



World Vision



ECONOMIC
EMPOWERMENT

International » WOMEN'S EMPOWERMENT FUND
Progress Report: October 2017 through September 2018

Prepared January 2019

ECONOMIC EMPOWERMENT

VISIONFUND GLOBAL UPDATE THROUGH MARCH

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

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

70 PERCENT OF CLIENTS SERVED ARE WOMEN.

63 PERCENT OF CLIENTS SERVED LIVE IN RURAL AREAS.

PROGRAM OVERVIEW

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 facilitated 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 FY2019, will seek to strengthen the services we provide women, such as developing links to savings

for women, developing insurance products specifically for women, and expanding financial education.

The fund seeks to improve financial access by doubling the current reach of VisionFund International to annually benefit 2 million women and impact 6 million children by 2021.

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. Past reporting detailed the total net



gain of women clients throughout the VisionFund network. Now, with improved tracking, we are able to show women impacted through this fund only.

GOAL AND EXPECTED OUTCOMES

Five-year program goal through fiscal year 2021 is to improve financial access by doubling VisionFund International's current reach to annually benefit:

2 MILLION WOMEN

6 MILLION CHILDREN

Expected outcomes:

Increase financial access for vulnerable women, particularly in rural areas

Improve quality of financial services, tailored to meet women's needs

ANNUAL HIGHLIGHTS

Improved products and relationships focus on the needs of women

The initial focus of the Women's Empowerment Fund is to provide capital and other resources in the Dominican Republic, Mexico, Myanmar, Peru, Rwanda, and Senegal.

All VisionFund microfinance institutions (MFIs) that receive money from the fund agree to track extensive social data that will enable the VisionFund network to analyze over time what combination of products and services produce the best outcomes for women.

Starting in FY19, a percentage of the fund (10-15 percent) will be set aside to fund innovations that specifically benefit women.

Following are accomplishments from this reporting period:

Dominican Republic

The Microfinance Organization of

Latin America and the Caribbean awarded VisionFund Dominican Republic (VFDR) its highest A+ certification, and the Microfinance Information Exchange awarded the MFI "4 Diamonds," its second-highest rating, for financial transparency. VFDR regularly publishes data on products, client numbers, and its audited financial statements.

In the next few months, the MFI is looking to digitize the loan application process so that loan officers can complete applications on smart phones. VFDR is also planning to implement the use of digital printers for repayment in the field. This will reduce risk by immediately entering payments.

Highlights:

- 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.

- Service coverage has expanded into Monte Plata, a rural, agricultural area that was not previously served. Plans are to place a new branch in the area.

Mexico

VisionFund Mexico (VFM) conducted focus groups in fourth quarter of FY18 in two branches. Clients said they are especially interested in health, emergency, individual, and larger loans. They are interested in health insurance coverage as well as life insurance, and are willing to pay

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ANNUAL HIGHLIGHTS (CONTINUED)

higher premiums to get better coverage. They said they are generally happy with the way they are treated by VFM staff, but would like the staff to be more responsible with agreed-upon disbursement, repayment, and meeting times.

Challenges to serving women clients sometimes have to do with how they are viewed within their own families. If their husbands don't share information with their wives or take their ideas into consideration, empowering women is difficult, even with additional training.

Highlights:

- 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.
- VFM has opened a call center to address client complaints. The center solves problems in an average of 2.4 working days. The call center's database is analyzed and shared with the audit department. In the future, it will be shared with human resources and the risk department to map recurring problems.

Myanmar

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.

Highlights:

- In the first half of FY19, VFM

plans to give gender sensitivity training to staff and is currently reviewing resources.

- VFM is opening three new branches in Rakhine state.
- VFM is a joint recipient of the A2RDIS award from Blue Orchard, a global impact investment manager, for its work in Myanmar. The award went to organizations that have left a social impact on 4 million beneficiaries and 690,000 families in Cambodia, Kenya, Mali, Malawi, Myanmar, and Zambia.

Peru

In August 2018, the Peru MFI instituted regulatory changes that will make service more efficient. Clients who meet certain requirements will be allowed to make consecutive loans for one year with only one application, rather than having to complete a new application for each loan. This change improves the group credit product, which is primarily designed for women clients.

The distance between branches in the rural areas continues to be a challenge for reaching women clients. The MFI has identified locations for new branches to ease the situation. One branch opened in Urubamba in September 2018.

Highlight:

- In focus group discussions, clients said they value the rural access to credit, and the culture of saving that the MFI promotes. Clients requested small business management training.

Rwanda

VisionFund Rwanda (VFR) continues



to mobilize large numbers of women in savings groups who participate in World Vision's economic empowerment project, THRIVE (Transforming Household Resilience in Vulnerable Environments). Providing microloans to women helps them improve their incomes and expand their businesses.

VFR has expanded its mobile banking operations and through August 2018 had registered 7,300 clients.

Senegal

In Senegal, the Women's Empowerment Fund provided loans to 1,492 women who were better able to provide for 6,348 children.

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. The women asked for more technical training, lower interest rates, and ways to reduce the travel distance required for loan disbursements and repayments.



Despite her lack of formal schooling, Agnes has received business training through a government-sponsored program. The certificate she received is immaculately preserved and displayed with pride. She also has a full-time mentor in her VisionFund loan officer, Valentine. The training and the advice from Valentine are almost more valuable than the loan, is how Agnes puts it. When asked if it makes any difference to have a male or a female loan officer, Agnes says it is very important to have a female loan officer because women understand her problems better than men. They know about the difficulties with children and all the other work required to run a home and business venture. Men also are good loan officers, Agnes concedes, but women loan officers better understand the challenges faced by women.

LOANS IMPACT NEXT GENERATION

Agnes Mukarugambwa and her husband, Noël, live in Nyamata, about 90 minutes south of Rwanda's capital, Kigali. They were children of subsistence farmers who, with little education or capital, borrowed money to diversify their livelihoods and make purchases to benefit their family. This is economic development at the grass roots, and it all began with a small loan to a promising entrepreneur.

The family income stems from five very different businesses. Agnes' main enterprise is a stall selling clothes in the local market. Her husband also has a stall selling various types of flour. Together, they own a farm of about two-and-a-half acres, and they also have 13 dairy cows and about 30 goats.

With six children, Agnes is constantly busy. She and her husband juggle the responsibility for the livestock, which, along with the garden, are about three miles from her home. They have a motorcycle for this, which also greatly eases the delivery of the milk and all the stock for their two shops.

With all these assets, the family is obviously prospering in economic terms. For the last four years, Agnes has had business loans from VisionFund Rwanda to develop her multiple livelihoods, mostly for buying stock for the two shops. These businesses are increasingly profitable, and Agnes has a clear idea of how she wants to develop them further.

Yet the family's rise in income is not the main story. The real impact is on their children. Agnes and Noël have four biological children, the youngest, nicknamed Boy, 8; Arberic, 12; Dianne, 15; and Noella, 17. The three youngest go to a local school, while Noella attends boarding school, which costs just under \$600 a year. The expense is justified to her parents because she scored highly on the national exam that gave her access to the country's best secondary schools. She will go on to university to study medicine, which will be funded by a loan from the government; Agnes and Noël

are determined to contribute money from the sale of animals or other assets.

Education, says Agnes, gives all her children a very different life than she has had. Once they have completed secondary school, they will have good skills, and they will be able to have better jobs. She has been able to pay for school fees from her business profits—and says their food and healthcare also has improved—but it is school fees that Agnes emphasizes repeatedly.

The other two children in the family are Gillay, 3, and Fis, 14. Both are orphaned relatives whom Agnes and Noël have adopted into their family. That makes six children who will complete secondary school because Agnes and Noël have profitable businesses.

The parents of Fis owned a small compound with a house and two animal sheds that Agnes and Noël will hand over to Fis when he's older. Currently, the compound is home to the goats, and the house is occupied by the young men employed to herd the livestock. Including the casual labor, Agnes and Noël employ five people, and provide a home for two. This is how their prosperity extends to the community.

Prosperity has brought changes for Agnes personally. With the success of her businesses, she feels strong and confident. She is respected by her neighbors. Most importantly, to her, she is respected by her extended family members, who consult her about decisions and problems.

FINANCIAL SUMMARY

Program-to-date spending expressed as a percentage of program-to-date funding

Loan capital and operations

\$2,220,869 spent

99%

PROGRAM SPENDING

Summary	Program-to-Date Spending	Program-to-Date Funding Released to Project	Program-to-Date Spending Rate
Loan Capital	\$ 1,665,652	\$ 1,668,517	99%
Fixed Assets			
Operating Costs			
Management and Fundraising	\$ 555,217	\$ 556,172	99%
TOTAL	\$ 2,220,869	\$ 2,224,689	99%

Fiscal year 2018 is from October 2017 through September 2018.



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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