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Celebrating 35 Years of WCCN!

Dear Friend,

This year marks WCCN’s 35th anniversary. On behalf of all the individuals, families and organizations you have helped, from our humble beginnings in Nicaragua on through to our partners across Latin America, I thank you for your time, energy, resources and care.

2018 was an important year for us as we celebrated a return to a more sustainable financial position following a difficult period with losses in the coffee sector. We are thankful for the patient capital provided by you, our investors and donors. It has enabled us to tough it out and stick with our partners and the marginalized people they serve in Latin America.

The past year also saw renewed conflict erupt in Nicaragua, the country where we have the longest history. Our partners and their borrowers are working hard to weather the storm and stay on their feet. WCCN has been a stalwart supporter doing whatever we can to help, including allowing for delayed repayments, technical advice, and new investments. We are looking at new ways to support them in 2019 and we will keep you informed about how you can help.

Whether it’s the conflict in Nicaragua, reopening of civil-war wounds in Guatemala, or migrants seeking asylum in the United States, it is clear that there is great need in Central and South America and that WCCN’s mission is as relevant as ever. I hope you are proud of all we have accomplished together these in these 35 years, and we look forward to celebrating even more anniversaries in the future!

PS: Be sure to check out details of our upcoming trip in July to Antigua, Guatemala, on the back page. Don’t miss the chance to visit this amazing city and see the impact of your investments up close.

Saludos,

Will Harris,
Executive Director
Credit Where Few Banks Tread: Introducing Fundación SERVIGUA

WCCN prioritizes working with partners that bring opportunity to people with limited access to capital. Our newest partner in Guatemala, SERVIGUA, works directly with communities often overlooked by financial institutions. We spoke with General Manager José Armando Morales.

Tell us a bit about SERVIGUA.
We’re a small foundation providing small business loans in the Quiché area. We offer inclusive finance to communities where there still isn’t access for a variety of reasons. One is the conditions of the roads; we have some clients where it takes one to two hours by motorbike to visit. We manage roughly $1,400,000 serving just over 1,000 people.

What kinds of clients do you serve?
About 60 percent of our loans go toward small business ventures, 15 percent supports artisans, and 5-6 percent toward agriculture like avocado, apples, and cherries. The remainder is in financing home improvement. Many people have limited or substandard housing. This gives them the opportunity to affordably improve their standard of living.

How did the organization begin?
Ten years ago, all the banking and microfinance activities originated in Santa Cruz del Quiché, the capital of Quiché. A friend and I started looking into this in 2003 when we were about to graduate from university. A while later a classmate took the initiative to bring our idea to life to solve problems around poverty and underdevelopment. We wanted to create a microfinance approach that promoted products adapted to the context of our community.

(continued on page 4)
SERVIGUA Profile

In the last few years, the market has developed strongly. A lot of organizations have come in and the market is getting tighter. That has forced us to refine our niche of serving smaller villages and where more value stays there. We leave urban areas to the banks and other cooperatives to finance.

The important part for us is the social impact we can have. We aren’t big, but we’re many.

Who is the average client?
Their average loan is $1,500 and the client may use it to buy clothing or shoes to sell in their community or purchase produce to sell in a local market. We’ve also created a line of credit to serve solidarity groups targeting women with small loans allowing them to, for example, create businesses in textile or small animal production.

Then there are people like some farmers in Agua Escondida who were living with dirt floors and simple houses, and now they've been able to access cement floors. This may be a small thing, but it can be life changing in creating a healthier home.

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SERVIGUA aims to achieve $2.6 million in working capital and 1,500 clients by 2022. WCCN has invested $200,000 in SERVIGUA’s work.

Amnesty Bill Threatens Peace in Guatemala

Since the signing of the 1996 Peace Accords ending Guatemala's civil war, the country has struggled with the violent legacy of the unrest that left an estimated 200,000 dead, with at least 40,000 disappeared. A new amnesty bill to reform the National Reconciliation Law aims to give amnesty to over 30 people convicted of war-time crimes and shut down current and future trials.

The bill has sparked massive protests across the country, and debate continues as of this writing. Human rights groups and the US government have indicated that the bill would violate Guatemalan and international law.
A Visit to Nicaragua: Borrower Profiles

WCCN emerged from goodwill among people in Wisconsin and Nicaragua 35 years ago. Our efforts to show solidarity with citizens there during the civil war in the 80s led to the creation of WCCN. In April 2018, the country found itself in turmoil again as protests erupted demanding change in government.

The government of Daniel Ortega responded brutally leaving at least 322 people dead and 565 jailed, and hundreds have fled the country fearing prosecution. Many of our borrowers are in affected areas, including Masaya, the cradle of the Sandinista movement. Fortunately, our partners were able to continue supporting their borrower clients. WCCN visited our partners in February 2019.

### Hazell Janeth Chacón and Maria Esther Astorga, Nueva Guinea

This mother-daughter team used their first loan of $183 in 2015 to launch a small business making yogurt. Thanks to careful management and judicious reinvestment, they now distribute in Managua, San Carlos, Blufields and Masaya. During the crisis, Hazell and Maria’s business saw a marked increase in demand when their main competitor was unable to enter the municipality.

### Fanor Artiaga, Nueva Guinea

Fanor has been in the saddlery business for 20 years. He took his first loan 15 years ago to purchase raw materials and improve his workshop. Over the past six years he has taken various loans to further grow his business and add staff. The crisis took a heavy toll on his saddlery, with a 50% drop in sales compared to the previous year. Now he’s working to build demand again.
Will Harris named WCCN Executive Director

It is with great pleasure on behalf of the WCCN Board of Directors that I announce the selection of Will Harris as the new Executive Director for WCCN. Many of you are familiar with Will, as he has held numerous positions with WCCN, including board member, Board President, Director of Operations, and, since January 2018, Interim Executive Director.

During the interim period, Will led WCCN to achieving its most profitable year in more than a decade. He has positioned us well for future success in meeting the needs of the working poor in Latin America. Even prior to joining WCCN, Will had a strong background in Latin American microfinance, including many years of education and experience. Based on Will’s passion for what we do and his experience in achieving exceptional results, the Board of Directors unanimously approved his appointment as Executive Director at our February 27, 2019 board meeting.

WCCN is well positioned to continue its mission and we now have a strong leader to help us focus on the future. We appreciate the ongoing support of our investors and borrowers, and we look forward to continuing to meet needs in Latin America for many years to come. If you ever want to discuss any aspect of WCCN, please don’t hesitate to contact me directly or, better yet, why not call our new Executive Director and speak with him? He’d love to hear from you!

Sincerely - Tom Schwei - Board President

SAVE THE DATE!
CELEBRATE WCCN'S 35TH ANNIVERSARY
ON JUNE 22ND AT LAKE WINDSOR COUNTRY CLUB - 6 PM
REGISTER TODAY AT WCCN.ORG
WCCN's Loan Fund Portfolio
Over $134 Million Invested Since 1991

Average of $11.9 Million Deployed To Alleviate Poverty In Latin America in 2018

Help Us Grow Our Impact

DONATE: Every $1 contributed leverages $6 in loans to the working poor of Latin America. Please consider donating today by visiting www.wccn.org/donate, or send a check made out to WCCN to our offices at 330 S. Whitney Way, Suite 200, Madison, WI 53705.

INVEST: By investing in WCCN you create opportunities for the working poor and help build a more equitable world. To invest, contact us at 608.257.7230, or write info@wccn.org.
Founded in 1984, Working Capital for Community Needs (WCCN) is a 501(c)(3) nonprofit impact investing fund whose mission is to create opportunities for access to microfinance, services and markets to improve the lives and communities of the working poor in Latin America.

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STUDY TOUR: ANTIGUA, GUATEMALA
JULY 20-27, 2019

Join WCCN on our next study tour this summer in lovely Antigua, Guatemala. Learn first-hand how your investments and donations are put to good use by our microfinance partners and end-borrowers. We'll also explore the natural beauty of the area surrounding this historic city and enjoy the local culture.

This 7-day itinerary includes transport to/from Guatemala City to Antigua. We'll visit several partner organizations, and must-see destinations like Lake Atitlan and the market of Chichicastenango.

Approximate Cost: $1,500 plus airfare

To reserve your place or learn more, call us at 608-257-7230 or info@wccn.org.