



Filipino Women Break Cycles of Poverty

Overview

One-third of Manila's 12 million residents live at or near the poverty line. The metropolis around the Filipino capital is an urban sprawl that encompasses 16 cities and municipalities. Lack of healthcare and educational opportunities weaken families and chronic poverty leaves women struggling to provide for their children. Since 1992, CCT has provided loans to women to help them begin or expand businesses. Loan recipients also receive spiritual encouragement in a self-sustaining effort to break cycles of poverty. This grant allowed CCT to offer loans to 903 families to invest in their businesses. The loans resulted in increased household income, and more than 50 women received training to improve their business skills and health practices. Clients attended weekly fellowship and Bible-study meetings, and 95 of these joined local churches. Two community volunteers learned to facilitate Bible studies.



Marietta Magbitang, a client of CCT's microloan program, cooks burgers for her customers.

Expected results

Actual results

| | |
|---|--------------|
| 1,800 people increase incomes through micro-loans to 300 families | 8,694 people |
| 300 people participate in Bible-study fellowship groups | 95 people |
| 120 women receive business training | 53 women |
| 30 people join a local church | 95 people |
| 15 community volunteers learn to facilitate Bible studies | 2 volunteers |

Successes

Significant steps were made toward operational and financial self-sufficiency at CCT's Cainta microcredit branch, and a new branch was started at Taytay to meet increased client demand. At the time of reporting, both branches were operating well in the black. In addition, through weekly fellowship group meetings, beneficiaries and their family members were exposed to the Gospel message, many for the first time. Some have joined local churches and are seeking deeper growth in faith.

Concerns

The Cainta branch faced a difficult year in 2005 when one of its project assistants embezzled some of the clients' savings. CCT has since developed an internal audit unit to monitor program finances. In September 2005, it looked like many disillusioned clients would not repay their loans, but by the end of that year, thanks to persistent efforts CCT made to rebuild the clients' trust, the default threat had decreased.

In brief

Funding agency: [XXX]
 Organization: Center for Community Transformation (CCT)
 Location: Philippines
 Geneva Global ID: 1-EZ4P-1104
 Grant amount: \$22,000
 Disbursed to date: \$22,000
 Grant date: January 12, 2005
 Evaluation date: June 2006

Performance

Magnitude of impact

Depth of impact multiplied by the number of people

Niche ---- Significant ---- Large ---- Immense

Combined risk

Low risk High risk

▲ — Expected Results ▼ — Actual Results

Delta Score

Expected *

5.76

Actual

25.21

**All Delta Scores shown in this report are compiled with Geneva Global's latest analytical methods. A Delta Score of 1 represents a successful child sponsorship: One life changed in multiple ways for \$360 in one year. All other scores are directly proportional to that benchmark. If the project was originally rated using an earlier Delta Score computation, the expected results were recalculated for accurate comparison with the actual results.*

Achievement rating

Achieved

Overall, the project achieved its main objective to raise the standard of living of beneficiaries through microloans used to improve the recipients' businesses. In addition, more people than expected were integrated into local churches.

Read the full assessment and recommendation inside.

Results in Detail

| Expected | Actual |
|--|---|
| <p>1,800 people increase incomes through microloans to 300 families, as indicated by higher savings and better meals</p> | <p>Overachieved. 8,694 people (1,476 households at six per household) increased their incomes as demonstrated by loan repayment and higher savings. Of 903 borrowers, 876 repaid their loans in the project period, and another 573 families who received loans saved more money than they had before.</p> <p>Loans were based on four-month repayment terms, and were initially for an average of \$74 with the potential for subsequent loans to increase by \$37. A borrower could potentially receive and repay three business microloans in one year. Growth in the businesses and increased revenues were evidenced by women able to qualify for larger loans and repay them.</p> <p>In response to client demand, CCT established a second microfinance branch in Taytay in May 2005 .</p> |
| <p>300 people participate in Bible-study fellowship groups that in turn reach out to the community as reported by CCT</p> | <p>Underachieved. One year proved too short a time for CCT to prepare new Christians to lead others in fellowship groups. These groups require strong Christian leadership and need more time to develop. Although CCT did form independent fellowship groups, at the time of reporting, most of the people it was reaching were attendees of the required weekly meetings for loan recipients. CCT reached 1,281 people through 76 weekly Bible studies and fellowship meetings for clients of both the Cainta and Taytay branches. All 903 borrowers participated in the Bible study groups as required. Discipleship was led by people who had already made a decision to grow more deeply in their faith, whereas the attendees of the required Bible-study sessions were mostly non-Christians. Of that group, 95 people professed faith in Christ, and many others were taking steps to faith and learning about the Bible.</p> <p>The women involved in the fellowships groups shared experiences with other CCT clients and gave each other support. The women developed a strong social support system through these groups while learning about the word of God. CCT staff and project volunteers led Bible studies for the people and CCT plans to continue equipping community partners through discipleship sessions in order to build on the foundation established by this project.</p> |
| <p>120 women receive business training resulting in business expansion and creation, and increased income as reported by CCT</p> | <p>Underachieved. 53 women attended business workshops and seminars in management and simple accounting, meat processing, and basic cooperative orientation. Because the organization did not have relationships with trainers before the project began, the staff couldn't find enough trainers to meet the project goals. The 53 women who were trained, however, improved their skills related to the topics covered, which enabled them to run their businesses more effectively. Because CCT could not find a sufficient number of instructors, the funds budgeted for this aspect of the project were absorbed into the loan program.</p> |

Results in Detail

| Expected | Actual |
|--|--|
| <p>30 people join a local church, as reported to CCT by loan recipients</p> <p>15 community volunteers learn to facilitate Bible studies</p> | <p>Overachieved. 95 CCT clients were regularly attending services at local churches in Cainta and Taytay at the time of reporting. Because of the weekly fellowship meetings and Bible studies conducted by CCT staff, clients were consistently exposed to the Gospel. CCT attributes the overachievement to the meetings and the persistent follow-up conducted by CCT volunteer pastors and church workers.</p> <p>Underachieved. Two volunteer pastors helped the Cainta and Taytay branches facilitate Bible Studies. Originally, 15 beneficiaries were supposed to come to Christ, grow in Christ, and be ready to lead their own Bible studies, but as previously mentioned, one year proved to be too short a time for this life change. Therefore, the two volunteer pastors stepped in when CCT changed its plan and incorporated Bible study into its weekly beneficiary meetings. Attendance was required at these meetings.</p> |

Conclusion

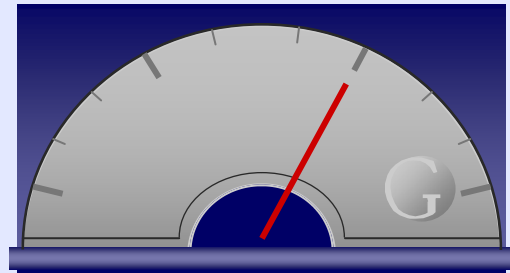
ACHIEVEMENT RATING

Overachieved

▶ **Achieved**

Underachieved

Not achieved



Assessment and recommendation

The Center for Community Transformation was diligent and timely in its communication with Geneva Global and significantly overachieved its benchmark for increased incomes by serving 300% more borrowers than anticipated with microcredit. Of the 903 women given loans, 876 repaid their loans within the agreed-upon four-month period. Repayment gave CCT more capital for growth of its loan portfolio to meet apparent demand, as evidenced by the expansion to Taytay. This new microfinance branch serves an increased client base in a location closer to some of their homes. CCT maintained its overall repayment rate of just over 97%, which falls within Geneva Global's best practice guidelines for microcredit. CCT managed to rebuild the trust of its clients at the Cainta and Taytay branches after one of its employees embezzled funds. The repayment rate at the branches recovered 3% in four months to 86.3%.

CCT developed meaningful relationships with its clients through fellowship groups and laid the groundwork to link more people with local churches. Three times more people than anticipated began attending church, and a few leaders emerged as Bible teachers.

The vast overachievement of two life changes — increased income and local church attendance — reflects CCT's flexibility and expertise in serving beneficiaries, but the organization did encounter challenges that limited its ability to meet its other goals. The following risks need to be addressed for CCT to successfully continue its project:

- **Capability.** CCT found the vocational training difficult, reaching just under half the people predicted in the Delta Report because it was unable to find a sufficient number of instructors.
- **Control.** Another hardship was internal to the organization. As reported by the staff, "Cainta branch faced a very difficult year in 2005 when it was found out that one of its project assistants committed fraud. She had withdrawn savings from the accounts of a few clients without their knowledge. When the crime was discovered, many clients withdrew their savings, with their trust to the program and its staff diminishing. The portfolio-at-risk reached its most critical level at 26.05% on September 2005. CCT worked hard to rebuild the client's trust by replacing the program officer with a more experienced person, and adding a few new employees to revamp the image of the branch. The remaining staff, including the new officers, went into the communities, visiting clients and their families to ask for forgiveness on behalf of the dishonest program officer. Through intentional relationship building, CCT staff is gradually regaining the confidence of the clients."
- **Design.** The Delta Report highlighted CCT's strength in microcredit while noting the weakness of its past discipleship components. During this grant period, CCT showed some improvement by adding Bible studies to its weekly required meetings for clients. Because of the time it takes to disciple and equip new Christian leaders, less than one-fourth of the anticipated volunteers were ready to facilitate Bible studies during the project period.

Although discipleship was limited, CCT helped link 95 women with local churches where they became active members. The measurement in the Delta Report did not allow CCT to include beneficiaries taking steps to faith, only conversion and discipleship groups. In the spirit of the goal, however, CCT adapted and had some success with the weekly fellowship meetings, which focused on Bible stories. Despite the people's need for the Gospel and CCT's diligence in sharing the Word, coming to faith relies on the work of the Holy Spirit. At least 903 clients heard the Gospel and developed relationships with one another. The strong social support system CCT established is a good foundation for discipleship.

The dramatic success of the microcredit program and the local-church intervention increased the Delta Score to 25.21, significantly above the forecasted score of 5.76. This mark was achieved despite CCT falling short regarding business skills training, discipleship and Bible-study leaders.

Prepared by:

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From the Field

In the implementer's own words

Geneva Global is not responsible for this information, which was supplied by implementer.

Lessons we learned:

1. Micro Finance gives an opportunity for a community partner to improve his/her livelihood and also builds self-confidence in managing her small enterprises. Because of the financial/ capital assistance, the women began improving their vision for themselves and dream for a brighter future for their families.
2. Discipline and consistency is important when conducting business loan evaluations for second-time loan beneficiaries. If the client does not qualify for a loan increase based on past repayment record then they should not receive one. Loans size should correspond to size and need of client's business so weekly repayments aren't higher than the business earnings allowance to repay.
3. Cainta branch faced a very difficult year in 2005 when it was found out that one of its Project Assistants committed fraud. She had withdrawn savings from the accounts of a few clients without their knowledge. When the crime was discovered, many clients withdrew their savings, with their trust to the program and its staff diminishing. The Portfolio-at-risk reached at its most critical level at 26.05% on September 2005. CCT worked hard to rebuild the client's trust by replacing the program officer with a more experienced person, and adding a few new employees to revamp the image of the branch. The remaining staff including the new officers went into the communities, visiting clients and their families to ask for forgiveness on behalf of the dishonest program officer. Through intentional relationship building, CCT staff is gradually regaining the confidence of the clients.

Our outlook on project or future plans:

1. Both Cainta and Taytay Branch are targeting to reach out to a maximum of 1,000 community partners by the end of the year.
2. To expand in a nearby town (Antipolo) through the creation of another branch within the first-half of 2006.
3. Provide leadership seminars to 160 Fellowship Coordinators and clients through the newly-established CCT Training and Development Institute.
4. Provide skills development trainings to all interested community partners with short courses on Bread Baking, Food Processing, Sewing, and Business Management Skills covering Marketing, Stock Control, and Bookkeeping
5. Train and equip 100 Kaagapays (Community Leaders) who will handle discipleship groups for the community partners.
6. Continue to support 20 children with education assistance through the Visions of Hope Foundation.

Actual versus Expected Use of Funds:

| Projected Budget | | Actual Expense | |
|--|--------|-------------------|--------|
| Capital Loan Fund | 21,818 | Capital Loan Fund | 22,000 |
| Two Business Development Training Sessions | 182 | | |
| Total | 22,000 | Total | 22,000 |