

A photograph of a woman in a tea plantation. She is wearing a blue zip-up hoodie and a green headwrap. She is smiling and holding a handful of tea leaves in her right hand. A large sack of tea leaves is draped over her shoulder. The background shows rolling tea hills.

VisionFund
INTERNATIONAL

World Vision 

THRIVING

2015 SOCIAL PERFORMANCE REPORT

OUTCOME HIGHLIGHTS



\$772 MILLION

Lent to people around the world



this meant that over
1.1 MILLION
clients were served



OUR JOINT VISION

Our vision for every child, life in all its fullness;
Our prayer for every heart, the will to make it so



and over
54%
of clients were served within
World Vision Area Development
Programmes (ADPs)

*Note: VisionFund operates in 633 of the
1,113 ADPs around the world*



of whom nearly **73%**
were female clients

*Note: at our Asian MFIs, 92% of our clients
are women and lead all of our regions in
focusing on this vital demographic*



where all of this allowed
VisionFund to impact almost

**3.9
MILLION**

children across the globe
throughout 2015.

*Facts and figures as of 30 September 2015 and
reference fiscal year 2015 data in US dollars.

OUR IMPACT

Watch how a donation impacts clients,
communities and children around the
world at vlink.it/weimpact



WHO WE ARE

WORLD VISION AND VISIONFUND

VisionFund is the world's largest Christian microfinance network. For more than a decade we have been improving the lives of children across the developing world, as we provide small loans and other financial services to families struggling in poverty. Our clients are able to build successful businesses, which enable them to ensure their children grow up healthy and educated.

As the microfinance subsidiary of World Vision, the world's largest Christian relief, development and advocacy organisation, our microfinance institutions (MFIs) are found across the globe in Africa, Asia, Latin America and Eastern Europe.

Sharing the same vision as our parent, World Vision, VisionFund aims to provide 'life in all its fullness' to children throughout the world, as their parents receive small loans, improve their businesses and increase in ability to care for their children as family incomes multiply.

VISIONFUND'S MISSION

We believe in brighter futures for children.

We empower families to create income and jobs.

We unlock economic potential for communities to thrive.

We are VisionFund – Financial Empowerment from World Vision.

A MESSAGE FROM OUR CEO



I am pleased to introduce our 2015 Social Performance Report, the second in an annual series of improving focus on sustainable impact. As I travel around the globe visiting many of our clients and their children, I see their success first hand in providing for their children in better education, nutrition, housing and health. Impact cannot simply be told through stories, but through hard data and measurement. We have seen a number of developments in our ability to collect, analyse and

FROM THE DESK OF SCOTT BROWN

explain these observations. In the pages that follow, you will walk through our growing learnings. It is an exciting time for VisionFund as we examine trends, listen to our clients and ask ourselves more questions, leading us to the creation of better products and client training.

As a true double-bottom-line network of over 30 MFIs, we continue to focus on quality and are proud of the strong board governance, risk management and operational performance the global team has created. We are pleased that over the past five years, we have loaned over \$3.5BN to our clients with less than \$15 million of new capital per year, still achieving a 98% repayment rate.

Our tablet and mobile technology is helping improve productivity and reduce costs. This allows us to push further into unserved rural areas to provide financial access

to smallholder farmers. What is most satisfying is that close to four million children are now being positively impacted each year, with an expected target of nine million children per year by end 2019.

We are working with World Vision, our parent organisation, to ensure that children are being impacted and resilience is being increased. We are using 'child well-being outcomes' to track and confirm that the children of our borrowers are seeing practical improvements in their lives. As our clients' businesses thrive, this is translating into 'life in all its fullness' for children across the world.

Thank you for joining us,

Scott Brown
President & CEO
VisionFund International



MAKING AN IMPACT ON CHILDREN AND FAMILIES

LORY, A FILIPINO MOTHER

Lory weaves stripped bamboo to form panelling locally known as 'diamond,' a decorative walling material used in most Filipino homes. This design is quite popular throughout the Philippines and the local community thinks that Lory is exceptional at the craft.

She sells her creations for four dollars at the local market. These funds are a significant improvement to what once was a very difficult existence for Lory and her family.

The demand for Lory's products outpaced her supply. Knowing that a small loan, nothing more than \$40, would allow her to access the materials she needed to expand her business, she took a calculated chance.

It paid off. Her creations proved quite the hit and over the years, Lory kept borrowing capital to improve and develop her business. Lory now has two motorbikes that provide both access to markets and transportation for her family. Bringing her products to areas where she'll get the best price, Lory has used her loans to empower herself and her business.

Lory has also hired additional workers, both to collect the raw materials she needs and to weave her patterns. Lory is encouraged that she can serve her local community as her business expands.

As her venture developed, Lory's family experienced direct benefits. A house rebuild allowed her to provide a more stable structure and the room needed for her growing family. Lory's son Renz can now attend school as Lory is capable of paying his school fees and providing the uniform and books he needs.

"I've worked so hard and am so pleased that I'm seeing direct benefits from all my efforts. My business continues to grow and I'm seeing my family flourish," shares Lory.

Lory is a wonderful example of how a small loan can make a lasting impact on a family. Renz wishes to become a policeman someday and with the stable footing Lory has created, it's not just a dream anymore.



OUR APPROACH TO SOCIAL PERFORMANCE



AtVisionFund, we have a mission to see the lives of children positively improved. By 2019 we have a strategic goal to impact nine million children every year. We are a committed staff and leadership team and are working to bring brighter futures to children around the world by focusing on six key areas:

- Page 8 Focusing on changed lives for children**
- Page 10 Measuring our effectiveness**
- Page 12 Clients progressing out of poverty**
- Page 14 Meeting real needs of clients and their children**
- Page 16 Building safety nets for the poor**
- Page 18 Protecting our clients**

The important work being accomplished throughout the VisionFund network is being achieved as we operate within a dynamic industry of initiatives, practitioners, investors and partners. We both shape and are shaped by these important linkages. More information about our work with industry partners is included on page 23.

The diagram on the adjacent page shows our approach to social performance and the relationship between four key elements. The pages that follow provide further insights into these elements along with case studies and statistics supporting our approach.

OUR SOCIAL PERFORMANCE APPROACH TO IMPACT CHILDREN

MISSION: IMPACTING CHILDREN



REACHING THE RIGHT CLIENTS

- 1. Primarily Women
- 2. Clients with Children
- 3. Located within World Vision Zones
- 4. Mostly Rural
- 5. Focus on Savings Groups
- 6. Often Smallholder Farmers



PRODUCTS

- 1. Financial Services - Business Loans, Savings & Insurance
- 2. Women & Child Well-Being Products
- 3. Client Education
- 4. Integrated Products with World Vision



OUTCOMES

- 1. Increase in Household Income
- 2. Movement Out of Poverty
- 3. Increase in Impact on Children and Improvement in Child Well-Being



CLIENT SERVICES

Client Protection and Satisfaction

INDUSTRY INITIATIVES & EXTERNAL LINKAGES

FOCUSING ON CHANGED LIVES FOR CHILDREN

BEING INTENTIONAL ABOUT IMPROVING CHILDREN'S LIVES

After working to improve the lives of children for more than 60 years, World Vision has defined its understanding of child well-being through its 'Child Well-Being Aspirations'. They describe a good life for children, affirming our desire for children to experience life in all its fullness.

The four 'Child Well-Being Aspirations' are that children enjoy good health, are educated for life, are cared for, protected and participating and experience the love of God and their neighbours.

In 2015, our work impacted the lives of 3.9 million children. This is a significant increase from the 3.4 million children in 2014. But the social bottom line is: Are children better off? To understand how we are doing we gather and compare information from three different sources:

- What are our clients telling us about the well-being of their children?
- What are impact studies telling us?
- And what is the Progress Out of Poverty (PPI) data telling us about changes in poverty over time?

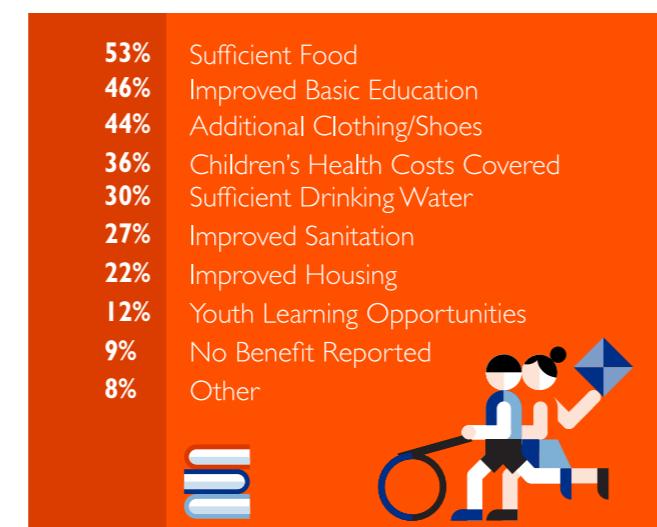
WHAT ARE CLIENTS TELLING US ABOUT THE WELL-BEING OF THEIR CHILDREN?

In May 2013 VisionFund launched a process to begin gathering feedback from clients about benefits their children had experienced. Five questions were added to MFI loan application forms including: Did the previous loan help your children? If yes, what improved?

After several quarters of increasing participation by MFIs, greater client sample sizes and improved data quality, the results are encouraging. As of September 2015, 91% of sampled clients reported at least one child well-being improvement and 50% of our clients reported three or more improvements. This is translating into greater resilience for our borrowers and their families. The graphic below shows the percentage of clients reporting each improvement.

While the data is not sufficient to stand on its own and ongoing work is needed to further strengthen data quality through deep dive studies to validate the information, clients appear to be telling us that their children are tangibly better off because of loans.

% CLIENTS INDICATING ONE OR MORE CHILD IMPACTS FROM A LOAN



*% of clients indicating one or more loan impacts on children

A STRONG FOUNDATION

The VisionFund network of MFIs has been serving millions of borrowers for well over a decade. To stay focused and serve our clients effectively, we have worked to ensure a strong foundation throughout our organisation. This is done through solid staffing and strong governance.

CLIENT FOCUS

At VisionFund, it is paramount that we encourage and nurture a culture of client focus throughout the entire network and in everything we do. Listening to our clients' real needs and responding in practical ways that speak to their circumstances is critical to our success. We are also developing relevant financial literacy training and other resources to ensure they have all the tools and information they need to thrive. Additionally, throughout the world we are putting systems in place to help our clients respond and protect themselves against shocks and risks, including El Niño and its varying climatic events.

SOLID STAFFING

The first step to serving our clients well is through ensuring solid staffing. At VisionFund we are working to develop our people. Training programmes for loan officers and MFI managers, regional and global conferences to share best practices, standardised

performance management policies and a monthly prayer guide are all tools used to help build staff and develop capabilities.

STRONG GOVERNANCE

Next comes clear and solid governance and strengthening teamwork. VisionFund International is governed by a board of 13 directors with many decades of experience from the financial and development sectors. Each of our MFIs also reports to a local board, which includes the World Vision National Director in that country and local representatives from the banking, finance and/or legal sectors.

Our boards help guide strategy in local and international contexts. In addition, they help us to steward our assets wisely, ensure robust risk management and drive operational effectiveness whilst at the same time ensuring a continuous focus on our social mission. That's why we spend a lot of time and effort in building and developing strong boards.

In addition to this, we have a VisionFund Global Social Performance Board Committee that oversees our work and ensures we embed social performance in our daily work with disciplined measures.



MEASURING OUR EFFECTIVENESS

As the microfinance industry matures, there are a series of measurements and accountability methods that are standardising. Measuring our effectiveness in helping clients improve their lives and care for their children is not simple.

No one tool can do that and so we rely on a selection of various approaches to provide insights and information.

The Progress out of Poverty Index (PPI) is explained in detail on the following pages, but essentially it's a scorecard that asks ten country specific questions to assess the level of poverty amongst clients in relation to poverty levels. After ten years as an industry wide tool, this resource is enabling MFI networks like VisionFund to measure whether we are working with the right groups and also over time how they are improving.

Child Well-being is talked about on the previous pages. Ultimately our vision is to see improvements for clients to translate clearly into benefits for their children in the form of better health, education and nutrition. We seek to measure this link via questions asked of clients at the time of repeat loans. It is qualitative but provides indications of where parents see the greatest impact for their children over the period. In future, this will be supplemented with specific studies around child outcomes.

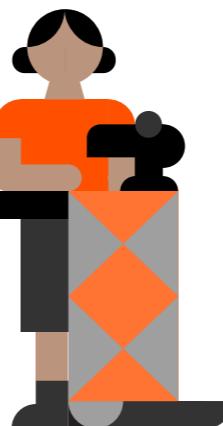
Specific evaluations by third party institutions enable us to have a much deeper look at the results from a specific MFI or project. We aim to join with partners to undertake two or three of these in different aspects each year. We cover the learnings from the Haiyan pilot in disaster recovery lending on pages 16 - 17.

Client surveys about how we are delivering our services are undertaken by MFIs regularly. These are used to determine the overall satisfaction of clients in relation to their products and services.

External industry standard certifications can be a useful supplementary tool. One stringent and valuable certification is referred to as SMART and relates to how an organisation is geared towards customer care and protection. We outline more about this on pages 18-19. Additionally, other forms of external certification are listed on page 23.

Our MFIs also clearly monitor on an ongoing basis core key performance indicators around gender, loan sizes, children, client exits and details about rural/urban and product types, demographics that indicate overall effectiveness and intention.

GAUGING CLIENT ADVANCEMENT THROUGH THE PROGRESS OUT OF POVERTY (PPI) INDEX



Rommel Caringal
CEO
VisionFund Myanmar

“In Myanmar, very few people have access to basic financial products, so we are increasing our services in remote areas where very few tread.”

At VisionFund, tracking client characteristics helps us to see if we are reaching our intended groups. For example, based on location and gender. But poverty levels have been more difficult to assess.

To address this, VisionFund uses the Progress out of Poverty Index (PPI), which is a scorecard based on ten country-specific questions to assess the level of poverty in a given context. The scorecards are based on each country's most recent household expenditure or income survey, thus providing an objective, reliable measure of poverty. Developed by Mark Schreiner of Microfinance Risk Management, L.L.C. and managed by Grameen Foundation, the PPI is an industry-respected measurement tool available for 60 countries and used by over 400 poverty-focused organisations and businesses.

To date, 18 VisionFund network MFIs use the PPI to track the poverty level of new clients and

I have started collecting repeat client data to learn about changes over time. In addition, where PPI scorecards exist, all VisionFund MFIs will begin tracking progress in 2016.

The PPI supports each stage of our social performance approach by providing an objective poverty measurement to complement qualitative social performance data. First, we use the PPI to measure the poverty level of first-time borrowers to ensure we are targeting the right clients. To learn if we are meeting client needs, we analyse individual PPI questions to identify potential products, such as education or housing loans. Most importantly, we are beginning to collect PPI data with higher loan cycle clients to learn how poverty levels are changing over time. The scale of our use has established us as one of the leading users of the PPI and we are working with our industry partners to ensure it remains a free tool and accessible throughout the industry.

PROGRESSING OUT OF POVERTY

DRAWING VALUE FROM DATA

WHAT DOES POVERTY DATA SHOW US?

Having the Progress Out of Poverty Index (PPI) as an objective tool to measure poverty provides valuable information about our clients and leads us to ask the right questions about how to serve them better. By showing clients' poverty levels

before their first loan and how those poverty levels change over time, the tool acts as a stimulus to amend strategy when needed to ensure we are serving poor clients effectively.



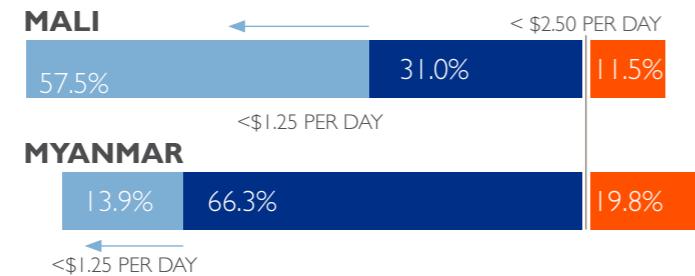
WE CAN KNOW WHO WE ARE SERVING

By measuring incoming clients' poverty levels, we can learn how well we are targeting households living in poverty and subsequently developing livelihoods. Targeting information shows that we are serving some of the poorest communities around the world. For example, we have learned that the majority of new clients in Mali make less than \$1.25/day and over 80% of new clients in Myanmar make less than \$2.50/day.

After looking at poverty rates for the MFI as a whole, we then look at branch-level poverty rates. Where poverty rates differ by branch, this can stimulate management to investigate if changes in products or strategy are needed across geographical areas.



% CLIENTS IN PORTFOLIO EARNING <\$2.50 AND <\$1.25 PER DAY



WE CAN COMPARE HOW WE ARE SERVING

At VisionFund we can then go a step further by comparing our MFI poverty rates to national figures. This helps us judge if we are targeting well enough. For example, in Mexico, we see that new clients' poverty rates exceed the national rate. We also know that national rural rates are greater still, so this tells us that as we increase our rural focus we should expect our MFI rates to as well. By further analysing poverty

data by subcategories like branch and loan product, MFI management can be stimulated to ask the right questions about improving outreach. For example, MFI management may see that a particular branch is doing an excellent job of reaching the poorest clients and replicate best practices in places where outreach is lower than expected.

WE CAN KNOW IF OUR CLIENTS ARE SEEING POVERTY REDUCTION OVER TIME

Our mission is to see our clients and subsequently their children climbing out of poverty. Measuring poverty levels over multiple loan cycles for client groups helps tell us that their poverty is decreasing and that they are moving up the economic ladder.

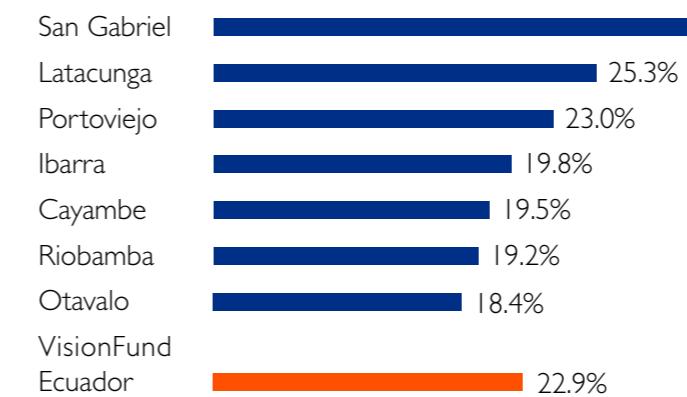
That being the case, data alone cannot tell us why rates are changing and we need different means to judge our own contribution and how we can improve. The use of PPI tracking is still in the early stages at VisionFund but is becoming operational in more than 20 of our MFIs. Below is an example of the poverty tracking work in VisionFund Ecuador from 2013 to 2015. Comparing changes over time by branch and/or group methodology helps us ask

the right questions for understanding decreases in poverty.

Additionally, data provides us with the ability to design products to meet the gaps existing in families and children's lives. For example, when parents struggle to meet cash flow demands brought on by school fees and supplies.

Similarly, tracking individual PPI indicators over time can show the potential for new client-focused products. At VisionFund Cambodia, tracking client access to latrines and drinking water can show when new loan products could be beneficial.

ECUADOR BRANCH ANALYSIS - % CLIENTS MOVED OUT OF POVERTY



"We have started using the PPI to ensure our client targeting and products were right, but have graduated to use it as an impact measurement tool over time. We are excited by these developments."

Luis Rios
CEO
VisionFund Ecuador

NOTE: This data covers microfinance operations between 2013 - 2015 for the VisionFund affiliated MFI in Ecuador, specific to the branch level.

MEETING REAL NEEDS

OUR LOAN PRODUCTS

IN CAMBODIA: FOCUSING ON CHILD WELL-BEING

Nearly 90% of the loans we offer are to help clients develop a business that provides them and their families with a secure income and increased resilience. These loans alone help parents to build brighter futures for their children as livelihoods are developed. But there's more that we can do.

We also offer child well-being loans. These are specifically tailored for parents and provide funds to intentionally make a positive impact on children. We are continuing to develop this product and these loans have grown 2% over the past year, now making up 11% of our total portfolio.

In Cambodia, poor sanitation in rural areas is responsible for nearly a fifth of deaths in children under five. World Vision Cambodia supplies families with affordable sanitation as a way to change this reality.

VisionFund Cambodia has been able to step in and support this effort by offering affordable loans for families to have latrines built and purchase fresh water purifiers.

Over the last year, over 100,000 of these loans have been made, which means thousands of Cambodian children have improved access to clean water and sanitation.

While our core business and agricultural loans help clients secure a reliable income, special loans are designed with their children's needs in mind. Further examples include education loans, which give more children in Myanmar the chance to attend primary school and housing loans for parents in Bolivia to build safe living conditions for their children.



CLIENT EDUCATION

VisionFund developed a new model of client education that is simple, sustainable and easily replicable. This innovative new approach, called 'Embedded Education,' involves the following key components:

- Identifying all points of contact an MFI has with clients, including loan origination, disbursement, repayment meetings and branch office visits.
- Determining the key communication avenues for these points of contact. For example, oral communication from staff, print, SMS/text messages, etc.
- Embedding simple education messages into various communication avenues. Primary communication is direct contact with loan officers during regularly scheduled group meetings. As such, flip charts were developed with images that communicate simple, concise financial education messages.
- Providing basic training to loan officers on critical components of participatory education and facilitation.

The model was implemented in Sri Lanka, Cambodia and Uganda in 2015 and has shown tremendous success at scalability, effectiveness and simplifying implementation. Based on this result, broader implementation in other MFIs in Africa and Asia is planned for 2016.



David Kombanie
Governance Director
VisionFund International

“At VisionFund, the real needs of our clients are important to us. We listen to our clients and design products that are useful in their lives.”

SUCCESS THROUGHOUT 2015

- 212,728 clients received financial literacy education during 2015.
- Across the network, the average annual increase of clients receiving education was 42% per year over the past three years.
- Implementation began in Sri Lanka in the first quarter with 198 clients, representing 0.4% of all clients in the country. By year end, the total reached 28,194 (42.7% of all clients), demonstrating the rapid scale-up potential of the model.

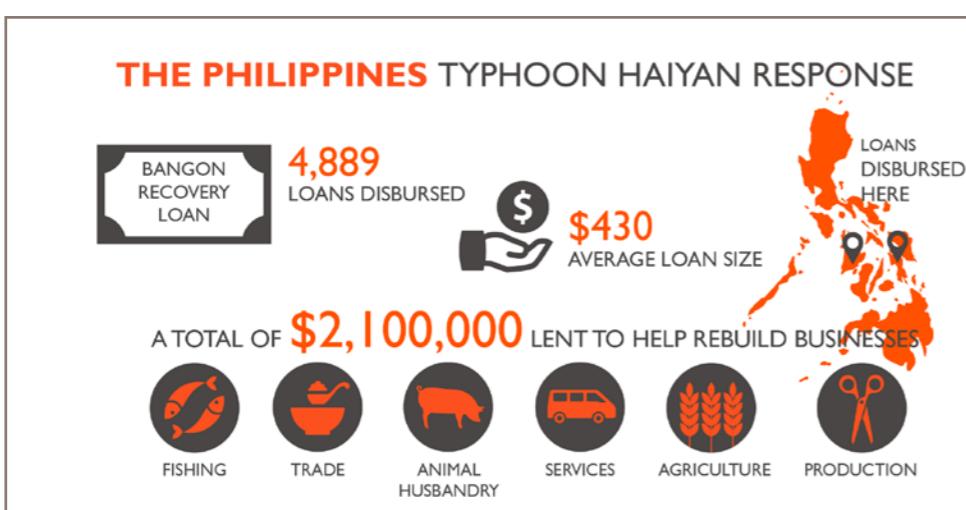
BUILDING SAFETY NETS FOR THE POOR



RESPONDING TO TYPHOON HAIYAN

On November 8 2013, Super Typhoon Haiyan (locally known as "Yolanda") drew a path of destruction across the Central Philippines that left millions of Filipinos homeless, injured and without a viable livelihood. This unprecedented event severely stressed all aspects of individual, family and community resilience.

Typically, MFIs reduce lending post-disaster. Following Typhoon Haiyan, VisionFund and its Philippine MFI, Community Economic Ventures, Inc. (CEVI), chose instead to increase lending, allowing clients to access fresh loan capital to jump start their livelihood recovery efforts, requiring only that they articulate a plan for a viable business use of the funds.



KEY FINDINGS FOLLOWING THE RESPONSE

During the ensuing two years, VisionFund studied Filipino clients and came away with four key findings:

1. Recovery lending enabled rapid client recovery
2. Recovery lending was affordable and did not lead to over indebtedness

3. Recovery lending covers its costs and does not have an abnormal credit risk

4. Preparation "before the event" is needed to optimise the speed and effectiveness of recovery lending

BY THE NUMBERS

96% of Clients

Reported Livelihood Recovery

79% of Clients

Believe Recovery Without Loans Would Have Been More Difficult

99%

Repayment Rate

LOOKING AHEAD

In early 2016 we began recovery lending in Africa to support communities affected by El Niño-triggered droughts and floods. To further improve our recovery lending design, we are applying a rigorous impact evaluation programme with specialist firm TANGO. We have also partnered with the University of California, Berkeley, who have validated the Typhoon Haiyan project impact results. Their research and analysis has also identified adaptations to recovery lending that could improve effectiveness and we have begun to design a rigorous evaluation to measure impact of multiple methodologies against each other to better determine the most effective and efficient recovery lending.

To ensure that adequate finances are always in place, we have completed sophisticated modelling of a Financial Disaster Risk Management (FDRM) scheme that combines climate science, weather index derivative/

insurance and liquidity funds to create a financing mechanism for our recovery lending. The detailed design is due to be completed by December 2016 and rolled out during the following year to 11 VisionFund MFIs representing 70% of our global portfolio.

We have found that people affected by disasters are extremely resilient and practical. Providing access to loans for livelihood investment supports both their own capacity and the economic recovery of the local market.



For more information about this project and VisionFund's Disaster Resilient Microfinance, please visit our website: <http://vflink.it/disasterresmicro>

PROTECTING OUR CLIENTS

What about the risk of over-indebtedness? Is pricing reasonable and transparent? Are clients' concerns being heard and addressed? Is resilience to shocks being increased? We desire to protect and serve our clients well. To that end, we have implemented an array of policies, procedures and initiatives:

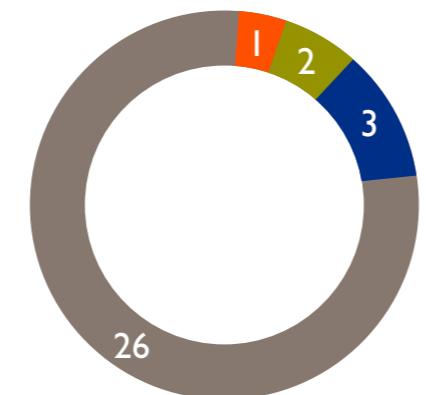
- The SMART Campaign is an industry initiative that sets standards of client protection principles in areas such as prevention of over-indebtedness, responsible pricing, fair and respectful treatment of clients and mechanisms for client complaints. We have embedded these guidelines in our operating policies, training and audit procedures.
- Code of conduct has been rolled out in all microfinance institutions (MFIs).
- 23 MFIs have completely installed the client complaint mechanism prescribed by VisionFund policies and guidelines. This means that in every branch the client complaint poster has been placed in their local language and includes an independent telephone hotline which clients can call to air their concerns. Furthermore, the number is included in all loan documents.
- In our continued commitment to transparency in pricing, all MFIs are monitored and ensure that pricing is in accordance with their respective country regulations. Furthermore, VisionFund reviews MFI pricing to ensure fair and balanced sustainability while working in remote areas.
- Six MFIs have undertaken intermediate reviews by external rating bodies to provide guidance on progress towards certification standards; three MFIs have completed formal certification rating and are awaiting results; three are already certified.

This is all being done in conjunction with our new initiative 'Making it Real'. This programme involves several different elements (including the PPI) to assist our field staff to better understand and use the collected data to improve client engagement and how we serve them.

But there is much more to do. In time, we plan to expand the new client education model to include more topics and learnings around client protection.

On top of this, we are committed to seeing more of our MFIs become SMART-Assessed and ultimately certified in client protection.

SMART CERTIFICATION



- RE-CERTIFIED
- CERTIFIED
- AWAITING CERTIFICATION REPORT
- OVER THE NEXT 24 MONTHS



A SNAPSHOT FROM EASTERN EUROPE

REFLECTIONS ON SMART CERTIFICATION

The SMART Campaign is an industry initiative that has set standards of client protection in use throughout the industry. We have highlighted our VisionFund MFIs in Bosnia and Serbia that have completed SMART certification.

Initially, our Bosnian MFI recognised that SMART Certification was an effective way to get an official confirmation of social responsibility outcomes and an evaluation of the organisation's level of transparency.

In addition, as one of the first five MFIs with SMART Certification, the Bosnian MFI was enthusiastic that the certification would confirm that the MFI was amongst an elite group of institutions in the industry globally that were observing all seven of the client protection principles.

Agroinvest of Serbia quickly took this effort on board and found SMART Certification incredibly useful for setting standards for staff and their ability to improve services to clients.



Caroline Tsilikounas
CEO of Agroinvest
of Serbia

ON THE CUTTING EDGE

THRIVING IN TANZANIA

VisionFund not only works with individual farming families but also in integrated, large-scale smallholder farmer initiatives. World Vision helps bring farmers together first into savings and then producer groups, to use better seed, techniques and water resources. This helps farmers gain better prices through improved access to markets. Additionally, VisionFund provides crop input financing to farmers as part of these efforts. The impact is made through the integrated efforts.

Africa is the vanguard of the World Vision THRIVE initiative for smallholder farmers. Tanzania has been the development ground for this model which includes a very successful 'Changed WorldView' orientation model for smallholder groups to give them the confidence to

SUCCESS FOR WAZIRI

Waziri juggles being a village 'banker' for others while also selling agricultural input supplies. Just six years earlier Waziri and his wife Zahirina lived as simple farmers in Tanzania, victims of erratic rainfall, unable to make ends meet and recipients of World Vision's Food Aid.

Life changed in 2012 when Waziri joined his first World Vision savings group and received training in entrepreneurship and farming pest management. He took out his first loan from VisionFund of approximately \$230 to begin an acre of onion farming. Waziri's onions were grown as a part of a producer group, one of 37 commercial villages established by World Vision in his area. Amongst many benefits, collective production has given farmers like him increased bargaining power and access to better markets.

In his first season, Waziri sold

drive their own destiny, understanding the value they have in God's eyes. The target in Tanzania is to work with over 150,000 smallholder families over five years, directly improving the lives of 700,000 children over that period as livelihoods are developed. In connection with this, an exporting company has been created to access attractive overseas markets for identified crops and assist the smallholder farmers in sustainable and commercially viable export.

Similar THRIVE smallholder farmer programmes are already operating or are being actively developed by World Vision in cooperation with VisionFund in Mali, Malawi, Rwanda and Zambia.



70 bags (700kg) of onions bringing in approximately \$2,500, the most he had ever earned in his life. "I was thrilled," he beamed.

With World Vision's guidance Waziri has propelled himself to being a model farmer and businessman earning over \$4,000 in yearly income. Just in the last 18 months, Waziri has received \$680 in loans from VisionFund Tanzania to boost his Mpesa village banking business and begin a new venture in fish farming. As Waziri's resilience increases so does his confidence.

HARNESSING TECHNOLOGY

Only through harnessing technology can VisionFund achieve its goal of impacting families in rural areas sustainably. Small average loan sizes and high administrative costs due to distances and the remoteness of rural areas makes providing financial services in these areas challenging. But it is VisionFund's mission to serve these communities and so we look for innovative ways to respond.

Mobile money, tablet technologies and SMS/text messaging are three important elements of the response:

- **Mobile money**, which is already used for nearly all transactions in our Kenyan and Tanzanian MFIs, is contributing to enabling financial access in rural areas and lowering operating costs by reducing the emphasis on needing a 'bricks and mortar' branch infrastructure. By enabling clients to receive loans, make repayments and transact on savings accounts over mobile devices and through agents for cashing in and out, clients no longer need to spend numerous hours travelling to and from villages to a local branch. Communities previously out of reach gain access to financial services, which enables more parents to grow their businesses and incomes and provide brighter futures for their children.
- **Tablets**, which allow loan officers to capture client information in the field, enable paperless operation with no need to re-key details. This lowers costs and improves productivity while speeding up the process of loan approval for the benefit of clients. Where mobile money does not exist, tablets can also be used to collect cash in the field and print receipts. We are currently piloting both applications of this technology in a variety of countries.
- **SMS messaging** allows us to confirm transactions, provide updated balances, send reminders for payment and other messages that improve our service to clients and enhance our control over fraud.

Over the next few years, at VisionFund we will continue to roll out these improved technologies across our network, including cloud-based technologies, to increase financial access, improve our service to clients and lower our costs to help make rural outreach sustainable.



A GLOBAL REACH



AFRICA

Portfolio:
\$57 Million
Active Borrowers:
305,000
Jobs Impacted:
430,000
Children Impacted:
1,470,000

Ghana
Kenya
Malawi
Mali
Rwanda
Senegal
Tanzania
Uganda
Zambia

ASIA

Portfolio:
\$163 Million
Active Borrowers:
470,000
Jobs Impacted:
650,000
Children Impacted:
1,840,000

Cambodia
India
Mongolia
Myanmar
Philippines
Sri Lanka
Vietnam

LATIN AMERICA

Portfolio:
\$103 Million
Active Borrowers:
170,000
Jobs Impacted:
225,000
Children Impacted:
305,000

Bolivia
Dominican Republic
Ecuador
Guatemala
Honduras
Sri Lanka
Peru

EASTERN EUROPE

Portfolio:
\$176 Million
Active Borrowers:
161,000
Jobs Impacted:
317,000
Children Impacted:
275,000

Albania
Armenia
Azerbaijan
Bosnia
Kosovo
Montenegro
Serbia

INDUSTRY PARTNERSHIPS

The needs of those living in poverty around the world far outweigh the resources available. At VisionFund, we realise this, so we work with outstanding organisations, networks, individuals and foundations around the world to leverage each other's gifts and talents.

As a member of the Social Performance Task Force (SPTF),

we have set and tested industry standards. As a member and co-chair of the Microfinance CEO Working Group (MCWG), we have collaborated with a selection of international networks to apply and advocate for strong client protection practices and led the industry to advocate greater use of child protection policies. In partnership with the Grameen Foundation,

MCWG and others, we are working to measure and document real changes in clients' lives. Around the world our MFIs participate in national networks that provide important training, urge necessary changes and promote effective microfinance services within their countries.

GLOBALLY RECOGNISED

In 2015, the VisionFund network of MFIs received multiple awards and ratings from a collection of external bodies. We are encouraged that our commitment to excellence and service to our clients has been acknowledged across the globe.

2014/2015 MICROFINANZA SOCIAL RATING

Ecuador: BB+	Honduras: BB
Bolivia: A-	Mali: BB-
Dominican Republic: BB	Peru: BB-
Guatemala: BB-	

MIX MARKET RECOGNITION

MFIs around the world are all invited to participate and provide information for the Mix Market portal. As MFIs provide more disclosure information, they receive a higher diamond ranking.



- Bolivia
- Bosnia
- Cambodia
- Ecuador



- Albania
- Armenia
- Dominican Republic
- Guatemala
- Honduras
- India
- Kenya
- Kosovo
- Mongolia
- Tanzania

2014/2015 MICROFINANZA INSTITUTIONAL RATING

Ecuador: BBB	Honduras: BB-
Dominican Republic: B+	Mali: BB+
Guatemala: B+	Peru: BB-

2 YEAR PLANET RATING (2014)

Bosnia: 2014 - 4+ in SPM, rated amount top 5 MFIs. 2014 - SMART Girafe Rating (A-)	Cambodia: 2014 - MFI Rating A-
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KIVA BADGE FOR ANTI-POVERTY FOCUS

- Albania - Armenia - Azerbaijan - Cambodia - Ecuador	- Georgia - Kenya - Mali - Mexico - Philippines
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SMART CERTIFICATION

- Azerbaijan
- Bosnia
- Serbia



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