely on his son who lived in the city to send money so that they could eat.

He was inspired by the farmers he saw in Kenya growing bananas. He started growing local banana varieties and later he and his wife joined the Mshikamano producer group in their village of Gidabaghar.

They now grow improved banana seedlings and earn between \$45 and \$109 a week, a huge increase in income.

This family is now self-sufficient and

able to support themselves. Theirs is one of many families that have received training and encouragement from THRIVE initiatives for the past four years.



4,537 farmers benefiting from improved agricultural technology

Life-of-program target: 8,300

55%

6,788 people accessing financial services

Life-of-program target: 5,969

114%

3,254 farmers with improved access to markets

Life-of-program target: 3,682

88%

Water harvesting techniques and demonstrations of new equipment were conducted in Makuyuni. Interested farmers also were linked with VisionFund, to access irrigation loans for the equipment. Thirteen farmers took out loans. Water conservation and retention continue to be important topics of conversation in this arid environment.



Project-to-date spending

\$12,343,788 spent

93%

ZAMBIA

PROGRAM OVERVIEW

THRIVE in Zambia emphasizes moving smallholder farmers and their families from dependence on others to greater personal responsibility. Participants continue to both save money and produce crops as a group, access microloans, protect the environment, and reforest land.

THRIVE continues to attract participants, helped by an operational model designed to deepen impact to beneficiaries. By dividing area program zones into smaller units of operation, there is now a minimum of one lead farmer to every 15 smallholder farmers undergoing training. This smaller ratio

accentuates the community-based approach and motivated more people to participate, with 10,431 direct beneficiaries.

With nearly 7,000 savings groups and 4,000 producer groups formed through March 2018, we are close to 60 percent of the project target.

More than 38,000 people have directly benefited so far, with indirect beneficiaries including 22,542 children.

Thank you for your support to help families develop more secure and sustainable livelihoods and futures.



5,911 smallholder farmers used improved agricultural technology

Life-of-program target: 15,000

39%

6,910 members accessed financial services

Life-of-program target: 15,000

46%

3,908 members accessed markets

Life-of-program target: 7,000

56%

Accomplishments during this reporting period included:

- 3,908 farmers participated in commercial producer groups, nearly doubling the number of farmers from six months earlier. The number of groups grew to 61, an increase of nearly 80 percent.
- VisionFund granted loans to 429 clients—39 percent of them women—totaling \$96,918. The client, women, and lending totals all surpassed the year-to-date targets.

Project-to-Date Spending

\$2,265,797 spent

52%

VISIONFUND GLOBAL

ONEVISION GLOBAL TECHNOLOGY FUND

Increasing access to financial services in remote, impoverished rural areas in more than 20 countries. Helping families increase their incomes and take better care of their families. Those are the goals of OneVision, a comprehensive technology platform developed by VisionFund, the microfinance network of World Vision.

OneVision offers services in mobile banking, tablet technology, core banking, data warehousing, cloud-based solutions, and general ledger functions.

These elements bring greater efficiencies in time and cost, making financial services more accessible and affordable to rural locations.

Highlights for the reporting period include:

Data Warehouse: VisionFund built on an earlier change in technical approach that allows the program team to accelerate data warehousing to all 30 MFIs for monthly data provision and reporting. This approach allowed VisionFund to access data and manage portfolio risk and opportunity earlier than expected.

The monthly uploads has given VisionFund the ability to: understand individual MFI loan books and concentration risks; consolidate data into a single, coherent view of the organization; and allow global management to view MFI activity and to produce central reporting, such as social performance data.

Sri Lanka, Tanzania, and Zambia have moved to daily downloads of data. A priority timeline has been developed, and all MFIs will move to daily downloads over the next two years.



Core Banking: VisionFund operations in Uganda and Malawi went live in implementing Temenos 24 (T24), a core banking system. Both MFIs previously had old and unsupported banking systems. The two countries were chosen for the upgrade because of their technology needs and business priorities, as well as for being the focus of donors and grant funding.

T24 brings a solid and stable platform to the MFIs, will drive efficiencies and cost savings to the operations over time, and allows both countries to begin work on the next phase of the OneVision platform—Mobile Money and tablets—to further benefit client outreach and impact.

The implementation culminated nine-month projects in Uganda and Malawi that leveraged the work previously completed in Tanzania and Zambia.

General Ledger: Uganda has run on Infor's Sun6 for nine months after implementing the cloud-based system in summer 2017. Sun6 allows both

on- and offshore management to access data and reporting. Myanmar and Sri Lanka followed the success in Uganda by also implementing Sun6. A global standard has been built and reflected in the three MFIs.

Front Office: The earlier deployment of tablets to all branches in Tanzania enables 170 loan officers to complete tasks more quickly in the field. VisionFund continues to seek to drive down client turnaround times—from three weeks to three days for credit approval, and from eight to 12 hours to one or two minutes to complete disbursements and repayments.

Faster service lowers the ratio of loan officers to clients, leading to reduced costs for MFIs. The ability to complete transactions through SMS (texting) lowers travel costs for clients. The progress of these solutions continues to be monitored.

Tablet solutions have been piloted in a number of branches in Malawi. Full deployment is scheduled through 2018.

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 women's livelihoods by increasing access to and quality of financial services to vulnerable women.

The fund is facilitated by VisionFund, the microfinance network of World Vision.

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 2 will seek to strengthen the services we provide women, such as strengthening links to savings for women, developing insurance products specifically for women, and expanding financial education.

So far, \$1.4 million has been raised toward the \$25 million needed to continue impacting the lives of women and children, with 24,430 women currently receiving loans through this fund.



VISIONFUND ANNUAL GLOBAL UPDATE

1.2 MILLION CLIENTS provided with microloans by leveraging \$214 million in equity to support \$462 million in value of loans disbursed.

4.5 MILLION CHILDREN impacted by microloans, helping parents provide more income for such improvements as nutritious food, school fees, improved housing, and healthcare.

72 PERCENT OF CLIENTS SERVED ARE WOMEN.

63 PERCENT OF CLIENTS SERVED LIVE IN RURAL AREAS.

Project-to-Date Spending

Loan capital and
operating expenses

\$551,221 spent

39%

FARMING SUCCESS BRINGS INCOME AND DIGNITY

Lameck and Maria Zimba once pieced together jobs to provide for their five children. After Lameck learned farming skills through THRIVE, he grew to become the top ginger producer in the area.

With his solar-powered brick house, television set, and children in private and public schools, the man known as the best ginger farmer in the area has the fruits of success.

Lameck Zimba once had trouble providing basic necessities for his family. He remembered when he and his wife, Maria, lost dignity as they sought piecework to scratch out a living. Or when they panicked when their grass-thatch home leaked in heavy rain.

After World Vision's THRIVE program provided training in fruit farming and extension services, Lameck's agricultural skills improved.

He began growing diversified crops: corn, bananas, oranges, tangerines, mangoes, avocados, and pears.

Above all, he is the lead farmer for ginger production in the Chikwina-Mpamba area program. He earns more from selling ginger, about \$1,350 annually, than any other crop.

"We used to struggle with life in the past, but now meeting our basic needs is not a problem," Lameck said. "With the money I am getting now, my desire is to

educate all [of my children who are not] already out of school." He pays school fees for son Benjamin to attend his final year of private high school, and for two other children, Madalitso and Geoffrey, to attend their first years at public high school.

The family now has a metal roof, enough food, and solar electricity. Having electric lights at home is not only an indication of success, but also has practical benefits: The children can read and study at night.

Owning a television provides more than entertainment, as news programs help the family keep up with current events.

Lameck was chosen as one of the lead farmers for THRIVE in the community, a recognition that has motivated him even more to work hard and lead by example.

"Life is better for us now than before," Maria said. "We used to do piecework for survival in the past, but we no longer do that now. Instead, it's us who employ people in our gardens."



Left: Maria and Lameck Zimba grow a variety of crops, including the oranges displayed by Maria. Right: Lameck, known for his skill in growing ginger, stores the root in a pit.



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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