

Nicaraguan Developments

The newsletter of the Wisconsin Coordinating Council on Nicaragua

Volume 24, Number 3

Fall 2008



Inside this issue...

A letter from
WCCN's Executive
Director.....2

Microcredit in Central
America: Some
impressions from
Guatemala.....3

An open letter to
the Nicaraguan
microfinance
industry.....6

Making social impact
quantifiable.....7

The NICA Fund
Portfolio as
of August 31, 2008.....10

Borrower Profile:
Francisco Javier Perez
Delgado.....11

*Next delegation
to Nicaragua:*

**Microfinance, Fair
Trade, and Housing
in Nicaragua**

January 10-18, 2009

Country diversification is on the way!



WCCN's representatives visit FONDESOL, a Guatemalan microfinance agency. FONDESOL is a prospective WCCN partner. Photo by Ruth Garrido.

**By Carlos Arenas
WCCN Executive Director**

During the last week of August, several WCCN staff and board members attended the Fourth Central American Conference on Microfinance in Guatemala City. This important event takes place every two years in a different Central American country, and it is the main gathering for microfinance institutions that work in this region. Having just returned from that trip, we feel very confident that WCCN is not only heading in the right direction, but that our diversification strategy is sound and progressing as planned.

In this article, I would like to explain why country diversification is important for

WCCN's loan fund, and share with our readers the steps we are taking to advance our country diversification strategy. I also want to comment on what we have learned so far in this process, and explain what is next for WCCN as we diversify to other countries.

Why is country diversification important?

To address the challenges that WCCN/the NICA Fund faces, diversification has become a serious consideration. These challenges can be summarized into two types.

continued on page 4

WCCN Board of Directors

Gregg Johnson
Sue Lloyd
Randy Mullis, Treasurer
Sheldon Rampton, Secretary
Anne Reynolds, President
Dan Rodman
Eliza Waters

WCCN Staff

Emily Allred, Loan Fund Manager
Carlos Arenas, Executive Director
Francisco Barquero, Loan Fund
Representative in Nicaragua
Susan Frisbie, Development &
Marketing Director
Steve Herrick, Outreach Coordinator
Rick Tvedt, Financial Officer

WCCN Interns

Bonnie Chang
Cody Rothschild

Nicaraguan Developments is published
by the Wisconsin Coordinating
Council on Nicaragua (WCCN).

WCCN fights poverty by
partnering with Nicaraguans
to build sustainable economic
alternatives for the working poor.

WCCN was founded in 1984, building
on the sister-state relationship
established between Wisconsin
and Nicaragua in 1964.

Nicaraguan Developments is
edited by Steve Herrick.

We welcome your comments at:

Mailing address:
P.O. Box 1534
Madison, WI 53701

Street address:
122 State St., Ste. 507A
Madison, WI 53703

phone: 608-257-7230
fax: 608-257-7904
toll-free: 1-888-224-NICA
email: exdir@wccnica.org
website: www.wccnica.org

A letter from WCCN's Executive Director

Summer 2008 was rough for the microfinance industry in Nicaragua. Daniel Ortega's government orchestrated an irresponsible set of attacks against microfinance organizations, and, for the first time ever, we saw public protests against them. The protests were actually focused in only a few municipalities in northern Nicaragua, where President Ortega has a strong base of support.

Why were some borrowers protesting, when our studies have shown that microfinance is having a very positive impact in Nicaragua? First and most importantly, unscrupulous political leaders manipulated and mobilized borrowers who are in trouble with, or close to having problems with, their loans. Second, the worldwide increase in food and energy prices had a strong impact on Nicaragua this summer, creating the perfect economic climate for such manipulation.

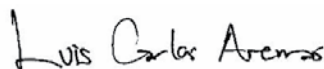
Let me put the protest in context. During his first year in office (2007), Ortega paid little attention to microfinance organizations. Then, however, a set of very generous economic accords were signed with Venezuela. Ortega's administration decided to manage the funds outside the national budget, with no checks and balances. Some were used to create a network of government-controlled financial services at subsidized interest rates. As a result, the government decided to start a public campaign to discredit microfinance organizations operating under market rules, calling them usurers. This strategy did not work, because nothing happened. It became necessary for the government to create an artificial movement of dissatisfied borrowers with the idea that by protesting, interest rates would go down.

That was how unscrupulous political leaders were able to mobilize protestors in Jalapa, a remote town in the north. No one paid attention, so they moved their protest to the city of Ocotal and blockaded the Pan-American Highway. A few days later, Ortega publicly expressed support for the protestors and suggested they relocate to in front of the offices of microfinance organizations. After they spent a couple of days blocking the entrances of several organizations, including one of WCCN's partners, Fundenuse, the police decided to intervene. When the protestors were forced to move, they tried to set fire to Fundenuse's offices.

By the time of the attack in Ocotal, media coverage had reached its peak, and the whole country was alarmed, fearing international divestment. As things were getting out of control as a result of the national and international alarms, the administration decided to stop its attacks, and facilitated a negotiation between the microfinance industry and protest leaders. A deal was reached, and the protestors returned home. The absurdity and violence of the protests means there were no winners. Everyone lost, some more than others: the protestors, the cities of Jalapa and Ocotal, the microfinance industry, the government and the country as a whole.

As I write this, several weeks have passed with no more protests or attacks against microfinance institutions. Hopefully, the worst is over, and the government has learned not to play with fire. As the cover article discusses, WCCN is taking steps to diversify our lending to neighboring countries. We anticipate continuing normal operations in Nicaragua, but we also have the duty to prepare for the worst. We will keep our readers informed of any further developments.

Sincerely,



Carlos Arenas
WCCN Executive Director

Microcredit in Central America: Some impressions from Guatemala

by Sheldon Rampton
Board member

I didn't do much sightseeing when fellow WCCN board member Gregg Johnson and I visited Guatemala City in August with staff members Carlos Arenas, Emily Allred, and Francisco Barquero. Our trip was all business: three days of meetings with 21 organizations that lend to low-income borrowers in Guatemala, Honduras, El Salvador and Nicaragua.

They had come to attend the Fourth Central American Microfinance Conference. As WCCN prepares to expand our lending beyond Nicaragua, we wanted to meet with groups that are active in microcredit in neighboring countries. Since we began lending in Nicaragua more than 17 years ago, the strategy of offering small loans to poor people has caught on through Latin America and the developing world.

In El Salvador, for example, PADECOMS (Patronage for the Development of the Communities of Morazán and San Miguel) is an organization that began after the civil war to help people obtain housing and reintegrate into society. Another Salvadoran group, the *Asociación Salvadoreña de Extensionistas Empresariales del Incae* (ASEI), offers 85% of their loans to women at the lowest level of the business pyramid: street vendors and people with stands where they sell tortillas or baked goods.

In Guatemala, we met with ASEI's president, Ricardo Arturo Segovia. He explained that they began as a training program affiliated with the Central American Institute of Business Administration (INCAE). "We believed at the

beginning that people grow more with education," he said. "A small businessperson without education is not going to do very well." Through experience, however, they realized that poor people also need financing, so they began offering loans.

I was also impressed with FONDESOL, a project affiliated with the Catholic Church (although they offer loans to people of all religious beliefs). FONDESOL's loans mostly help small farmers in the Guatemalan countryside. They encourage groups of borrowers to form rural community banks (typically with around 20 members). Members work together to receive their loans and administer payments.

From Honduras, we met with representatives of the Organization for Female Enterprise Development (ODEF), which serves women in the northwest and the Atlantic coast. Offering loans was only a small part of ODEF's social mission when they began lending in 1989. By 2005, however, they had grown to the point that ODEF chose to become a regulated finan-



Esperanza Bulux and César Tocón from the Guatemalan microfinance organization CDRO, one of WCCN's prospective partners. 95% of CDRO's borrowers are indigenous. Photo by the author.

cial institution, and by the end of 2007, it was serving more than 22,000 clients with a portfolio of nearly \$50 million.

As these numbers suggest, microfinance is becoming a major economic force in the developing world. WCCN first began lending to Nicaragua more than 17 years ago. Back then, giving small loans to the poorest of the poor was seen mostly as charity. Banks weren't interested in it, because the loans seemed too small, and of course, poor people are rarely

continued on page 5

Country diversification is on the way!, continued

This summer, we have seen a series of politically motivated attacks against the microfinance industry in Nicaragua, some of them directly instigated by President Ortega. In spite of things calming down at the time of writing this article, the attacks against the microfinance industry have caused a great deal of concern and have had a profound resonance among microfinance funds that work in Nicaragua (see public letter signed by microfinance credit providers in Nicaragua, next page). With that in mind, it would be irresponsible for us not to do our part to develop a diversification strategy to mitigate political risk, in case things in Nicaragua become more complicated.

The other challenge is actually a very exciting one. WCCN is in talks with MicroPlace, a web-based investment vehicle that will make it possible for anyone in the U.S. to invest online in our loan fund with small amounts of money—as low as \$100. Through this partnership, we are anticipating a significant increase in funds invested in WCCN/the NICA Fund. Currently, there are only two other microfinance funds that have notes available through MicroPlace: Calvert Foundation, one of the leading institutions in the socially responsible movement in the U.S., and Oikocredit, a worldwide fund with headquarters in the Netherlands. As a result, if things progress as we plan, we will soon join two of the main providers of funds for the worldwide microfinance industry. For WCCN, a web-based platform is not just an excellent opportunity to increase the size of the fund, as important as that is. Rather, the main factor that attracted us to MicroPlace is that it of-

fers the opportunity for democratizing investment opportunities to everyone. As a fund that offers lending opportunities not only in Nicaragua but in other countries, WCCN's loan fund will be even more attractive for potential retail investors.

As a result, our country diversification strategy will, little by little, transform WCCN's loan fund into a player in the global microfinance industry. Until now, our loan fund has been tied to

Our country diversification strategy will transform WCCN's loan fund into a player in the global microfinance industry.

a single country, Nicaragua. After witnessing the success and the not-yet-fulfilled potential of microfinance as a development tool, we are committed to taking it to other countries where we can find a need for microfinance services to empower the working poor and a well-developed microfinance industry within which to work. As I explained in an article in the previous edition of the newsletter, we do not want to be limited by geography, but we have selected Central and South America as our immediate target for expansion.

What steps have been taken so far?

We started our diversification strategy by writing a plan of action. Some parts focused more on actions or changes that need to happen inside the organization, such as conducting a financial analysis making budget projections, analyzing our human resource capacity, and identifying all the necessary institutional changes. The other set of actions focused more directly on moving forward with the diversification strategy, such as the need to conduct market and legal feasibility studies in the selected countries, and developing relationships with potential new partners.

In fact, staff has already conducted market and legal studies on the microfinance industries in Honduras, El Salvador, and Guatemala. Based on financial indicators and our own experience evaluating microfinance institutions, we found at least 26 organizations that could potentially become partners of WCCN's loan fund.

The second step was to start developing channels of communication that would allow us to build a relationship with each of those 26 organizations. That is why WCCN sent several representatives to the Fourth Central American Conference on Microfinance. In the three days we were there, we had meetings with more than half of the organizations we identified as potential partners. As a result, we have identified at least 10 organizations that are interested in partnering with WCCN in the near future. Obviously, all of them share our social mission, run financially sound microfinance programs, and have a very important impact on the borrowers they serve.

Country diversification is on the way!, continued

What have we learned in this process?

Let me mention four main lessons so far. The first is that we should have started this process three or four years ago. Perhaps we were not ready at that time, but the opportunity was there. If you think about the fact that WCCN has been working in microfinance for seventeen years, and was a pioneer in this industry, why limit ourselves to a single country and let other funds fill that need, knowing that not all of them have our social focus? If our loan fund has been successful and we feel proud of our accomplishments and impact, why not expand our operations to other countries where we could do good work, like we have in Nicaragua?

The second thing we have learned is that there are mixed opinions among our investors about the idea of expanding to other countries. Some are very supportive of the idea, while others are not. It seems that the main concern is that if we start lending in other countries we would lose focus while the needs in Nicaragua are still huge. As I said in my article in the last is-

sue of *Nicaraguan Developments*, Nicaragua is and would continue to be our main focus. If country risk does not deteriorate further, we are not expecting to reduce the size of our portfolio there, which is currently a little over nine million dollars. If things progress as planned, and our public exposure through MicroPlaces contributes to significantly increasing our investment, that would allow us not only to expand operations in other countries, but even to continue the average rate of growth that we have had in Nicaragua over the last five years.

The third lesson is the microfinance industry in Central America is amazingly diverse. We have been happily surprised by the quality and outstanding social impact some of the organizations we have met with have in Honduras, El Salvador and Guatemala. The microfinance industry in these countries has a rich mix of lending models, with a very important weight on group lending rather than individual lending, which is the case in Nicaragua.

Finally, we have been reminded once again about the importance of the

work done jointly by WCCN's board and staff. By having the necessary guidance and the strong support of our board of directors, our diversification strategy has proved to be very sound, realistic, and feasible. Microfinance has become a competitive industry, and organizations with all kinds of interests and backgrounds are arriving in the field. As our board president mentioned in the previous issue of *Nicaraguan Developments*, we need to stick to our mission to maintain our own profile, and not be just one more credit provider.

What is next?

We are in the process of scheduling due diligence analyses of the microfinance organizations in Honduras, El Salvador and Guatemala that have also expressed interest in getting loans from WCCN's loan fund. As I mentioned, we also need to make several changes to WCCN as an institution, and we will keep you updated on these as well. We have a lot of work in the months to come and a lot of decisions to make. Your support and encouragement is very important for us at this time. 📌

Microcredit in Central America, continued

able to offer collateral or other traditional guarantees of repayment.

In the ensuing years, however, microcredit has proven that it not only helps people improve their standard of living, but can also actually be profitable. Throughout the world, recipients have demonstrated that they can and do repay their loans, plus enough interest to grow the institutions. Microfinance has become so profitable, in fact, that investment bankers, venture capital-

ists, and pension funds are grabbing for a piece of the action. In April 2007, a Mexican microfinance institution, Banco Compartamos, held an initial public offering of stock that attracted \$467 million in investments.

Of course, the growing appeal of microfinance to conventional capitalists also raises the possibility that its mission and nature may change. WCCN (and most of our investors) became involved in microfinance be-

cause we saw it as a means of addressing the poverty that blights the lives of many Nicaraguans. As new money flows in, it creates exciting new opportunities to expand, but groups with a social vision like ours are still necessary to ensure that microfinance continues to truly serve the needs of the poor. I was pleased to see that this vision remains strong in the groups we met in Guatemala City. This is the work that we want to support as we expand our lending beyond Nicaragua. 📌

An open letter to the Nicaraguan microfinance industry

Managua, Nicaragua
August 6th, 2008

Throughout the years, we have collected a diverse and representative number of testimonies describing the benefits microfinance has brought to Nicaragua. That is why the undersigned organizations wish to express their joint concern about the events of the last weeks, in which a group of debtors united in the *Movimiento de Comerciantes y Productores de Nueva Segovia* (MCPS) have organized protests and initiated action against several MFI branches, culminating in the unfortunate event on Tuesday, July 22nd in the city of Ocotal, when a small group of unsatisfied borrowers attempted to set fire to a branch of an MFI.

The microfinance industry worldwide has developed in a remarkable way over the last two decades as an alternative source of credit for urban and rural micro and small entrepreneurs that have historically been excluded from traditional financial systems.

In Nicaragua, microfinance has achieved an important position with regard to outreach into the most vulnerable sectors. For more than 15 years, hundreds of thousands of Nicaraguans in the cities and rural areas have had access to credit and other services with the primary objective of improving their quality of life and that of their families.

At this time, more than 350,000 Nicaraguans receive more than USD \$350 million in credit from the different institutions involved in microfinance, covering the entire country without any discrimination based on religion, race, gender or political affiliation. [...]

Thus, we can affirm that:

- Violence is not the answer to solve this type of conflict. It only generates uncertainty and difficulties within the population with the greatest need for access to credit from MFIs.
- The global model of microfinance considers self-sustainability as one of the essential principles. Hence, interest rates should reflect the financial and administrative costs incurred in extension of credit. Each country has its own cost structure. The interest rates in Nicaragua compare favorably with the rest of the region. Additional violent action will only result in upward pressure on financial costs already affected by the perception of increased country risk. It may redirect scarce resources to other countries with perceived greater stability, or lead to the eventual exclusion of credit to thousands of Nicaraguans. [...]

We trust that the honesty and work ethic of Nicaraguans will help in finding a fair and adequate solution for all parties, and we reiterate our support to all the organizations that receive our help and funding and especially to the hundreds of thousands of Nicaraguans that have found in microfinance an anchor in their search for a better life.

Best regards,

Frank Bakx
*Netherlands Platform for
Microfinance*

Pat Eennett
Katalysis Bootstrap Fund

Alberto Solano
Global Partnerships

Raúl Sánchez
Red Katalysis

Erik Heinen
Oikocredit

Carlos Arenas
WCCN

Astrid Bant
Oxfam Novib

*Other organizations that express
their support:*

Alex Silva
Omtirk, Inc.

Jim Kaddaras
Developing World Markets

Making social impact quantifiable

by Susan Frisbie

Development & Marketing Director

Microfinance investment vehicles like the NICA Fund are proud to offer double bottom-line returns. Not only do socially responsible investors make a financial return, but in the case of the NICA Fund, they also provide opportunity to impoverished Nicaraguans—their social return. Most investment vehicles measure performance with equity ratios, asset productivity, liquidity, etc. However, financial indicators are only half the story. While WCCN has strict financial performance standards, social impact is why we began working in the field in the early '90s. Today, our commitment to social impact is as strong as ever.

WCCN's commitment to social impact

In 2003, WCCN published a social impact study, the first of its kind in Nicaragua. Four years later, a second study was published (in Spanish), in collaboration with FIDEG, a research organization, and ASOMIF, an umbrella organization of microfinance in Nicaragua. The results were overwhelmingly positive, and reaffirmed our focus on women and rural borrowers. According to the study, these two groups had the highest level of empowerment and positive changes in quality of life.

While studies like this provide valuable insight into the success of the micro-credit industry in creating positive social change in the lives of the poor, they are also time-intensive. WCCN's most recent study required almost three years of planning, fieldwork, and analysis.

WCCN believes industry-wide studies are important, but for years, we have been interested in finding a mecha-

nism our partner agencies could use to better collect and analyze information about their borrowers to meet their social objectives.

Our partners place strong emphasis on social impact, but few have the tools to capture the wide variety of data that would enable them to measure how well they meet their objectives. Statistics on who they serve, where they serve, the average loan size and dozens of other outreach indicators are easy to calculate. The impact microfinance has on micro-entrepreneurs is also apparent on our bi-annual study tours, when we meet borrowers and hear their stories.

But, until now, there was no way to track information on how microfinance services are meeting the needs of our partners' clientele on a large scale.

WCCN and the future of social impact measurement

WCCN is proud to be joining an international movement that is actively working to systematize social impact data. Recently, Catholic Relief Services (CRS), with funding from the Ford Foundation, initiated a project called Project Mission. The project is modeled on a European collaboration called Imp-Act.¹

Project Mission intends to implement social performance measurement systems in six Latin American countries, one of which is Nicaragua. For the Nicaraguan portion of the project, CRS has partnered with ASOMIF to carry out the initiative in five microfinance institutions, two of which are NICA Fund partner agencies. "The Social Performance Management (SPM) system will benefit the microfinance institutions because it will help them understand the characteristics, needs, and wants of their clients. This information is key to be able to offer financial products that respond to the needs of the clients."²

continued on next page



Cover of the Social Impact Study that WCCN published last year in conjunction with several other microfinance organizations. A summary in English is available at our website, wccnica.org, and which will also be mailed out to e-news subscribers (see next page).

Fair Trade Holiday Fair!

If you live in or near Madison, WI, or plan to be in the area on December 6th, please join us at the Fair Trade Holiday Fair! WCCN will be selling handmade Nicaraguan pottery, and of course, giving away information on how people just like you can be part of the struggle against poverty in Nicaragua. Joining us at the Fair will be organizations selling goods from El Salvador, East Timor, Afghanistan, and more, including vendors involved the emerging domestic fair trade movement.



The Monona Terrace
Madison, Wisconsin
Saturday, December 6, 2008
9:00 am to 4:00 pm

Have you signed up for WCCN's e-news yet?

Our monthly electronic update is now officially on the net! The most recent edition talked about how WCCN is empowering women by helping *campesinas* gain access to land. It also gave details on a visit by Ernesto Cardenal to Madison, Wisconsin.

If you didn't get it in your inbox, you can still see it on our website. If you'd like to get the next one in your inbox, you can arrange that at our website, too!

www.wccnica.org


Making social impact quantifiable, continued

The SPM system has seven stages. First, Project Mission consultants work with staff members of the microfinance institution, providing training on how to develop an SPM system that meets their needs, to clarify the objectives of the process, and to initiate the project. Next, the microfinance institution defines and revises its mission, goals, and the types of changes they would like to see in the lives of their borrowers. A self-evaluation stage follows, reflecting on where the organization stands in regard to its revised mission. Next, an external social audit is done, in which interviews with staff members, as well as current and former clients, are performed. When the self-evaluation and social audit are completed, an improvement plan is prepared, so that the institution understands its weaknesses and strengths. Then, through technical assistance, a system is designed to capture the institution's social impact data. Finally, staff is trained on the method and instruments used to gather the data.

In recent months, WCCN and ASOMIF have been in talks to extend the project to additional microfinance institutions and co-ops.

WCCN has agreed to help finance the design of the SPM system and take part in follow-up as needed. Due to varying technological needs, the total cost of the implementation will vary from institution to institution, but the design of the system is a \$6,000 flat fee. We are sure that all of our partners would benefit immensely from the SPM system; however, in this first phase of our involvement, we would like to start with two of our partners. The first is FODEM. WCCN believes FODEM, a NICA

Fund partner since 2002, has a tremendous social impact, but may not have the resources that other institutions have to take part in such a groundbreaking project. FODEM is committed to the social and economic development of women. In addition to its credit services, FODEM offers educational opportunities for its clients (approximately 95% of which are women) in topics including civil rights, domestic violence, and business development. In mid-September, we confirmed that the second partner will be the San Antonio Cooperative, which serves rural agricultural borrowers.

We understand that fighting poverty is a multi-dimensional process. One does not simply move out of poverty because of access to resources. Rather, access to economic resources is the first step toward poverty alleviation. The social impact of this step is important to understand so our microfinance partner agencies may better provide their services in a manner that allows the working poor to voice and have their experiences recorded. Whether these experiences are positive or negative, we will all be able to learn how to alter our work in order to make the next step to poverty alleviation possible. We hope you will join us in expressing your commitment to economic as well as social development. If you would like to make a donation to this project, you can do so online at www.wccnica.org or by returning the form on page 11, indicating you would like your gift designated to Project Mission. 

1 To learn more about Imp-Act, visit www.Imp-Act.org.

2 ASOMIF (2007), "Programa Misión Manejo Integral de Desempeño Social en Organizaciones Microfinancieras," p. 3.

Looking for a gift with
meaning
 this holiday season?

Give the gift of **opportunity** to the working poor. You won't simply be helping individuals fight poverty -- you will have a ripple effect on their communities.

When you **make a gift in honor of a loved one**, we will let them know with a personalized card.

You can **fully or partially support** any option on the right. Or, leave the checkboxes blank, and WCCN will use your gift where it is most needed. Whatever you choose, **a gift of any amount to any project is greatly appreciated.**



- WCCN works with **Habitat** to improve housing conditions for poor families. Your donation can provide the concrete to build a washbasin or the tools and hardware to lay the foundation for a prefabricated home in Managua's poorest neighborhoods. (**\$50** improves one home.)
- A donation to the **Xochilt-Acalt Women's Center's Youth Scholarship Project** can provide a uniform, books, food and transportation to one student for an entire year. Without this kind of support, many young women cannot afford to continue their studies. (**\$140** fully funds one student.)
- When you donate to **the NICA Fund**, WCCN can leverage six times that amount in investments. For example, a **\$100** donation means a \$600 micro-loan for business expansion, home improvements, or other assets that empower borrowers to work their way out of poverty.
- The **Sustainable Futures: Livestock Production Project** is a joint project of the Fundación Entre Mujeres (La FEM) and WCCN. The project provides poor rural women with chickens, pigs, cows and pelibueys (a cross between a sheep and a goat). Your donation helps turn *campesinas* into producers in their own right, as they raise their own food and earn an income that supports their families. (**\$500** fully funds animals for one woman.)
- WCCN's newest project with La FEM is a revolving fund that will provide rural women with **access to land**. Your donation will help buy land, and women will receive parcels as in-kind loans. When a woman pays off her loan, La FEM will give her the deed to the parcel. Owning land gives these *campesinas* a level of economic empowerment that remains a dream for most women in Nicaragua. (Land near La FEM sells for **\$1,500** per *manzana*, or 1.7 acres.)

Please send this page, along with a check* made out to WCCN, to:

WCCN
 PO Box 1534
 Madison, WI 53701

 Your name

 Address

 City, State, ZIP

I am making a tax-deductible donation of \$ _____ in the name of the following person (or people). Please let them know I've done so by sending a gift card to:

 Recipient's name

 Address

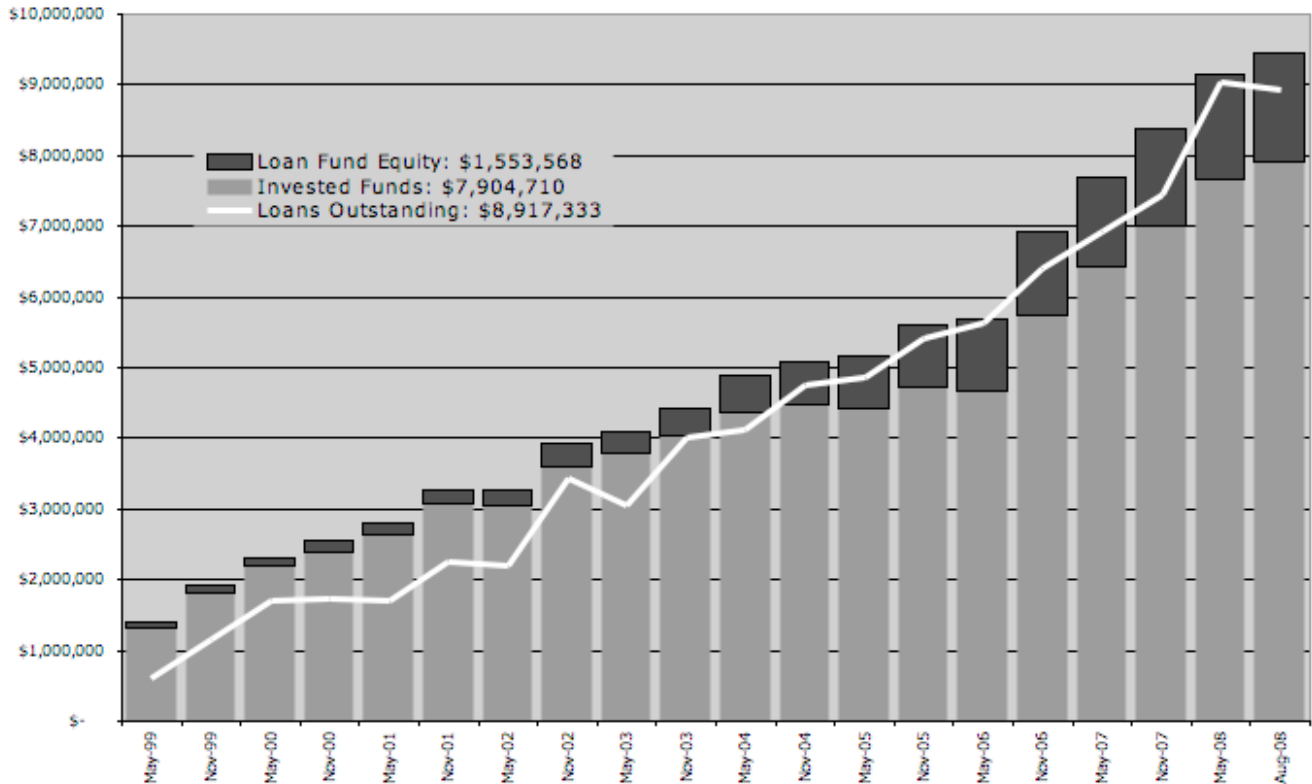
 City, State, ZIP

* If you'd prefer to go online to make a donation in someone's name, visit wccnica.org and click "Donate" in the upper right corner.

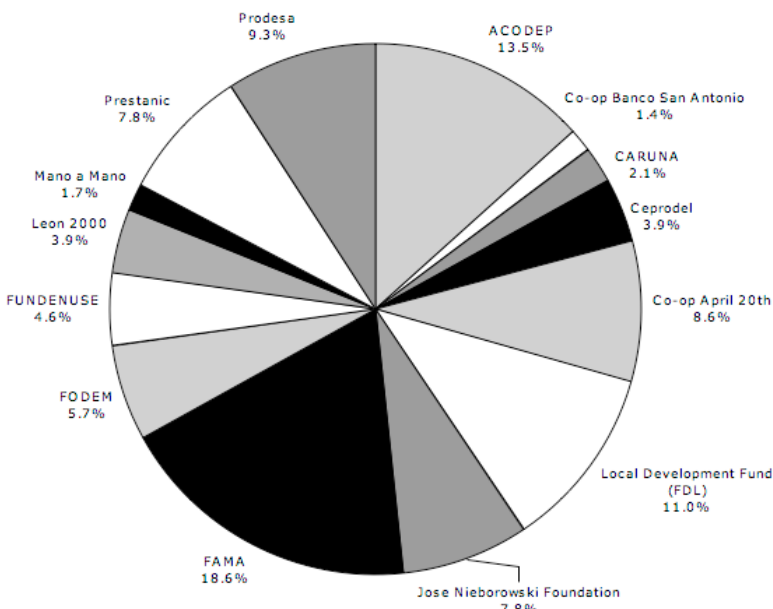
The NICA Fund Portfolio as of August 31, 2008

Total loan fund now over \$9 million!

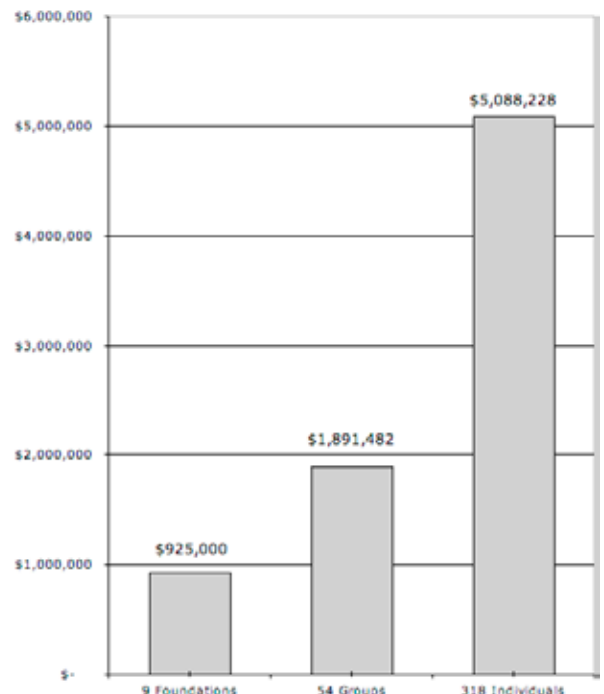
NICA Fund Total Size as of August 31, 2008: \$9,458,279



NICA Fund Portfolio as of August 31, 2008



NICA Fund Investors of of 8/31/08



Borrower Profile: Francisco Javier Perez Delgadillo




Francisco shows off some of the goods he sells.
Photo by Michael Kienitz.

by Susan Frisbie
Development & Marketing Director

When Francisco Javier Perez Delgadillo left his hometown of Chontales, he said the people he had known for his entire life were “fractured.” Chontales had been a center of the *contra* war. He moved to Tipitapa, a growing commercial center just outside of Managua, to give himself and his family a new start.

Today, he runs a successful *pulperia*, or general store, out of the front of his home. He has worked with NICA Fund partner agency PRESTANIC for several years and has seen his store and inventory grow over that time. What began as a chip and snack-food shop is now a

multi-purpose store selling everything from beauty products to batteries.

Francisco believes that the ability to access microcredit loans provides more stability to the lives of honest, hard-working families. He says the trust that PRESTANIC has put in him over the years eased the growing pains that new businesses face. With the growth of his business, he says he would like the next loan he takes to serve a dual purpose. “Since my business is run from my home, I hope to improve the quality of my house, which will benefit my family and the *pulperia*,” he says. 

Yes, I want to make a gift to WCCN!

Please fill out this form and mail it to:

WCCN
PO Box 1534
Madison, WI 53701

Name

Organization

Address

City, State, ZIP

Phone (day)

(eve.)

E-mail

I would like to pledge \$_____ every month/quarter (please circle one). Please send me a reminder.

I have enclosed \$_____ as a tax-deductible donation to support the work of WCCN. I would like to designate my gift to:

- NICA Fund
- Xochilt Acalt Scholarship Program
- Housing Initiatives
- Project Mission
- Where most needed



P.O. Box 1534
Madison, WI 53701

Non-Profit Org.
U.S. Postage
PAID
Madison, WI
Permit No. 396

ADDRESS SERVICE REQUESTED

Travel to Nicaragua with WCCN!

Join the Wisconsin Coordinating Council on Nicaragua as we visit Nicaraguan organizations that empower communities and improve the quality of life of thousands of people through alternative economic projects. Witness the effect of providing microcredit to small urban and rural producers, cooperatives involved in the fair-trade coffee movement, and organizations working with the urban poor.

Participants will talk with leaders of these organizations and people who participate in or benefit from them.

Our study tours build on 24 years of experience in Nicaragua, and more than 17 years supporting alternative credit organizations and fair-trade cooperatives. The cost of the tour is on a sliding scale, \$900-\$1200 (plus airfare to/from Managua), depending on what you can afford. Individuals of all backgrounds are welcome!

*Empowering Communities through Alternative Economic Projects:
Microcredit, Fair Trade and Housing in Nicaragua
January 10-18, 2009*

Visit www.wccnica.org/tours, call (608) 257-7230, or write to wccn@wccnica.org