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Assisting Children and Families in El Salvador

A SPECIAL REPORT FOR

Women of Vision - Houston

WORLD VISION REPRESENTATIVE

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ASSISTING CHILDREN AND FAMILIES IN EL SALVADOR

On the cover

Children such as these in World Vision's Renacer community development area wind up benefiting from microfinance loans their parents receive.



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*A higher standard.
A higher purpose.*



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*Our vision for every child,
life in all its fullness.
Our prayer for every heart,
the will to make it so.*

—From World Vision's
vision statement

Introduction

World Vision is deeply appreciative of the care, support, and love the Houston Women of Vision have shown children and families in El Salvador. You have helped thousands of people—particularly children—regain the hope they had lost and again believe they can have a full life and a bright future.

It is hard for most of us in the United States to understand what many people go through just to survive—just to have a glass of clean water or a safe environment off the streets. You have felt their suffering and responded with an outpouring of support.

When you reach out as the hands of Jesus to people in need, you are reflecting His love and shining His light in the darkness. Thank you for your devotion to this life-changing partnership.

This report describes accomplishments in the FUNSALDE Microenterprise Project in El Salvador that you support. You will receive a separate report related to U.S. projects.

Background

El Salvador, Central America's smallest country, has a gross domestic product per capita of just \$7,100, and three of 10 Salvadorans live in poverty. A disproportionate number of the poor are in rural areas, where acute poverty is often associated with inadequate nutrition, unclean drinking water, and poor sanitation. By design, World Vision's work is concentrated in those areas.

Because of its geography, El Salvador is unusually prone to natural disasters: hurricanes, earthquakes, flooding, volcanoes, and drought. In addition, access to clean water and adequate sanitation are problematic in many areas. According to UNICEF, only 68 percent of the rural population is using improved drinking-water sources, and 20 percent are in need of improved sanitation facilities. Both contribute to diarrhea-related illnesses in children.

On top of these challenges, Salvadorans are afflicted by a staggering rate of violent crime. According to the United Nations, El Salvador is the most violent country in Latin America. Impoverished children and teenagers are particularly vulnerable, according to the Attorney General's Office of El Salvador.

The Salvadoran government says the Maras group—which is involved in drugs, homicides, arms possession, and extortion—is responsible for 40 percent of the homicides and social problems in the country. The Maras has an estimated 25,000 members.

work



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Who we are

The Women of Vision Houston Chapter, founded in November 2003, is a group of approximately 30 Christian women with different backgrounds, interests, and experiences, but we all share a vision around God's works through human hands and hearts.

Women of Vision exists to educate and motivate women to share their faith and resources and to bring tangible evidence of Christ's love to empower impoverished, oppressed, and persecuted women and their families throughout the world.

We dream of a means for women to help women and their families by a worldwide uniting of resources through which we can learn from and benefit each other.

(From the Houston Women of Vision website)

World Vision in El Salvador

World Vision has been working in El Salvador since 1975. Initially, child sponsorship was launched through five school projects. We have continued sponsoring children and, over the past 30-plus years, have responded to needs resulting from hurricanes, civil war, and a series of earthquakes. Today, we continue to help families in El Salvador through programs that focus on medical care and water and sanitation projects.

Economic development is a major component of World Vision's strategy to alleviate poverty in a sustainable manner. We facilitate the process of receiving and repaying microloans, and create community-based savings and lending programs in which even the poorest people can pool their resources.



José Fernandez, 5, shows off some of his family's substantial papaya crop. Mario Fernandez and his wife, Carolina, received a microfinance loan and agricultural training through World Vision. They also set up an irrigation system, and the result has been a successful crop and an improved life for Jose and his two siblings. "We're working hard and already see results," said Carolina. "As a parent, you always want to give (your children) more, and now I can give more."

The Salvadoran Development Foundation (FUNSALDE)

Despite being the smallest country in Central America, El Salvador has the third-largest economy. However, that economy is fragile due to several threats, which include natural disasters (hurricanes, earthquakes, flooding, volcanoes, and drought), the high failure rate of small businesses, a rise in violent crime, and a volatile political climate.

Economic struggles have resulted in hardship for a large portion of El Salvador's 6 million residents. According to UNICEF's 2008 State of

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the World's Children report, at least half of all children and adolescents are impoverished. Rural residents are most acutely affected by poverty, which often results in inadequate nutrition and insufficient clean drinking water and sanitation facilities.



Increasing the access to microfinance through FUNSALDE will help put the sparkle in the eyes of more children, such as this girl in the Sinai area, and give them and their parents hope for a brighter future.



Aida Zelaya, left, and Etelia Martinez prepare tortillas for the restaurant, El Buen Gusto (The Good Taste), which they own with eight other women in the El Alfarero area. The 10 women formed a partnership and have been building their business with a series of microloans through FUNSALDE.

The Salvadoran Development Foundation (FUNSALDE), a nonprofit microfinance institution founded in 1995, was launched with an initial endowment from World Vision. FUNSALDE is designed to improve the life of impoverished Salvadorans, with a particular emphasis on households headed by women. FUNSALDE generates development through microfinance, training, and technical help for the entrepreneurial poor. Income-generating activities include raising livestock, producing handicrafts, agriculture, services, and trade. FUNSALDE currently operates in eight areas: San Julian, Sesori, Villa Victoria, Sendero de Esperanza, La Bendicion, Renacer, Sinai, and El Alfarero.

World Vision is grateful for your support of FUNSALDE, which offers microfinance, training, and technical assistance so that impoverished Salvadorans can boost their income and offer better care to their families. To feed, educate, and provide healthcare for their children, hardworking parents in El Salvador need a way to boost their incomes. However, since they lack collateral or credit history, traditional banks will not provide them with the small loans they need for their business to succeed.

Since 2006, World Vision has focused on expanding the impact of FUNSALDE to a larger number of clients throughout El Salvador. Ongoing efforts have been to design new income-generating possibilities for impoverished Salvadorans. As of June 2010, FUNSALDE's loan portfolio was \$1,330,191, and the microfinance institution had 2,745 active clients, 63 percent of whom are women. The repayment rate on its loans was 97.1 percent.

With an average loan of just \$579, FUNSALDE helped create or sustain an estimated 3,202 jobs during the first three quarters of fiscal year 2010 (October 2009 through June 2010). Most importantly, loans and related services from FUNSALDE helped improve the lives of an estimated 3,822 children during that time.

FUNSALDE is part of World Vision's global network of microfinance institutions, which are overseen by VisionFund, a World Vision subsidiary. In 2009, the institutions in this network had a total of 624,134 active

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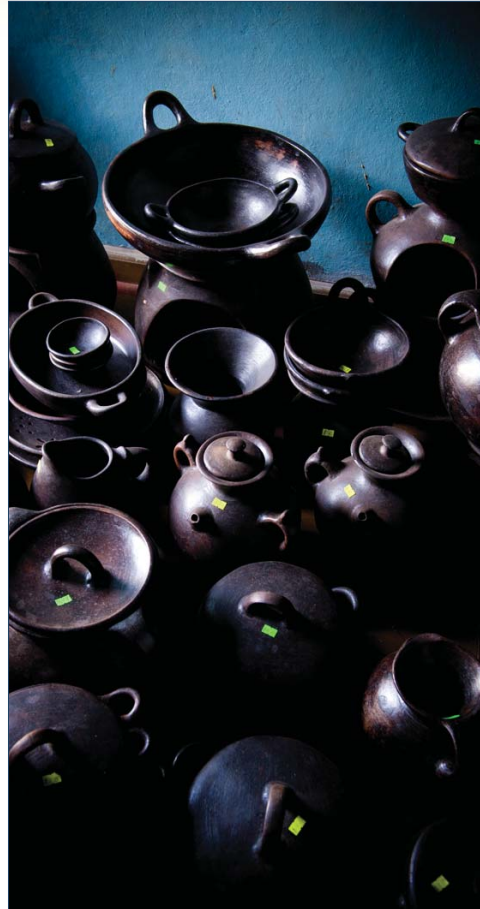
borrowers (68 percent female) with an outstanding portfolio of \$381 million and a loan repayment rate of 96.7 percent.

World Vision seeks to ensure that all community members have sufficient income to meet their families' needs for food, education, and healthcare. The largest share of campaign funds will be applied to the Salvadoran Foundation for Development (FUNSALDE).

In addition to microfinance, other interventions include establishing informal savings groups, improving enterprise and market development in rural areas, and setting up centers for information and communication technology.



After spending two months in training related to opening and sustaining a business, four families of potters in the El Alfarero area got together and used a microfinance loan to open a shop—Tenda de Artesanias—in which they sell their creations, above and right, both to area residents and tourists. The long-time potters previously displayed and sold their pottery at their homes or in local markets and weren't very well known. Their work is unusual in El Salvador because it is made of black clay. The potters all spend time working the business end as well as the creative end. Each is in the shop at times to work with customers and suppliers.



Community development

Transformational development is a process through which children, families, and communities move toward fullness of life with dignity, justice, peace, and hope. It is integral to World Vision as we work with some of the poorest communities to help them address physical, social, and spiritual concerns.

To do this, we create community development areas by grouping and working among multiple communities within close proximity. In El Salvador, these community development areas are El Alfarero, La Bendicion, Renacer, San Julian, Sendero de Esperanza, Sesori, Sinai, and Villa Victoria.

Our holistic approach to tackling the root causes of poverty and helping children reach their God-given potential is Christ-centered, child-focused, community- and values-based, and sustainable. By adopting a “hand-up” (rather than “handout”) approach, World Vision honors the impoverished while enabling them to realize significant and sustainable progress.

Community development areas also work to increase the incomes of community members. Here is a quick look at a few of the activities in the past year:

- In El Alfarero, 42 heads of households, 30 of them women, received training in entrepreneurial skills and sales techniques. They wound up creating 23 small businesses dealing with handicrafts, farming, commerce, and sewing, among other things.

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- In Renacer, plans were made to train 20 families in business skills, but 102 families received the training thanks to a budget surplus.
- In Sinai, it was hoped that entrepreneurs could create business plans, apply for loans from FUNSALDE, and start up 48 small businesses. Instead, 98 businesses were created.



Life is not easy for most children in El Salvador, but your devotion to improving the quality of their lives is bringing smiles to many more faces.

Quick comparisons

	El Salvador	Houston
Population	6,052,064	2,144,491
Area (square miles)	8,124	579
Life expectancy	73.2 years	77.6 years
Literacy rate	81 percent	91 percent
HIV prevalence rate	0.8 percent	0.3 percent
Per capita income	\$7,100	\$21,854
Population below poverty line	30.7 percent	19.2 percent

Sources: United Nations, World Health Organization, World Food Program, and World Factbook

Thank you

A mere thank you doesn't adequately convey our appreciation for the dedication the Houston Women of Vision have shown so many children and families in El Salvador over the years.

You are walking with people in need and changing their lives. We are blessed to be able to join you on this journey.



Families in this impoverished nation are grateful for your support in improving the lives of thousands of children, many of whom have suffered in ways we can barely imagine.

Your walk with the people of El Salvador is a wonderful example of Christ's love for people in need. May you be richly blessed for sharing your blessings. World Vision, along with these precious children, thanks you.



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World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. Motivated by our faith in Jesus Christ, we serve alongside the poor and oppressed as a demonstration of God's unconditional love for all people. World Vision serves all people, regardless of religion, race, ethnicity, or gender.