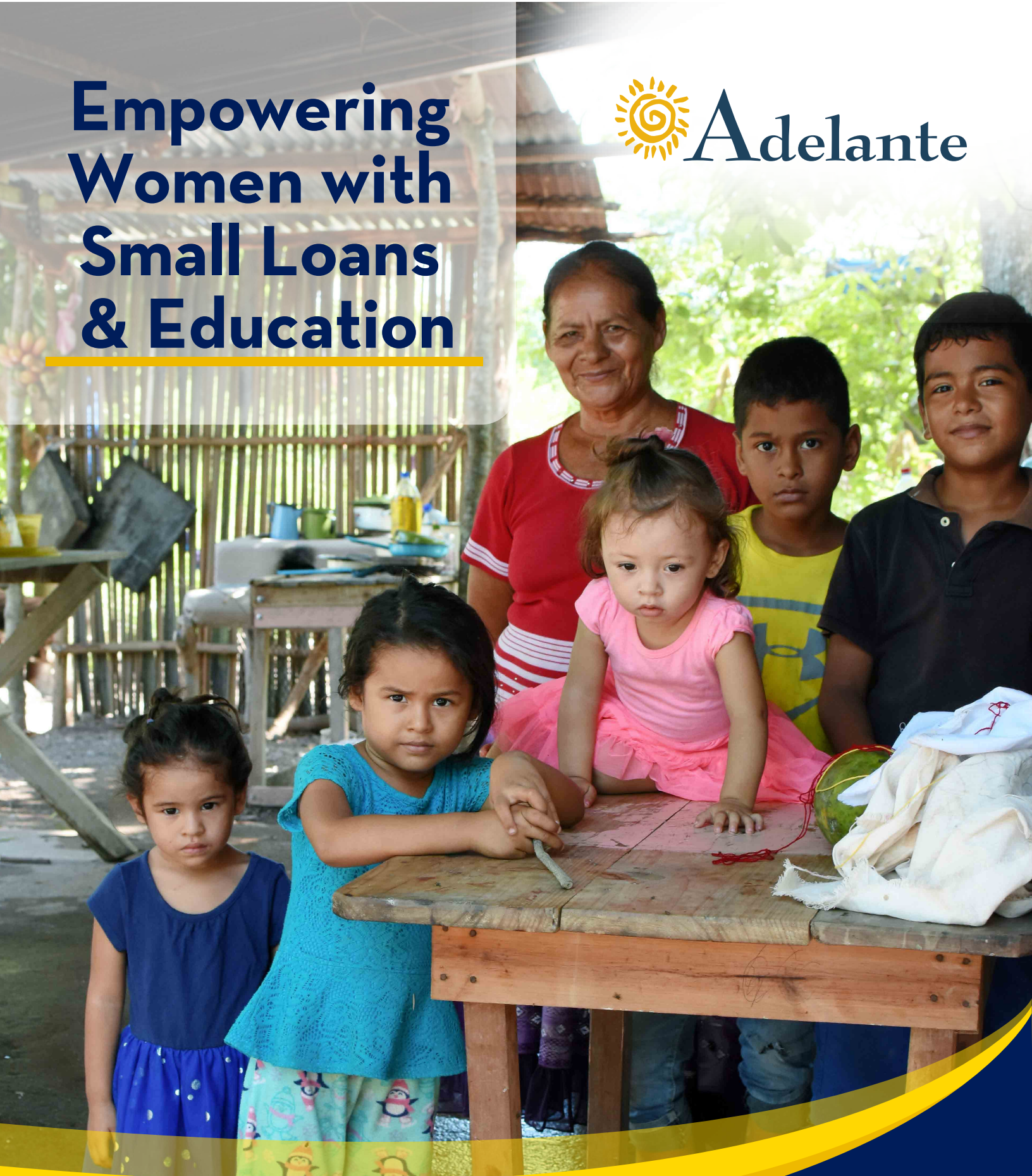


# Empowering Women with Small Loans & Education





# Executive Report

## Dear Friends of Adelante,

Our important work in Honduras expands as we face both challenges to overcome and successes to celebrate. In 2019, we continued the implementation of Plan Phoenix which is driving key improvements to better serve our mission. Adelante has proven to be an organization with people eager and capable of change, here are some highlights:

We've focused on our mission to help the poorest by refining our access to credit and the methods of providing adult education. Well Being Officers, previously named Credit Officers, are now trained to address not only financial health but also have the tools to provide comprehensive solutions to improve family life through knowledge and hard work in order to start a small but successful business.

To respond to our customer's feedback, Adelante rolled out a completely redesigned Line of Credit with loans which can be tailored to each person's needs. We now have the flexibility to provide a short two week loan with daily repayments, a 2 year agricultural loan with balloon repayments after harvest, and 5 year equipment or home improvement loans. Our borrowers are happy because Adelante is able to meet their ongoing credit needs. This is demonstrated in a remarkable improvement in our desertion rate (# of borrowers who leave Adelante/year) – we went from 54.5% in 2018 to 19.7% in 2019, which now puts us at a rate better than the industry benchmark of 25%. High desertion rate was costly and left customers with un-met needs; we're now better able to serve our customers and sustain our ongoing operations.

Since Adelante began, we have been frustrated with software solutions for the Microfinance industry (MFI). A couple years ago we began to develop our own software called SIACC. The suite of applications allows us to create flexible loan products, and schedule and monitor the work we do every day. Through our affiliation with REDMICRO (a Honduran MFI network), REDCAMIF (a regional MFI network), and the European Microfinance Network, we have learned that our in-house software is one of the most effective and capable programs. There is a great demand for a product like SIACC, we're contemplating the possibility of licensing it to other MFIs which share our mission.

In 2018 we made over four hundred coffee loans out of our Siguatepeque Branch, and the majority of those came due in 2019. Unfortunately, the world coffee price dropped significantly and the farmers could not payback their loans, and in many cases saw a loss. It's heart-breaking to see hard-working families become even poorer due to forces outside their control. We had many families offer to sell us their farm in order to pay off their debt. Of course, we would never do that, but it makes me wonder how many poor families have lost their land and their future in this way. As the coffee loans came due in March, our Portfolio At Risk over 30 days climbed from 11% to 18%. At this point half of our portfolio in arrears is from coffee, and the other half is from poor lending practices in the Choluteca and Tocoa Branch offices. Due to our efforts to renegotiate loans, we have seen a trend towards recovery in the last quarter. The agricultural sector is very complex and difficult, but Adelante will not give up, as agriculture is the most important economic activity in the rural areas in which we work.

Last year we renewed our partnership with Water for People, an organization which has demonstrated that building attached bathrooms to the home is important for the safety, privacy, and wellbeing of families. I am happy to report that in 2019 Adelante provided the financing, and Water for People the architectural expertise, to build 141 bathroom facilities for very poor families.

2019 has been a year of promising results based on our motto: unity, discipline, hard work and courage. We have grown closer with the families of our borrowers and are able to better understand and meet their needs. As staff, we have come to know and appreciate each other much better. Our commitment to our mission unites us because we know that our actions have improved the lives of the very poor, and can continue to do so. On behalf of those families that struggle, I want to say thank you to our Adelante Family and supporters. Your generosity is never forgotten and always appreciated.

THANK YOU VERY MUCH!

Tony Stone, Executive Director

### OUR MISSION

To empower enterprising women with the least opportunity to achieve economic self-sufficiency.

### OUR VISION

No one lives in poverty

### OUR VALUES

Unity, Discipline, Hard Work, and Courage



## Our Approach

### Microcredit

- Adelante’s model is based on the Grameen group methodology which offers access to credit, group support, and alternative plans in cases where repayment becomes difficult due to the daily struggles of poverty. Each of our loan offerings is designed to address specific barriers that may make it difficult for our clients to break the intergenerational cycle of poverty. They include the following:

### Solidarity Group Loans

- Our foundational loan product enables economically vulnerable women to take the first step toward economic self-sufficiency. Group loans are given to a group of 3 to 8 women, and although each is responsible for the payment of their own loan, they all take the responsibility of paying the entire loan.

### Individual Business Loans

- Experienced clients with stable businesses, are eligible for individual loans. These loans empower clients to borrow more money at lower interest rates.

### Home Improvement Loans

- As head of household, many of our clients dream of building a bigger and more comfortable home for themselves and their families. Borrowers are given the freedom to invest in improvements to their homes and businesses to ensure their families’ health and security.

### Educational Loans

- Adelante’s Educational Loan was created to assure that our clients’ children can afford school and strive for a brighter future. The loan was made to help women afford the costs of enrollment, school supplies, uniforms, and transportation for their children.

### Agricultural Loans

- Women in remote rural areas are provided with access to financial capital to be able to farm and provide food for their families. This product is only offered at our Siguatepeque branch.

### Water and Sanitation Loans

- As an extension of the Home Improvement Loan, the Water and Sanitation Loan aims to improve sanitation conditions within our clients’ households. The construction ranges from new toilets, sinks, and biodigestors. We have formed an alliance with the non-profit Water for People which helps train our staff and our clients in the proper use of water and sanitation equipment.



Individual Business Loan



Water and Sanitation Loans

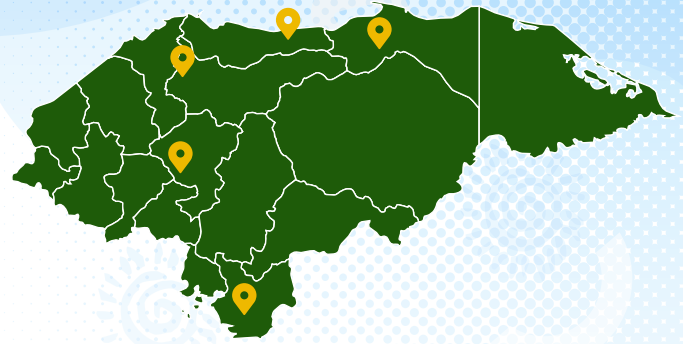


## About

In Honduras 61.9% of household (5.58 million people) lived in poverty in 2018, with 56% of them facing conditions of extreme poverty. The situation is exacerbated in rural populations due to the lack of access to basic goods and services, which generates wide gaps in employment, income, and wellbeing. Women and children continue to be most vulnerable.

Since disbursing its first loan in 2000, Adelante has provided over 150,000 women the access to capital and financial training necessary to help them achieve a better quality of life for themselves and their families. With five branch offices strategically located in five key sections of the country, we have empowered thousands of women nationwide.

<https://www.ine.gob.hn/V3/imag-doc/2019/09/cifras-de-pais-2018.pdf>



## Education

Adelante offers an integrated business development education model to our clients. They receive training at monthly assembly meetings on a range of financial and business topics to help them to grow their small businesses. By providing business training, Adelante ensures that clients have the knowledge to increase profits and improve their overall quality of life.

Every month an educator delivers a fun and interactive educational module to all of our clients in their assembly groups. These sessions are where our women not only learn invaluable knowledge but also apply concepts to their own businesses to improve their success. Educators and Credit officers frequently visit each client for one-on-one business consulting and mentorship.



In 2019, 2802 clients were trained, representing 48% of Adelante's total clients. In 2019, 2802 clients were trained, representing 48% of Adelante's total clients.

## 2019 Topics

### MODULE IV THE CREDIT BUREAU

- » WHAT IS THE CREDIT BUREAU?
- » HOW TO MANAGE YOUR CREDIT RATING
- » CONSEQUENCES OF A BAD CREDIT RATING
- » SUMMARY OF THE TOPIC

### MODULE V THE BUDGET

- » THE BUDGET
- » HOW TO PLAN A BUDGET
- » HOW TO EXECUTE A BUDGET
- » SUMMARY OF THE TOPIC

### MODULE VI ESTABLISHING MY OWN BUSINESS

- » ENTREPRENEURIAL CAPITAL
- » LEGAL PRINCIPLES FOR YOUR BUSINESS
- » HOW TO ENHANCE SALES
- » SUMMARY OF THE TOPIC
- » FINANCIAL EDUCATION

## Client Stories



**Maria Jose Hernandez**  
of Intibuca, Honduras

María José Hernandez, is a 33-year-old farmer from the rural plains of Intibuca. She lives in a three-room house made up of a single bedroom, a front area, and a kitchen. It has partial dirt floors and adobe walls somewhat covered with plaster. There is no electricity, no running water, and, not surprisingly, no Wi-Fi or cell phone service.

María Jose grew up in a farming family, in a farming community, and has been working this land for most of her life. She owns about 1 ½ manzanas of land (about 3 acres), where she raises beans, carrots, and corn (in rotation), a few chickens, and, occasionally, a cow. María José works the land by herself and is able to bring water in plastic pipes from a nearby spring. The land is rich and she enjoys two harvest seasons for her crops. At night time, she uses a little glass coke bottle filled with kerosene to light her house.

María José heard about Adelante Foundation from a neighbor a few years earlier. Due to the distance, she rarely attends assembly meetings, but she has been a member of an Adelante borrowing group for over six years. She is on her eighth loan with an excellent repayment record and she only takes agricultural loans, which are collected during the harvest season.

Something that stands out from her house is the beautiful tin roof which cost her an entire \$1,200, that she saved for over 17 years! An astonishing feat from and equally astonishing women.



**Aurora Ricarda**  
of Siguatepeque, Honduras

Aurora had never dreamed of owning a business. Before the stroke, she worked as an elementary school teacher and never thought of doing anything else. Unfortunately, the stroke rendered her unable to walk and travel to her job. It was necessity which forced her to find a way to feed her family.

“I said to myself, ‘Lord, if my hands and eyes are still functional, I can work.’ And that’s how I got the idea about the business.”

Aurora knits and sells a variety of crafts, including dresses, hats, baby shoes, and rugs. She also runs a corner store and grows chickens with the help of her granddaughters. She has sold her crafts to customers in the cities of Tegucigalpa and Comayagua, and with the help of friends from church, has exported crafts to Mexico and Puerto Rico.

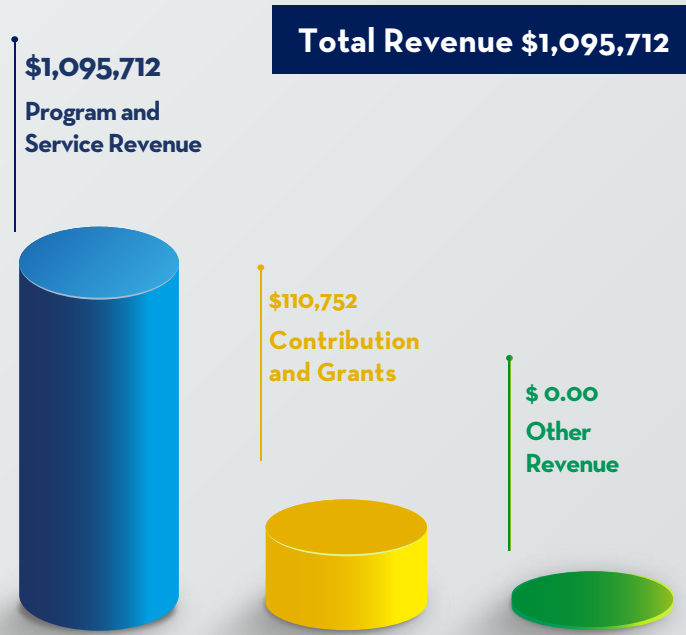
Before the stroke, Aurora earned a small, but livable wage working as a teacher. Although it wasn’t always easy, life was starting to pick up. She had taken out a loan to build a new house for her family. Her partner, however, had different plans and secretly sold the property and left. When Aurora found out about what her partner had done, she was so stunned she suffered the stroke shortly after.

Rural Honduras is not a disabled-friendly place, and Aurora lacked the means to transport to her job, so she had to stop working. Aurora wasn’t going to let the incident bring her down and started her first business selling food and eventually turned to embroidery.

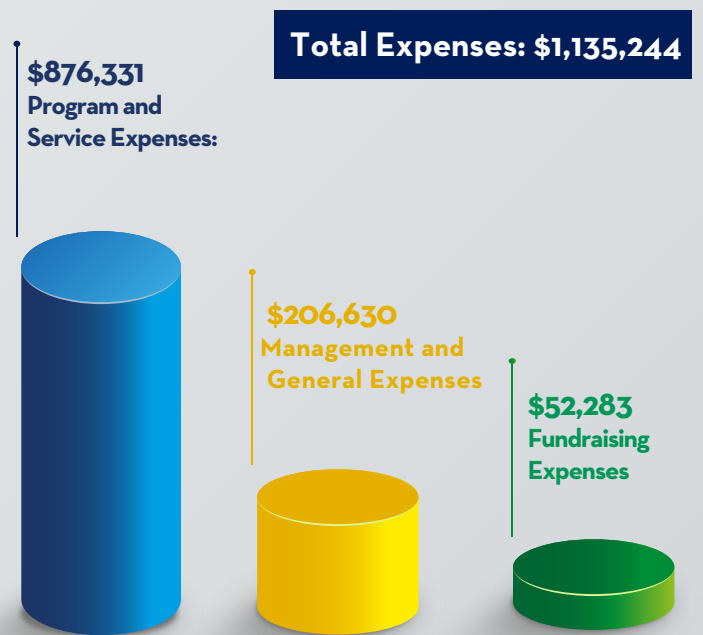
“Adelante helped us a lot because, in the state of disability that I am at, not any bank will support me. Adelante has been a lot of help,” she says.

# Adelante Financials 2019

## Revenue



## Expenses



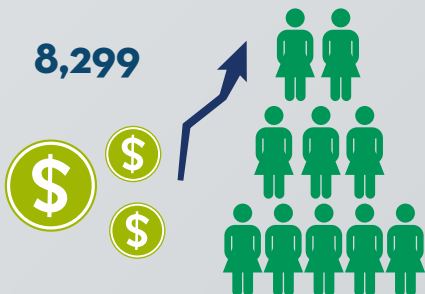
### CLIENTS SERVED

8315+



### LOANS DISBURSED

8,299



### TOTAL LOANS

\$3.3 million



### LOANS OUTSTANDING

\$1.9 million





# Our Partners

## LEVEL 1

(\$10,000 to \$1,000,000)

JOHN AND ELIZABETH KENDALL  
RICH LANG  
KATHRYN AND NICK PARLANTE  
WOMEN'S EMPOWERMENT INTERNATIONAL

## HEARTFELT THANKS

to all who supported  
our work in 2019!

## LEVEL 2

(\$5,000 to \$9,999)

Mark Brosius  
Stephen Fitzpatrick

## LEVEL 3

(\$1,000 to \$4,999)

Steve Bragonier  
Bright Funds Corporation  
Jonathan Brooks  
Kathy and Bruce Fitzgerald  
Patrick Flanagan  
Patricia Harrell  
Charles Hoke  
J.M. Huber Corporation  
Evans Jackson H. Fenner  
Foundation  
George and Emily Jaquette  
Janet Lautenberger  
Anthony and Molly Lehman  
Pledgeling Foundation  
Ben and Alexis Sullivan  
Unitarian Universalist Church  
Arthur O. Wilkonson

## LEVEL 4

(\$1 to \$999)

Eric Aasen  
Ghada Aboukhatir  
Bob Smith and Peggy Ackard  
Amazon Smile  
Richard Anderson  
Robert Asperger  
Adam Avello  
Randall Bailey  
Vickie Bailey  
Sophie Baxter  
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Alan R. Biddle  
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Kriss Ferrier  
Brooks Fisher  
Randolph and Vivianna Fleming  
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James N. Hubing  
Maria Luisa Hubing  
Rebecca Jennings  
Robert Johnson  
Krista Kafer  
Martha Karnopp  
Brendan Kelly  
Thomas and Denise Kendall  
Jean Kitaji  
Angie Koerner  
Bonni Koerner  
Pam Lacy  
Christy Lang  
Genny Martinez and  
Ingo Stiefler Martinez  
Marsha McCleary  
Miscellaneous  
Gustavo Molina  
Rich Musat  
Howard and Virginia Myers  
Claire R Nord  
Dottie Norwood  
Barbara A Steve and  
William J Nowak  
Marjorie Susan Pawlik

Patrick Peldner  
Joanne Poile  
Marthea Proudfoot  
Elena Pushkar  
Lorna Qazi  
Natalie and Martin Raffield  
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Brian Wade  
Sarah Werner  
Stephen Werner  
Denise White  
Pat and Janet Wiesner  
Kristen Williams  
Max Wood  
Richard Wood



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## OUR HARDWORKING STAFF

Executive Director.

**Tony Stone**

Operations and Business Director

**Oscar Mejía**

Administrative and Finance Director

**Gabriela Puerto**

Business and Operations Manager

**Jose Luis Saldivar**

Information Technology Manager

**Ruddy Estrada**

Development Coordinator

**Agustin Nufio**

Risk and Compliance Officer

**Gabriela Marin**

Human Resource Coordinator

**Brenda Flores**

Education Coordinator

**Alejandra Dueñas**

PLUS

more than

**50**

other team members

across

**5**

locations

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(Chairman)

Janet Lautenberger  
(Secretary)

Jason Smartt  
(Treasurer)

Amanda Blewitt

Jonathan Brooks

Cecilia Chi-Ham

Lindsey Doolittle

Maria Hubing

John Kendall

Rich Lang

Rich Musat

Bob Sample

Tony Stone