



World Vision®



ECONOMIC
EMPOWERMENT

» SEMINANNUAL REPORT: October 2018 through March 2019

Prepared July 2019

ECONOMIC EMPOWERMENT

GLOBAL SUMMARY

THRIVE (Transforming Household Resilience in Vulnerable Environments) continues to deliver results as one of the building blocks of World Vision's global livelihoods strategy and economic empowerment work.

To document the level of THRIVE's impact on child-wellbeing, World Vision and TANGO International (Technical Assistance to NGOs) have been gathering lessons learned from its implementation in five countries: Honduras, Malawi, Rwanda, Tanzania, and Zambia.

Results from evaluations done in Tanzania and Malawi, where THRIVE has been in place for more than three years, indicate a significant and positive impact on parents' capacity to provide for their children's needs through increased household income and assets. The latest evaluation in Malawi indicates that households

that previously could not provide the most basic family needs, are now able to provide sufficient year-round food, adequate clothing, improved shelter, healthcare, and education, especially for their children. The baseline report indicated that 80% of the target population reported incomes of \$1.25/day. By contrast, the midterm evaluation reports that the average farmer generates income of \$3.10/day and high performers—the top 25%—earn \$10.40/day (eight times the baseline).

These results were shared in April 2019 during the THRIVE Forum in Lilongwe, Malawi. This learning event gathered close to 90 participants from three World Vision support offices, nine national offices, and our global partnership office. The forum also attracted interest from private sector partners and bilateral and multilateral organizations, making it a true learning event focused on

improved agricultural livelihoods.

We also continue to offer access to needed financial services through VisionFund, our microfinance network. That work is represented by global funding opportunities focused on women's empowerment and technology, as well as projects in Myanmar and Senegal.



GLOBAL UPDATE

1.1 MILLION PEOPLE* were provided with access to economic empowerment activities since the programs began in FY16, with 71,490 in FY19.

*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

\$41,385,035 spent

83%

Program-to-date spending expressed as a percentage of program-to-date funding of \$50,159,953.

HONDURAS

PROGRAM OVERVIEW

Honduras THRIVE is making great strides in giving farming families the intellectual and physical tools needed to improve production, income, and quality of life. Participants made progress in improving coffee production and finding new, stronger markets for coffee bean growers.

Halfway through FY19, 1,322 coffee farmers in our project areas have established a cup profile, which assigns values to a coffee, helping growers to raise standards and better meet the preferences of coffee buyers. Seventy-five growers developed their cup profile with Café 504, a partner supporting World Vision through the sales of its coffee. This partnership

has helped coffee growers generate \$37,000 in the sale of local beans.

Growers also participated in nine coffee competitions to raise their visibility and promote their products. Reyna Oristela Garcia (photo at right) placed second in the International Specialty Coffee Competition in the El Paraíso region. The Café Libre company bought beans from the top 12 placers, including Reyna's Catuái beans. Such activities helped link 90 coffee producers in several co-ops to markets in the U.S. and Belgium.

Your support of the Honduras THRIVE project is enabling farmers and other small business owners to

improve their products or ventures, develop strong business plans, and gain access to markets. Financial literacy and access to savings and loans also are turning struggling families into thriving families. Thank you for coming alongside these hardworking communities.



1,115 farmers used irrigation

Life-of-program target: 3,150 **35%**

4,692 people accessed financial services

Life-of-program target: 7,200 **65%**

7,622 people with increased access to markets

Life-of-program target: 7,237 **105%**

Accomplishments during this reporting period included:

- 111 new savings groups were added to the project, along with 2,683 members. The average initial deposit for members overall grew by 13%, which may reflect a change in saving patterns.
- 7,789 beneficiaries learned about business organization, administration, savings, and developing business ideas. They also learned to look through an empowered worldview lens, which encourages people to see themselves as made in the image of God—and to develop talents and skills they can use to improve the lives of their families.

Project-to-Date Spending

\$4,908,202 spent **66%**

MALAWI

PROGRAM OVERVIEW

Malawi THRIVE neared or exceeded several life-of-program beneficiary targets during the first half of FY19. The seven-year program has benefited more than 20,000 smallholder farmers directly and nearly 58,000 family members indirectly so far, helping change mindsets, increase productivity, and improve livelihoods.

By gaining a worldview of empowerment, participants become less dependent on others and more self-reliant in providing for themselves and their families.

The reporting period coincided with

the rainy season, traditionally a lean time for business loans as clients concentrate on agricultural activities.

Participants sold nearly \$100,000 worth of commodities, added more than 300 savings group members, nearly doubled the use of improved farming tools, and started a seed-producing enterprise with future buyers lined up.

As farmers develop stronger livelihoods, they can better care for their families and send their children to school. Thank you for your support in helping to bring hope to families in Malawi.



10,264 smallholder farmers used improved agricultural technology

Life-of-program target: 12,000 **86%**

15,128 people accessed financial services

Life-of-program target: 16,000 **95%**

9,461 farmers accessed new markets

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

Accomplishments during this reporting period included:

- 1,247 farmers sold commodities totaling \$99,223 in commercial villages. Sales included 139 tons of tomatoes, 130 tons of corn, 43 tons of peanuts, 23 tons of onions, 18 tons of cassava, 9 tons of honey, and 4 tons of rice.
- 15,128 people participated in savings groups, reaching 95% of the life-of-project target. They comprised 1,174 savings groups that together saved \$428,044. Participants used 75% of their saved funds to buy improved seeds and fertilizers to boost yields, with the other 25% spent on their businesses, home construction, livestock, and household needs.

Project-to-Date Spending

\$4,471,231 spent **83%**

MEXICO

PROGRAM OVERVIEW

Empowering Families in Mexico focuses on moving clients along the six-step THRIVE pathway, from savings groups to entrepreneurial training to value chain development and eventually to accessing microfinance loans.

This second phase of the Empowering Families project in Mexico has helped more than 10,000 people, most of whom are in the first three steps of the pathway at this point in the project. They are accessing savings groups as well as training on financial education, entrepreneurial vision, Celebrating Families and Empowered Worldview to create greater self-sufficiency and resilience.

However, 160 people have now formed producer groups as part of step 4 and are working to access new markets through local value chain development for rabbits, poultry, amaranth, and flowers, fruit, and more. Various partners, including dōTERRA and Walmart Foundation, are supporting the producers as buyers, trainers, and advisors.

Thank you for your support of Empowering Families and the vital difference you are making. You made it possible not only for people to save funds and improve their livelihoods, but also to enable families in Mexico to experience life in all its fullness.



3,273 people accessed financial services

Life of project target: 4,880 67%

2,376 people have received Empowered Worldview training

Life of project target: 4,680 51%

Accomplishments during this reporting period included:

- 248 savings groups, a 25% increase over FY18, met weekly to deposit money, gain financial insights, and encourage one another. Of these, 87 are in their third cycle, generally focused on productive investment.
- 160 producers started market access activities of breeding poultry and rabbits, growing amaranth, and intercropping fruit trees. These were identified as strong options in collaboration with co-ops, research institutes, and municipalities.

Project-to-Date Spending

\$583,983 spent 75%

MYANMAR VISIONFUND

PROGRAM OVERVIEW

More than 80 percent of Myanmar's population lacks access to formal financial services, a challenging situation that also presents a tremendous opportunity for change through VisionFund Myanmar (VFM), World Vision's microfinance network.

VisionFund helps unlock the potential of Myanmar, one of Asia's poorest countries, through microfinance and other strategic financial services.

So far in FY19, VisionFund has served more than 186,000 clients (86 percent women) with a total portfolio of nearly \$40 million.

More than 34,000 clients used their loans to support agriculture-related

businesses, allowing them to avoid having to resort to loan sharks.

Loan clients were encouraged to save money to boost family resilience and financial planning. More than 435,000 clients have saved \$6.4 million.

Behind these numbers are lives transformed. With improved incomes, smallholder farmers and small-scale entrepreneurs are better able to increase productivity and position their businesses for greater growth.

With your generous support, families in Myanmar are empowered economically to build brighter futures and reach their God-given potential.



PROGRAM UPDATE

306,020 CHILDREN impacted by microfinance during the reporting period

186,252 ACTIVE BORROWERS

\$39.6 MILLION outstanding loan portfolio

Project-to-Date Spending

Loan Capital and
Program Operations



RWANDA THRIVE

PROGRAM OVERVIEW

Savings groups, financial literacy, and changed mindsets continued to be an emphasis in the first half of fiscal year 2019 for Rwanda THRIVE.

The first cycle of Savings 4 Transformation (S4T) closed with share-out events, and the second cycle began for most savings groups.

Members of more than 250 groups invested savings of nearly \$190,000 into different income-generating activities, including agriculture, livestock, and small trading—a significant step in becoming eligible for loans through VisionFund. More than 250 savings groups have opened

VisionFund accounts and nearly 30 have received loans.

Farmers have become more purposeful in choosing profitable value chains and forming producer groups. This continues a shift away from past practices, when many tended to pick value chains that they thought would bring them handouts. Gaining an empowered view of the world is foundational to the success of clients and THRIVE.

The message of empowerment extended to youth, with nearly 500 young people completing vocational trainings in various trades.



6,997 farmers trained on improved agricultural techniques

Life-of-program target: 15,700

45%

15,600 people provided with access to financial services

Life-of-program target: 15,700

99%

11,484 farmers gained access to new markets

Life-of-program target: 12,150

95%

Accomplishments during this reporting period included:

- 266 savings group members invested combined savings of \$186,676 in different assets, including buying 5,900 pigs, chickens, goats, rabbits, sheep, and cows. The animals provide not only food through eggs, milk, and meat, but income through selling offspring. Ten members bought more land and 959 expanded small businesses.
- 95 producer groups sold products to markets local and beyond. In particular, corn growers supplied 462 tons to purchasing partner Africa Improved Foods at a price nearly 18% higher than the local market.

Project-to-Date Spending

\$1,549,199 spent

58%

SENEGAL VISIONFUND

PROGRAM OVERVIEW

The two newest of our six total VisionFund Senegal (VFS) branches that opened in southern Senegal in 2017 have strong continued growth. The Kedougou and Tambacounda branches increased their number of active borrowers to 4,829, with a portfolio of \$920,457.

These two branches, which serve the clients of several World Vision community development areas, are impacting families with a total of 19,694 children.

VisionFund continues to serve clients who are less likely to have access to financial services, those living in rural areas and working in agriculture and with livestock.

We have continued to exceed our target of 80% women clients. As of

March 2019, 88% of borrowers are women.

In the first half of fiscal year 2019, VFS has disbursed 1,422 loans, with the average first-time loan being \$253.

VisionFund has grown exponentially and continued to exceed goals. Changes from September 2015 through the first half of FY19 include:

- Loan portfolio: From \$981,000 to \$4.5 million.
- Active borrowers: From 6,737 to 18,995.
- 58% of borrowers now are located in rural areas



PROGRAM UPDATE

80,689 CHILDREN impacted by microfinance during the reporting period

18,995 ACTIVE BORROWERS

\$4.5 MILLION outstanding loan portfolio

Project-to-Date Spending

*Loan Capital and
Program Operations*

\$1,731,967 spent

74%

TANZANIA

PROGRAM OVERVIEW

During the first half of FY19 in Tanzania THRIVE, World Vision focused on improving access to markets, connecting people with financial services, and strengthening local partnerships to increase the sustainability of our work.

We continued working with 337 savings groups, coaching them on basic financial management, recordkeeping, and group dynamics. Share-outs from this reporting period impacted nearly 3,000 children, whose parents used the money to pay for education fees, school supplies, and healthy food.

Group members are now graduating into producer groups, more than half of whom are women and engaged primarily in poultry and banana value chains. The savings groups continue to be a source of small loans and provide opportunities for saving money.

Overall, farmers improved their businesses, invested loans in new enterprises, learned about entrepreneurship and financial literacy, saved money, and adopted effective agriculture techniques. Their incomes are increasing and their families are thriving.



8,898 farmers benefiting from improved agricultural technology

Life-of-program target: 8,300 107%

16,444 people accessing financial services

Life-of-program target: 15,561 106%

4,778 farmers with improved access to markets

Life-of-program target: 3,682 130%

Accomplishments during this reporting period included:

- 24,813 banana seedlings were distributed and planted by 983 smallholder farmers. Banana harvests also have increased, with 2,662 banana bunches harvested and sold. The project is working to strengthen established market centers and organize farmers for collective marketing, which will increase their bargaining power.
- 38 smallholder farmers, representing 29 producer groups, were trained to process, package, and brand their honey—a product that is becoming one of the main income sources in areas experiencing severe drought.

Project-to-date spending

\$13,497,466 spent 95%

ZAMBIA

PROGRAM OVERVIEW

Now in its third year, the THRIVE program in Zambia continues to experience positive growth.

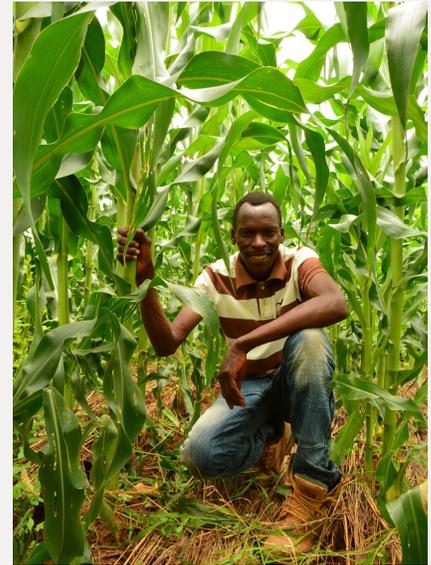
Through the first six months of FY19, the project already has exceeded 70% of its annual target for starting or adding new savings groups and members, and commercial producer groups and members. That figure also was surpassed for establishing and participation in Farmer Field Schools.

Nearly 6,000 smallholder farmers are engaged in six value chains, growing peanuts, soybeans, beans, corn, and other crops, and raising goats. They are learning to bulk products to gain

higher prices to increase income and better care for their families.

Farmers are being trained in post-market management, business, and marketing, all of which increase their understanding that farming is a business and requires that mindset to maximize growth in their enterprises.

“This would not have been possible without the sustained support from donors,” said Wilfred Mufwambi, World Vision’s THRIVE manager in Zambia. “We are really grateful for trusting us to carry the bigger vision of delivering transformation to vulnerable smallholder farmers.”



12,243 smallholder farmers used improved agricultural technology



7,849 people accessed financial services



5,996 farmers accessed new markets



Accomplishments during this reporting period included:

- 989 new farmers participated in commercial producer groups, a 20% increase from six months earlier. The number of producer groups increased 32%, and 3,298 commercial producer group members were trained in entrepreneurship.
- 528 participants joined savings groups, and 28 new groups were formed. Together with previously existing savings groups, members saved \$201,344.

Project-to-Date Spending



VISIONFUND GLOBAL

ONEVISION GLOBAL TECHNOLOGY FUND

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

Although funding to the OneVision Technology Fund slowed in the latter part of FY18 and into FY19, planned work continued in prioritized and funded microfinance institutions (MFIs). Two key areas of focus:

- Ongoing deployment and development of the BankBI Data repository and reporting tool
- In Myanmar, the deployment of Sun6, a cloud-based accounting system, and the initial implementation of Musoni, the cloud-based core banking system

Both elements are on, or ahead of, target for planned deliverables and overall program timelines.

Highlights for FY19 include:

Digital Financial Apps (Tablets):

Sri Lanka went live with Phase I of its digital financial apps (DFA) implementation, which supports the loan repayment collection process. Deployment to all branches has been achieved, supporting approximately 100 loan officers.

Workshops and process reviews for DFA implementations have been completed with Uganda, Kenya, and Malawi. Business planning and case preparation are under way to secure business approval.

Mobile Money: Due diligence work

for mobile money implementation has begun for Myanmar, Honduras, and Ghana, with business cases and requirements documented. These will be delivered in Q3, with funding and budgeting to be discussed and planned with regional and global management.

A new global agreement with vendor Software Group is under negotiation.

Data Warehouse: Following the implementation of BankBI across VisionFund's global network, all MFIs have their own independent environment for reporting data. Most MFIs provide data on a monthly basis. VisionFund intends to move all MFIs to daily data provision as other aspects of OneVision are completed.

The data warehouse focus has moved to data submission quality and timing. These areas are dependent upon in-country operational processes and use of core banking systems to provide both basic and enhanced data.

A new suite of reports and dashboards has been created for VisionFund, which will further drive usage and focus at the local level.

General Ledger – Sun6:

Implementation of Sun6 has been completed in Sri Lanka and Myanmar, and is close to completion in Ghana.

Work has begun in Serbia and Montenegro, with completion targeted by the end of FY19. In Honduras, the work will begin in Q3 and be completed by Q1 in FY20.

The financial accounting teams in Ghana, Zambia, and Sri Lanka are experiencing some practical issues related to staff turnover, additional training requirements, and gaining



confidence in using the new system. Work is continuing to support the local teams with additional training.

Core Banking: The implementation of Musoni, the strategic core banking platform in Myanmar, began with the first branches rolled onto the system in December 2018. Since then, about one-third of all branches serving Myanmar's more than 200,000 clients has had Musoni implemented. The balance of branches will be online by the end of Q3, per the original target of the program plan.

Business Process Re-engineering: Fieldwork and initial reports have been completed for Myanmar, Serbia, and Montenegro.

Change reports have been issued and work schedules agreed upon and begun with the respective MFIs. Work will continue to address the recommendations and resolutions through the rest of FY19 as expected.

VISIONFUND GLOBAL

WOMEN'S EMPOWERMENT FUND

The Women's Empowerment Fund (WEF) aims to build the resilience of women and their families, improve gender equality, and support the development of livelihoods by increasing access to and the quality of financial services available to vulnerable women. The fund is facilitated by VisionFund.

In areas VisionFund serves, like the Palorinya settlement for refugees in Uganda, the United Nations Commissioner for Refugees reports that 67% of heads of households are women.

The WEF encourages community savings groups, in which women

work to provide for their families, as well as rebuild confidence in their ability to send their children further through school than previously possible.

The first phase of this two-phase project grew loan capital for women to invest in small businesses and farms. In the first half of FY19, the second phase of the project was launched, with the goal of strengthening services and community links to savings groups, insurance products, and financial education for women.

In 2018, SEF International, World Vision's microfinance initiative

in Armenia, received the Agent of Change Award from the European Bank for Reconstruction and Development (EBRD) for Sustainable Energy Microlending. As of this May, SEF has made it to the second round of consideration for a 2019 Microfinance Award for Strengthening Resilience to Climate Change.



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

- In Armenia, a loyalty program to reward good repayment history was launched and benefited 1,046 female clients with quick, lower-interest loans. Another new loan allowed women to borrow up to \$2,100 to develop agricultural businesses. This loan is tailored to each client's needs and considers factors such as product seasonality and cash flows.
- In Myanmar, 153 clients in the delta region received loans from the fund, a positive impact that carried a ripple effect for 226 children. Altogether, 22,145 women were served at five branches.
- In Sri Lanka, a new loan product was launched in the Nikawaretiya branch exclusively for widows, single mothers, and women with disabilities. The product will be rolled out to other branches in the upcoming quarters, with clients introduced to it through training programs.
- In Uganda, a new branch opened and eight field officers were hired to serve savings groups near the Palorinya refugee settlement. The main product offered was a new linkage loan, which already has attracted strong interest from the settlement and women's business groups in town.

Project-to-Date Spending

*Loan Capital and
Operating Expenses*

\$2,722,473 spent **55%**



Right: Michael Khalika examines a plant and soil in a field filled with banana suckers in Malawi. Above: Farmers call the crop “green wealth.”



TRAINING HELPS FARMERS LAUNCH A COMEBACK

The name of a banana-growers group in Malawi is Tiwonyepo, or “let’s try and see.” Members are trying to grow banana suckers to replace fields devastated by disease. They see the start of a revival, with World Vision’s help.

Twenty years ago, Michael Khalika was considered a wealthy man by the standards of the Mpamba area in Malawi’s Kkhatabay district. He owned 12 acres of bananas and sold 4 tons a month. Then his banana plants were struck by the bunchy top virus, which affects the foliage and fruit. Within 18 months, he had none left.

A lack of knowledge cost him, Michael said, but “THRIVE has opened my eyes to know how to identify plants that have been infected by diseases, and also on what one can do to avoid further spread. If I had this knowledge then, I would still have had my plantation.”

In October 2017, World Vision helped Michael and 24 other farmers form the Tiwonyepo group, which aimed to produce banana suckers to distribute to members or sell to nonmembers. World Vision helps banana farmers boost production by learning to identify and control diseases.

After giving farmers basic training, World Vision (through its Chikwina/Mpamba program area) donated shovels, rakes, and machetes. Tiwonyepo’s nursery developed and

distributed suckers to members for their own fields.

“In our group, we are propagating banana varieties that are high-yielding, such as Williams and Grand Nain, and resilient to disease attacks,” said Emelia Mkandawire, Tiwonyepo chairperson. “These are slowly reviving the banana farming here.”

Once Tiwonyepo members have bananas to harvest and sell, they plan to use proceeds to help pay for household needs, such as soap, clothes, and school materials.

“We will increase the area for the suckers nursery so that we can produce more for sharing amongst ourselves, and also to sell to others at about [\$1.32] per sucker,” said Tony Milanzi, the group’s secretary.

Because of THRIVE, Michael is optimistic that his field will be full of bananas again, and that he’ll be equipped to deal with disease. “This will help me keep the garden with healthy plants only,” he said.



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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