



FINCA®

FINCA News

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Baking Success One Loan at a Time in Guatemala

Growing up in a very rural part of Santa Cruz del Quiché, Guatemala, little Jovan Emilio Chach used to play with his younger brother in the fields outside and pretend to bake cakes using scraps of paper. “Since I was a kid, I enjoyed baking and knew I wanted to be a baker,” said Jovan.

He got his first chance as an employee of another baker in his family’s village. Determined to have a business of his own someday, Jovan sought additional training from other bakers. Eventually, Jovan found the encouragement he needed in a fellow employee, Gregoria Caniz Zacarias, who would become his wife.

“After several years of working for others, Gregoria and I decided together to open and run a bakery out of our home.”

Going from business idea to operations though was not so easy. Jovan knew he’d need access to credit to get his dream off the ground. After all, he had a spouse and four young daughters to look after.

Around that time, he noticed ads in town and in social media on his mobile phone for FINCA loans. Jovan called the number listed, and a loan officer came out straight away to visit with him. Within three days, Jovan was approved for his first FINCA loan of 7,500 Quetzales (about \$1,000). It’s a day he won’t forget.

“My FINCA loan helped me pursue my dreams.”

With that crucial first loan, Jovan purchased an industrial mixer. A subsequent FINCA loan enabled him to purchase a second. Together, these machines helped Jovan reduce the time for production, expand his product variety, improve the quality of his goods and even lower costs.



Photo by Dawn Deeks

Jovan Emilio Chach with his wife and four daughters in Guatemala.

As output continued to grow in his home-based bakery, Jovan hired two workers to help with baking. But Jovan knew he’d soon need more help and a proper place to sell his delicacies. He began by opening a bake shop in town. Before long, he had three shops around town and a total of seven employees. Using another line of credit from FINCA, Jovan purchased a delivery van to conveniently transport goods between his kitchen and his bake shops.

From croissants to donuts to wedding cakes and nearly everything in between, Jovan’s bakery is in constant operation. Business income has enabled Jovan to meet his family’s basic needs and save for his daughters’ education. And, like the aroma of freshly baked bread pouring out of the kitchen, the positive impact of Jovan’s business has spread in all directions.

“There are so many poor people in our area and I want to help not only my family, but also my community.”

If you are interested in learning how you may support hardworking entrepreneurs like Jovan, please contact Colleen Zakrewsky, Senior Vice President, at (202) 971-4627 or Colleen.Zakrewsky@FINCA.org.

Letter from the President and CEO



Dear friends,

In the early days of microfinance, a single innovation pioneered by FINCA—Village Banking™—upended the way the global community thought about finance and development.

Today, the solutions are more varied and complex. So, too, are our approaches.

Small loans and savings accounts are still offered to rural communities, but access may come through more affordable, convenient tools, like mobile phones and banking agents. These offerings are complemented with life-enhancing and often income-producing goods, like solar energy, that are reliant on financing.

We are entering a new era of collaboration with a plethora of social enterprises that share our mission to dissolve the bottlenecks that keep our clients in poverty.

No matter the approach, we maintain an unwavering commitment to sustainable poverty alleviation, and to raising the standards of living of FINCA clients worldwide.

In gratitude for your trust and support,



Rupert W. Scofield
President and CEO, FINCA International

Financial Inclusion is Just a “Click” Away in DRC

With a bank penetration of just 6 percent, the Democratic Republic of the Congo (DRC) is one of the most under-banked countries in the world. In a country one-fourth the size of the US, traditional branch-based banking is not feasible; most of its 81 million residents live in remote and rural areas with poor or no infrastructure. So, FINCA has invested in innovative ways to take financial services closer to them.

Among the latest innovations is CLICK, a user-friendly, menu-driven mobile banking service that can be accessed with a common feature phone as well as with a smartphone. More than 40 percent of Congolese own a mobile phone. With CLICK, they can open bank accounts, manage their balances, make transfers and receive payments from other users. What’s more, clients can even transfer money to non-CLICK users.

By activating a CLICK account, clients gain access to a digital wallet and accumulate savings on a regular basis, no matter how small the deposits. Opening an account is paperless and fast, and many

of the services offered are free. Through CLICK, Congolese can now have financial access quite literally at their fingertips, no matter where they live.

CLICK complements FINCA’s other initiatives to expand financial inclusion in the DRC, including the eXpress agent network which processes over 85 percent of all client transactions in the country.



Photo by FINCA Staff

Transacting using biometric fingerprint recognition in DRC.

BrightLife Fights Deforestation in Uganda

As in much of the developing world, deforestation is rampant in northern Uganda. What makes Uganda's situation complex is that the quest for wood pits locals against 1.3 million refugees from war-ravaged neighboring countries.

Lutheran World Federation (LWF) has long worked in the region to improve forestry management and



Photo by Dawn Deeks

BrightLife solar energy lights up homes across Uganda.

increase the use of high-efficiency stoves. Recently, LWF recognized that solar lighting also could be part of the solution. Solar home systems allow people to reduce their expenditures on kerosene and on phone charging, making them more financially secure. The lights also would be a high-tech drawing card to an otherwise low-tech intervention.

To fit the pieces together, LWF decided to subsidize the purchase of BrightLife's solar home systems by people who plant trees. In addition to the subsidy (up to \$30 per household), LWF introduces BrightLife sales agents to community leaders. In turn, BrightLife brings high-quality solar technologies, marketing acumen and after sales support services.

In the project's pilot phase, BrightLife sold several hundred systems. LWF and BrightLife are now discussing a second phase with a much higher target. There are few easy wins in the fight against deforestation, but BrightLife and LWF are proving that innovative solutions do exist.

Celebrating 25 Years of Impact in Malawi

Since its first Village Bank loan in 1994, FINCA Malawi has become a significant microfinance institution with over 73,000 clients. Here are three ways FINCA is making an impact in Malawi:

Expanding Financial Inclusion: FINCA Malawi has grown from a single branch to 23 service locations countrywide. A network of banking agents, called FINCA eXpress (Banki Pachala), bring financial services closer to where people live and work. Also, FINCA Mobile offers a convenient way to bank using a basic phone. These efforts make it easier for the disadvantaged, like women and the rural poor, to access finance.

Empowering Women: In Malawi, 63 percent of FINCA's clients are women, like Agnes Chitsotso. This mother was one of FINCA Malawi's first clients. She used FINCA loans to run a thriving produce business, pay the school tuition for her six children, build two new homes and care for her four grandchildren.

Contributing to the Economy: FINCA Malawi's financial services empower clients to meet their business needs while contributing to the wider



Photo by FINCA Staff

Agnes Chitsotso, one of the first FINCA clients in Malawi.

economy. Moreover, FINCA-funded enterprises employ more than 105,000 Malawians. FINCA Malawi itself directly employs some 400 people who earn regular incomes, and engages a growing network of agents across the country who earn commissions.



To learn more about the impact of responsible finance, visit results.finca.org

Changing Lives for Many Years to Come

Nearly 30 years ago, Susan Dodd attended an event at her church that featured FINCA's co-founder, John Hatch, speaking about global poverty alleviation. Susan instantly fell in love with FINCA's vision and mission. A retired physical trainer and avid traveler, Susan had recently returned from trips to Morocco and Turkey. While there, she had seen first-hand the poverty and hardships that "people in the United States just can't imagine."

Susan vividly recalls visiting a group of women in Morocco who beaded bracelets and other jewelry items for a living. The conditions they worked in were less than ideal. They repeatedly told Susan that a few improvements and some additional tools would greatly increase their productivity, sales and profits. When Susan heard John speaking about the power of microloans to transform lives, she thought back to the beaders and contemplated how they might benefit from small loans.

If her memory of the event is correct, Susan wrote John a check on the spot, and she's been donating to FINCA ever since. As her means rose over the years, so too has her giving. This year, she started thinking about her legacy and decided to include FINCA in her will. She's thrilled to know that the commitment she made to FINCA will continue to change lives around the world for many years to come.



Susan Dodd near Hagia Sophia in Istanbul, Turkey.

Join the Circle of Hope

The Circle of Hope is a monthly giving program. By becoming a sustaining monthly donor, you create a reliable source of funds that improves the livelihoods of poor families each day of the year! It's one of the most cost-effective—and easiest—ways to support FINCA's mission.

To get started, visit www.FINCA.org/circle or call us on (202) 682-1510.

Build Your Legacy

You can ensure a lasting impact on poverty by making FINCA a beneficiary in your trust or will. Your charitable bequest will express the values that you hold to your loved ones as well as your commitment to fighting global poverty—a legacy that can last forever.

For more information, please contact Colleen Zakrewsky at (202) 971-4627 or Colleen.Zakrewsky@FINCA.org.

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Tomorrow's Promise



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