

NOTEWORTHY

the
**NEO
FUND**

Sustainable community development for the poorest of the poor.

Fall, 2020

New Training Begins in Nica

In December of last year, The Palmer Foundation granted us funding to begin a unique training program in Nicaragua. Planning began in earnest right after the holiday season. In reviewing the statistics of our borrowers, we noticed a lack of women who have never had a business before. It made us question if there weren't a sector of very poor women who just had no idea where to even begin to earn some extra money. We asked, what if we could find these women through the feeding programs of our partners, and offer them guidance and training in starting a business using best-business practices: from creating a business plan to pricing goods and managing inventory. A job-search was put in place for a person with extensive experience in training and business programs within our demographic. One of the criteria was to provide a brief outline at their interview of what type of training program they would recommend.

At the same time, we launched a successful partnership with Orphan Network in Ciudad Sandino, a poor Managua suburb. They have child-feeding and care programs there and we began making loans to parents of those children. This type of partnership has opened the door for NEO to aid thousands of poor and vulnerable families Orphan Network has already identified and begun to serve. This would also provide the incubator in which to identify the poorest of moms who needed work to provide for their children.

Despite delays due to COVID, we are pleased to report that we've hired a remarkable person whose credentials and sample training program stood high and above the multitude of applicants. (See *Meet Ivania!* in the sidebar). Our training program has begun as of 1 October! Immediate training is beginning with some of our existing borrowers in Ciudad Sandino who wish to benefit from this program. Applications and screening are underway for new borrowers.

In addition to the training program, we will also undertake our second Poverty Progress Index as well as continue our Supply Chain Analysis, finding ways for our borrowers to work together for mutual benefit. ■ ■ ■



Meet Ivania!

A brand new program requires the right person to bring it to life. After reviewing around 80 applications, our Nica team found the perfect visionary! Ivania Vargas brings a wealth of experience and training to the table.

Ivania is a psychologist from Managua. She has worked for the NGO "Hogar Zacarías Guerra" in vocational education for young people in risky neighborhoods, providing them training and job search. Between 2013 – 2018 she worked for the Police Commission for Women and Children to evaluate at-risk families for psychological damage, especially those that have suffered sexual violence. She is a recognized expert and trainer in this field. In her work with Foundation Dejame Intentarlo ("Let me Try") in Ciudad Sandino, she provided training for young people between the ages of 16 and 24 in economic entrepreneurship, and the investment of seed capital. Finally, in her work for the Nicaraguan Red Cross (2018 to May 2020) she carried out a training program for disabled women in the area of economic empowerment and self-esteem in Ciudad Sandino.

We feel so blessed to have her join our staff! ■

Expansion Underway with India Pilot Microlending Program despite COVID

Thanks to **YOU** we completed our matching grant to achieve our goal of \$30,000 to continue to grow our India microlending program! Demand for NEO Fund micro-loans in India far outstrips supply, so the progress is exciting to us.

Despite the setbacks with COVID, our team in India is already off to a good start for Y2:

- Loans: We have made 246 loans to date
- Portfolio: We have disbursed US\$33,873 in life-changing micro-loans since April, 2019
- Groups: We support 16 distinct self-help groups among 6 villages in the Krishna River Delta region
- Empowering Women: 100% of our loans continue to be made to women
- Defaults, Risk and Late Payments: After 18 months — Zero! Now into our second year, and despite a hiatus of 2 months from collecting payments because of COVID lockdown, our Indian Self-help Groups still have not had one loan default. Not even a single late payment. Our team in India still maintains a 100% healthy portfolio without any indication of risk. We are so proud of our team and of our amazing borrower entrepreneurs!



COVID in the Krishna River Delta

COVID has left no stone unturned in its global spread, and the Indian state of Andhra Pradesh is no exception. Our partner on the ground, KISES, sprang into action without waiting for International funds to arrive. While we mobilized donors to get funding for much needed masks, disinfectant, and most importantly — food, they already began hosting mobile clinics and food distribution in the slums surrounding Vijayawada and the coastal fishing villages where our clinic serves.

Children were taught thorough handwashing techniques, masks were distributed, and food rations including staples such as rice, vegetables and spices were given to households throughout the area. We suspended all loan payments for two months (without penalty), and reached out to you, for emergency relief which we swiftly passed on. Thank you for meeting these emergency needs!



What is Poverty?

This fall, in preparation for an annual presentation to a group of donors, we created a video message featuring Dr. Francisco Barquero, PhD, our Director of Microfinance. (You can see the entire 30-minute presentation here: vimeo.com/theneofund). In his presentation, Dr. Barquero gave an incredibly moving definition of poverty. We found it so poignant, we want to share it with you.

“Poverty is about not having enough money to meet basic needs including food, clothing and shelter. Around 2 billion people or 36% of the world’s population, lived in extreme poverty in 2019. 50% of the population in developing countries, like Nicaragua and India, live on less than \$2 per day.

“However, poverty is more than just not having enough money. The poor are the most vulnerable people – the ones who have to choose between eating dinner or buying medicine for their kids, who do not have future.

“Poverty is hunger.

“Poverty is lack of shelter.

“Poverty is being sick and not being able to see a doctor.

“Poverty is not having access to school and not knowing how to read.

“Poverty is not having a job, it’s fear for the future, living one day at a time.

“Poverty is a situation that people want to escape.

“So poverty is a *call to action*. Poverty is a *call to change the world* so that many more poor people have enough to eat, adequate shelter, access to education and health.” ■■■



The NEO Fund

“Empowering indigenous people to transform their own communities is the most effective weapon against global poverty.” — Jen Hatmaker

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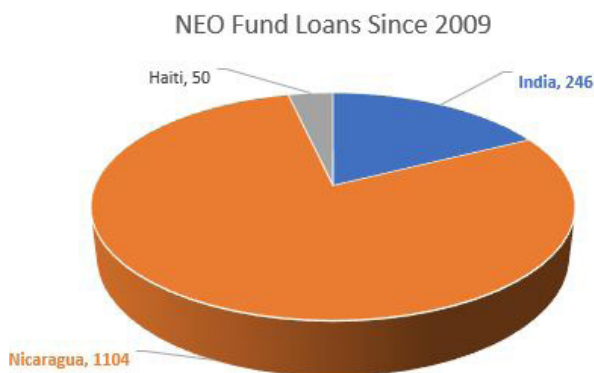
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Sustainable Community Development for the Poorest of the Poor

Backpage Program Performance to date



- NEO has disbursed \$297,111 in loans since inception, \$263,238 in Nicaragua and \$33,873 in India. Since our restructure in 2017, we have disbursed \$196,634 and recovered \$140,409 (71%), which is good (the difference – \$56,225 – is still extended in active loans).
- As of August, 94% of our borrowers globally are women
- Average loan size in Nicaragua is \$236; in India is \$139
- Our portfolio at risk is 11.42%, which is excellent considering the political situation in Nicaragua and the COVID pandemic. Remarkably, our India program still has a PAR of 0%
- Since starting microlending in 2009 we have extended 1104 loans in Nicaragua, 246 in India and 50 in Haiti, a total of 1400 loans.

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