



ECLOF
INTERNATIONAL

PROMOTE
SOCIAL JUSTICE
& HUMAN DIGNITY

ANNUAL REPORT 2017

ECLOF INTERNATIONAL IS A SWISS FOUNDATION ESTABLISHED IN GENEVA IN 1946

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◀ COVER PICTURE · ECLOF TANZANIA

Diana and Mariam, rice farmers clients
of ECLOF Tanzania at Kahe village.

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PROMOTE SOCIAL JUSTICE & HUMAN DIGNITY

OUR MISSION

ECLOF has a clear mission to promote social justice and human dignity through microfinance.

Microfinance services offer vulnerable and excluded people and groups access to capital resources that enable them to build sustainable livelihoods. This can open up a path from vulnerability to self-reliance and stability.

ECLOF's relationship with clients must be a partnership of equals, not the one-way relationship between donor and recipient. Our responsibility is to lend capital on reasonable terms appropriate to the circumstances of our clients. Their duty is to use it well, and then repay it. Both of us do our utmost, in the language of the Gospels, to be excellent stewards of the resources we share.

Our highest priority is to reach vulnerable communities, particularly in rural areas, which are excluded from access to formal sources of finance. We support them without regard to gender, race, creed or political persuasion.

Human dignity is our goal: a world where all can share the God-given benefits of the Earth in security and without fear for the future.

OUR VALUES

HUMAN DIGNITY

We respect the immeasurable value of every human life. Today inequality denies millions of people the chance to enjoy life in its fullness. We will purposefully work to enhance human dignity, so that everyone has access to resources they need to become providers for their families, employees, churches, and communities.

SOCIAL JUSTICE

Everyone has the right to food, education, health, a secure livelihood and the benefits of community life. We will help our clients to reclaim those rights through earning a living, which can protect them against calamity and build confidence in their capacity to choose their own futures.

SOLIDARITY

As fellow-citizens of one world, we will walk alongside our clients to listen to their concerns and work as partners with them as they act to improve their lives. At the international level, we will join, as members of the act Alliance, with other organizations to call for an end to the global structures and policies that perpetuate poverty and exclusion.

PARTICIPATION

All men and women have a right to shape their own destinies. In our work we will support vulnerable and marginalized groups. However as women, girls, and young people are disproportionately affected by poverty, we will specifically target initiatives that promote their participation and leadership in the economic, social, and political decisions which shape their lives.

CHAIRMAN'S STATEMENT

KIMANTHI MUTUA · CHAIRMAN



On behalf of the board of directors, I am delighted to present this 2017 annual report which marks further progress in the year under review. We moved forward in 2017 from the celebration of our 70th anniversary in 2016 with a renewed sense of enthusiasm, and we continued to make strong progress across our network in reaching out to our clients.

We were particularly pleased to note how the network has expanded its activities this year in developing a low income housing product. Dignified housing is an essential human right, but unfortunately low income people have traditionally been denied access to housing finance. We therefore welcome and encourage progress in recent years in the microfinance sector in addressing this very basic need for the low income population. The Report highlights the ECLOF network's efforts in this area in Myanmar, Jamaica and Colombia where we work in partnership with organizations like Habitat for Humanity in assisting disadvantaged people address problems of habitability, inadequate construction or critical overcrowding.

The network is constantly seeking to meet clients' needs and the Report contains some wonderful examples of how it meets these needs. For example in Kenya we work with the United Kingdom Department for International Development (DFID) in providing solutions for over 500 small-holder dairy farmers in meeting the challenges of shifts in weather patterns. We also have the case in India where we try to improve the livelihood of women infected with HIV who suffer from stigmatization and isolation.

We are constantly seeking to fulfil our commitment and adherence to the principles of Social Performance Management which puts our clients at the center of all

strategic and operational decisions in our network and is the effective translation of our mission into practice. We further advanced our work in this area, and we would encourage you to go to the ECLOF website where we have Social Performance Reports for six of our Members, with plans to complete further reports for the rest of our membership.

We recognise and appreciate the support of our many partners; we are grateful for their confidence in the network and for walking with us on our journey. We have been able to raise both technical assistance grants for the network to enhance local capacity, while at the same time we have been successful in securing loan funding which is channelled into our network to help extend client outreach. These resources are primarily directed to vulnerable communities in rural areas where we believe they can have real impact in assisting those communities and people who are often left behind and excluded from access to financial and non-financial services. The Report features two interviews with ECLOF partners that provide an informative and positive insight as to why these partners back ECLOF, and how together we are fully united in our focus and mission.

I would like to convey my gratitude to the ECLOF International Board for their wonderful support, and thank the ECLOF International staff for their dedication and professionalism throughout the year. I would also wish to thank our network members for their commitment and tireless efforts in promoting social justice and human dignity through reaching out to vulnerable and financially excluded communities.

OPERATIONS' REPORT

The year 2017 was a notable year for both ECLOF International and our membership, as we met and responded effectively to many challenges and successfully moved forward as a network.

One of our key objectives in ECLOF International has been to return ECLOF International to full sustainability, without the need for any grant support. We are very pleased that this was achieved in 2017, and we thank our many partners for their support in recent years as we pushed ahead to meet this objective. We also welcome the increased loan funding in 2017 to support the lending operations in the network, and this reflects our progress as an organisation, and more importantly the value of the field work undertaken throughout the network.

We have, as indicated in our 2016 Report, regrettably had to exit a number of countries where there were difficulties in reaching a sustainable scale of operations and achieving standards consistent with best international microfinance practice. However, the current 13 network membership made strong and very positive progress in 2017. The network has expanded its outreach both in terms of its loan portfolio and the number of clients it serves, while our regional distribution of both loans and clients remains broadly similar to 2016! Along with the industry-wide trend, we have seen demand shift slightly from group-based towards individual lending, while we are especially pleased to note the increase in the percentage of women borrowers from 67 % to 71 %, and the increase in rural outreach from 57 % to 60 %. This increase in rural outreach has actually grown from 50 % in 2013, so this is clear evidence of the ECLOF commitment to serve rural communities.

The welcome growth of our network members has also presented them with challenges, particularly around funding. We are therefore working with a number of our members to consider alternative legal structures, which might enable them to meet this challenge. The Report highlights the example of the Dominican Republic where the organisation transforms to a cooperative society, and this will enable them to attract both equity and deposit funding as they continue to expand outreach. We expect further changes with some other members in 2018, and we welcome these changes as they will enable the network to significantly increase client outreach and client impact. ECLOF International and the ECLOF Network Membership have all made considerable progress, and the planned changes in legal structures reflect this progress! We are well aware of the challenges of ensuring no mission drift arising from these legal changes, and this remains the key principal in any such changes.

We would especially like to thank and acknowledge the management and staff of our network members for their continued support in delivering a strongly governed and sustainable small scale socially orientated & client centric network, which focuses on the financial and non-financial inclusion of underserved communities.

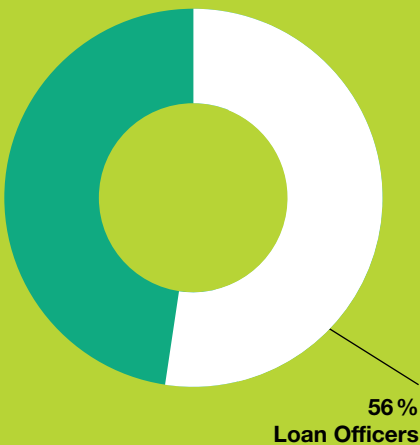
ECLOF NETWORK IN 2017

USD 38.96 M global portfolio
8 % of portfolio at risk > 30 days

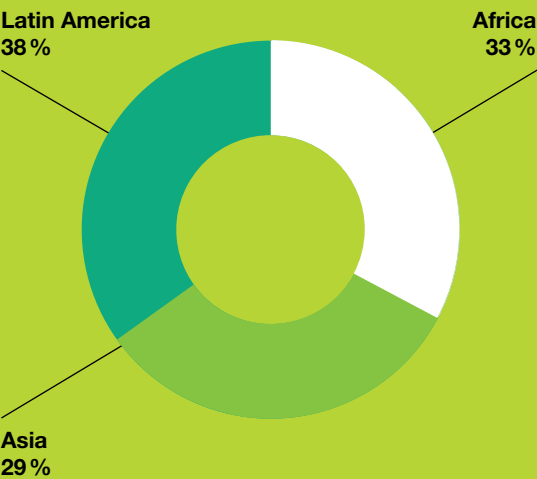
139,702 clients

88 branches
976 staff
548 loan officers (56 % of staff)

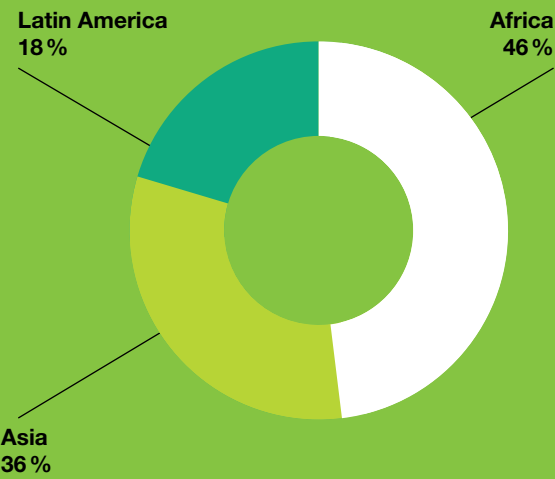
PERCENTAGE OF LOAN OFFICERS



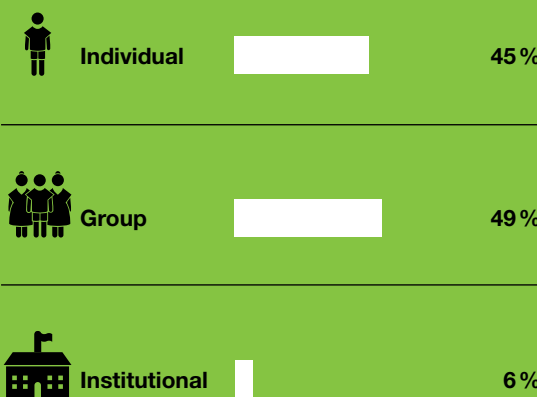
LOAN PORTFOLIO DISTRIBUTION



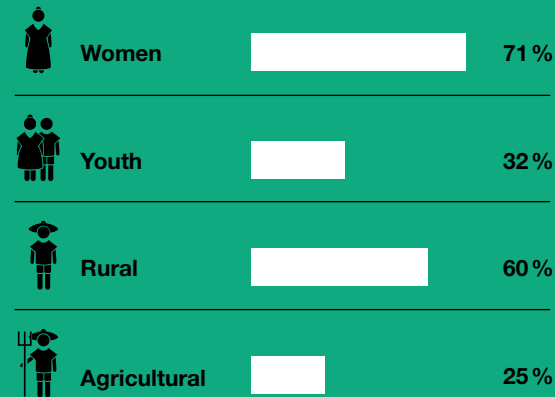
CLIENT DISTRIBUTION



LOAN PORTFOLIO COMPOSITION



SOCIAL OUTREACH TO BORROWERS



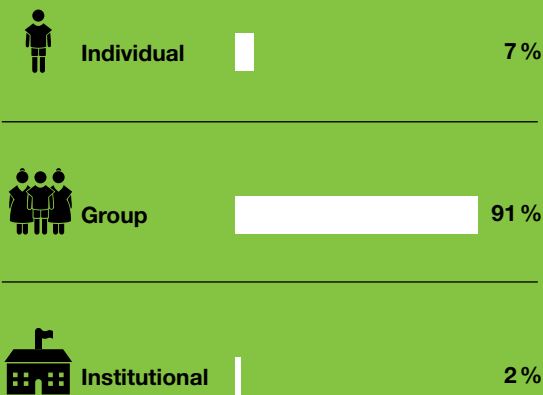
AFRICA

USD 13.01 M global portfolio
8% of portfolio at risk > 30 days

63,873 clients

33 branches
388 staff
197 loan officers (51 % of staff)

LOAN PORTFOLIO COMPOSITION



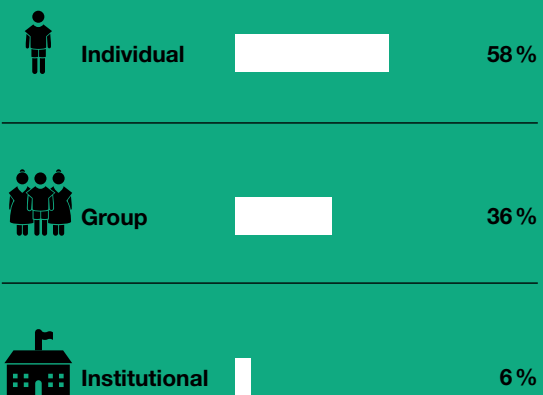
ASIA

USD 11.32 M global portfolio
11 % of portfolio at risk > 30 days

50,766 clients

31 branches
402 staff
256 loan officers (64 % of staff)

LOAN PORTFOLIO COMPOSITION



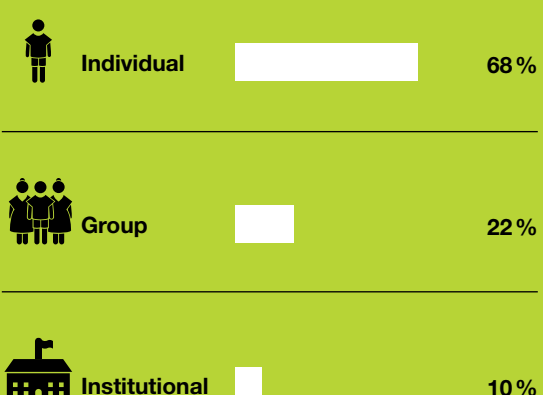
LATIN AMERICA

USD 14.62 M global portfolio
6% of portfolio at risk > 30 days

25,063 clients

24 branches
186 staff
95 loan officers (51 % of staff)

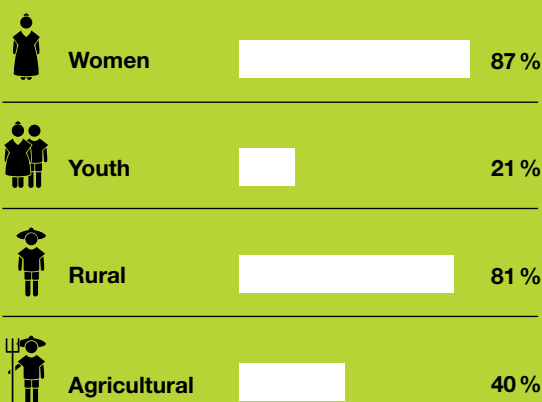
LOAN PORTFOLIO COMPOSITION



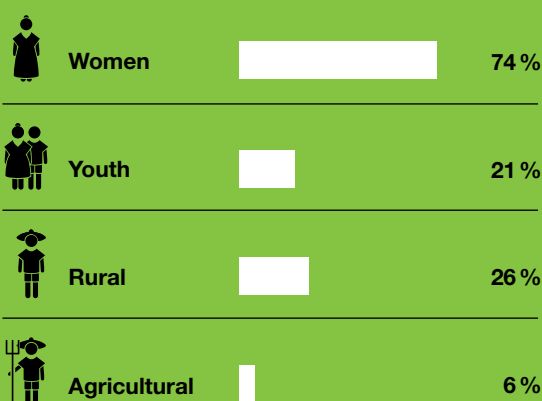
SOCIAL OUTREACH TO BORROWERS



SOCIAL OUTREACH TO BORROWERS



SOCIAL OUTREACH TO BORROWERS





ECLOF STRATEGIC THEMES

**“ECLOF’S LOANS ARE PERFECT
FOR MY BUSINESS BECAUSE
THEY COME WITH A GRACE
PERIOD THAT ALLOWS ME TO
FOCUS ON MY PRODUCTION
AND REPAY ONCE I MAKE THE
INCOME.”**

AMWEL MANENO, TANZANIA



INNOVATIVE CLIENT SERVICES

ECLOF places high emphasis on understanding the needs and preferences of different groups of clients and adapting services and delivery mechanisms to them. Designing products and services that meet those needs is not just a main principle of social performance in microfinance, it is also a driver for success and outreach of microfinance institutions.

The right products and services need to be beneficial to clients in progressing not just toward their business but also increasingly their family goals. In contrast to traditional microfinance that offered merely standardized credit products, ECLOF takes a more comprehensive approach of looking at its clients lives — and how ECLOF's services can help improve them. This has led us to developing new financial products that meet basic human needs, like that for health, education or a dignified home. Examples from Colombia, Myanmar and Jamaica showcase the trajectory of new housing loans at ECLOF.

It is recognized that a combination of access to finance with non-financial services is much more effective in increasing income, building assets and improving livelihoods. Therefore ECLOF works with likeminded partners to jointly achieve our mission, as ECLOF Colombia and its partners that operate with complementary skill sets to serve the displaced victims of the civil war.

For marginalized groups like refugees or women living with HIV, mere access to finance and related education can mean a world of difference. Examples from ECLOF in Armenia and India illustrate this.

ECLOF INDIA

ENTERPRISE TRAINING FOR HIV-INFECTED WOMEN IN INDIA

In India like in most places, people infected with HIV suffer from stigmatization and isolation. As a microfinance institution that serves exclusively women, ECLOF India is particularly concerned with women affected by the disease.

Marriage is the most frequent route of transmission of HIV for them, 90% have got the infection inadvertently from their husbands. Most of these women are now widows, and most have children, some of whom have themselves tested HIV positive. These families are in the most

precarious situations. Excluded from the normal labor market, they find it nearly impossible to make a living. Successfully building a micro business of their own can transform their lives.

In partnership with the NGO Positive Women Network, ECLOF India conducted two workshops on entrepreneurship and business management for HIV-affected women. The 55 participants were aged between 22 and 40, thus in the prime of their working lives. 20% of them already had a business while the rest inspired

to start one. The training conveyed practical skills and knowledge as well as a sense of community and self-confidence.

Some of the participants have since started or grown their own businesses. This has helped them find a place in their community and support themselves and their families. Increasing income also allowed them to improve their health by accessing treatment and better nutrition.

ECLOF MYANMAR

A HOUSING LOAN PRODUCT DESIGNED BY AND FOR CLIENTS

Housing is an essential human right. Inspired by a visit to ECLOF Philippines, the team of ECLOF Myanmar developed a housing loan product for their clients. Replicating the lessons learned in the Philippines about client-centric surveying and product developing, the team carried out a market assessment in Seik Phyu Township. Among the identified needs was home improve-

ment financing. After a pilot test with 8 clients over three months, the product was reshaped according to the feedback. The revised product targets marginalized households and can be used for financing home expansion or repair, building latrines or accessing electricity or safe drinking water. The product proved a success and is now rolled out to other branches.



CLIENT STORY

KHAING THAZIN OO

Khaing Thazin Oo, 42-year old mother of two, has been a long-time client of ECLOF, using loans for her farming and livestock rearing. When Khaing and her husband U San Thein got married in 1999, they owned two cows and one acre of land. Through hard work, they managed to save money and start a small farm. But in 2011, their village was flooded and they were left with nothing. They were forced to move to northern Myanmar to find work in Jade mining. They found the working conditions too harsh and finally moved back to their native land looking for new opportunities.

With a first loan of USD 50 and business training from ECLOF, Khaing Thazin Oo started ambulant business selling petrol by foot. Soon they upgraded to a motor cycle to transport their goods. They generated enough income to reinvest in their farm and restart it. They were able to send their older daughter to the township boarder school.

To make their home safer against bad weather, they wanted to shift from a bamboo house to a 15 x 20 foot brick house. With a pilot housing loan from ECLOF over USD 360, they purchased

bricks and cement and completed their new house. Khaing Thazin Oo says their aspiration was merely to provide for the primary needs of their children, namely food and education, and to feel safe and secure in a solid home. They are also willing to share the fruits of their success with their neighbourhood, and have financially supported the social and religious activities of the village. They are grateful that ECLOF Myanmar supported them at a time when they needed it most.



ECLOF ARMENIA

OPEN ARMS FOR SYRIAN REFUGEES

4.2 million people have been forced to flee from Syria since the beginning of the conflict in 2011. Armenia hosts more than 20,000 Syrian refugees, most are of Armenian descent. Around half of them are registered as vulnerable and in need of humanitarian assistance. In proportion to its population, Armenia is among the countries with most Syrian refugees: 6 for every 1,000 inhabitants. At the same time, Armenia's GDP per capita is ten times smaller than the European Union average. As the Armenian government struggles with managing the refugee crisis, civil society is taking over to meet their needs.

ECLOF Armenia is part of the ACT Armenia Forum, a platform that brings together faith-based actors to jointly address the challenges brought by humanitarian crisis. ECLOF together with two other forum members, the World Council of Churches Armenia Inter-Church Charitable Round Table Foundation (ART) and the United Methodist Committee on Relief Armenia Mission (UMCOR) assessed the situation of the refugees and identified four areas of need: shelter, livelihoods, psychosocial support and community resilience. While many of the refugees have a good level of education and professional background, they have a hard time adapting to the Armenian economic and social con-

text, understanding the employment environment and dealing with barriers to integration. ECLOF Armenia offered training and consulting to the refugees at two levels:

Through career counseling and training on business plan development, participants learned how to start an income-generating project. The training covered topics such as business planning, market research, tax legislation in Armenia, and how to overcome obstacles and provide a competitive product or service. 127 refugees participated; some of whom have gone on and started their own micro business.

As part of the “Adopt a Family” program, ECLOF introduced 24 Syrian refugee families to their new social and cultural environment. They benefit from practical advice by ECLOF staff on how Armenian institutions function, how to apply for state assistance and how to navigate the medical and educational systems. They also learn about the financial sector in Armenia, business legislation and employment opportuni-

ties. There are also introductions to Armenian culture, lifestyle, cooking, language and expressions. ECLOF staff engage with them on guided tours of historic sites and museums and in social activities to meet with local people.

A memorable occasion was the Harvest Festival “Rural Life and Traditions”, an annual event gathering farmers, cooperatives, entrepreneurs

as well as local and international organizations. Agricultural products, traditional handicraft and food are presented and sold. ECLOF invited three Syrian entrepreneurs making knitted baby clothes, jewelry and pastry to present their products and build their network.

ECLOF JAMAICA

LOW INCOME HOUSING LOANS: AN INNOVATIVE PRODUCT

Adequate housing is a recognized human right: a secure home in a safe community where one can live in peace and dignity. Even small improvements in the housing situation can lead a person to higher social status, self-worth and social inclusion.

According to government data, Jamaica is facing a deficit of approximately 450,000 homes annually.

Many Jamaicans live in substandard housing conditions without possibility of renting or purchasing better living spaces due to limited income. Loan financing for home purchase or improvement is generally available only to the top 30% of income earners. Meanwhile, self-employed people who are the typical clients of ECLOF Jamaica have no access to housing loans.

It is important for ECLOF Jamaica to meet this basic need of its customers. ECLOF Jamaica has developed a housing loan for low income earners—both salaried and self-employed workers. 67 % of these loans go to women who are main bread winners of their families, mostly in urban areas. Loan sizes range between USD 400 and USD 4,000, with an average of USD 1,000.

CLIENT STORY

MS. N'GELL DALEY

Ms. N'gell Daley lives with her husband and three boys in a house owned by her mother in an inner city enclave of Kingston. N'gell is the family's main bread winner and even supports her mother and siblings who live with them. The large family living in one common house had to deal with a substandard external bathroom and latrine.

Even though she earns a steady small income, N'gell had difficulty accessing credit from a bank or from other micro-lenders given the small loan amount and difficult collateral requirements.

With her first housing loan from ECLOF over USD 560, the family built modern bathroom and toi-

let amenities inside the families' common dwelling. A second loan of USD 1,200 was used towards completion of the facilities. Both loans served to buy building materials, while labour was supplied by the family members.



ECLOF COLOMBIA

DIGNIFIED HOMES FOR THE DISPLACED VICTIMS OF THE CIVIL WAR

Decades of conflict in Colombia have claimed the lives of 262,000 people, 82 % of whom were civilians. 45,000 people disappeared and 6.9 million were displaced. The internally displaced are often vulnerable to poverty as they have had to leave everything behind and start from zero in a new place. 200 of ECLOF's clients in Colombia are from this group – and most of them use loans for home improvement.

In partnership with international NGO Habitat for Humanity, ECLOF Colombia decided to offer these loans under the name “Renew your home”; for example in Ciudadela Sucre, a neighborhood of Bogota

where many victims of forced displacement originally built precarious informal settlements. The soil is not suitable for construction because it is a mix of earth and sand and walls are often built with inappropriate materials. Inhabitants deal with problems of habitability, inadequate construction and critical overcrowding. To offer an effective solution to this population, ECLOF works with partners who each bring complementary skills and expertise. While ECLOF provides financial literacy training and loans for building material, partners contribute technical assistance. Habitat for Humanity coordinates the inhabitants' needs and directs service like the advice of an architect or an engi-

neer to the clients' construction site. Cement supplier Cemex Colombia provides clients with building materials at preferential prices.

ECLOF Colombia has adapted its approach to the challenges faced by the target clients. Because of low income, the typical client cannot afford to do all the necessary work at once. A consecutive credit strategy allows for incremental improvements. And in some cases, a home is both working and living space, and its improvement not only enhances the life quality of the family, but also the client's productivity and creditworthiness.



CLIENT STORIES

ZENAIDA MORALES DIAZ

Zenaida had to flee her village because of the violence. When she arrived in Soacha, she lived with 6 of her family members in a plastic tent on wooden sticks. She started as a street vendor for juice and coffee. To earn additional income, she also cleaned cars and patrolled the streets for security. A working capital loan from ECLOF let her grow the beverage business. Then, with help from ECLOF and Habitat for Humanity, Zenaida built a house for her family with two bedrooms, a kitchen and a dining room. While ECLOF provided micro loans, Habitat granted construction technical assistance.

Next, Zenaida plans to upgrade the floor and the ceiling. She is happy now to have a comfortable home with her family in Ciudadela.

MARIO ALIRIO MENA ASPRILLA

Mario Mena is 41 years old and has three children. 10 years ago he fled the violence in his native Chocó with his family. During the first four years, he sold candies and peanuts on buses until he had enough funds to start a diner outside his home. Loans from ECLOF and advice from Cemex experts during the construction process allowed him to upgrade both the business and the residential premise. As his restaurant became more welcoming, its popularity increased and the place attracted more customers. Mario Mena is grateful for the support that improved both the life quality of his family and the returns from his business.



RURAL & AGRICULTURE OUTREACH

There are 500 million smallholder farms world-wide. In Sub-Saharan African and Asia, they produce around 80 % of the food consumed. At the same time, most of the world's poor reside in rural areas of developing countries. Enhanced smallholder agriculture can offer a route out of poverty for rural populations while increasing food security. But it needs to be commercially viable and environmentally sustainable—and adapted to climate change. ECLOF Kenya illustrates how we build the resilience of our farmer clients to climate change at the example of the dairy value chain. The example of the demonstration farm in the Philippines highlights how innovation in product offering can lead to self-sustainability.

Reducing rural poverty and promoting economic growth requires a broad approach, based on a deep understanding of the local

economies and communal ties. For long-term impact, the rural economies need continuous funding in combination with capacity building to improve the capability of the borrowers to pay back their loans and improve their living conditions. Stories from a rural town in Uganda and the Andean highlands in Ecuador are a point in case here.

Rural dwellers need to be able to borrow, save, invest and protect their families against risk. But with little income or collateral, poor people, especially women, are barred from access to loans from banks and other formal financial institutions. And to those willing to bridge the gap, challenges abound: infrastructure is scarce or non-existent in rural areas, clients are far flung, transaction costs are high, and the agricultural yields can fluctuate depending on uncontrollable factors.

ECLOF addresses these issues through locally-rooted financial and non-financial services to rural dwellers and farmers. More than half of ECLOF's clients world-wide are located in rural areas, and one quarter of the loan portfolio is dedicated to agricultural loans. ECLOF offers tailored products and services that are accessible to clients at the bottom of the pyramid, help them build capacities and increase yields through training and market linkages and reduce risks through micro insurance and emergency loans.

The following examples illustrate how ECLOF bridges the rural and agricultural funding gap with innovative approaches, promotes sustainable agricultural practices and empowers the local communities by bringing them together and building their capacity.



ECLOF PHILIPPINES

INNOVATING TO MAKE THE LEARNING FARM SUSTAINABLE

ECLOF Philippines operates an organic Learning Farm on the island of Palawan. It serves as a venue for learning, research and exposure of smallholder farmers to organic farming. The farm has two hectares of previously barren land designated for vegetable production and a 150 square meter training center. Two full-time staff operate the farm and organize the farmers' training, involving outside personnel when needed.

There is no charge to farmers for participating in organic farming training. The funding of the farm is a constant struggle. ECLOF Philippines

aims to make it self-sustainable by 2019 based on the sale of its own products. To distinguish its offering, ECLOF tested the cultivation of high-value crops in demand by the local tourism industry, like cauliflower, bell pepper or cherry tomatoes. However, these crops are normally found in the cold regions of Benguet in the Northern Philippines and are difficult to grow in the warm climate of Palawan. The restriction of using exclusively biological means to grow them did not make the task easier.

The ECLOF team developed organic fertilizers, insecticides and pesticides

through experimentation. As a result, the farm now produces high quality organic crops and is a step closer to self-sustainability.



INTERVIEW

**PRIMO S. SUZA,
FARM OFFICER
AT ECLOF PHILIPPINES**

Primo, you have been managing the ECLOF Learning Farm on Palawan since its inception nearly three years ago. What motivated you to apply your agricultural training and experience in the context of a financial institution like ECLOF?

As an agronomist and eager advocate of organic farming, I really appreciated ECLOF's efforts that go well beyond those of a "normal" microfinance institution: they want to help the country's agricultural sector with more than money and address wider issues like food security and care for the environment. Personally, I enjoy

learning from the field and conducting trainings on basic organic farming to share my knowledge and experience with farmers so they too can work alongside us in promoting safe food and environmental protection.

What have been the challenges in building and operating the Learning Farm?

From the outset it was tough to convert barren lands into a productive organic land. For example, the soil contained insufficient nutrients which we had to supplement through organic techniques. That was a slow process until we managed to grow

good quality produce. Also, we wanted to plant vegetables here on tropical Palawan that normally grow in the colder North. We had to try different techniques of organic farming to get good results. Now that the farm is thriving and growing, ECLOF Philippines has become well-known on the island of Palawan and was recognized by the local government such as the Department of Agriculture. As a conclusion, I would say that experience has proven to be our best teacher!

ECLOF ECUADOR

FROM A COMMUNITY BANK TO AN ECLOF LOAN: PARTNERSHIP FOR COMMUNITY DEVELOPMENT

Pedro Moncayo canton is located 40 kilometers outside of Quito at an altitude of 2,300 meters. The 33,000 inhabitants mainly work on large flower farms. Salaries are low and there are few other job opportunities. In partnership with the Rotary Club, ECLOF Ecuador engages in an integral program aimed at offering alternative income sources to these disadvantaged communities. ECLOF thereby provides micro business loans, training and organic agriculture development.

So far, loans of USD 200,000 have been given out to local micro entrepreneurs through the community bank ("banca comunal") model. Community banks are local self-

managed funds whose members benefit according to their business idea and needs. Each group manages their own assets, which typically amount to USD 2,000 or 3,000. At first, the group members finance their business with own savings and a loan from the community fund. As their projects grow, they access larger loans directly from ECLOF; the group can jointly access up to USD 10,000. Group members are trained on financial management, leadership, women empowerment and self-esteem. On a newly-built model farm, they learn organic agriculture. Businesses like textiles and crafts, petty trade and small-scale farming have been started out of those groups. The groups have been com-

mitted and well organized, and financially the project has been a success, too, with no loans overdue.

"El Centavito ahorrador" is one of the initiatives born in this program: grocery stores where people can buy food and necessities including agricultural products produced by the community at a lower price. The absence of intermediaries makes this possible. Individual shops are financed by a group loan and each of them is co-managed by six families. Other initiatives being funded include a retirement home and day care centers for children. This successful program has only just begun: so far, 20 community banks have been set up. The goal is to found another 40.

ECLOF TANZANIA

AGRICULTURAL VALUE CHAIN FINANCE

Selela ward in Northern Tanzania is home to 8,000 people. Most of them are of Maasai ethnicity and engage in agriculture and livestock. Especially women and youth face a high incidence of poverty. Nonetheless, the area has favorable conditions for agriculture. There are fountains, geysers and sufficient rain for farming.

Local farmers have developed innovative irrigation schemes to grow rice, banana or vegetables. ECLOF loans finance primarily these three value chains, all the way from farming over storing, milling and trading. In the livestock value chain, ECLOF finances feeds farming, processing and trading. Loans are typically used

for seeds, machinery, irrigation systems, plots or feeds. 75 % of ECLOF's loan clients in Selela are women.

TESTIMONY

AMWEL MANENO

I'm a farmer at Selela village, I grow local traditional products like onions, tomatoes or green pepper. I started with a small plot. In 2017, I attended a business training from ECLOF and got a first loan of USD 440 to buy manure and seeds.

ECLOF's loans are perfect for my business because they come with a grace period that allows me to focus on my production and repay once I make the income. The low interest rate of the loan compared to other providers in the area means that I

get to keep more of the profit. I used part of it to pay the university fees for my daughter.

ECLOF UGANDA

PARTNERING WITH UGANDA COOPERATIVE COLLEGE

Among the areas served by ECLOF in Uganda is Kigumba, a town in north-western Uganda. There the local Uganda Cooperative College trains around 300 students in business administration, cooperative management and other related courses. Over the years, ECLOF has developed a fruitful cooperation with the col-

lege. Students or graduates will be hired by ECLOF as interns and field officers. In other instances, ECLOF provides loans to graduates or staff to start their own business or agriculture. The college allows its staff to cultivate college-owned land. With a loan from ECLOF, college staff can build a second income source for

their family. ECLOF also trains them in business and agricultural matters and organizes groups to exchange around agricultural and financial issues. Furthermore, micro insurance supplied by ECLOF can help prospective farmers cope with risks linked to agriculture such as flooding, excessive rain, drought and fire.

CLIENT STORY

MR. OBOTH YONA

Mr. Oboth Yona is the bursar of Uganda Cooperative College and a client of ECLOF. With loans from ECLOF he started cultivating maize on 6 acres of college land. With the loans, he paid for seeds, insecticides and tractor hire. Training and weekly group meetings have helped him learn more about agricultural management. He now cultivates 25 acres that earn his family an additional income.

At a time when his plantation was affected by caterpillars causing severe damage to his plants, Oboth Yona appreciated the guidance that ECLOF's agronomist gave him on dealing with the pest. Mr. Yona says he appreciates ECLOF Uganda's payment terms suitable to agriculture: monthly interest payments and a balloon repayment after harvest. With the income he earned, he built a house for his family and paid school fees for his children.



ECLOF KENYA

SMALL DAIRY FARMERS AND CLIMATE SMART AGRICULTURE

In East Africa, climate change has manifested itself in reduced mean rainfall over the last years, a general temperature rise, and an enhanced frequency and intensity of drought and floods. Those shifts in weather patterns constitute one of the main challenges small dairy farmers face in Kenya: harvests of fodder and feed grains are decimated; livestock suffer from scarce water and disease.

In partnership with the United Kingdom Department for International Development (DFID), ECLOF Kenya supports aggregators and small-

holder dairy actors in humid areas of Embu and Bomet counties. Climate Smart Agriculture aims to sustainably increase agricultural productivity and incomes through diversification, build farmer resilience to climate change, and reduce greenhouse gas emissions. First, the needs of local smallholders were identified in a participatory assessment involving dairy farmers' representatives, dairy aggregators, milk transporters, local area chiefs and Kenya Government representatives. Challenges that milk producers face include low productivity, high and variable cost of feeds,

seasonal variability of yields, inadequate management, milk price fluctuation and insufficient labor supply.

What farmers needed was real empowerment, something beyond mere access to finance. Besides loans they requested training on technical issues like fodder and feeds cultivation, storage, animal nutrition and health management or breeds selection. ECLOF Kenya crafted a model farm program to provide smallholder farmers with practical training grounds. Through agribusiness consultants, ECLOF Kenya identified

and established lead farms in easily accessible areas. As a pilot project, four farmers were selected to host model farms in the two counties. To maximize impact, the inclusive program addresses the different actors of the value chain. Aggregators are given tools to increase efficiency, lower their cost and offer better prices to farmers, thereby taking out brokers and middlemen. Milk transport from farm to cooling plant is optimized. And ECLOF provides a newly developed short-term Dairy Advance Loan to cooperative societies to meet urgent needs such as paying the farmers on time.

As the hub, ECLOF Kenya brings together all the actors and provides them with loans and training. Participating dairy companies have committed to collecting milk from smallholder farmers at a good price. They also cooperate with ECLOF Kenya to ensure that the technical needs of the farmers are addressed. In total, 500 farmers were trained on ECLOF's demo-farm by agronomists, animal health specialists and credit officers. 269 farmers are currently benefiting from loans. Many of them have planted dense climate smart fodder, constructed quality cow sheds or made silage to minimize the cost of production.

So far, the project has been a big success. The milk production of participating farmers has doubled in two years. Numerous other cooperatives have approached ECLOF Kenya about partnership. And finally, small farmers now feel more empowered to withstand climate change.

TESTIMONY

EDWIN MURITHI NJAG

Mr. Edwin is a client of ECLOF Kenya's Embu Branch. He was trained on the model farm and attended trainings in Financial Literacy and Group Management.

"I used to dig pit latrines for my neighbors to maintain my family. But I was able to enter an ECLOF group and took a loan to get my first cow. Thanks to ECLOF's training, I managed well my small dairy business and got a second loan of USD 1,000. I used it to buy another cow that I named "Lois" (from the name of our first loan officer at ECLOF Kenya), lease a piece of land to plant fodder for my two cows and lease a tea farm for additional income.

Coming from a meagre pit digger income, I now earn USD 450 from the cows alone. I earn extra from selling calves and tea. Now my family is secure financially. I send my children to a private school where they get

high quality education. I no longer struggle and I am respected among my peers. At the moment, I employ casual laborers to help me pick tea. I have borrowed three loans from ECLOF Kenya and used a part of it to buy land for my family. I really appreciate the support of ECLOF Kenya. Through them, I have hope and can give hope."



SOCIAL PERFORMANCE MANAGEMENT

To hold itself accountable to its social mission and facilitate greater social impact, the ECLOF network has introduced the global standard of Social Performance Management (SPM) since 2011. Good SPM begins with a clear social strategy which is carried by board, management and employees. MFIs with strong SPM design products that help clients cope with emergencies, invest in economic opportunities, build assets and manage their daily and life cycle financial needs. Such MFIs also treat their employees responsibly and carefully balance the institution's financial and social goals. Shortly put: they place clients in the center of all strategic and operational decisions.

But strong SPM is not a status quo but an on-going journey. ECLOF International therefore regularly audits its member institutions on the status of their social performance practices. A recent example from Myanmar was even picked up in the leading SPM online publication by the Social Performance Task Force. Benchmarking our own audit results against those of our peers in a country or region can yield great insights and motivation to improve. An example from Ecuador illustrates this.



ECLOF MYANMAR

THE SOCIAL AUDIT EXPERIENCE OF ECLOF MYANMAR: PROCESS AND FOLLOW-UP ACTION

In September 2017, the Social Performance Task Force published the second edition of its official USSPM Implementation Guide. As a “one-stop” guide on practical SPM, the Guide is the leading online resource on how to put the Universal Standards for Social Performance Management into action. The Guide featured a case study about the social audit experience of ECLOF Myanmar. It serves to illustrate the social audit process to other MFIs in the industry. This inclusion of ECLOF in a leading industry resource is another example highlighting the active role ECLOF is taking in social

performance management among the global microfinance networks.

ECLOF International hired an experienced freelance auditor for the job. After some off-site preparation, the on-site assessment took the consultant five days. Based on the off-site preparation, interviews with board members, senior management and field staff were held; documents were reviewed. The consultant also ran focus group discussions with clients in two villages. The audit concluded with a de-briefing to management and board at the end of the week.

ECLOF Myanmar was found to be strong in delivering affordable, needs-based products to clients in rural areas and in balancing financial and social performance. It also became clear that improvements were needed to fully comply with ECLOF’s self-set mission statement: they included standards for the protection of client data and for resolving client complaints. Concrete social indicators needed to be developed. Together with local management, the consultant developed a time-bound and prioritized action plan for the upcoming work. In the aftermath of the audit, ECLOF International

worked closely with ECLOF Myanmar's management in making the necessary improvements:

- In a strategic planning session, board and management developed concrete social goals. They need to be developed into measurable indicators and included in the social dashboard for the board, the MIS system and management reporting formats.
- ECLOF Myanmar rolled out the collection of client poverty data using the PPI tool.
- A client satisfaction survey was developed and piloted.
- Client data protection procedures and a client complaints mechanism were introduced.
- Procedures were developed to handle staff grievance and track staff satisfaction.
- A new client-centric loan product, the "Household Improvement Loan", was developed and successfully piloted.

For ECLOF's team in Myanmar—and not last its clients—this social audit has led to noticeable improvements that have brought them ever more close to operating in line with best international practice.



The Universal Standards for Social Performance Management **Implementation Guide**

Social Performance Task Force

Author: **Leah Wardle**

Version 2, Published September 2017



CHURCHES & COMMUNITIES SUPPORT

ECLOF assists micro entrepreneurs and farmers in their activities in the poorest and most remote areas. Churches and their congregations take a role in the field in several ways: through financial assistance and providing tools and materials to support the entrepreneurs' work, thus enhancing the impact of the loan; through linkages with their network of partners; and by connecting ECLOF with potential beneficiaries in the communities. The example of ECLOF transforming to a cooperative society in the Dominican Republic shows how the local community can become involved in ECLOF as an important stakeholder.

Churches both in the global North and South are integral parts of the ECLOF solidarity chain supporting micro entrepreneurs and smallholder farmers. This year's report highlights interviews with representatives of a church and a faith-based investment organization from the global North that support ECLOF through a grant or an investment.

In some cases, ECLOF joins hands with women development officers to achieve its mission. This is illustrated by an example from Sri Lanka. An example from Brazil shows how technology is playing an ever more important role in sustainably delivering services to more dispersed rural communities.

ECLOF SRI LANKA

EMPOWERING WOMEN HAND IN HAND WITH LOCAL GOVERNMENT

ECLOF Sri Lanka serves almost exclusively women (98 %). They tend to be the most vulnerable suffering from poverty, lack of education, unemployment and generally absence of opportunity. To protect and enhance the status of women in the community, the Sri Lankan government deploys a grassroots force of officials, the Women Development Officers.

ECLOF Sri Lanka partners with these officials to create opportunities for women to start or grow a small business. The local Women Development Officer will group 15 to 20 women in a women society, giving them access to professional trainings free of charge. ECLOF will then support these trained women with advice and credit in implementing an income-generating project that can give them a chance to break the cycle of poverty.

CLIENT STORY

KUSUMA

Kusuma, 57, lives with her husband and four children in Gojaragama at the far end of Sri Lanka's North Western Province. The region is frequently subjected to droughts which lead to a shortage of income for the local population which mainly relies on agriculture to make a living.

To earn an income, Kusuma's started to produce and sell "Murukku", a popular product of fried gram and wheat flour. Her "Murukku Bites" in various tastes sold so well that she could not meet the demand anymore. When she participated in a vocational training on food processing given by the local Women Development Officer, she became acquainted with ECLOF. Together with other women they formed the Olu Kantha Samithiya women society. Commercial banks had turned her request for a loan down. Through the group structure, she was able to take her first small

loan from ECLOF for buying a machine to expand her production.

Although she has had no higher education, Kusuma is very resourceful and managed to grow her business to the point that she employed her husband and two adult children. With ECLOF loans, she purchased more machinery and got a registration with the public health inspection to gain in public confidence. Today the small business prospers and generates salaries for herself and her family members. Kusuma was able to provide her children with a decent education and they now raise their own children. Kusuma is especially proud of the admiration and respect she has gained from many entrepreneurs of the area.



ECLOF DOMINICAN REPUBLIC

BOUND TO BE THE FIRST COOPERATIVE INSTITUTION IN THE ECLOF NETWORK

Early cooperatives established in Germany in the 19th century were started to reduce poverty and indebtedness among small-scale farmers and craftsmen. The Raiffeisen model was based on the values of self-help, democracy and solidarity. It mobilized resources locally and involved the clients themselves in the governance of the institutions, thus creating a self-help dynamic. It is these spirits that ECLOF in the Dominican Republic is now invigorating: with the formation of COOP-ECLOF cooperative society. Initiated by the Dominican ECLOF NGO, the new cooperative will deliver innovative microfinance and non-financial services wider and deeper than before, while raising funds locally through savings.

This transformation is timely in light of the change the microfinance market in the country has seen in recent

years: formerly dominated by NGOs, there are now large savings and loan associations, the governmental Banca Solidaria and even commercial banks providing microfinance services.

The process of transformation began with a market study among ECLOF's current, past and potential microfinance clients in the country in 2015. 76% showed great interest in accessing more services such as savings and micro-insurance. 87% of former clients said they left because they obtained higher amounts and longer credit terms from other providers. As an unregulated institution, ECLOF Dominican Republic suffered from disadvantages that prevented it from meeting the growing demand.

The decision was taken to opt for the cooperative model. This structure makes it possible to meet an impor-

tant need of clients by taking savings. It allows the poorest to save for bad days or to start productive projects; and it gives them the opportunity to become actors of the cooperative. More capital and more members translates into higher outreach to low-income groups. Meanwhile, the transformation cost is moderate, as ECLOF already has the necessary human capital, facilities and technology platform.

With help from local experts and the Cooperative Credit and Development Institute (IDECOOP), the new COOP-ECLOF was constituted on September 26, 2017. It is going to fully start operations in 2018. At the opening ceremony, the mission of COOP-ECLOF was reiterated: to contribute to the development of the low-income and vulnerable population through financial services, training and assistance.



ECLOF BRAZIL (CEADE)

CLOSER TO CLIENTS THROUGH TECHNOLOGY

The majority of CEADe's clients come from vulnerable communities. Most are women living far-flung in rural areas. To reduce the high cost of serving this target group, CEADe is applying modern technology. Using a mobile phone and tablet app, CEADe's field staff collect customer data right at the client site and synchronize it directly with the central

office. Loan applications are assessed and processed centrally, while the loan officer can focus on building the relationship with the client, collecting the necessary data and handling loan disbursement and monitoring. This light approach has allowed CEADe to hire additional staff and serve even the most remote municipalities.

Because loan officers have become the sole representatives of ECLOF in the field, they now receive more intensive and regular training, covering a wide range of technical, credit and relationship issues. The loan officers welcome the higher level of responsibility and independence which enables them to reach more clients in less time.

TESTIMONY

GENALDO SILVA LOPES, CEADE LOAN OFFICER

"The new web-based mobile application and the electronic messaging have made my work simpler and more dynamic. The main benefit I see is the reduced time required for administrative tasks, especially the manual data entry and verification we did in the past is gone. This allows us to do more client recruiting and monitoring.

Although we have more time to dedicate to the customers, we must pay attention to the pitfalls. One challenge I have encountered is that we should not just look for the information the mobile app requires. We also need to look away from our phone and as before be attentive to our personal impression of the clients and their environment, and listen

to them. In my opinion, this is what makes the loan officer essential in the analysis process. I want to better understand the needs of our customers and validate the information they give us. That's what makes a good loan officer!"

INVESTOR INTERVIEW

SETON ENABLEMENT FUND “CONGRUENT WITH OUR MISSION: ECLOF’S LOCAL ROOTS AND FOCUS ON WOMEN, MICRO ENTREPRENEURS, AND FARMERS”

SISTER PATRICIA WITTBERG ADMINISTRATIVE DIRECTOR



The Seton Enablement Fund was begun in 1979 by the Sisters of Charity of Cincinnati, an apostolic Catholic community of women religious based in Ohio, United States. The fund honors their founder, Saint Elizabeth Ann Seton, and furthers her mission in today’s world. This systemic change investment program seeks to alleviate and address the problems faced by women, minorities, and those who are poor and/or have limited access to capital. The Fund makes low-interest loans to nonprofit organizations for low-income housing development, community development efforts or business ventures that directly benefit low-income communities. While most funding goes to the United States, up to 30 % can be used outside the US.

What is your investment policy, and how does it address the issue of economic justice?

Our loans are made to organizations that benefit the poor and underserved. Our lending criteria scrutinize how the poor and/or underserved will benefit and whether conventional financing is unavailable. They also look for adequate financial stability and business planning and just management practices on the side of the borrower. Lastly they require that the economically disadvantaged be empowered to develop themselves and their communities and that they are represented in leadership positions at the borrower organizations.

Why did your board decide to invest in ECLOF International?

We value that ECLOF as a network of locally rooted micro-finance organizations is close to the local people and aware of their needs. ECLOF’s focus on women, micro entrepreneurs, and smallholder farmers is congruent with our mission to empower the poorest and most underserved among us. ECLOF’s long history and experience of over 70 years and its Social Justice focus correspond with the mission and focus of the Seton Enablement Fund.

INTERVIEW

ECLOF, A FRONTIER MICROFINANCE ORGANIZATION THAT TRIES HARDER

PER SÖDERBERG
POLICY ADVISOR, CHURCH OF SWEDEN

Church of Sweden 

Through its international work, the Church of Sweden International Mission and Diakonia responds to inequalities and injustice in supporting long term development and humanitarian assistance. It works with church-related partners applying a human rights based approach, embedding gender justice issues and committing to contribute to the UN Sustainable development Goals.

The Church of Sweden has been a long-standing partner to ECLOF. In recent years, it has provided grant funding to help build the capacity of ECLOF's field staff and clients around the world, with particular focus on the Philippines, Myanmar and Uganda. The Church has also supported the development of the regional structure and the social performance management function at ECLOF International.

What are some of the development objectives of your Church, and how do you see ECLOF contributing to these objectives?

The Church of Sweden's development approach takes into account the perspectives of the people it is trying to assist. This requires participatory approaches that listen to people and approaches that empower people in more than one aspect of their livelihoods, for instance strengthening their capacity to organize people, to raise their voice to address human rights concerns, to gain access to social and financial services and to develop a more robust and resilient livelihood. ECLOF contributes to this with its approach to building resilient livelihoods through a client centric focus. ECLOF also endeavors to facilitate the organization of clients to inspire improved cooperation and sharing of good practices among clients.

In your view, where does the ECLOF network stand out from other microfinance providers?

Emanating from the World Council of Churches and being part of the church-related ACT Alliance, ECLOF is a global network yet closely tied to local church councils in the respective countries. Thus the mandate is clearly embedded in the local context and local understanding on how to tackle poverty and secure access to financial services. The strong focus on the social bottom line translates into ECLOF developing a client centric approach focusing on both clients and the human resource base of the local ECLOF organizations. ECLOF has always aspired to innovate to offer services that



are relevant and based on the needs and context, and is as such a frontier microfinance organization, ready to try a little bit harder and be a little bit more courageous. This creativity has led ECLOF into developing inspiring true small scale agriculture finance-models and insurance products.

Per, you have known ECLOF for many years now. How is it different today from the time you first got to know it?

ECLOF has always focused strongly on the social bottom line and locally led ECLOF organizations responding to local context. When the microfinance industry evolved in the 90-ies and 2000s, ECLOF had to renew its grant based model and allow for more outside influence and new perspectives. The last 10 years has seen ECLOF embracing a more up-to date structure and combining a social focus with the financial realities and opportunities in the industry. The ECLOF of today is a modern microfinance organization, but without compromising its social mission and particularity, creativity and innovation and not least still focusing on coaching and facilitating the local church leadership to take responsibility of their organizations at local level. This transition is due to the insightful leadership at both the international board and management levels.

How do you feel the support from your Church has aided ECLOF in this transition?

As a predominantly grant based entity, Church of Sweden participated actively in the strategic renewal of ECLOF at

the end of the 2000s, which saw a new strategy for ECLOF and a new organizational set-up replacing the old Board in favor of an expert board. Based on this new direction Church of Sweden decide to align its partnership with ECLOF, to financially support the organizational build-up and the tough decisions required. As also a number of the local ECLOF organizations needed support to prepare for the new realities Church of Sweden decided to support the human resource development and local capacity building to strengthen the local ECLOFs. Added to that, to enable a continued client centric approach and product innovation we also decided to support tailored product development in a number of different local ECLOFs, for example on agricultural finance.

How can an organization like ECLOF bring value to private sector-driven development?

ECLOF's affiliation with the WCC and ACT Alliance and the strong local rootedness in the Christian councils makes sure ECLOF contributes to the Sustainable Development Goals with both a value driven approach that puts people in the center over solutions that fail to take local context and the true needs of people vulnerable to climate change, social ills and inequalities. The ECLOF model is based on a bottom up approach to development, which is still a much needed perspective when designing solutions to global development issues.



















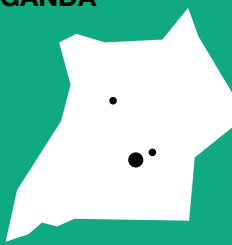







ECLOF KEY DATA

**“AS AN AGRONOMIST AND
EAGER ADVOCATE OF
ORGANIC FARMING, I REALLY
APPRECIATED ECLOF’S
EFFORTS THAT GO WELL
BEYOND THOSE OF A ‘NORMAL’
MICROFINANCE INSTITUTION.”**

PRIMO S. SUZA, FARM OFFICER AT ECLOF PHILIPPINES

ECLOF NETWORK KEY FIGURES

AFRICA DATA LOAN PORTFOLIO COMPOSITION SOCIAL OUTREACH TO BORROWERS









































KENYA	DATA	LOAN PORTFOLIO COMPOSITION	SOCIAL OUTREACH TO BORROWERS
	USD 10.36 M portfolio 56,628 clients 24 branches 305 staff 52 % loan officers	<div>  Individual 2 % </div> <div>  Group 98 % </div> <div>  Institutional 0 % </div>	<div>  Women 56 % </div> <div>  Youth 44 % </div> <div>  Rural 60 % </div> <div>  Agricultural 21 % </div>
TANZANIA	DATA	LOAN PORTFOLIO COMPOSITION	SOCIAL OUTREACH TO BORROWERS
	USD 1.78 M portfolio 5,866 clients 6 branches 59 staff 49 % loan officers	<div>  Individual 12 % </div> <div>  Group 88 % </div> <div>  Institutional 0 % </div>	<div>  Women 65 % </div> <div>  Youth 49 % </div> <div>  Rural 22 % </div> <div>  Agricultural 25 % </div>
UGANDA	DATA	LOAN PORTFOLIO COMPOSITION	SOCIAL OUTREACH TO BORROWERS
	USD 0.87 M portfolio 1,379 clients 3 branches 24 staff 33 % loan officers	<div>  Individual 58 % </div> <div>  Group 9 % </div> <div>  Institutional 33 % </div>	<div>  Women 67 % </div> <div>  Youth 24 % </div> <div>  Rural 44 % </div> <div>  Agricultural 14 % </div>

ASIA

DATA

LOAN PORTFOLIO COMPOSITION

SOCIAL OUTREACH TO BORROWERS









































ARMENIA 	USD 2.39 M portfolio 2,435 clients 4 branches 32 staff 56 % loan officers	 Individual 85 %  Group 0 %  Institutional 15 %	 Women 53 %  Youth 23 %  Rural 100 %  Agricultural 34 %
INDIA 	USD 1.03 M portfolio 6,304 clients 8 branches 19 staff 53 % loan officers	 Individual 2 %  Group 98 %  Institutional 0 %	 Women 100 %  Youth 30 %  Rural 88 %  Agricultural 36 %
MYANMAR 	USD 1.07 M portfolio 7,339 clients 4 branches 38 staff 51 % loan officers	 Individual 0 %  Group 100 %  Institutional 0 %	 Women 93 %  Youth 20 %  Rural 100 %  Agricultural 23 %
PHILIPPINES 	USD 5.18 M portfolio 20,233 clients 10 branches 263 staff 68 % loan officers	 Individual 86 %  Group 9 %  Institutional 5 %	 Women 77 %  Youth 20 %  Rural 71 %  Agricultural 51 %
SRI LANKA 	USD 1.64 M portfolio 14,455 clients 5 branches 50 staff 60 % loan officers	 Individual 6 %  Group 90 %  Institutional 4 %	 Women 98 %  Youth 20 %  Rural 80 %  Agricultural 35 %

LATIN AMERICA

DATA

LOAN PORTFOLIO COMPOSITION

SOCIAL OUTREACH TO BORROWERS

BRAZIL 	USD 0.46 M portfolio 1,367 clients 2 branches 9 staff 67 % loan officers	 Individual 8 %  Group 92 %  Institutional 0 %	 Women 69 %  Youth 25 %  Rural 58 %  Agricultural 26 %
COLOMBIA 	USD 2.76 M portfolio 2,385 clients 4 branches 28 staff 46 % loan officers	 Individual 100 %  Group 0 %  Institutional 0 %	 Women 51 %  Youth 17 %  Rural 52 %  Agricultural 29 %
DOMINICAN REPUBLIC 	USD 8.92 M portfolio 19,911 clients 15 branches 137 staff 50 % loan officers	 Individual 70 %  Group 22 %  Institutional 8 %	 Women 78 %  Youth 21 %  Rural 20 %  Agricultural 0 %
ECUADOR 	USD 2.25 M portfolio 1,163 clients 1 branches 7 staff 70 % loan officers	 Individual 32 %  Group 35 %  Institutional 33 %	 Women 54 %  Youth 14 %  Rural 41 %  Agricultural 41 %
JAMAICA 	USD 0.24 M portfolio 237 clients 2 branches 5 staff 60 % loan officers	 Individual 68 %  Group 1 %  Institutional 31 %	 Women 46 %  Youth 5 %  Rural 41 %  Agricultural 15 %



ECLOF NETWORK AT A GLANCE



**2 in 3 clients
are women**



**1 in every 4 clients
is a smallholder farmer**



USD 39 M
global portfolio

**88 branches
in
13 countries**



140,000
clients



USD 280
average loan



**One third of the
clients are less than
30 years old**



20,000
solidarity groups
with an average of
6 members

FINANCIAL STATEMENTS

BALANCE SHEET

in CHF as at December 31, 2017 and 2016

ASSETS	2017	2016		2017	2016
Current assets					
Bank balances & short term deposits	2,887,207	2,916,331	Interest Receivable from NECs		
Short term loans to			<i>From NECs in which</i>		
National Eclaf Committees (NECs)			<i>the entity holds an investment</i>	13,329	25,329
<i>From NECs in which</i>			<i>From other NECs</i>	556,995	678,007
<i>the entity holds an investment</i>	403,887	196,151	Provision on interest receivable	-94,204	-109,629
<i>From other NECs</i>	1,908,279	1,990,169	Net interest receivable	476,120	593,707
Short term interest receivable from NECs	35,177	24,596	Long term investments		
Management fees & other receivables			Equity Investment with NEC, net	633,728	644,672
from NECs	77,831	100,620	Investment with Oikocredit	12,939	13,238
Provision on management fees	-63,750	-63,750	Total long term investments	646,666	657,910
Net short term					
receivables from NECs	2,361,425	2,247,787	Total long term assets	16,862,879	16,251,521
Other short term receivables			Total assets	22,265,554	21,547,355
and prepaid expenses	16,985	12,878			
Accrued income	137,058	118,840			
Other receivables & accrued income	154,043	131,718			
Total current assets	5,402,676	5,295,835			
Long term assets					
Long term loans to					
National Eclaf Committees (NECs)					
<i>From NECs in which</i>					
<i>the entity holds an investment</i>	1,403,263	1,810,933			
<i>From other NECs</i>	16,231,540	17,571,297			
Provision on long term loans					
<i>From NECs in which</i>					
<i>the entity holds an investment</i>	0	-235,173			
<i>From other NECs</i>	-1,894,710	-4,147,153			
Net long term loans	15,740,093	14,999,904			

INCOME STATEMENT

in CHF as at December 31, 2017 and 2016

LIABILITIES & FUND BALANCES	2017	2016
Current liabilities & provisions		
Short term loans	60,000	60,000
Short term interest-bearing loans payable	986,763	775,407
Accrued expenses	75,398	86,616
Total current liabilities & provisions	1,122,161	922,023
Long term liabilities		
Interest-bearing loans payable	2,846,604	1,856,144
Total Interest-bearing long term Liabilities	2,846,604	1,856,144
Funds		
Unrestricted funds		
Capital fund	16,652,375	17,236,234
General fund	10,079	-126,635
Currency risk fund	481,760	446,190
Technical assistance fund	192,849	205,177
Guarantee fund	488,683	488,683
Total unrestricted funds	17,825,746	18,249,649
Restricted funds		
Technical assistance fund	51,198	99,693
Guarantee fund	419,846	419,846
Total restricted funds	471,044	519,539
Total funds	18,296,790	18,769,188
Total liabilities & fund balances	22,265,554	21,547,355

	2017	2016
Contributions from donors	446,756	636,531
Management & other fees	411,230	310,123
Interest income on loans	771,605	631,285
Total operating income	1,629,591	1,577,939
Operating expenses	-266,181	-292,082
Employees, consultants & related costs	-821,756	-825,678
Losses/provision on management fees receivable	0	-4,754
Allocation of contribution to technical assistance fund	-384,989	-533,337
Total operating expenses	-1,472,927	-1,655,851
Operating result	156,665	-77,912
Financial expenses	-136,504	-69,619
Financial income	0	589
Exchange gain/(losses)	-14,165	18,507
Extraordinary, non recurring or prior period expenses	4,083	1,800
Profit / (loss) for the year	10,079	-126,635
General fund at December 31	10,079	-126,635

PARTNERS



ECLOF NETWORK CONTACT DETAILS

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