



ECLOF
INTERNATIONAL

PROMOTE SOCIAL JUSTICE
& HUMAN DIGNITY

ANNUAL REPORT 2021

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ECLOF INTERNATIONAL IS A SWISS FOUNDATION ESTABLISHED IN GENEVA IN 1946

BOARD OF DIRECTORS

Mr Kimanthi Mutua · Chairperson
Ms Tamar Lebanidze · Vice Chair
Ms Ada Wiscovitch · Board Member
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Mr José Egas · Board member

MANAGING DIRECTOR

Mr Pat Gleeson

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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 organisations 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 marginalised 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 present ECLOF's annual report for 2021. It was another year of navigating the pandemic, though we began to see positive momentum in most Members as they rebuilt and responded to post pandemic demand from their clients. However, we unfortunately have Members where the challenges are proving difficult to overcome, and it will be a slow road to recovery.

The overall network registered a 7 % increase in its customer loan portfolio, which is close to the situation pre Covid, it saw an improvement in the portfolio at risk > 30 days, and we were encouraged by a strong rebound in the overall level of sustainability. On the other side, ECLOF International returned to sustainability in 2021 as we offset reduced income flows through prudent cost management.

We once again are very happy to share examples of the wonderful work undertaken throughout the ECLOF network. We learn about how ECLOF Kenya is using "Tuongee" (Let's talk) client forums as a simple and practical approach to support and encourage clients to see that there is life after Covid. We are encouraged by the bravery and fortitude demonstrated by our colleagues in Myanmar, who despite the hardship imposed by the military coup, have shifted to survival mode and are actively helping people avoid hunger and help people protect from Covid. We are inspired by the resilience of Samuel Beriguete, a coop-member and a client of ECLOF Dominican Republic, who despite the loss of his eyesight at age 20, has built various successful businesses over the years.

We maintain our focus on social performance and impact, so in 2021, the ECLOF network became a founding partner to the Financial Inclusion Index, a global effort to promote standards and develop comparable impact data across the microfinance sector. We thank our many and

committed funding and technical assistance partners, who share our values and continue to support us in our work. This symmetry of values is very clearly expressed in the Report by Kiva's Kathy Guis who references how "I'm inspired by the dedication and passion of the ECLOF Kenya staff towards their mission".

As we journey in 2022, there are uncertain times ahead. We witness at first hand the devastating impact of the Ukrainian war on the entire world stage; there is the continuing coup in Myanmar, the economic collapse of the Sri Lankan economy, and a macroeconomic landscape under real pressure with rising inflation & rising interest rates.

All of these factors will negatively impact upon the countries in which the ECLOF network operates, but it is those vulnerable communities served by ECLOF who will be the hardest hit. These communities will face declining income and struggles to put food on the table. This will only again continue the trend over the past two years of increased vulnerability and reversing gains in recent years in moving people out of poverty. It is against this uncertain road ahead that I will repeat what I said in the 2020 Report: "The fact remains that now more than ever, the ECLOF mission, values and work remain critical if we are to ensure the marginalized and weaker members in our society are not left even further behind".

I thank the ECLOF International Board for their wonderful support, and the ECLOF International staff for their professionalism in responding to what are difficult times. I especially acknowledge and profess my admiration for the courage and bravery exhibited throughout our network. While there are uncertain times ahead, we will continue to stand with our clients and we will continue to promote social justice and human dignity through our micro-finance network. •

ECLOF NETWORK IN 2021

USD 44.11 M Global Portfolio
14 % of Portfolio at Risk > 30 days

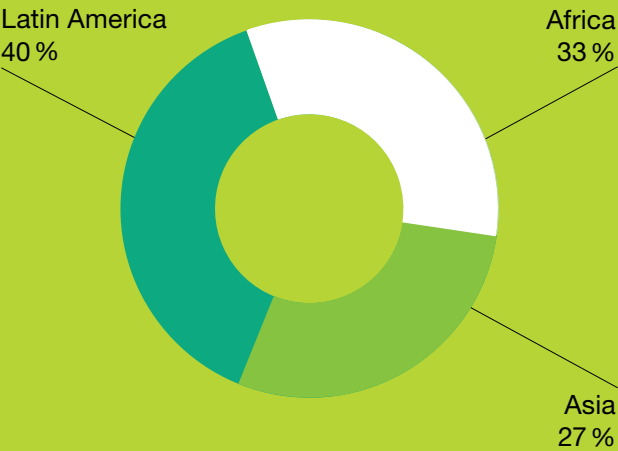
125,933 Clients

81 Branches
876 Staff
475 Loan Officers (54 % of staff)

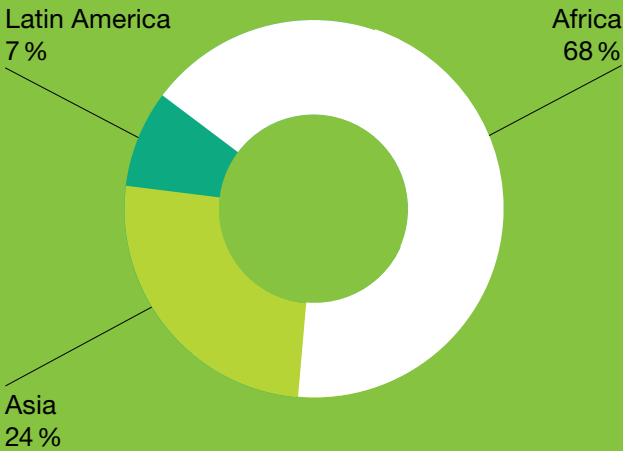
PERCENTAGE OF LOAN OFFICERS



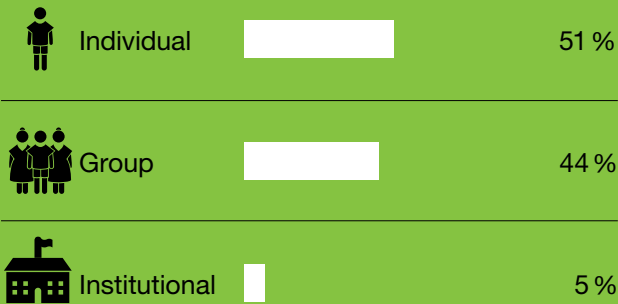
LOAN PORTFOLIO DISTRIBUTION



CLIENT DISTRIBUTION



LOAN PORTFOLIO COMPOSITION



SOCIAL OUTREACH TO BORROWERS



REGIONAL REPRESENTATION



Individual
Group



Institutional



Women
Youth



Rural
Agricultural

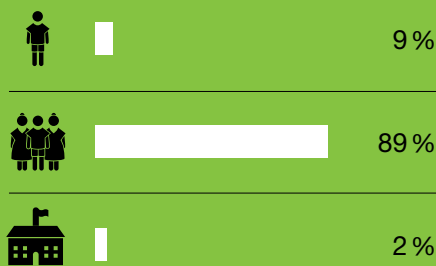
AFRICA

USD 14.44 M Loan Portfolio
16 % of Portfolio at Risk > 30 days

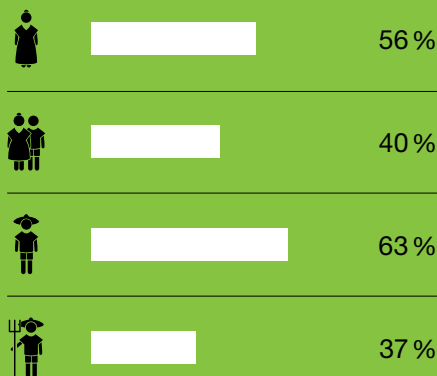
63,293 Clients

26 Branches
310 Staff
162 Loan Officers (52 % of staff)

LOAN PORTFOLIO COMPOSITION



SOCIAL OUTREACH TO BORROWERS



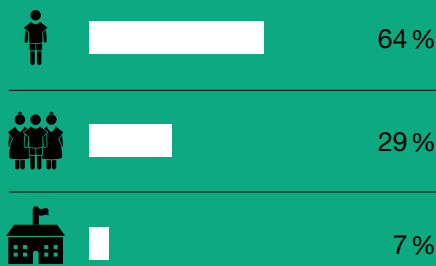
ASIA

USD 11.97 M Loan Portfolio
22 % of Portfolio at Risk > 30 days

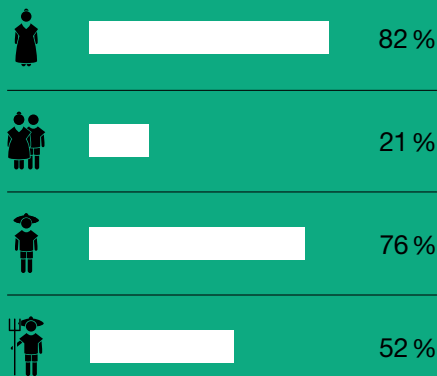
37,569 Clients

39 Branches
330 Staff
201 Loan Officers (61 % of staff)

LOAN PORTFOLIO COMPOSITION



SOCIAL OUTREACH TO BORROWERS



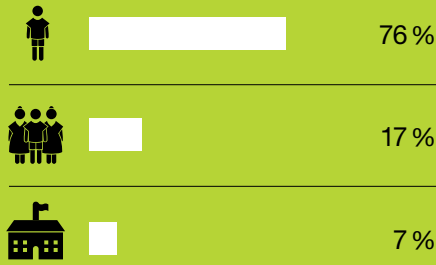
LATIN AMERICA

USD 17.70 M Loan Portfolio
7 % of Portfolio at Risk > 30 days

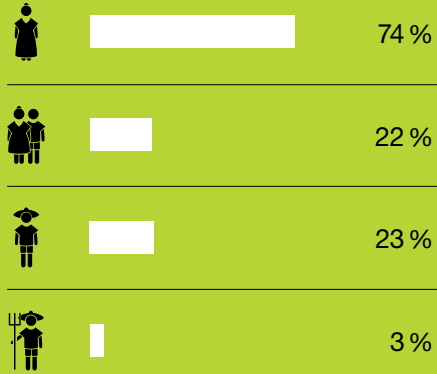
25,071 Clients

16 Branches
236 Staff
112 Loan Officers (47 % of staff)

LOAN PORTFOLIO COMPOSITION

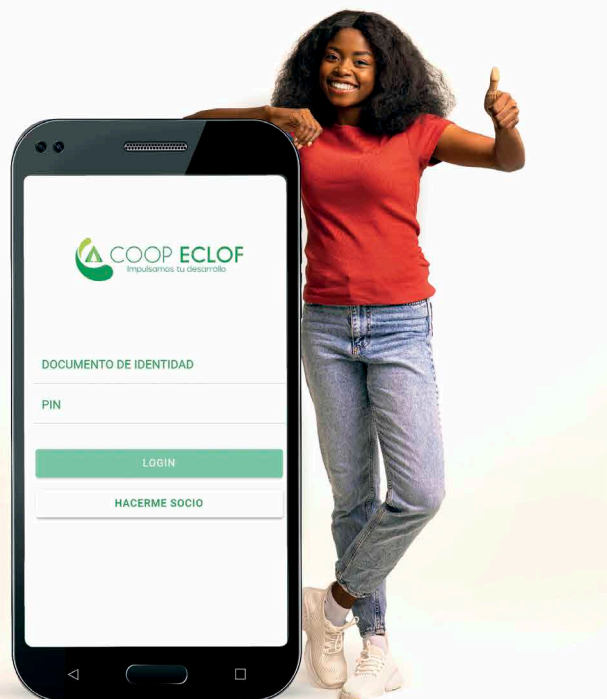


SOCIAL OUTREACH TO BORROWERS





ECLOF STRATEGIC THEMES



INNOVATIVE CLIENT SERVICES

ECLOF places high emphasis on understanding the needs and preferences of different groups of low-income 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.

One group ECLOF targets specifically are young people: while they form the largest human resource, it is estimated that 8 in every 10 youngsters worldwide are excluded from the economic and financial system. A story from Armenia tells us about a young lady who has set up a successful beverage business against all odds.

It is generally accepted in the industry that building the capacity of clients greatly enhances the chance of attaining positive social impact. A key part of the service ECLOF delivers to clients is training: in areas like financial management and budgeting, entrepreneurship, home improvement or sustainable agriculture. These services benefit clients and their families—but they

also improve repayment performance and increase the loyalty clients feel towards ECLOF.

One of the standard training products is the primer training on entrepreneurship which ECLOF offers widely to clients and potential clients alike. We have seen many cases where these sessions have inspired nascent entrepreneurs to start their own business: an example in this year's report from the Dominican Republic illustrates this.

Helping our clients deal with the effects of the Covid-19 pandemic continued to be a major theme in 2021. While the financial relief offered to clients through loan re-scheduling and deferrals was important, there were some “softer” measures like the novel client forums organized in Kenya that have really stood out: under the theme “Bouncing back”, they gathered clients to express and share the psychological impact the crisis has had on them, and guided them in seeking solutions.

UNLOCKING THE POTENTIAL OF YOUNG ENTREPRENEURS



◀ LILIT SARGSYAN · ECLOF ARMENIA

The youth of a country determines the future of a nation. The development of youth entrepreneurship accelerates economic growth, increases employment and enables lifestyle and economic independence.

According to the World Bank, the Covid-19 pandemic and the Nagorno-Karabakh war derailed Armenia's economic expansion, resulting in a sharp 7.4 % economic contraction in 2020.

ECLOF Armenia serves exclusively rural areas where economic independence and new means of income generation are especially hard to come by for local youth, in particular women.

CLIENT STORY LILIT SARGSYAN

24-year old Lilit Sargsyan is a young female entrepreneur from the town of Vedi, Ararat region. Before Covid, Lilit and her family, her father, mother and 22-year-old sister, were engaged in trade. Covid-induced lock-downs made trading almost impossible for long periods of time.

Therefore, to find an alternative for generating income, Lilit participated in a training session on entrepreneurship organized by ECLOF. She subsequently launched a lemonade factory and over time increased production capacity to 40,000 bottles.

Lilit and her family expanded their outreach to more than twenty mar-

kets, not only in the cities of the Ararat region such as Vedi, Masis, Ararat, but also in Armavir and Vagharshapat. To help with the business, Lilit created two new jobs.

Her employees now earn a decent living. In addition, that is not the end of it: Lilit plans to expand production and workforce further.

While ECLOF provided the initial capital, without Lilit's amazing energy and determination, this success story would not have been possible. •

“LET’S TALK!” : ECLOF ORGANIZES CLIENT FORUMS TO SHARE THE BURDEN OF COVID



◀ TUONGEE FORUMS · ECLOF KENYA

ECLOF Kenya predominantly serves vulnerable low-income communities. Over 90 % of its clients joined through self-help groups. The strict lockdown measures to fight Covid-19 have taken a heavy toll on many of ECLOF Kenya’s clients, economically and mentally. In response, ECLOF Kenya granted loan deferrals where needed and gave business advice, but ECLOF wanted to go beyond economic support. Therefore, as soon as meetings became possible again, ECLOF introduced Tuongee Forums that aim to bring clients and staff together for an open discussion. “Tuongee” is Swahili for “let’s talk”, and that is literally, what takes place in the forums.

Forums are held across all regions ECLOF Kenya serves, in churches

or community halls, led by trained staff and with participation from ECLOF’s senior management. Under the theme “Bouncing Back”, clients are encouraged to see there is “life after Covid-19”. They enthusiastically participate in open discussions on Covid-19 issues and ECLOF facilitates topics such as in Figure 1.

The forum also provides counselling for clients who were traumatized due to Covid-19 as their lives and business take longer to settle down. Sometimes such interactions with customers have resulted in the development of customized solutions for the particular customers.

In line with the “Bouncing Back” theme, ECLOF has also developed a product called “Bridge”. This product

is meant to help customers who were hard hit by both harsh economic situations because of the pandemic and other macro-economic factors to re-finance their business.

Over 2,000 customers have participated so far and ECLOF Kenya plans to reach 10,000 by mid-2023. The uptake of Bridge loans is strong; with nearly 190 million shilling of loans disbursed.

The forums are another innovative approach consistent with ECLOF’s ethos to support clients in more ways than financially. They have given clients the opportunity to lift each other out of Covid-induced shock and they have once again underlined the unique service model of ECLOF Kenya. •

FIGURE 1 · TUONGEE FORUM OPEN DISCUSSION TOPICS

The importance of a group in coping with hard times now that the group provides the much-needed social and mental support to the members.

The power of being resilient in different seasons of our life.

Importance of revenue stream diversification.

Managing debts during crisis and keeping the risk low.

The importance of wearing the attitude of bouncing back riding on strategies like:

- Rethinking for those businesses that may not be revived easily.
- Restarting for those businesses that require only a little fanning up the flames to back on feet.
- Re-strategizing for those businesses that may require being carried out a little differently from previous periods.

Stress Management during crisis.

HERE IS SOME OF THE FEEDBACK WE RECEIVED FROM TUONGEE PARTICIPANTS:

"Training on the impact of risk and debt management skills have helped manage my business in a better way."

"ECLOF stood with me when the pandemic was biting hard on my business."

"Happy that ECLOF Senior Management took time out from their busy schedule to meet us."

"The timely introduction of Tuongee Forums was helpful. The counselling I received helped me share out my burdens. I never thought ECLOF could create an opportunity for me to share my experiences."

"Access to a 'bridge loan' has given me a new lease of life and eased the burden of loan repayments."

BUILDING BLOCKS FOR INCREASED RESILIENCE



◀ RM KARUNAWATI · ECLOF SRI LANKA

CLIENT STORY

RM KARUNAWATI

Thambagalla is a beautiful village in the district of Kurunegala in the north central province of Sri Lanka. The area is blessed with sufficient water from Deduru Oya reservoir.

Villagers make a living by paddy farming, cultivating coconuts and making bricks. Most of them are organized into self-help groups. ECLOF Sri Lanka works with and through those groups to administer finance and training to villagers who alone cannot access these resources.

One of the groups is Dilena Tharu Small Group, whose members over the last 12 years have successfully launched multiple income-generating activities.

45-year old Ms. RM Karunawathi has long served as the group's President. She runs a brick production business to complement her husband's retail shop. Since she started the business 12 years ago, she's scaled it up and today has three workers who earn a living income as well.

Ms Karunawathi got into the habit of saving after attending ECLOF's training program on micro saving.

When Covid-19 struck and led to intermittent school closures in 2020 and 2021, she proudly equipped her two daughters with laptop computers to continue their schooling. She considers this a big achievement in

her life. She also purchased a half-acre of coconut land together with her husband.

Ms Karunawathi is proud to have grown her business through her diligence and commitment, and she thanks ECLOF for sticking with her in good times and in bad times. •

YOU DON'T NEED TO SEE TO BELIEVE!



◀ SAMUEL BERIGUETE ·
ECLOF DOMINICAN REPUBLIC

CLIENT STORY

SAMUEL BERIGUETE

Samuel Beriguete is a coop-member and a client of ECLOF Dominican Republic and a very special one indeed. At age 20, he lost his eyesight as a result of damage to his optic nerve.

The ensuing first months left him standing in the dark-literally and mentally. Without a job, a wife or a home, but with four children to support, he felt like his life had come to an abrupt stop.

With help from Patronage for the Blind, Samuel set out to make mops as a business. When he entered a bank to ask for a loan, he was met with the words "The blind don't get

loans here". That was a blow to test his spirit and resilience. Filled with faith and the desire to bring his family ahead, Samuel quickly recovered and got to know Coop ECLOF. Over the years, he has built various small businesses with loans and technical training from ECLOF.

He is today a recognized resident of La Victoria neighbourhood where he has developed houses and a commercial space to let. A trained masseur, he worked in hotels like the Melia Bavaro. Currently, he is employed with the Santo Domingo Metro's employee welfare unit where he offers the balm of his blessed hands.

"Today I see more than before" is a term he has coined for himself. Samuel is grateful for ECLOF's partnership all those years and he wholeheartedly recommends people in his neighbourhood to join Coop ECLOF! •

TRAINING ON FINANCIAL LITERACY AND PROMOTING CHILD SAVINGS HABITS



◀ CHILDREN ARE INCENTIVED TO MAKE SAVINGS · ECLOF DOMINICAN REPUBLIC

For the poor, access to secure savings is equally as important as access to fair credit. Savings are a tool that allows economic investment, cushions against shocks and helps smoothen consumption patterns. Having savings also helps building self-confidence and resilience.

Since its registration as a cooperative society in 2018, ECLOF in the Dominican Republic has been actively promoting the positive habit of savings among its coop members and clients.

The associated knowledge is trained through regular courses on financial

literacy. In 2021, Coop ECLOF organized 128 workshops, training more than 2500 clients and coop members on topics like financial literacy and cooperative movement. 68 % of participants were women.

But ECLOF does not stop at adults when it comes to promoting this healthy habit. Children and youth receive particular attention and get incentives to become early savers.

As a result, more than 45,000 people in the Dominican Republic already trust ECLOF with their savings. •

SOCIAL IMPACT MEASUREMENT: ECLOF A FOUNDING PARTNER TO THE FINANCIAL INCLUSION INDEX INITIATIVE

In 2021, the ECLOF network became a founding partner to the Financial Inclusion Index, a global effort to promote standard, comparable impact data for the microfinance industry.

The initiative will survey 18,000 clients of 72 leading microfinance organizations in 41 countries and measure client-level outcomes across the five common dimensions of impact: Access, Business Impact, Household Impact, Financial Management, and Resilience. The dimension scores will be equally weighted and averaged for

an index score. The data and resulting insights will be shared in 2022 in a public report and dashboard to establish performance benchmarks for ongoing impact measurement and management by MFIs.

The index is designed to complement and integrate with existing frameworks and standards in microfinance, impact investing, and international development. Participation in the MFI Index to conduct surveys with clients provides MFIs and investors with feedback on the practices

recommended by SPTF and CERISE in the Universal Standards and the Client Protection Principles, as well as the SDG Impact Standards, and provides data aligned to IRIS+ metrics and the five dimensions of impact guidance established by the Impact Management Project. •

60 Decibels Microfinance Index

Launching June 2022

TIPPING POINT
FUND ON IMPACT INVESTING

ceniarth

brac

GLOBAL
PARTNERSHIPS

OPPORTUNITY
International

responsAbility

ACCION

ADVANS

mce SOCIAL CAPITAL
Impact Guaranteed

symbiotics

ECLOF
INTERNATIONAL

FMO

FOUNDATION
NETRI

GRAMEEN
FOUNDATION

LEAPFROG
INVESTMENTS

nmi NORDIC
MICROFINANCE
INITIATIVE

pro mujer

kiva

SPTF

WATEREQUITY

Women's World Banking



RURAL AND AGRICULTURE OUTREACH

Rural dwellers need to be able to save, borrow, invest and protect their families against risk. But with little income or collateral, they are often 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. 60 % of ECLOF's clients worldwide reside in rural areas, and 32 % 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.

Role models can inspire the next generation of farmers. The story of Jeanie Denzon, *agripreneur* and community leader from the Filipino island of Palawan, highlights this.

During Covid-19, farmers were unable to sell their produce due to mobility restrictions and closure of marketplaces. In countries like Colombia and Uganda, ECLOF trained some of its clients on exploring additional income sources to bridge the gap: for example from chicken rearing or home gardening.

AN AGRIPRENEUR AND COMMUNITY LEADER



◀ JEANIE DENZON · ECLOF PHILIPPINES

CLIENT STORY

JEANIE DENZON

48-year-old Jeanie Denzon from the island of Palawan has been a client of ECLOF Philippines for nearly ten years. She was originally trained as a health worker.

One day, she attended an ECLOF seminar for smallholder farmers. Thereafter, she joined her husband in managing their 1.7 hectare rice field.

From the earnings, she later added two hectares of land to cultivate rubber trees, fruits, and vegetables. Later, she bought 150 ducks, whose eggs she sells in the market along with her other farmed products. To increase the value-added of her rice paddy, Jeanie then invested in

a small rice-mill. Today, she considers herself a progressive farmer and agripreneur.

With the determination to give back to the community, she then set out to become a community leader in agriculture as President of the Rubber Farmer's Association and the Kalambiringan Irrigators Association, as the Business Manager of Sofronio Española Farmer's Organization, as the Treasurer of the Calabanog Farmer's Association, and as an active Member of Isumbo Women's Association.

Jeanie is now a role model for female farmers on Palawan Island.

Prior to Covid, she and her husband had started renovating their nipa hut "bahay-kubo" into a two-story concrete house. Living in a self-owned concrete home one day would be a dream come true for Jeanie. A dream that was built based on Jeanie's diligence and determination and with support from ECLOF Philippines. •

MRS. FAITH AND HER CHICKENS: SURVIVING ON SMALLHOLDER FAMILY POULTRY DURING COVID-19



◀ ZAWEDDE FAITH · ECLOF UGANDA

CLIENT STORY

ZAWEDDE FAITH

Zawedde Faith is a poultry farmer from the Gayaza-Kyetume LC1 region. Her husband is a motorcar driver who travels across the country on extended duty calls.

Out of concern about her family's safety when her husband was away, she initially bought a few chickens. When she realized the potential for food and additional income a flock would offer, she joined ECLOF Uganda in 2019 to expand her poultry business.

When Covid-19 started, poultry sales dropped at first while prices for feed rose. So did the prevalence of infectious chicken diseases like Gumboro.

Zawedde praises ECLOF Uganda's efforts in providing much more than just a loan to the clients affected by Covid-19 in her region. During the lockdowns, ECLOF Uganda distributed Covid-19 awareness flyers, masks, food (maize flour, cooking oil, rice, sugar) and soaps to its members with grant support from partners Bread for the World and Social Performance Task Force.

ECLOF Uganda trained Zawedde in self-protection and sanitization, re-scheduled her loan and referred her to other clients who were interested in buying eggs in the Gayaza area. As a result, Zawedde's business continued to flourish.

With a new loan from ECLOF Uganda, Zawedde purchased another poultry house to generate additional income. She hired a woman from the village to help feed the birds and clean the poultry houses. With her income, she proudly supports her two sons' education: one in primary school, the other at university.

Zawedde feels lucky to have ECLOF by her side to help her business grow and thrive during tough times. •

ACCOMPANYING CLIENTS TO RECOVER AND REACTIVATE THEIR AGRICULTURAL BUSINESS BEYOND COVID



CLIENT STORY

GABRIELINA PAIPILLA

Take the example of Gabrielina Paipilla, a woman farmer and mother of three from the province of Boyaca. Her farm produces mainly potatoes and corn, and she has a few cows for milk production. Covid restrictions made it impossible at times to sell the produce or the milk on the market, leaving the family with virtually no income.

With training from ECLOF Colombia's technical advisor, Gabrielina started small gardening on parts of her farm. She learned techniques for preparation of the soil, planting, and watering. As a result, she started producing food for family consumption and for sale in the surrounding areas.

◀ GABRIELINA PAIPILLA - ECLOF COLOMBIA

The Covid-19 crisis has wiped out much of the progress in reducing poverty Colombia has achieved in recent years. At 42 %, the poverty rate hit a new 8-year high in 2020. 2021 saw a slight reduction in the rate to 39 %. This means that nearly 20 of the 50 million Colombians live with less than 3 dollars a day. 6 million of them live in extreme poverty with less than 1.35 dollars a day.

In the field, ECLOF Colombia's staff have witnessed the erosion of the incomes of clients, some to the degree of living again at subsistence levels. Even those who had enough to maintain their quality of life, have seen their capital base dwindling.

ECLOF saw the need to accompany its clients out of the crisis, putting to

use the limited means it has available: financial and non-financial services.

Financially, ECLOF Colombia permitted a large share of clients to delay or reschedule their loan installments.

Non-financially, ECLOF Colombia offered capacity building to clients both in group settings and individually, to identify whatever additional income sources they had available to them and explore ways to activate them. This could be by utilizing unused resources at their farms or growing additional food for their own consumption or sale.

CLIENT STORY

ARMANDO CETINA

Another example is Armando Cetina, husband and father of four. Armando has been a potato farmer all of his life.

Since his farm offered all the necessary ingredients, he was able to start a small gardening plot using purely organic inputs. This has helped his family generate additional income and maintain a healthy diet even during a crisis.

Thanks to this practical support, many of ECLOF's clients have regained a reasonable level of economic stability. They praised in particular the spiritual accompaniment they experienced—and which they did not expect from a financial services provider. •



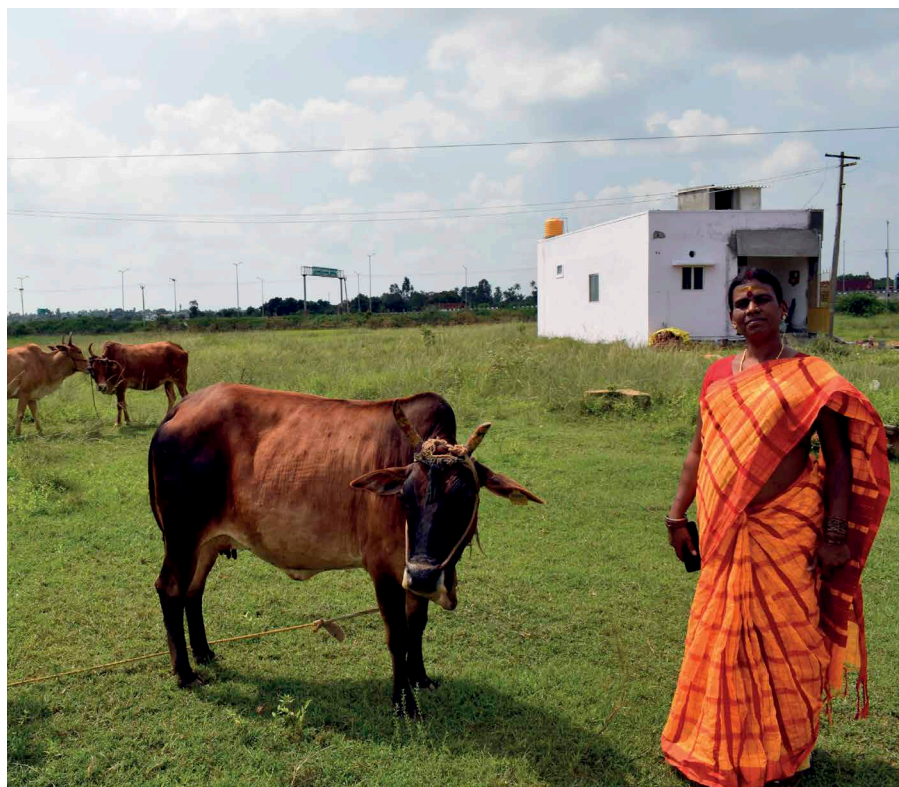
CHURCHES AND COMMUNITIES SUPPORT

Churches and communities play a key role in our work: 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 India, ECLOF together with the local church diaconia, piloted training and loan services for an especially excluded group: transgender communities.

ECLOF assists micro entrepreneurs and farmers in their activities in the poorest and most remote areas. Because ECLOF applies a solidarity group methodology, forming and empowering groups of local actors is an important theme in our work. Point in case here are the seamstresses of Santo Domingo de los Tchilas in Ecuador who rebuilt their business sewing school uniforms after the pandemic.

Understanding how clients perceive our services is important to us. In Kenya, we piloted a novel and "lean" tool for impact assessment. And we found that 87 % of surveyed clients reported that their quality of life had "much improved" since taking a loan from ECLOF.

TRANSGENDER COMMUNITIES ACCESS FINANCE AND TRAINING THROUGH ECLOF



◀ TRANSGENDER PEOPLE ARE ONE OF THE GROUPS FACING STIGMATIZATION AND DISCRIMINATION IN MULTIPLE ASPECTS · ECLOF INDIA

ECLOF India promotes the economic empowerment and development of vulnerable communities. Transgender people are one of the groups facing stigmatization and discrimination in multiple aspects, including access to jobs and economic opportunity.

In early 2021, ECLOF India, in partnership with the Christian Service Agency (CSA), a wing of the National Council of Churches in India, launched a series of field studies among the Transgender community living in Redhills, Chennai. The focus of this engagement was on sustainable livelihoods for members of this community.

From over 40 interviews conducted, it became clear that, like everyone else, transgender people longed for stable incomes and satisfying work free

from begging and sex labor. Many were already engaged in income-generating activities like cattle rearing, tailoring, the clothing business and other trades.

However, accessing the financial resources needed to start a new business or expand an existing one has proved almost impossible, whether for private or public financial institutions.

To build the capacity of the community members, CSA and ECLOF organized an entrepreneurship training and workshop for LGBTQ+ at a Trans community center based in Red Hills. Training topics included successful entrepreneurship, market characteristics and analysis of market demand, and budgeting for a successful business.

As a step further, ECLOF began to explore the reliability of the Trans community as loan clients by making a number of small loans to joint liability groups of transgender people. Some set up tailoring businesses; others started cattle rearing or tiffin center businesses.

ECLOF India is determined to further engage with this group and support their socio-economic development in order to transform their lives for the better. •

PROTECTING THE MOST VULNERABLE IN TIMES OF MILITARY COUP AND PANDEMIC



operating with certainty became impossible. Loan collection stopped in many places, and so did new disbursements. To prevent the most tragic outcomes of the crisis for our vulnerable target group, to avoid hunger and help people protect from Covid, ECLOF shifted focus to humanitarian interventions: training 130 villagers on self-protection, sanitation and soap making, and handing out hand sanitizer and liquid soap to 600 households.

Through its Beneficiary Welfare Fund, ECLOF reached 30 villages in its areas of operations and assisted 280 of the most vulnerable people in each village (disabled, orphans and elderly in care) with free food and personal hygiene products.

◀ TRAINED VILLAGERS ON SELF-PROTECTION, SANITATION AND SOAP MAKING · ECLOF MYANMAR

In February 2021, following a contested general election, the military seized control over the country in a coup d'état. Telecommunication was suspended and the stock market and commercial banks closed, leaving the banking system and much of the economy paralyzed.

An opposition formed and people reacted with work strikes and mass protests. The military responded with live fire, water cannons and rubber bullets. Armed civilians known as the People's Defense Force have attacked military convoys and assassinated officials. The military reacted with great violence, firing rocket launchers and burning down homes.

What started as civil disobedience has turned into essentially a civil

war across Myanmar. Meanwhile the health crisis continued, exacerbated by a public health system bereaved of workers who had left their posts to protest.

Microfinance institutions like ECLOF, already hampered in their ability to operate as a result of the Covid — induced lockdowns and restrictions, had to seize or severely limit their operations after the coup. Movement of people and cash was restricted or even halted, often it would be dangerous especially for male staff to move about. Telecommunications were interrupted, and limits on cash withdrawals made any financial operation almost impossible.

Shifting power structures in the areas where ECLOF works meant that

ECLOF Myanmar has been operating since 1959. This is not the first time the organization has endured a life-threatening crisis. The organization has proven over and over again to be resilient and adaptable and so has its leadership and staff.

However, this time it is especially tragic for the young staff who have grown up in a period of relative freedom and opportunity after the military dictatorship ended in 2011. Like their parents before, they now face a time of uncertainty and lack of self-determination. They are, however, steadfast in their will to continue providing essential community services to the vulnerable rural populations of Myanmar. •

LONG-TERM CLIENT RELATIONSHIPS FOR LONG-TERM IMPACT ON POVERTY



◀ JOZINEIDE SANTOS DA SILVA ·
ECLOF BRAZIL (CEADe)

According to the Brazilian Institute of Geography and Statistics, 1 in 4 people in Brazil lived below the national poverty line in 2020: 51 million Brazilians surviving on less than 5.50 dollars a day!

Most of them cannot access credit to build or sustain a small business. But for those who do, the positive change in indicators like diet, clothing and health is evident, at least over the long term. We see our clients not only improve on daily consumption, but also on the assets they own.

Point in case is 56-year old Jozineide Santos da Silva, married mother of one son from Salvador de Bahia.

CLIENT STORY

JOZINEIDE SANTOS DA SILVA

Jozineide has been a client of ECLOF in Brazil since 2002. She started off with a small loan of 600 real to grow her business selling sandwiches on the street.

At the time, she and her husband were living on around 4 dollars a day, well below the poverty line. Ten years later, the family borrowed 10,000 real from ECLOF to purchase the building adjacent to their home to build a restaurant featuring Feijoada, Brazil's national dish and a staple of the country's poor.

The restaurant would become a neighborhood favorite that offered not only hearty food but also a game of Bingo.

One of the happiest moments in Jozineide's life was when she fully repaid that loan to CEADe.

Today Jozineide and her family own valuable real estate: their home, the restaurant, and a 4-story building on top of the restaurant.

The family has well surpassed the poverty line, living on nearly 13 dollars per person per month. They are proud of what they have achieved, through hard work and dedication — and a series of small loans. •

REACTIVATING SMALL-SCALE SEWING BUSINESSES AFTER THE PANDEMIC



◀ CLIENTS IN SANTO DOMINGO DE LOS TCHILAS · ECLOF ECUADOR

The seamstresses of Santo Domingo de los Tchilas have long been faithful clients of ECLOF Ecuador. The partnership started 8 years ago as part of the program “Hilando al Desarrollo” (Spinning for Development).

With loans from ECLOF, 45 women would start a business sewing school uniforms for elementary students.

Through courses organized by ECLOF, women would also learn about entrepreneurship and bookkeeping, financial literacy and marketing.

When Covid-19 started, schools were soon closed and families stopped buying school uniforms. This is when a difficult time started for women.

One of them, 32-year old Jessica Oña, remembers: “We had no way of selling our uniforms anymore. But we had to continue paying for our loans. Thanks to fair decisions of ECLOF management, we were allowed to pay reduced interest and pay back the loans later than scheduled. We’re grateful to ECLOF for giving us this support. And on top, ECLOF gave us psycho-social counselling, which some of us really needed. Recently, the municipality offered us a space to exhibit our products. We made the first sales, and we can say we have re-activated our business!” •

"I'M INSPIRED BY THE DEDICATION AND PASSION OF THE ECLOF KENYA STAFF TOWARDS THEIR MISSION."

INTERVIEW WITH KATHY GUIB
VP, Investments at Crowdfunder KIVA



Kiva is a global nonprofit that brings people together to invest in lasting impact. Kiva connects individuals, institutional investors, and corporations with global opportunities to invest in humanity—when and where it will make the greatest collective impact. With as little as 25 dollars, Kiva lenders help women, refugees and small businesses across the globe build a better future. Two million people have invested 1.7 billion dollars in real dreams and real opportunity around the world.

KATHY, TELL US ABOUT KIVA AND ECLOF KENYA: HOW HAS THE RELATIONSHIP EVOLVED?

Kiva has deep roots in Kenya. We've made over 265,000 in loans in Kenya since 2005, and our Africa team is based in Nairobi. Kenya is a dynamic market where we have been lucky to partner with high quality institutions such as ECLOF Kenya. We first partnered with ECLOF in 2014 and have raised 6.5 million dollars to date for their borrowers. ECLOF is a financially strong, well-run institution with impressive leaders such as CEO Mary Munyiri. What we're proud of is that we've been able to work together in a number of ways: Kiva has provided support for loan product development, funded an impact study focused on ECLOF's dairy farmer clients, provided 6.5 million dollars in funding from our crowd-funding platform, as well as subordinated debt from the Small Business Resilience Fund. It is a joy and a privilege to walk in step with ECLOF as they innovate in service of their clients. We were especially happy to provide subordinated debt for ECLOF because this long term investment is designed to help ECLOF grow over the next several years.

WHERE DOES ECLOF STAND OUT FROM OTHER FINANCE PROVIDERS?

I'm always inspired by the dedication and passion of the ECLOF Kenya staff towards their mission. They're very friendly, warm and you can see genuine care and love for their clients. ECLOF Kenya has been one of our go to partners when we have visitors from HQ who want to experience the real impact of our work. They're one of our most open and transparent institutions, even on areas of improvement. The CEO in particular reminds me that she has nothing to hide—even with their challenges. Talking to their clients, you quickly notice how much they value their partnership with ECLOF Kenya.

WHAT VALUE DOES KIVA OFFER ITS INVESTORS?

Kiva serves a diverse array of investors, from Kiva users who lend 25 dollars or more, to corporations or high net worth individuals who set up automatic accounts on Kiva.org, to large investors who invest into Kiva Capital managed funds. What we offer is a first-rate portfolio of impactful opportunities unique in its diversity, both from geographical and sector perspectives. We also offer a personal connection: Kiva lenders can select the borrower they wish to support, and are repaid according to the repayments the borrower makes.

WHAT MOTIVATES KIVA LENDERS?

They are ordinary individuals who want to use the extra money they don't need for their daily life to help others. Lending on Kiva is a mutually empowering gesture: the lender gets to learn about the person they're interested in supporting and control where their funding goes, and the borrower receives a high-quality loan to enable growth for their business or investment in other opportunities, such as education.

HOW HAS KIVA FARED THROUGH THE COVID CRISIS?

Seeing our partners' and their borrowers' resilience through this pandemic has been humbling. The pandemic has been hard for everyone, no matter how lucky or privileged they may be. When our repayments went down because of repayment moratoria and delays due to the pandemic, our lenders deposited more in order to maintain their impact. That was also humbling. It is an honor to serve our borrowers and lenders. I, and the Kiva community, are deeply grateful. We are here for investors and lenders, big and small, to continue to make the world a better place where people can access opportunities to better their lives.



ECLOF KEY DATA

NETWORK KEY FIGURES



Individual



Group



Institutional



Women



Youth



Rural











































Agricultural

LATIN AMERICA































DATA

LOAN PORTFOLIO COMPOSITION























































SOCIAL OUTREACH TO BORROWERS

BRAZIL 	USD 0.23 M Portfolio 399 Clients 1 Branch 4 Staff 50 % Loan Officers	  	98 % 2 % 0 %	   	65 % 8 % 52 % 18 %
COLOMBIA 	USD 2.28 M Portfolio 2,118 Clients 1 Branch 13 Staff 46 % Loan Officers	  	100 % 0 % 0 %	   	51 % 17 % 40 % 16 %
DOMINICAN REPUBLIC 	USD 13.02 M Portfolio 21,535 Clients 11 Branches 208 Staff 47 % Loan Officers	  	83 % 11 % 6 %	   	77 % 23 % 20 % 0 %
ECUADOR 	USD 2.01 M Portfolio 837 Clients 1 Branch 7 Staff 70 % Loan Officers	  	5 % 82 % 14 %	   	52 % 14 % 27 % 27 %
JAMAICA 	USD 0.17 M Portfolio 182 Clients 2 Branches 4 Staff 50 % Loan Officers	  	78 % 0 % 22 %	   	53 % 7 % 30 % 5 %

AFRICA

		LOAN PORTFOLIO COMPOSITION		SOCIAL OUTREACH TO BORROWERS		
KENYA		USD 13.67 M Portfolio 62,348 Clients 24 Branches 295 Staff 53 % Loan Officers	 	6 %	 	56 %
			 	93 %	 	40 %
			 	1 %	 	63 %
					 	37 %
UGANDA		USD 0.77 M Portfolio 945 Clients 2 Branches 15 Staff 40 % Loan Officers	 	76 %	 	49 %
			 	8 %	 	25 %
			 	16 %	 	33 %
					 	13 %

ASIA

ARMENIA		USD 2.35 M Portfolio	 	74 %	 	43 %
		2,079 Clients	 	0 %	 	19 %
		5 Branches	 	26 %	 	100 %
		33 Staff			 	38 %
		51 % Loan Officers				
INDIA		USD 0.70 M Portfolio	 	2 %	 	100 %
		4,257 Clients	 	98 %	 	17 %
		11 Branches	 	0 %	 	60 %
		20 Staff			 	2 %
		55 % Loan Officers				
MYANMAR		USD 1.69 M Portfolio	 	0 %	 	81 %
		7,193 Clients	 	100 %	 	20 %
		3 Branches	 	0 %	 	99 %
		35 Staff			 	70 %
		51 % Loan Officers				
PHILIPPINES		USD 6.53 M Portfolio	 	90 %	 	79 %
		19,534 Clients	 	7 %	 	22 %
		15 Branches	 	3 %	 	67 %
		209 Staff			 	62 %
		66 % Loan Officers				
SRI LANKA		USD 0.70 M Portfolio	 	7 %	 	98 %
		4,506 Clients	 	86 %	 	20 %
		5 Branches	 	6 %	 	80 %
		33 Staff			 	35 %
		55 % Loan Officers				

PARTNERS



NETWORK CONTACT DETAILS

AFRICA

ECLOF KENYA

Mary Munyiri
Executive Director
info@ECLOF-kenya.org
+254 07 21 34 46 99

ECLOF UGANDA

Jennifer B. Mugalu
Chief Executive Officer
office@ECLOFuganda.com
+256 414 34 42 49

ASIA

ECLOF ARMENIA · UCO

Stepan Torosyan
Executive Director
ECLOF@ECLOF.am
+374 60 37 30 60

ECLOF INDIA

Lidwina Cedric
Executive Director
ECLOF@ECLOFindia.com
+91 44 25 61 16 56

ECLOF MYANMAR

May Aye Shwe
Executive Director
myECLOF@gmail.com
+95 12 30 42 76

ECLOF PHILIPPINES

Rose Castro
Executive Director
ECLOFphils@gmail.com
+63 24 59 97 12

ECLOF SRI LANKA

Soundaram Thacis Thoumiyan
Executive Director
ECLOF@eureka.lk
+94 112 34 34 70

LATIN AMERICA

ECLOF BRAZIL · CEADe

Adelmo Bittencourt
Executive Director
CEADe@CEADe.org.br
+55 71 33 27 20 21

ECLOF COLOMBIA

María Victoria Aguirre B.
Executive Director
info@ECLOFcolombia.org
+57 13 23 14 21

ECLOF DOMINICAN REPUBLIC

William Jimenez Santos
Executive Director
direccion@ECLOF.org.do
+1 809 333 52 73

ECLOF ECUADOR

Yolanda Montalvo
Executive Director
ECLOFecuador@ECLOF.org.ec
+593 22 52 32 14

ECLOF JAMAICA

Everton Butler
Executive Director
ECLOF_jamaica@yahoo.com
+1 876 754 67 73

ECLOF INTERNATIONAL
Route de Ferney 150
1218 Le Grand-Saconnex
Switzerland

T. +41 22 791 63 12
F. +41 22 710 20 05
office@ECLOF.org

www.eclof.org

