

Grassroots Connections



Celebrating 37 Years of Solidarity

WCCN
Investing for Social Change



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December 2021

NOTE FROM THE EXECUTIVE DIRECTOR

Dear Friends,

There has been much suffering around the world the past 12 months, and we have all been affected by it. As you, our supporters, slowly gain access to vaccinations and begin to reengage in society in ways that have been impossible for some time now, there is a feeling that perhaps we may be returning to some sense of normalcy. Simple acts such as giving a friend a hug or seeing someone smile (without a mask), which for too long now have been out of the question, are becoming possibilities.

Our friends in Latin America are now enduring a third wave of the pandemic and some countries have decided to reissue lockdowns or other safety measures. New political and social stresses have emerged as the pandemic continues to affect economies, and some governments have few resources left, which will come to the forefront during this year's multiple elections. Those of you who have had the opportunity to travel or live in Latin America may have experienced how people who call the region home can persevere through difficult situations with a mix of faith, love, and a sense of levity about tragedy. In this newsletter we try to reflect the strength of our end borrowers, mourn the continued tragedy we collectively face, and simultaneously celebrate good news, connection, and culture.

To start, WCCN finds itself in the best financial position it has been in since 2014, including a recent recovery of a loan in Honduras. We would not be in the position we are today without your support, and we thank you for that. We are looking forward to helping even more people in Latin America in 2021.



WILLIAM HARRIS
Executive Director



UPDATES FROM WCCN

CAPITAL FOR COMMUNITIES FUND REACHES MILESTONE

WCCN reached a milestone \$12 million in investor liabilities in its Capital for Communities Fund, allowing it to continue to deepen its impact in Latin America. Total assets under management (AUM) jumped to \$12,510,515 in 2020, up from \$11,589,085 in 2019. For the third consecutive year, WCCN operated profitably, with stronger reserves and net assets, allowing it to respond to the great need for credit in its countries of operation. A supportive network of investors for 44 states across the U.S. has made this possible. "WCCN has been through difficult times before with the socio-political crisis in Nicaragua. Now with COVID-19 - possibly the largest crisis we've seen - our investors have stepped up. Investors have a choice, and they have chosen to invest with us. Their support shows their dedication to social impact and the working poor in Latin America. It's also a really strong testament to not only WCCN but our work and mission," said Director of Lending J. Miguel Jongewaard.

"This is an impressive milestone for WCCN, especially considering we are still in the middle of a global pandemic. More growth means more support for the working poor in Latin America; this is the true core of why we do what we do here at WCCN. I am proud to be a part of these efforts and am pleased to see WCCN hit this milestone," said Layla Kaiksow, Vice President of the WCCN Board of Directors.



INCENTIVIZING VACCINATION AGAINST COVID-19 IN ECUADOR

This fall, WCCN supported Ecuadorean partner **Fundación Espar** with a campaign to encourage its clients to get vaccinated against COVID-19. Over 5,000 clients presented proof of vaccination against COVID-19 to enter a raffle. The lucky winners were awarded with air fryers, and one fortunate participant won the grand prize: a motorbike! The raffle drawing was live-streamed.

WCCN SPONSORS CENTRAL AMERICA DONORS FORUM (CADF)

From October 26 to 28, WCCN virtually attended Seattle International Foundation's Central America Donors Forum (CADF) as a proud sponsor and participant. CADF is a networking and learning space to advance philanthropy and development efforts in Central America. The Forum brought together 800 leaders from business, philanthropy, government, and civil society to discuss priority issues and successful models of development, and explore co-investment for social impact. The 11th annual CADF took place virtually.

The turmoil of the past year highlights the importance of working together to address the most pressing social, environmental, and economic challenges in Central America. CADF provided a great platform for sharing information about the challenges we all face and collaborating across sectors to have a bigger impact together. Discussions and panel events centered around three main topics: forging inclusive economies; reimagining healthy societies; and protecting human rights and fighting corruption.

WCCN RELEASES SOCIAL IMPACT REPORT

We are excited to share our first-ever impact report with our community. You can read the whole report on our website: wccn.org/impact.



OF THE TOTAL BORROWERS WCCN DIRECTLY SERVES



66%
ARE WOMEN



48%
LIVE IN
RURAL AREAS



\$1,363
AVERAGE
LOAN SIZE

WHO IS A TYPICAL WCCN BORROWER?



A FEMALE
HEAD OF
HOUSEHOLD
WITH A
FAMILY OF
FIVE



LIVES
IN A
RURAL
AREA



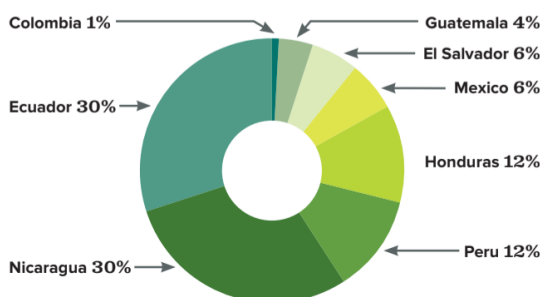
HAS AN
AVERAGE
MONTHLY
INCOME OF
USD \$315

Through surveys and in-depth interviews, we learned more about the borrowers our partners directly serve each year, from Mexico City to Arequipa, Peru. We explored how access to microfinance and social services has affected borrowers, and we examined the role the COVID-19 pandemic has played in their lives. We spoke with staff at microfinance institutions about their successes and challenges, and we heard from small entrepreneurs about their experiences starting and scaling businesses in the midst of navigating economic, political, and environmental challenges.

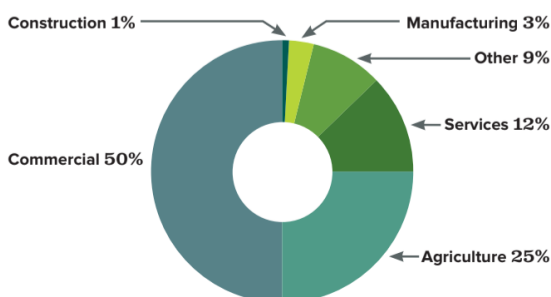
The data we collected tell many stories: stories of issues that disproportionately affect groups such as women, the unbanked and underbanked, and indigenous populations; stories of resilience in the face of hardship; and stories that reveal an enduring commitment to working together to support individuals, families, and communities through tough times.

As we celebrate the 30th anniversary of our Capital for Communities Fund, we're grateful for the vital role you play in our mission. We would not be able to have the impact we have without our wonderful community of donors, investors, and partners.

PORTFOLIO ALLOCATION BY COUNTRY



PORTFOLIO ALLOCATION BY ACTIVITY



APPROXIMATE NUMBER OF PEOPLE WCCN SERVES EACH YEAR

20,000

SIZE OF LENDING PORTFOLIO

**\$12.5
MILLION**

PROVIDING EARTHQUAKE RELIEF IN ACAPULCO, MEXICO

The mention of Acapulco, Mexico conjures up images of the roaring ocean, picturesque beaches, and colorful buildings lining sun-bathed avenues. A popular tourist town, Acapulco is frequently featured on lists of top must-see destinations. On September 7, however, the city made headlines for another reason: a 7.1-magnitude earthquake struck. Hear from board member Grecia de la O Abarca (pictured below) about her experience during and after the disaster and how she worked with WCCN to distribute gift cards for food and home repair.

A Place to Recharge

Every time that I go home I feel like I'm recharged from love, family, and food. It's a good place to get away for a little while. My favorite spot in Acapulco would be my house, home. What I would do [with visitors] is I would take you to eat seafood, fresh seafood. We have this dish called pescado a la talla, which is grilled fish. La talla is tile. It's a little bit spicy. If you don't eat spicy food I would be careful with it but it's really good. And then we're going to go and watch the sunset, and then we're going to go to a night show to La Quebrada, which is this cliff where people jump off. They have torches and then they go down to the water. If you don't go to La Quebrada, that means that you didn't go to Acapulco.

"We Were Just Banging from one Wall to the Other."

Around eight or nine p.m., I was at home with my mom, my aunt, and my cousin, and we were in the living room chatting. Then everything started shaking. We went to a safe spot under the frame of the door, and then we just waited there. We hugged each other and waited for the earthquake to stop.

We were between two walls and were just banging from one wall to the other. It lasted for minutes. The power went off immediately. Everything was just falling, and I mean, you couldn't do anything. We were hearing screams from people outside looking for their relatives. It was just a feeling of desperation. Everyone was leaving, everyone was trying to get away. And then you were feeling the aftershocks after. Today there have been more than a thousand aftershocks.

On Working with WCCN to Distribute Gift Cards

You never imagine the place that I was describing to you - you go to the beach, you feel the breeze - but you never imagine that you have to evacuate. I never imagined that I would have gone through that in my life. I think that people were really grateful for the help that was given to them in the moment. It was a really fast response and I think it was really powerful to hear that from families, and to hear them say, "Thank you. [The gift card] will help me get food for a couple of days, or a week. Maybe I'm going to make it last for a month."

I want to say thank you. Thank you from the bottom of my heart from all the people that I talked to, from all the people who got this aid. What I really like about WCCN is that they care about the impact of their actions. I think that we see small actions or big actions as things that produce an impact. The impact of a small action can change people's lives. We saw that with the earthquake and we see that with microloans. I'm happy to continue being part of this organization that cares about others and cares about Latin America.



In the aftermath of the earthquake, Grecia saw damaged buildings and people sleeping in public parks. WCCN worked with Grecia to distribute gift cards to families who experienced housing damage, food shortages, and the uncertainty that comes with coping with the shock of a natural disaster, particularly for those without savings.

You can check out our YouTube video to hear from Grecia and the families she met directly.

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The impact of a small action can change people's lives. We saw that with the earthquake and we see that with microloans.

**-Grecia de la O Abarca, Member,
WCCN Board of Directors**

” —

Iván, Beatriz, and their daughter Ivanna, 9, (bottom right) had to leave their home after the earthquake struck and their kitchen wall broke. "It was really scary to see that we could end up without a house from one moment to another," Iván told Grecia. "We thank God that we're alive and that nothing happened to us. We're thankful for the help that you could give to us. Thank you. We hope that you can continue helping other people like us." "Because there are many people in the same situation," added Beatriz.



BORROWER CORNER



Eugenio Antonio Oporta (left) makes furniture in Juigalpa, Nicaragua. He has been a microfinance borrower with WCCN partner Prodesa since 2000! He and his father opened up a workshop thanks to a microloan of US \$1,500. Today, although Eugenio's father is no longer living, Eugenio knows that he is watching over the workshop and its three employees.

Gladys Paredes Núñez (right) raises cattle and sells milk to a local supplier in Pichincha, Ecuador. She bought dairy cows with a microloan from Insotec in early 2021 to increase her income during COVID-19 restrictions. Gladys, who lives with her husband and three children, has been able to produce an average of 150 liters of high-quality milk each day, and has used the proceeds to send two of her kids to college. Gladys is grateful that Insotec also provides her and her family with free medical services in addition to financial services.



CAPITAL FOR COMMUNITIES FUND FAQ: HOW DO I NAME A BENEFICIARY FOR MY INVESTMENT?

Are you an investor in the Capital for Communities Fund? Safeguard your investment in case of any unforeseen circumstances and let WCCN know how you would like your investment to be managed. You can name a friend or family member as beneficiary. We, however, respectfully suggest that you consider naming WCCN as the beneficiary of your investment to ensure a lasting legacy of services to low-income entrepreneurs in Latin America.

WCCN's loan fund is self-sustainable, but donations are crucial for a more robust growth of the fund as they strengthen our equity and leverage additional investments. Please keep in mind that every dollar of equity leverages \$6 of investment capital. As a result, if you name WCCN as the beneficiary of your investment, your donation will be multiplied six times over, annually, to help the working poor of Latin America have a better future.

Please call us at (608) 257-7230 or email info@wccn.org to request a Beneficiary Designation Form. If you have any additional questions or would like information about completing the Beneficiary Designation Form, making a planned gift to WCCN, and/or converting your investment into a donation, We are very appreciative of your continued support and would be deeply grateful if you named WCCN as your beneficiary. We will continue working diligently to ensure your investment continues to have an impact in the lives of people in need in Latin America.



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@wccn_tweets



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This year marks the 30th anniversary of our Capital for Communities Fund, and we're as committed as ever to providing access to microfinance and social services to support families in Central and South America. We couldn't do any of this work without you. As we continue to respond to political and economic crises, climate change, the COVID-19 pandemic, and natural disasters, we encourage you to consider making a recurring donation to WCCN online: wccn.org/donate or by mail. Thank you for your generosity and solidarity!

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.