



WCCN
40 YEARS OF SOLIDARITY



IMPACT REPORT 2023

ISSUED DECEMBER 2024

A NOTE FROM WCCN'S EXECUTIVE DIRECTOR

Dear Supporters,

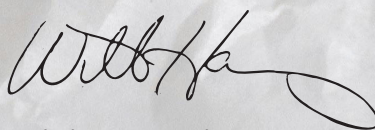
In our 40th year, we take a moment to celebrate our collective mission, working in solidarity with our partners and their low-income borrowers in Latin America to promote financial inclusion, gender equity and preservation of our mother Earth. 2023 presented many challenges for the people your generosity seeks to help, including the closure of some microfinance institutions, volatility in commodities prices such as coffee, rampant inflation, and political instability. Yet, with your investments and donations, WCCN's end-borrowers persisted.

Impact investors seek a return on their investment, while also looking for a specific impact through the same. While WCCN has repaid 100% of the principal and interest owed to its investors since 1991, the purpose of this report is to inform WCCN's supporters what their social impact return was for 2023.

In this report, you'll find detailed analysis and impact metrics that highlight the outcomes of our investments. These figures represent more than numbers; they represent some of the tangible benefits of your support and trust in the mission of WCCN. It is important to note as well that the impact of your support goes beyond numbers. In our travels we have met many of our end-borrowers, broken bread with them, laughed with them, and cried with them as we have listened to their life journeys and the role that access to credit has played in improving their income and giving them more options and opportunities. Many of those stories are impossible to quantify, but we share a few in this report to give you other perspectives.

As we look forward, we intend to continue to grow our impact in Latin America amid the many challenges of today's world, while also trying to better understand our impact. We would like to thank our investors, donors, and those who provide other kinds of support to our mission. **Please know that many low-income women and borrowers living in rural areas count on and appreciate your support as they work out of poverty and generate income to support their families in multiple ways.**

With gratitude,



William Harris
Executive Director

13,658

END BORROWERS SERVED IN 2023



WCCN
40 YEARS OF SOLIDARITY



Michael Kienitz

100%
Repayment of
interest & principal
to investors since
1991

66%
Women
Borrowers

56%
Live in
Rural Areas

More Than
\$160 MILLION
Invested in
Latin America
Since
1991

\$2,308
Average
Loan Size

89%
Of partners provide
non-financial
services

OUR PARTNERS

In 2023, **WCCN** worked with 22 microfinance and agricultural cooperatives in 8 countries. These institutions collectively disbursed more than 450,000 loans to low-income entrepreneurs, serving over 325,000 people with credit.

WCCN collaborates with partner financial organizations who are strategically operating in traditionally underserved regions and focus their efforts on economically marginalized communities. Beyond financial services, WCCN's partner organizations extend their influence by providing other essential services such as financial education and healthcare.

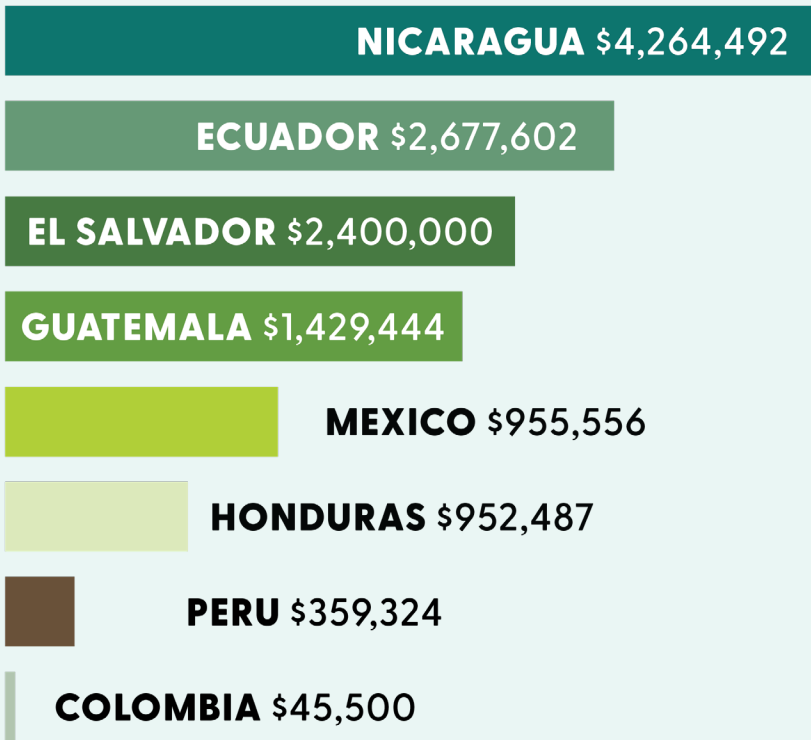
One of WCCN's longest-term partners, MiCredito has expanded its operations beyond Nicaragua and now works in Costa Rica and Honduras as well. In 2023, MiCredito extended financing to 7,108 women living in Nicaragua. MiCredito offers a remarkable number of loan products including working capital, education loans, life insurance, loans for home improvement and sanitation, solar panels, and healthcare loans.

It is easy to take financial services for granted living in the US or Europe, as they have been a part of the ecosystem for a long time, but in a country such as Nicaragua, they are uncommon among the working poor. In addition to financial services, MiCredito offers its clients non-financial services such as free or reduced-cost healthcare, as well as financial education.

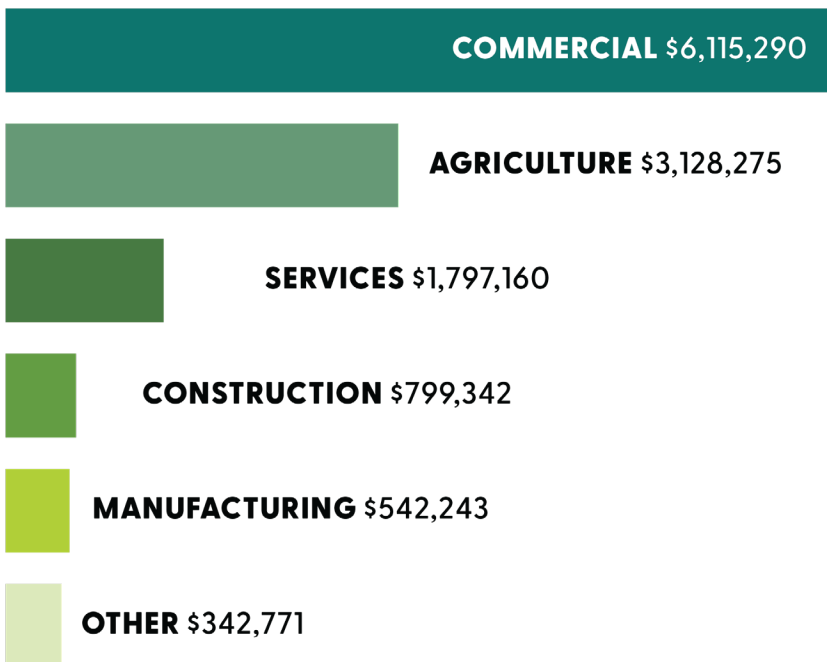
Most of WCCN's partners offer financial education to their borrowers. In 2023, MiCredito had 4,458 brand new clients, with 69% of their clients working only with MiCredito and not taking loans from other financial institutions. This makes the financial education programming ever more important as this may be the first time that the person has had the opportunity for access to credit. Understanding interest rates, savings, and cash flow are vital to the success of any business, and microbusinesses are no exception. Financial education ensures that the business won't get over-indebted and the micro-entrepreneurs are taking out the right amount of debt for their needs.



LOAN CONCENTRATION TO PARTNERS BY COUNTRY



MOST COMMON FINANCIAL PRODUCTS OFFERED BY PARTNERS



WCCN Partners Served

95,411

New Clients in 2023

Colombia MicroditoYa	Honduras (cont.) AHSETFIN Prisma Finsocial
Ecuador ESPOIR FACES INSOTEC	Mexico AVANZA SOLIDO
El Salvador ASEI PADECOMSM	Nicaragua Aldea Global FUNDENUSE FUNDESER MiCredito Nicaragua Pro Mujer Nicaragua PRODESA
Guatemala ADICLA ADIGUA CREDIGUATE SERVIGUA	Peru Rainforest Trading
Honduras AMC Honduras	

54%

OF PARTNERS' TOTAL ACTIVE CLIENTS ARE UNBANKED AND WOULD NOT OTHERWISE HAVE ACCESS TO CREDIT

FINANCING HELPED AN ESTIMATED

141,000

CLIENTS INCREASE THEIR INCOME IN

2023

BORROWER SPOTLIGHT



Will Harris



Manuela Olga Guarax Guatemala

Manuela Olga Guarax lives in Chichicastenango, Guatemala, which happens to be the home of the largest outdoor market in Central America, a place where people come from all over the Guatemalan highlands to buy, sell and trade. Manuela started her own business in 2019 to source and sell huipiles.

A huipil is a traditional tunic worn by indigenous women of Mesoamerica since pre-Columbian times. Huipiles are still popular today, and typically handmade by families that have been weaving for many generations.

Manuela's mother helped her start her business, sourcing high quality huipiles from trusted friends and family members to sell in the market. Manuela's business quickly earned a reputation for quality and the demand for her huipiles soared. With a 10% margin on each huipil, Manuela couldn't build enough cash to have a good

inventory. ***“With no capital, I couldn't buy sufficient stock and people would come to us because they knew we had good products available, but we couldn't meet the demand.”***

That is when she first heard about WCCN's lending partner, SERVIGUA, and their lending program that focuses on women. Manuela approached SERVIGUA about a working capital loan, which they provided. Since then, life has been much easier for Manuela as she has ample stock and can easily meet her financial obligations with her lender.

Manuela has used her extra income to enroll in nursing school. While she enjoys her retail business, she hopes to one day open her own small pharmacy and transition her energy and business skills to helping provide her community with healthcare.

OUR FOCUS AREAS

At **WCCN**, we're committed to fighting poverty through access to microfinance and social services. At the same time, we believe that to do so, we must address social inequality and climate change, building on a long tradition of working with communities to respond to their most pressing needs together. We recognize that **ECONOMIC JUSTICE**, **SOCIAL JUSTICE**, and **CLIMATE JUSTICE** are linked in complex ways. Each is central to sustainable development.

ECONOMIC JUSTICE

See Page 7

The fair distribution of economic burdens and benefits.



SOCIAL JUSTICE

See Page 8

Fostering a just society where every individual's rights are recognized and respected, and decisions are made fairly and honestly.



CLIMATE JUSTICE

See Page 9

The fair division of the benefits and burdens of climate change.



Amber Vroman

Investing In ECONOMIC JUSTICE

ECONOMIC JUSTICE: *The fair distribution of economic burdens and benefits.*

THE PROBLEM

Across Latin America 1.7 billion people do not have access to traditional financial services. The World Bank estimates that an average of only 55% of adults have bank accounts, and some turn to predatory lenders for cash in times of need. Without access to financial services including credit, it is difficult to acquire assets, save money for the future, and weather natural disasters, accidents and pandemics. Disenfranchised people - particularly vulnerable populations such as women and indigenous groups - struggle to make ends meet, and the cycle of poverty persists.

OUR APPROACH

We work with our partner microfinance institutions to extend financial services to groups that have been historically marginalized and excluded from the financial system. We pair financial services with non-financial services such as financial education, technical assistance, healthcare and other programming to support well-being and economic justice. With access to individual or group credit, microfinance borrowers can start and grow their businesses, save money, and reinvest in their enterprises. In addition, insurance products help support families in the event of sudden changes. Borrowers, their families, and communities as a whole are better equipped to meet basic needs, including having safe housing, access to healthcare, clean water, nutritious food and affordable, quality education.

Microcredit helps individuals and families build economic resilience in the face of the root causes of migration, which include economic hardship, violence and political upheaval. Helping families in places like Honduras and Guatemala remain in their communities by providing them with credit is the principal way in which WCCN combats the forces which oftentimes lead to migration.

WCCN's partners helped over 325,000 clients with credit in 2023. WCCN directly served 13,658 clients. Given the average size of a family in Latin America, WCCN helped improve the lives of 64,193 people in 2023.



Amber Vroman

MiCredito is expanding access to financial services for rural clients with their new mobile banking app. This tool allows clients to manage their finances without traveling long distances to reach a branch, addressing a significant challenge for many in remote areas. It's a step forward in ensuring financial services are within reach for everyone.

IMPACTED SUSTAINABLE DEVELOPMENTAL GOALS



Investing In SOCIAL JUSTICE

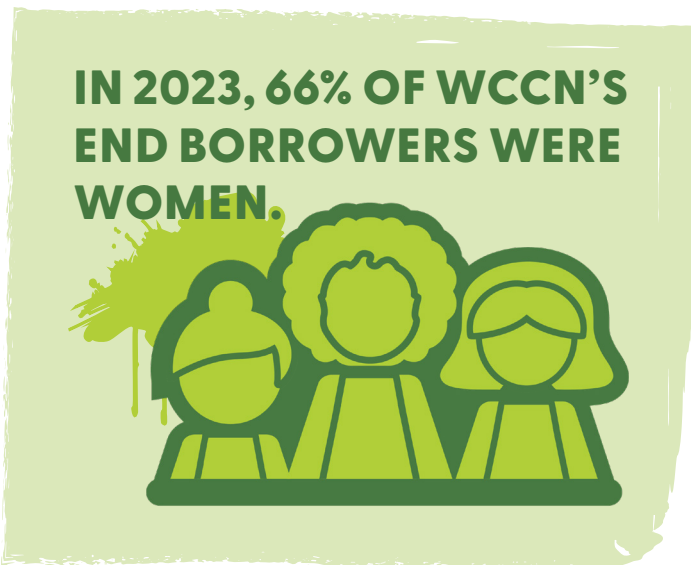
SOCIAL JUSTICE: *Fostering a just society where every individual's rights are recognized and respected, and decisions are made fairly and honestly.*

THE PROBLEM

In a diverse region rich in talent and natural resources, many groups do not receive equal rights and opportunities. Low-income and rural populations do not have access to many resources and services, including health care, education, and asset ownership. 51% of women in Latin America do not have a bank account, and only 11% have access to credit. Indigenous people – more than 53 million people from more than 800 cultures – are 2.7 times more likely to live in poverty than non-indigenous people.

OUR APPROACH

Intersecting with economic justice, social justice is a multi-faceted concept. For us, it means ensuring that women, rural farmers, and indigenous communities have equitable access to basic services such as health care, nutrition, clean water, housing, and education. In particular, financial inclusion for women is an important part of economic development. It helps people increase incomes, acquire assets, and weather tough times. Research shows that women with access to financial services increase household spending on nutritious food and education. Because of this, we work with our partners to support groups that have been traditionally excluded from financial and social services. As these groups thrive, so do their communities as a whole.



IMPACTED SUSTAINABLE DEVELOPMENTAL GOALS



Investing In CLIMATE JUSTICE

CLIMATE JUSTICE: *The fair division of the benefits and burdens of climate change.*

THE PROBLEM

Latin America is particularly vulnerable to climate change, especially in Central America where countries are bordered on both sides by oceans, and phenomena such as El Niño and La Niña, which have become less predictable, can bring devastating floods or droughts. Increasingly, climate events are leading to disruptions in the power grid, shortages in potable water and crop failures. The problem can be exacerbated by people in desperation turning to illegal logging and mining and taking advantage of other natural resources in order to survive.

OUR APPROACH

WCCN, in collaboration with our dedicated partners, is taking steps to address the urgent climate crisis. In 2023 WCCN made investments in two Nicaraguan microcredit organizations in the districts of Atlántico Norte, a region that has been the most impacted by tree loss, in an effort to spur economic growth that doesn't rely on deforestation.

Many of our partners promote eco-friendly practices through educational efforts and W.A.S.H initiatives. Aldea Global's agroforestry programs educate farmers on how to implement sustainable practices, such as shade-grown coffee, how to minimize petro chemicals and plant new varieties of coffee that are more resistant droughts and pests.

Another WCCN partner, ESPOIR, has begun to evaluate all of the agricultural loans it makes for climate risks. In doing so, it has been able to better hedge its investments while also speaking to their borrowers about the idea of climate adaptation and how farmers can use strategies such as sustainable pasture management, drainage systems, and drip irrigation to adapt to the effects of climate change.



Amber Vroman

IMPACTED SUSTAINABLE DEVELOPMENTAL GOALS



Inotec provided climate adaptation ag assistance to 2,227 farmers.



AHSETFIN donated 2,220 trees to end borrowers to help reforest their properties.



BORROWER SPOTLIGHT



Noemy Cruz El Salvador



Noemy Luci Cruz Orellana is a client of WCCN's Salvadoran partner ASEI. Noemy raised two children on her own, and provided the family with income through sewing, at first for a larger shop and later on her own. Life would take a difficult turn for her when her eyesight began to deteriorate, and she had trouble seeing the work she was trying to do at her fingertips. With no other options at the time, Noemy closed her small shop and did what she could to earn income out of her house. For many years she and her children experienced food insecurity and could only eat one meal a day.

As a teenager, Noemy's son was offered a spot in a solidarity baking circle where he learned how to make sweet breads and French bread. After some time, he was able to teach his sister and mother how to do the same, and as a family they started baking bread to sell directly

to other families. Despite Noemy's problem with her eyesight, the family grew their operation to where they now produce dozens of loaves every day for small stores that sell the bread for them.

Eventually the business created enough income that Noemy was able to access healthcare to see an eye doctor and relieve most of her eyesight issues. Once Noemy was in a good place, she encouraged her children to leave the business to pursue their own careers in other areas. Noemy said that beyond the improvements in her physical health, she is grateful for the peace of mind that her improved income has brought her. She is determined to pay it forward in her community as well, and has taught other women without any career opportunities how to bake French bread, so that they too can sell to small shops and homes.





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40 YEARS OF SOLIDARITY

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Mark Elsdon

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Investing For
SOCIAL CHANGE