



FINCA®

# FINCA News

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## Lighting the Path to Energy and Financial Inclusion in Uganda

Norah Basembera lives in the western Ugandan district of Masindi. She is employed and would like a loan to build a few small rooms for rental income. But Norah lacks collateral, which means she does not qualify for traditional bank loans. Poor and low-income women often lack savings, land or other physical assets that banks accept as collateral. Even a Ugandan woman with assets may struggle to qualify for a loan; land titles, for example, are usually in a man's name.

In March, BrightLife and FINCA Uganda launched a new product, called *Prosper*, designed to provide a solution for people like Norah. Through *Prosper*, Ugandan households may affordably acquire solar home systems from BrightLife using pay-as-you-go (PAYGo) financing, build credit histories and then access savings, loan and other financial products from FINCA Uganda.

Norah recently enrolled in the program. After repaying her PAYGo energy loan in full and on time, Norah will qualify for a 20 percent rebate to deposit

into a FINCA Uganda savings account. Instantly, then, she will be eligible for a loan at a multiple of her deposit amount. It's just the opportunity Norah needed.

**“The good thing with this product is that it is for the poor. I want to extend my appreciation to BrightLife and FINCA Uganda for thinking about the poor.”**

*Prosper* tackles two issues at once. It helps Ugandans access BrightLife's clean energy products that create healthier and safer homes, increase productivity, reduce household expenses and provide additional income-generating opportunities. At the same time, it helps transition unbanked and under-banked BrightLife clients to FINCA Uganda where they can access a variety of savings and credit products for more impactful financial inclusion.

In addition, *Prosper*, allows BrightLife to credit-test customers that FINCA Uganda may otherwise not reach. This collaboration between BrightLife and FINCA Uganda demonstrates the strengths of continuously innovating to deliver products that truly benefit poor and low-income families.

Thanks to *Prosper*, a new generation of BrightLife clients will not only climb the energy ladder, but also gain access to responsible financial services that help families build assets, create jobs and raise their standard of living.

If you are interested in learning how you may support BrightLife, please contact Colleen Zakrewsky, Chief Development Officer, at (202) 971-4627 or [Colleen.Zakrewsky@FINCA.org](mailto:Colleen.Zakrewsky@FINCA.org).



Photo by Alison Wright

Anne Nanyka uses a BrightLife solar home system to care for her newborn.

# Letter from the President and CEO



Dear friends,

Entrepreneurial solutions to poverty are spreading around the world. The key becomes how to ensure life-enhancing innovations reach those who are traditionally neglected. Often, those left behind are considered too

difficult to reach (rural families) and uneconomical to serve (the poor). At FINCA, we have always been focused on reaching the underserved, and we continue to find new ways to achieve this.

For 27 years, FINCA has enabled access to small loans for women in Uganda. Yet, some still struggle to qualify for loans due to a host of socioeconomic factors. However, through PAYGo energy loans, BrightLife can credit-test unbanked individuals

to help them climb both the energy and financial inclusion ladders. Likewise, in Zambia, rural smallholder farmers lack the collateral to apply for a bank account, not to mention they may live hours from the nearest branch. Linking these farmers with FINCA Zambia savings accounts, accessible via mobile phones, brings them into the financial fold for the first time in their lives.

Of course, these are only a couple of examples that demonstrate how FINCA is reaching the underserved, aided by your generous support.

With your continued and generous support, we will reach many more,



Rupert W. Scofield  
President and CEO, FINCA International

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## Growing Farmer Incomes and Savings in Zambia

**A**ness Tembo and her husband are farmers in Pwata village, eastern Zambia. They used to earn the local equivalent of \$84 per month from selling their produce. On that income, paying for life's necessities, like education for their 11 children, was a struggle.

Then, Aness joined a program by Good Nature Agro, a new social enterprise working to raise family

incomes through legume seed farming. Aness started planting soybeans, cowpeas and other legumes in subsequent seasons. Three years on, Aness' life has been transformed. Her monthly income has shot up to about \$336, allowing her to move her family into a more modern, solar-powered house.

A FINCA Ventures partner company, Good Nature Agro works to bring smallholder farmers firmly into the middle class. It provides farmers with inputs, like seeds and fertilizer, and trains them in good farming practices and financial management. At harvest, Good Nature Agro buys all the seeds from its farmers and markets them. Because legumes are less common in the market than traditional cash crops like corn, they fetch premium prices.

Good Nature Agro is also working with FINCA Zambia to improve farmers' access to financial services. As part of a pilot program, select farmers can open savings accounts with FINCA Zambia into which Good Nature Agro makes digital deposits. Farmers can safely access these accounts from their mobile phones, a critical convenience given how far many live from the nearest financial service point.



Aness Tembo can access her FINCA Zambia savings account from a phone in the middle of her farm.

# Reaching the Most Vulnerable in Haiti

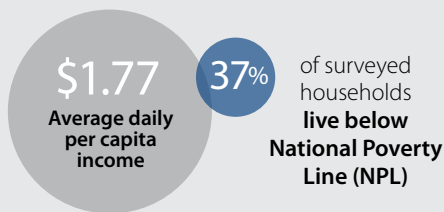
Thanks to generous support from Global Affairs Canada and Clifford Chance, FINCA's research team completed a survey of 848 active clients in Haiti. Survey findings confirm that FINCA's mission outreach is strong: More than two-thirds of FINCA Haiti borrowers are living on less than \$2 per day and about one-third live below the national poverty line. Additionally, 86 percent of FINCA's borrowers in Haiti are women—the second highest across the entire FINCA microfinance network. Unsurprisingly, we found that incomes

are markedly lower among women and people in rural areas.

The data, which you can explore below, also paints a sobering picture of public services in Haiti. Despite these challenges, FINCA Haiti clients are able to save their resources and secure basic assets. This shows that poverty is not a monolithic phenomenon in people's lives. Even while they contend with low incomes and difficult living conditions, FINCA clients are resilient.

## POVERTY LEVELS

More than 2/3 of borrowers, most of whom are female, live on less than \$2 per day.



**90%** of borrowers are using group loans (Village Banks).

## GENDER Women's daily income is considerably lower than men's.



**86%** of our clients are female.

Daily income<sup>1</sup>  
**Female** \$1.59      **Male** \$2.86



**52%** of our female clients are main breadwinners.

Incidence of poverty<sup>2</sup>  
**Female** 39%      **Male** 27%

## LOCATION



**40%** of borrowers live in rural areas, where poverty is more common.

Daily income<sup>1</sup>  
**Rural** \$1.46      **Urban** \$1.97

Incidence of poverty<sup>2</sup>  
**Rural** 44%      **Urban** 33%

**FAMILY SIZE** The average family has 5 members, including 2 children under the age of 16. Households with more children have lower incomes and a higher incidence of poverty.



Daily income<sup>1</sup>

**No Children** \$2.26    **1-3 Children** \$1.77    **4+ Children** \$0.95

Incidence of poverty<sup>2</sup>

**No Children** 28%    **1-3 Children** 34%    **4+ Children** 70%

## RURAL LIVING STANDARDS



### DRINKING WATER SOURCES



Treated water (truck, bottle, sachet, basin, gallon)

In-home faucet/DINEPA  
Other (such as artesian well or surface water)



### LIGHTING SOURCES



Electricity grid  
Lamps, candles or torches using diesel, oil, kerosene or paraffin

Solar  
Other (such as coal, firewood, biofuel)



### SANITARY FACILITY AT HOMES



Toilet flush  
Improved individual private latrine  
Improved public/collective latrine

Unimproved individual/private latrine  
Unimproved public/collective latrine

Hole in the plot/burying  
There is no sanitary facility (nature)

# Are We Making a Difference?

For nearly 20 years, the Bay Area Unitarian Universalist Church (BAUUC) in Houston, Texas has been raising money to support FINCA's mission. Their generosity has expanded FINCA's work in half a dozen countries. Recently, their fundraising activities netted \$5,000 which they invested in FINCA's program in Ecuador. Like many FINCA donors, BAUUC has an abiding interest in understanding how their money is being used and what impact it's making. They want to answer the question, "Are we making a difference?"

So, one church member, Peter Bowman, decided to organize a trip to Ecuador to check things out in-person. In mid-April, Peter and his partner, Mary Lou Darst, along with fellow church members Jennifer and Wally Calaway, flew to Quito. For two days, they met FINCA staff and clients in the heart of the city and deep in the countryside. One client who most impressed Wally was a woman who, along with her multi-generational family, ran a cabinet making workshop. "They were making



Peter, Jennifer, Wally and Mary Lou with FINCA Ecuador staff and a client.

furniture for a local school," remembers Wally. "Not only was the whole family being helped by FINCA, they were improving the community by employing others as well as by supplying inexpensive furniture that helped in educating the town's children. It was a win-win-win." For Peter the mission was a success. "Everyone we saw was making good use of their loans. It was great to see, and I was thrilled to bring the news back to the rest of the congregation and share with them what we learned."

## Double Your Impact



From now until July 31, donations to FINCA will go twice as far thanks to our special \$250,000 Matching Gift Challenge. Because of the match, your financial support today will create twice as many opportunities for the hardworking women and men we serve. Twice as many lives brightened. Twice the impact.

Visit [www.FINCA.org/match](http://www.FINCA.org/match) today to learn more and to make your gift.

## Provide a Legacy Supporting FINCA Clients for Generations

- **Stocks, Bonds or Mutual Funds**—Support FINCA with a gift of securities.
- **Bequest**—Include FINCA in your will or living trust.
- **Retirement Plan**—Make a qualified charitable distribution from a traditional or rollover individual retirement account (IRA) to FINCA.
- **Estate**—Include FINCA as a beneficiary of your IRA, 401(k) or life insurance policy.

For more information about any of these gift opportunities, please contact Bill Lane at [Bill.Lane@FINCA.org](mailto:Bill.Lane@FINCA.org) or (202) 971-4695.



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