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Economic Inclusion Project

Annual Report Fiscal Year 2021

Report Summary





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Executive Summary from Chief of Party, Oscar Guzman



From October 2020 through September 2021, the Economic Inclusion Project (EIP) coordinated tailored programing and activities with more than 40 partners, including local organizations, credit unions, financial institutions, international organizations, and local networks. Through these efforts, EIP reached 5,368 entrepreneurs and individuals through entrepreneurship and employment programing, as well as supported 38,172 people in accessing savings, credit, and insurance products designed or adapted to meet their needs.

During this period, EIP supported 1,018 individuals through the process of revalidation of professional and educational qualifications in Peru. This number represents more than half of the total individuals reported who have benefited from assistance from national and international entities through the revalidation process (as reported by the Refugee and Migrant Working Group [GTRM]). Of the 1,018 individuals supported by EIP through this process to date, 70% have been female.

In the first annual EIP survey, completed in August 2021, EIP assessed the quantitative and qualitative impacts of program interventions to date. Of the 2,101 surveyed respondents:

- 85% of participants in EIP entrepreneurship programs and interventions have reported improved business performance (increased income, greater stability, better management of resources) after participating in EIP programming (1,009 of 1,183 entrepreneurship participant survey respondents)
- 38% of 918 surveyed participants of EIP employment programs have reported finding a new or better job following completion of program participation (345 of 918 employment participant survey respondents)
- An average increase of 31.4% in income was reported by entrepreneurship and employment participants. Especially in the midst of the COVID-19 pandemic, this represents an important milestone and emphasizes the strong impact of EIP interventions

To date, 2,250 of EIP participants have received loans totaling USD 3,757,037 – more than double the USD 1,500,000 originally anticipated for the entire project at the time of award. Additionally, through financial education programming and training, 5,362 program participants have received support in improving their personal and business finances, enhancing their financial independence, and business sustainability.

As a reflection of EIP's efforts to address and reduce gender gaps within each primary project component, female participants have reported a 36.2% increase in income, far higher than the increase reported by male participants (23.5%). As of the end of FY21, 63.6% of EIP project participants identified as women. EIP also supported 221 survivors of gender-based violence (GBV) through EIP's methodology designed to support the psychosocial stabilization of victims, culminating in the economic autonomy of survivors.

We at the World Council of Credit Unions are proud to be able to support this ongoing collaboration to support the economic inclusion of Venezuelan migrants and refugees in their host communities as well as vulnerable Peruvians and Ecuadorians seeking socioeconomic security and advancement.

Oscar Guzman, EIP Chief of Party, WOCU

The Economic Inclusion Project (EIP) is a three-year, USD \$14 million cooperative agreement funded by the United States Agency for International Development (USAID) and implemented by the World Council of Credit Unions (WOCCU). The project is designed to generate socioeconomic security for Venezuelan refugees and migrants in Peru and Ecuador, as well as for the members of the local communities they inhabit. Project activities are concentrated in the cities of Lima, Peru and Quito and Guayaquil, Ecuador. These geographies were selected due to the large population of Venezuelan refugees and migrants in the areas.

Specifically, EIP has three general objectives:



support and strengthen **new and existing entrepreneurs** by ensuring sustained income through self-employment;



facilitate **access to employment** by identifying market needs and developing skills; and,



increase **access to financial services** and products by supporting financial institutions in the development of products adapted to the diverse needs of the beneficiaries.

In recognition and response to the significant impact that gender disparities have on economic independence and stability, EIP has integrated gender inclusion into the three objectives outlined above. Throughout this report, all technical activities include an analysis of gender considerations that have been integrated into project methodologies and interventions.

Additionally, EIP delivers critical GBV prevention and accompaniment support. This ensures that survivors of GBV are given the support and assistance necessary to ensure that they are able to participate in EIP activities, culminating in the economic autonomy of survivors.

3,304

entrepreneurs graduated from EIP programing

1,964

individuals graduated from EIP employment programing

1,018

individuals received support to revalidate educational and professional titles

85%

of EIP entrepreneurs reported improved business performance

38,172

Individuals accessed savings, credit, and insurance products tailored or adapted to their needs

38%

of EIP employment participants have found a new or better job

3.7 million

USD in loans issued to EIP beneficiaries by partner institutions

31.4%

average percentage change in income reported by EIP entrepreneurship and employment participants

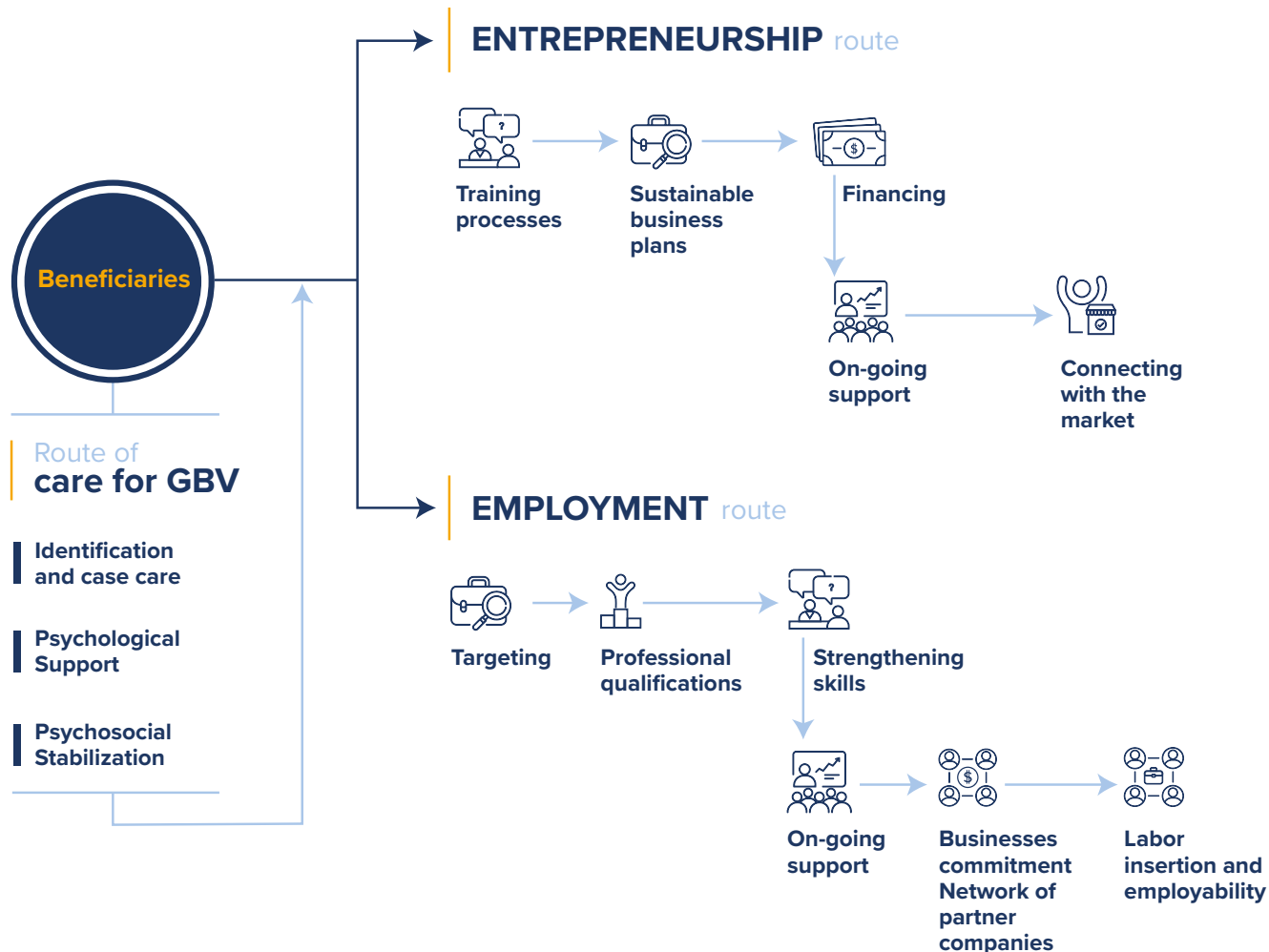
23%

Average income increase reported by **male** EIP participants across all programs

36%

Average income increase reported by **female** EIP participants across all programs

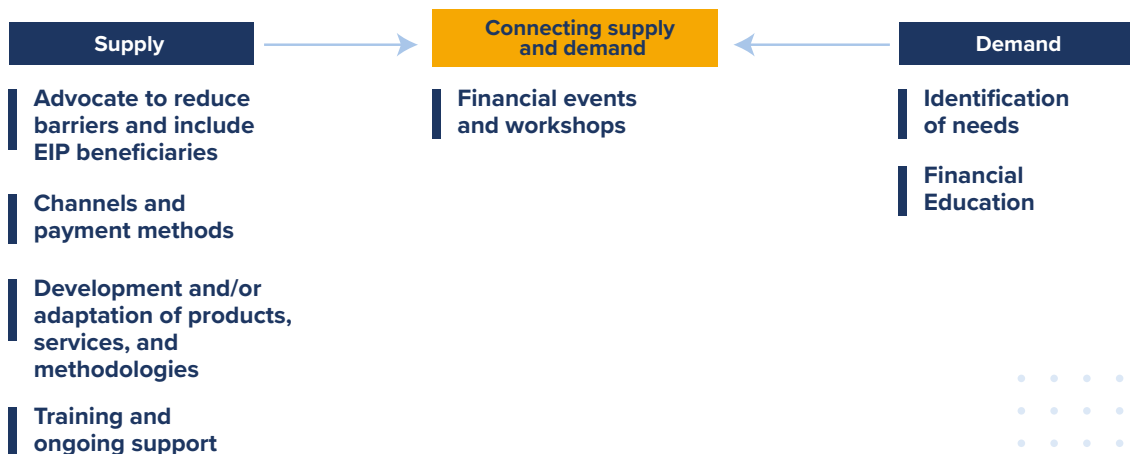
EIP's Route to Economic Inclusion



Financial Education

Gender Focus

Financial Inclusion route



Objective 1: Assisting new and existing Entrepreneurs



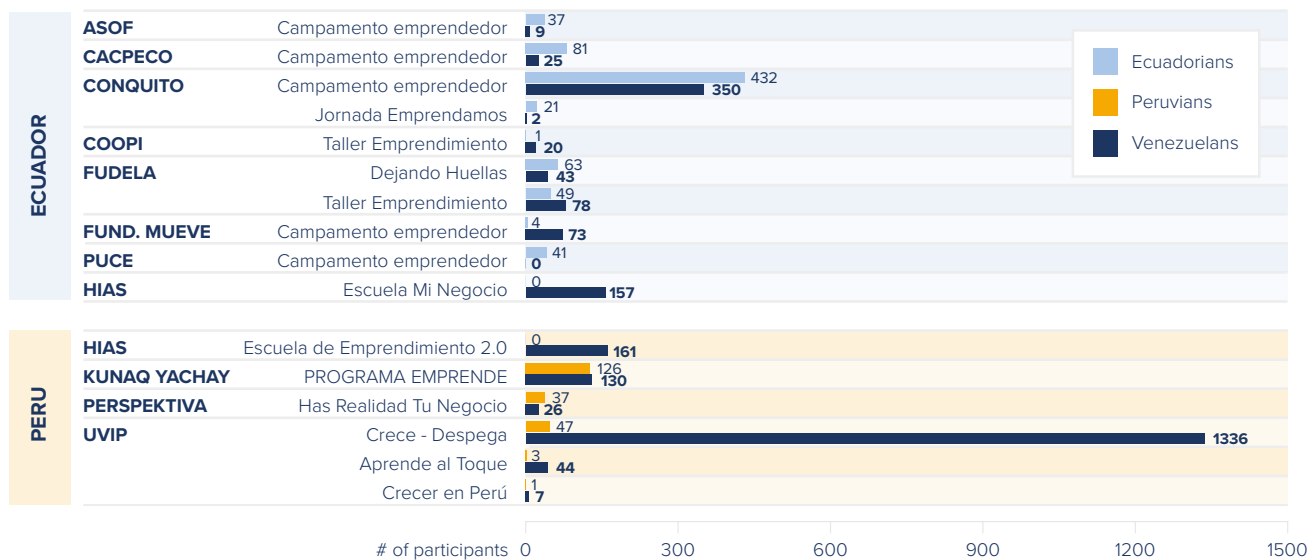
“

In May of 2021 one of us contracted COVID-19... we had to close for almost three weeks. When the store reopened, it was like starting over – looking for customers, posting on social media, organizing orders, and resuming the customers’ consumption habits. The positive side was that now we had all the knowledge we acquired and knew how to do it.

”

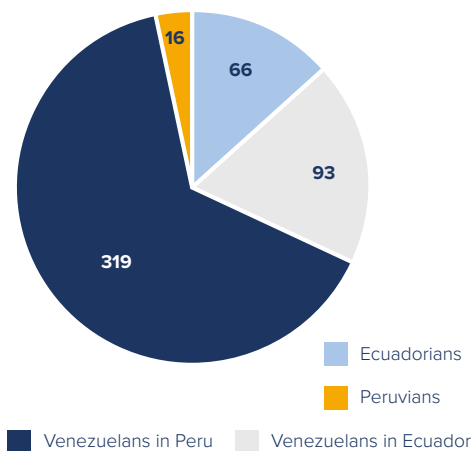
Luis Pilco participated in the Campamento Emprendedor program and the incubation program Desarrollo Emprendedor (pictured with Xavier Martinez).

Programs and Participation Rates



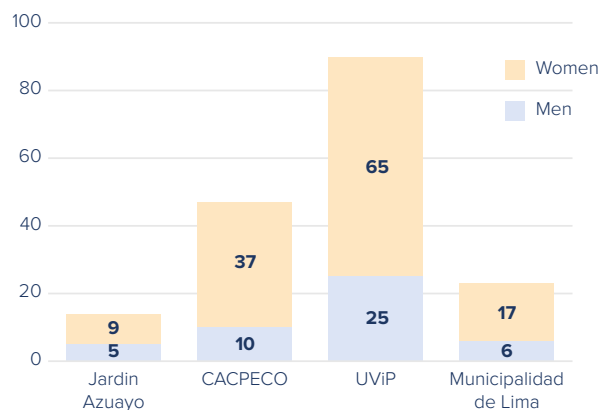
In coordination with 12 partners across Peru and Ecuador, EIP activities reached 3,404 entrepreneurs in Y1 of project implementation. Of this, 70% were women (2,434), and 72% were Venezuelan (2,461). The training, support, and guidance that EIP entrepreneurship participants gain contributes to their ability to generate and improve livelihoods and new economic opportunities for their families.

Seed Capital Disbursement



For entrepreneurs seeking to establish or grow their businesses affected by COVID-19, access to capital is one of the most notable and consistent challenges faced. In response to this challenge, EIP established the Seed Capital Fund (SCF) during FY21, which serves as a safe, alternative source of startup capital for entrepreneurs with feasible and detailed business plans. In FY21, 995 business plans were received, of which 519 were selected/approved, of which 364 were provided to female entrepreneurs (74% of all awards).

Participation in Entrepreneurship Fairs – FY21



Over the last two years, existing market linkages have been enhanced using virtual delivery platforms, where entrepreneurs can promote and sell their products, practicing the skills they learned in training workshops. During FY21, EIP worked with partners to coordinate a variety of market linkages through virtual marketplaces, e-commerce platforms, delivery services, and entrepreneurship fairs. Throughout FY21, entrepreneurs participated in virtual and in-person fairs to promote their products and generate sales. By working closely with partners and other stakeholders, 174 entrepreneurs participated in these opportunities.

Objective 2:

Facilitating access to Employment



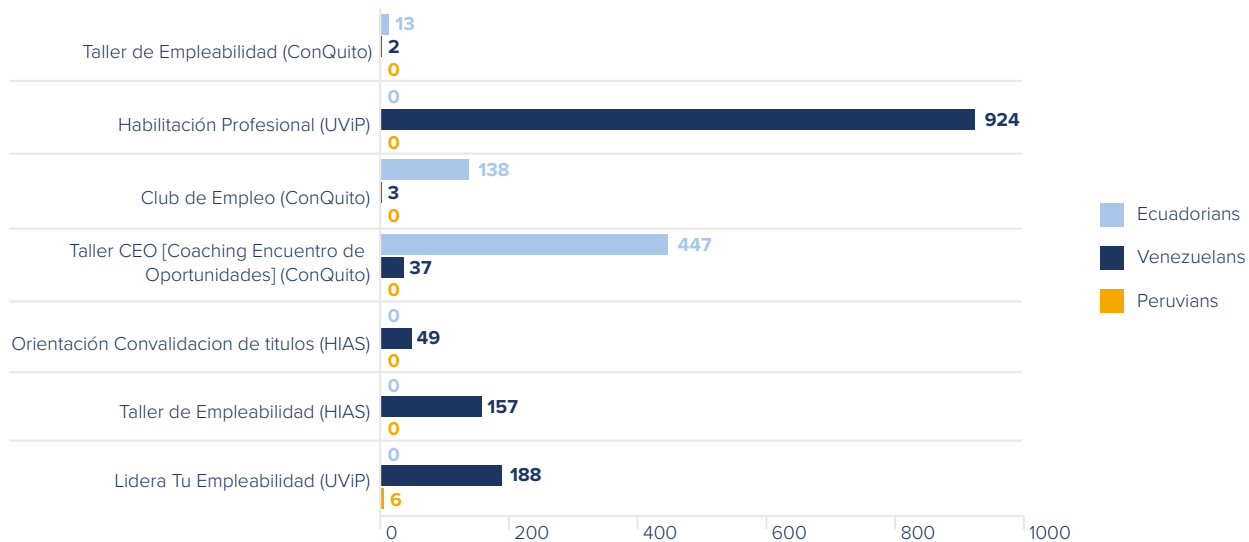
“

Behind every one of us is a family of 3, 5, or even 10 people, so the number of people that you are supporting is much larger. You are not only helping those that are here, but also those who depend on us in Venezuela. I thank EIP for allowing me to breathe in a moment when I was going to drown.

”

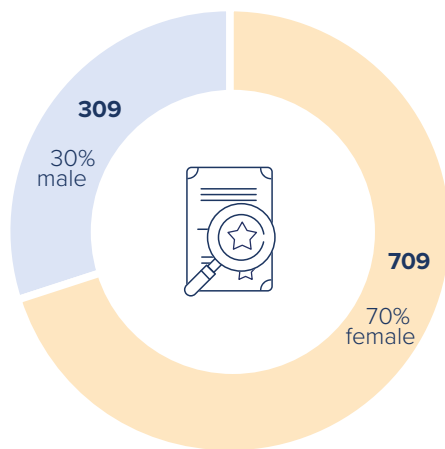
Jessica Alvarez, a Venezuelan doctor that is now working for a company in the private sector as an occupational doctor. EIP supported her in taking the National Medical Exam and revalidating her degree.

Participation in Workforce Development Programs – by Partner



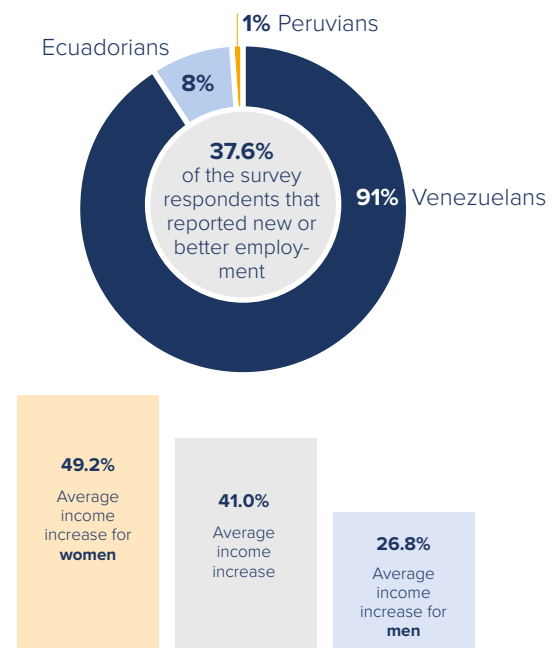
EIP's employment training programs were developed to be responsive to profiles in demand by employers. Participants receive training on key skills and expertise required to effectively participate in the labor market, particularly those necessary for high demand jobs. Throughout FY21, EIP worked with three primary partners – HIAS, UViP, and ConQuito – to implement seven diverse training programs, reaching a total of 1,964 individuals.

Revalidated Certificates – by Gender



The revalidation or registration of certifications or degrees is a process required to obtain formal recognition of the validity of a degree or professional title obtained outside of Peru or Ecuador; the revalidations are issued by the respective university or government ministry of each country. In both Peru and in Ecuador, the revalidation step is a critical first step towards formal employment. Throughout the first year of implementation, EIP supported a total of 1,018 individuals through the revalidation process. Throughout the process, EIP remained responsive to sectors with high hiring demands, supporting individuals in the health sector (30.2%), humanities and education (39.8%) and administrative careers (24.1%)

Workforce Development Survey Results (FY21)



In August 2021, EIP conducted the first annual survey assessment of EIP participants. Of the 918 employment participant survey respondents, 345 participants (37.6%) reported that they had secured new or better employment through EIP's interventions. Additionally, while respondents reported a 41% average increase in income, female participants reported an average increase 22% greater than that of their male counterparts – representing a step toward gender income equality.

Objective 3:

Increasing access to Financial Services



“

COAC Tulcan helped me select the best account option for me and taught me how to use my debit card from the computer. [Now] people are able to pay me for my services through a website and I can manage my income and costs [online] as well. There is no need to go to a physical branch.

”

Melida Campos, a Venezuelan music therapist and graduate of the Campamento Emprendedor program. Following her graduation, Melida was connected with COAC Tulcan where she was able to open a saving account which she is able to use to receive payment for the virtual music classes she provides

5,362
individuals trained

47.4%
were Venezuelans

26.6%
were Peruvians

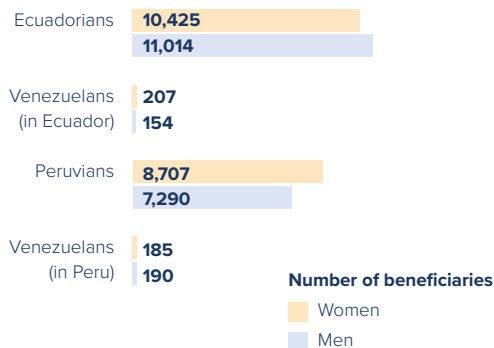
26%
were Ecuadorians

70%
were women

30%
were men

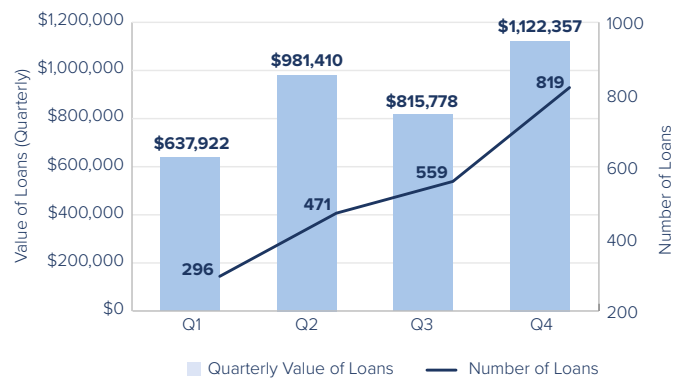
Financial education is a fundamental pillar in the road to financial inclusion, encouraging individuals to acquire and build their knowledge through reflective processes based on real life experiences. EIP's integrated and experiential approach strengthens management of personal and business finances, promotes savings as the basis for financial independence, and enables participants to identify, select, and appropriately utilize financial products.

Number of Beneficiaries Financially Included by Nationality and Gender



With knowledge and skills acquired through EIP training, beneficiaries are able to access products and services more efficiently and appropriately, thereby contributing to the growth of a more favorable environment which financially includes a greater number of people and reduces traditional gender gaps. During FY21, EIP worked with 10 financial entities in Peru and Ecuador to financially include **38,172 individuals**.

Number of Loans and Value by Quarter



In addition to promoting savings as the basis for generating future financial independence, EIP promotes the development and adaptation of financial loan products, thereby strengthening and expanding the financing options for beneficiaries. The successful adaptation of this approach is reflected in the 2,250 loans disbursed by our financial entity partners to beneficiaries during FY21. During FY21, the total value of loans disbursed by EIP partner financial institutions to beneficiaries surpassed \$3.7 million – more than double the original goal of \$1.5 million for the entire project lifecycle.

Cross-cutting Objective:

Prevention of

Gender-based violence



“

In the future, I see myself as an entrepreneur and as a businesswoman... I already have several projects that I am implementing

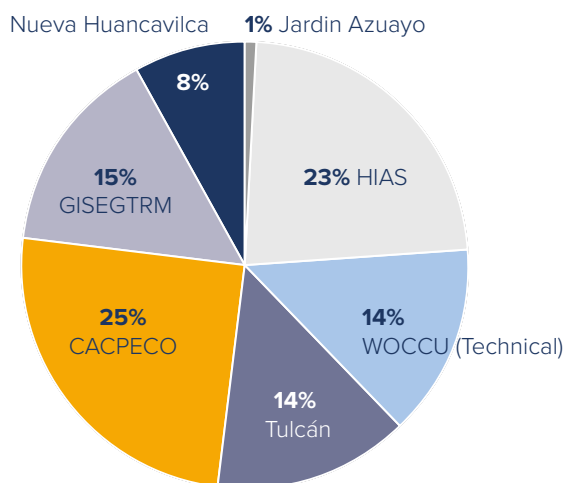
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Rossana Saczekromaszewicz is Venezuelan and a single mother who came to live in Lima in 2017 when her daughter was just two months old. She is a graduate of the Crecer en Peru program, implemented by UVIP

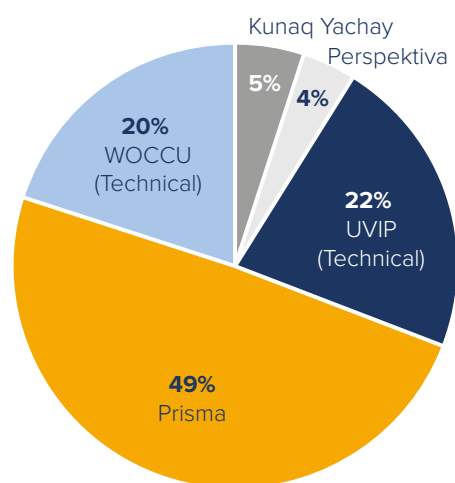


The goal of EIP interventions, including – and especially – for survivors of GBV, is to ensure that project participants attain economic independence and empowerment. Through EIP and partner trainings, survivors develop personal action plans to set their path towards autonomy and independence. A key element in psychosocial stabilization, these plans serve as a critical tool which allow survivors to channel their personal motivations, experiences, and resources into a plan for their own future. These plans are then complemented by entrepreneurship, employment, or other training delivered by EIP or EIP partners. During FY21, EIP accompanied 221 victims of GBV to empower them to reach economic autonomy.

Partner Staff Trained on GBV Response (Ecuador)



Partner Staff Trained on GBV Response (Peru)

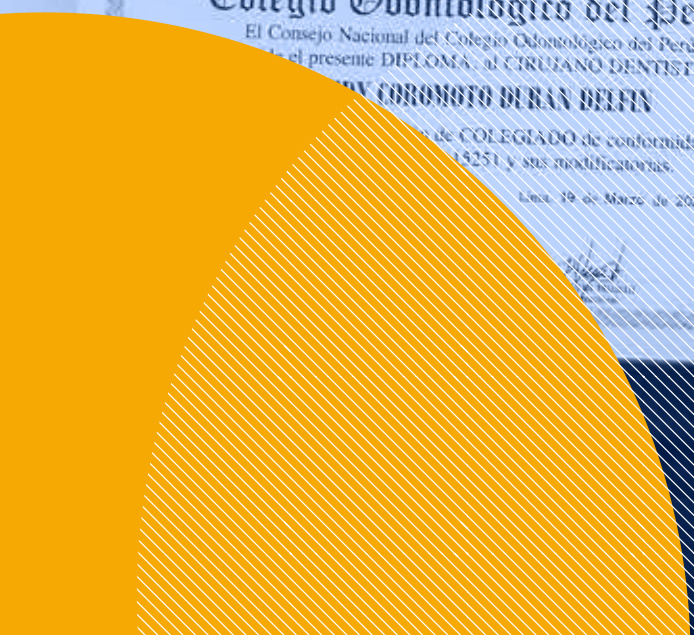
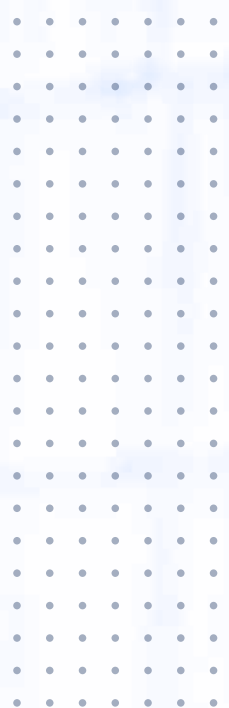


Through EIP training on GBV prevention, project partners were able to increase their understanding of and engagement with basic concepts around gender equality, the importance of equality for socioeconomic and personal success and independence, and how to coordinate organization initiatives which are responsive to these factors and considerations. During FY21, EIP trained 86 and 99 total partner staff in Ecuador and Peru, respectively in identifying GBV cases, providing psychosocial support, connecting survivors to economic independence, and creating systems and cultures that are responsive to the realities of GBV.

EIP Year 1 MEL Indicator Results (by Quarter)

#	Performance Indicator	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY21 Total	Year 1 Target*	%
E/E.1.1	Number of EIP beneficiaries receiving support to promote new or better employment/entrepreneurship, including through training, mentoring, recognition/ revalidation of diplomas or professional or technical certifications or other support	78	1,290	1,719	939	1,342	5,368	5,000	107%
E/E.1.2	Number of Venezuelan EIP participants who received support in the process of recognition and/or revalidation of diplomas or professional or technical certifications	33	461	195	92	237	1,018	1,000	102%
E/E.2.1	Number of individuals with new or better employment or businesses following participation in EIP-assisted programs	0	0	0	0	1,354	1,354	1,250	108%
E/E.2.2	Average percentage change in average income generated through entrepreneurship and employment initiatives through EIP support	0%	0%	0%	0%	31%	31%	10%	314%
E/E.3.1	Number of private sector partners engaged on the value of hiring Venezuelans and local EIP program participants	0	43	17	5	10	75	70	107%
E/E.3.2	Number of public and private institutions that apply employment or entrepreneurship promotion methodologies developed with EIP support	2	2	2	0	1	7	7	100%
3.1.1 (EG 4.2.1)	Number of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors	447	3,171	4,546	19,784	10,224	38,172	30,000	127%
3.1.2	Number of loans to participants as a result of EIP support	105	296	471	559	819	2,250	1,500	150%
3.1.3	Dollar value (USD) of loans to participants as a result of EIP support	\$199,570	\$637,922	\$981,410	\$815,778	\$1,122,357	\$3,757,037	\$3,000,000	125%
3.2.1	Number of individuals receiving financial education and financial literacy training through EIP support	189	685	2,048	1,543	897	5,362	5,000	107%
3.3.1	Number of new or adapted financial products or services developed with EIP-supported credit unions	3	2	3	2	0	10	10	100%
4.1 (GNDR-6)	Number of people reached by a USG funded intervention providing GBV services	0	0	35	45	141	221	100	221%
4.2	Percentage of female participants in EIP employment, entrepreneurship, and financial inclusion activities	60%	64%	63%	63%	62%	63%	60%	105%

*Year 1 Target Includes FY20 Q4





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