



# Microcredit for Mothers

ANNUAL REPORT 2016



# Table of Contents

1. In a nutshell .....	3
2. Projects.....	8
3. Fundraising .....	15
4. Communication .....	17
5. Organisation .....	21
6. Financial Report.....	24



# 1. In a nutshell

## 1.1 Introduction

### **The purpose, cause and beliefs that inspire us to do what we do.**

In 2014, we renewed our mission statement. It was embraced by all our volunteers during our annual 2014 “Bootcamp” and continues to be as follows: We empower the poorest women in Asia to manifest their strength and potential. This leads to growth in their self-esteem and independence. Achieving this together inspires us to do this for as many women as possible. With the microcredits we provide, we intend to empower these women to start a small business, which leads to own income generation, increases chances of saving money, investments in health care and education of children and also to more autonomy and independence. In the past eleven years we provided approximately 9,750 women with a microcredit and saw clearly that a microcredit can act as an accelerator to improve the lives of these women and their children. When we meet face-to-face with the women who have been provided with a microcredit, we see proudness and self-esteem. This is amongst others what keeps all of us going strongly.

In our mission there are two components that are interesting to highlight:

1. Our target group: “the poorest women in Asia”. We believe in female entrepreneurs and leaders at the poorest levels. We help the poorest

mothers in Asia who have no other access to financial means to start a business, amongst other ethnic minorities. Women have already made enormous progress in emerging markets. The wide success stimulates us to contribute even more, as women are still a driving force in these areas. This is shown by facts as: (1) The poorest families in general still depend on the woman’s income; (2) The woman’s income benefits not only herself, but her entire family; (3) Women, more than men, invest the money they make in health, education and the welfare of their family.

2. “Achieving this together inspires us to do this for as many women as possible”. When we asked our volunteers why they put so much of their time and energy into MfM the two main reasons they gave us were (1) to do something good for others and (2) the inspiration & energy they get when working with fellow volunteers to achieve this goal.

### **How we work and what is so special about us**

Within Microcredit for Mothers, we feel a combination of seven clear characteristics sets us apart from other organizations focusing on the empowerment of poorest of the poor women. 1. Our 100% volunteers.

Microcredit for Mothers exists due to the time and dedication of our 41 volunteers, none of them are paid for their work. These volunteers have different backgrounds and paid jobs at different employers but are all united in their passion in achieving MfM's mission. 2. Own fundraising. We have a separate Fundraising Team within Microcredit for Mothers who ensures we raise enough funds to fulfil our mission. They are not focused on state subsidies or proceeds from lotteries; they organize a variety of creative events to raise private and corporate funds, ranging from our Female Leadership Journey to our "Cooking Month". 3. Local partners. Our most important asset is our local (microcredit) partner network, through which we locate and reach the women in our target group. These are either smaller local NGO's (Non-Governmental Organizations) with educational-, health- and/or human rights activities or local MFI's (Micro Finance Institutions) in Asia. These local organizations have established a relationship of trust with the local communities long before we encounter them. 4. Professional Organization. Although Microcredit for Mothers is a volunteer organization, it is run with a business spirit. Most of the volunteers have a paid job within a business environment and bring that mentality into the work at Microcredit for Mothers. Not being dependent on single individuals anymore, MfM has become a solid and sustainable foundation. 5. We provide the fishing rod instead of the fish. We believe our microcredits can be a catalyst for our women to start their own business and develop themselves and their families further, in a sustainable manner. Our partners combine the microcredits with basic financial, entrepreneurial and female leadership

training. 6. Asia. We've chosen to focus specifically on providing microcredits to the poorest women in Asia, for this moment. We've established local partnerships in India, Nepal, Bangladesh, Sri Lanka, Indonesia, Cambodia, Laos and Vietnam. 7. Connection. We believe in the power of connecting people. Within MfM we connect our 41 volunteers with each other to raise funds and start new microcredit projects in Asia; we connect with our donors, who provide us not only with the financial and physical means to do our work; our strong connection with our local partners ensures we find the right target group. And we connect Dutch female leaders with Asian female leaders in our Female Leadership Journey.

## 1.2 Regulatory facts

Microcredit for Mothers consciously does not obtain the CBF-mark. The reason is simple; this mark has to be paid for, which amounts to several hundred euros a year. We have decided not to pay for the mark but instead save costs, i.e. donated money, so it can be distributed to the women in Asia. Nevertheless, in order to be completely transparent, all information regarding our activities, revenues and expenses can be found online and is accessible to anybody. Moreover, the foundation publishes her results and annual accounts on the website. Furthermore, our annual report is provided to CBF and also accessible via their website.

Since 2008, Microcredit for Mothers has been classified as an Algemeen Nut Beogende Instelling (ANBI) by the Dutch tax authorities and it continues to be so. ANBI status may provide donors with a tax advantage (a deduction of the income tax return of the donation can be made). This however depends on the specific facts and circumstance of each case.

The Microcredit for Mothers Foundation has its residence in Amsterdam and is registered at the Chamber of Commerce under number 30204889.

### 1.3 Our activities

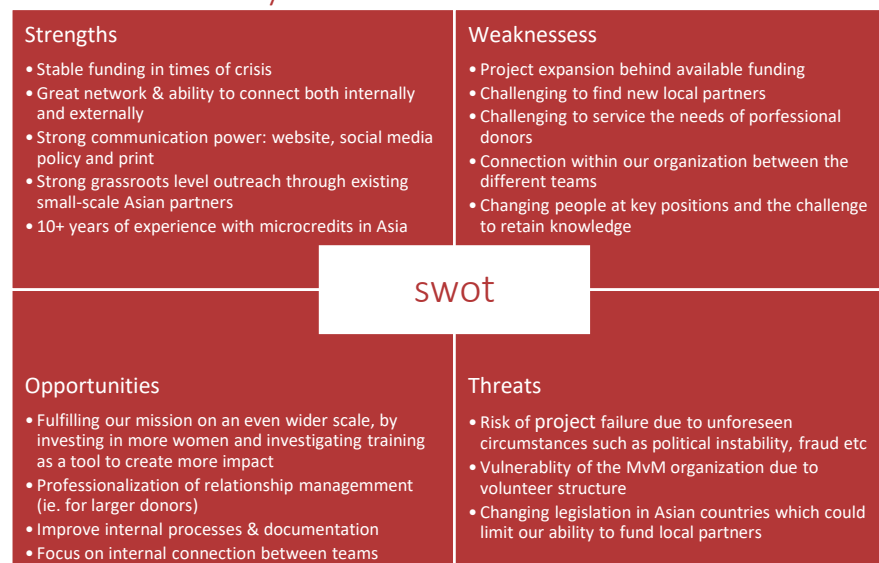
#### What we do and what kind of products and services do we have

The core product we have put in place to empower the poorest women in Asia to manifest their strength and potential is the provision of microcredits. An MfM microcredit is, on average, a loan of EUR 85 which is provided to the poorest women in Asia by one of our local partners. Our women use these loans for a variety of businesses ranging from raising chickens, selling textiles or making candles.

Next to the provision of microcredits, we have a big ambition to provide locally organized trainings for all our projects. Research of the Rijksuniversiteit of Groningen shows that training (in whichever subject) leads to a larger social network for women, more possible support and hence to a larger chance of completing a microcredit loan and making a sustainable step in development.

In 2016, we have taken training requests from local partners into consideration at the moment we discussed a new fund/project with them. If the request was within a limited set of basic criteria, a training program has been funded. We have however decided that for 2017 we will start to find funds especially for these training requests.

### 1.4 SWOT analysis



## 1.5 Impact

With our donors, we have been able to reach approximately 9,750 women and 20,000 children up till now, by providing the women with a small microcredit loan. As a result, these women improve their freedom of choice in how they earn and spend money. This has many facets, including the ability for them to have more choice of their occupation, make household spending decisions, finance larger purchases for their homes and businesses, refrain from selling off assets in times of crisis and better manage risk.

Combined with the broader context in which our partners implement the microcredit programs, we believe our microcredit loans have a positive impact on these Asian women to manifest their potential and strength. Crucial in this respect are amongst other criteria for enrolment in the local microcredit programs, training and guidance during the programs, working together and supporting each other. These all influence a positive outcome of the projects. As we are a small foundation and only have limited financial means, we do not evaluate the impact of our projects through randomized controlled trials or other forms of profound evaluations. However we do check the 'financial status' of these women with yearly poverty assessment index analyses and we do interviews with women in the programs during all of our visits. Although in this way we only reach a very small percentage of the women enrolled, it does teach us that the programs are highly appreciated and many women benefit from it.

## 1.6 Way forward in 2017

On basis of the successes achieved and challenges faced in 2016, we have defined a strategy for 2017 which consists of four specific goals.

1. We would like to raise EUR 80,000 of funds, and provide microcredit loans worth EUR 185,000. The latter has been a challenge in 2015 and 2016. In 2016, we invited our program managers to visit their partners and actively search for new partners. All countries were visited and many potential partners were discussed. In 2017 we will reap the benefits of this.
2. We will start our 'MvM Academy' to raise funds especially for training purposes. This gives our program managers the opportunity to discuss local needs and offer money where needed.
3. We want to exploit our knowledge and network around microcredits and become a well-known institution when it comes to financial inclusion.
4. We want to continue the strong connection between each individual volunteer and MfM in order to safeguard a sustainable organization. We will organize continuous activities to build the connection and furthermore we will focus on decreasing hierarchy within the organization and increasing evaluations on several of our workways and activities.



## Nirmale's dream: Send my children to school

Ten years ago Nirmale sold food items to stores and earned 8,000 Rupees a month. With the microcredit that Nirmale got from Microcredit for Mothers, she bought cookware to make string hoppers. Now she makes string hoppers from home and earns about 35,000 Rupees a month. A huge advance that allows her to pay for her children's school fees and books and build an extra floor on their home. Nirmale still meets with the group of women that received the microcredit 10 years ago on a weekly basis. They all put in 200 Rupees in order to collectively save. In addition to the financial gains, this group means much more to her. Being away from home and from her daily pattern, these meetings offer her a moment of reflection.



## 2. Projects

### 2.1 Introduction

In 2016, our main focus was to invest in getting more in depth knowledge of the risk status of some of our (longer) running projects and funds but also – in line with previous years – expand well running projects and find new partners to start new projects with. By doing so, we strived to reach an increasing amount of women in order to enable them to manifest their strength and potential.

### 2.2 Project policies

We distribute our funding as an interest- and installment-free loan to our local partners in South and South East Asia. Prerequisites for receiving one of our loans are a detailed MfM approved project proposal (including name, age, type of business, loan usage per woman) as well as confirmation of the ability of the partner to provide quarterly key performance indicators to MfM. To ensure the latter, a visit by one of our Program Managers to the local partner is also a necessity before the start of a partnership. After all of the above mentioned elements are in place, our local partner receives the fund and disburses this as microcredit loans with interest to the women that were specified in the project proposal. The interest of the microcredit loan is determined together with MfM and is never higher than the market (microfinance-) interest rate of the

country in question. The interest-income is used by our local partner organizations to finance labor and travel costs and any other costs associated with the specific project. No collateral is involved in the microcredit loans distributed with our funds. The target group we want to reach, the very poor, is often not able to provide any. Instead, some of our partners may ask a group of women in a community to vouch for each other in order to get the loan, in accordance with the Grameen methodology. In some countries we work with so-called Self-Help Groups, who take on the loan as a group, thereby having the group members jointly share the responsibility for the entire group's liability. Our local partners meet with the women on weekly/monthly basis and collect loan- and interest payments. Loans which have been returned are redistributed to a (new) group of women according to the concept of a revolving fund. Our goal is to have every woman repay her loan within a year and to provide a woman with a maximum of three loans. At the moment, women usually repay their loans between ten and twelve months. We aim to have empowered the women to enter the national credit system by the end of these three loan cycles. Program Managers are responsible for managing the running microfinance projects. They maintain the relationships with our local business partners, look after frequent reporting on our projects, measure impact and look for possibilities to expand our activities. Our goal is to have our program managers visit and evaluate every project once a year. For risk management purposes, we apply a cap of EUR 45,000 per partner and a cap of EUR 10,000 for the first time loan to a new partner. We have not implemented country limits.



## 2.3 Project targets and results

To achieve our mission, we continued to be active in eight countries divided into two major regions: South Asia and South East Asia. By the end of the year, the value of MfM funds allocated to our 29 Asian was approx. EUR 475,000. The majority of the funds originate from our standard fundraising. The remaining part, EUR 57,500, was funded by Dutch Microfinance (DM), a Dutch foundation that partnered with MfM since 2013. The goal of this partnership was to provide additional funding to existing MfM partners, which MfM is not be able to provide due to limited funds and funding-limits per partner. We call these loans 'DM loans'. This partnership has ended by December 2016.

## 2.4 South Asia

We started 2016 with 15 partners and some EUR 265,000 allocated to the South Asia region. During the year we started 4 new projects and ended our partnership with 1 partner. This resulted in 18 partners and EUR 270,000 of funds allocated to the region by the end of the year.

### India

We welcomed two new partners in India: *QWARIDS* (Quarry Workers and Rural Integrated Development Society) has been providing support to quarry workers in Karnataka since 1986. Quarry workers are often tied up in a system of bonded labour whereby

entire families including women and children work in the quarries. They work 12 hours a day, 6 to 7 days a week with primitive tools. Most quarry workers live in slums and cannot afford schooling for their children. *QWARIDS* aims to introduce the women to other income generating activities in order to reduce their dependency on the quarry owners and to help increase their income. We started a first fund of EUR 5,000 targeting 37 women.

We also initiated a project with *HEARDS* (Health Education Adoption Rehabilitation Development Society) of EUR 5,000. *HEARDS* is active in Chittoor District by aiming to reduce child labour and providing education. By offering micro credits to the mothers of these children and helping them to generate income, they try to prevent the children from being taken out of school.

The microfinance programs with *RAIDS*, *Manush*, *Ropes* and *Sarala* are running well. We are currently discussing an increase in our commitment with both *Sarala* and *Ropes*.

*RAIDS*, *Manush*, *Sanghamitra* and *Ropes* were visited by their program manager during the year.

In May 2016, MfM's program manager visited *Sanghamithra*'s office in Bangalore. The projects dedicated to female sex workers in Bellary and Kolar have ended. Bellary was repaid in full. In Kolar, about 21 women

self-help groups did not fully repay the loans, resulting in a substantial write-down of Rs 0.72M (EUR 10,000) since inception of the project.

The majority of these loans were not repaid due to migration of female sex workers from Kolar district to other parts of India. These vulnerable groups of women are generally less bound to a region or community. In a number of cases, the self-help group members staying behind in Kolar repaid the loans of women that left the region.

From the available funds Sanghamithra started a new project called MM Hills. Loans for an amount of Rs 1,79 million have been invested by 82 women in a goat rearing project in the Chamarajanagar district, located in a very remote area south of the city Mysore.

As reported in the our 2015 annual report, our microfinance program with Dutch foundation Friends Indeed and Indian NGO ARDAR was put on hold after irregularities had taken place in 2014. At the end of 2016 we asked Nature, an NGO with more than 30 years' experience in working with tribal communities to help us restart the project. Nature organised a convention for 1,000 women in the affected villages to discuss the potential restart of the project. The event, which was widely covered in local media, was attended by the MfM project manager. We are confident that there is sufficient commitment for Nature to re-launch the project in 2017.

Our program managers also met with several potential partners during a visit to Southern India. We are currently in discussion with a number of NGOs and expect the first projects to materialise in 2017.

### **Bangladesh**

Due to the security situation in Bangladesh, the program manager was unable to visit her partners this year although there was extensive contact via Skype and email.

Our cooperation with Centre for Rural Services (CRSS) in Southern Bangladesh resulted in a second project of EUR 9,000 with this partner in the slums of the Barisal district. The families in the slums, living in poor hygienic conditions, are relatives from very poor "landless day workers" or small traders. MfM's funds are used to initiate income-generating activities for women in food retail, such as fish, vegetables, and poultry, or petty shops. Our two projects with Rural Development Society (RDS) in Bandhabari are running well. RDS is active for the ultra-poor in their region. Activities of women participating include fishing, handicrafts, tailoring and selling groceries.

We are monitoring the situation in Bangladesh and will visit our partners as soon as it is safe for our volunteers to do so.

## Sri Lanka

Our program manager visited our partners JK, DDF and NESED.

In 2015, we launched a first fund of EUR 10,000 with NESED (North East Socio Economic Developers) in Trincomalee District. Trincomalee is post conflict and post Tsunami environment where people need to rebuild their income sources. The fund targets 150 women in five villages who use the loans for agricultural activities and fishing. The program manager was very satisfied with the progress made during the first year of the project and has initiated a proposal for a second fund to be launched in 2017.

We are currently discussing opportunities for expansion with both JK and DDF.

One of MfM's oldest partnerships runs with local partner KIRDO. Throughout the years this partner was visited many times and the good work they do for the women in the project has been witnessed during these visits. Although we are convinced that the small MfM fund (EUR 5,000) is revolving with the women, communication with this remote partner has become increasingly difficult. We are therefore not completely informed about the status of this fund. We will try to retrieve the necessary information in a final effort. Otherwise we will probably decide to donate the outstanding loan to KIRDO in 2017.

## Nepal

The country is slowly recovering from the 2015 earthquake, which killed over 8,000 people and injured more than 21,000.

Although the existing project with our partner Dhulikel Hospital was not impacted and is running well, expansion was put on hold as the focus of Dhulikel was understandably dedicated to other matters during the year. We aim to increase our commitment to this partner in 2017 when the MfM project will be visited by MfM's Female Leadership Journey.

The EUR 10,000 project started at the end of 2015 with Community Self-reliance Centre (CSRC) is off to a good start. CSRC, focuses on landless, poor and marginalized people and strives for a just and equitable society.

In December 2016 we found a new partner in Nepal: All Angels Nepal. Together we started a special project. All Angels Nepal offers sewing courses to disadvantaged women in Lalitpur and Chitwan since 2014. Every year, at least 50 women successfully complete this training. However, the possibilities for starting their own company were limited. They have hardly any access to formal financial institutions. The goal of this project is to ensure that the women who have successfully completed the program receive a loan as starting capital. This allows them to invest in their own business, generating their own income.



## 2.5 South East Asia

In 2016 we had 12 projects running with 11 local partners. We extended our collaboration with 1 partner. One of our partners in Indonesia fully repaid the loan they received with DM funding and we continued the final outstanding DM loan at one of our Vietnamese partners using our own MfM funds. By the end of 2016 we had EUR 205,000 allocated to our local partners in this region. Furthermore, our main objective for 2016 was to find a number of new partners in all four countries in South East Asia to start new projects in 2017.

### Indonesia

We currently have five partners in Indonesia.

One of our program managers visited our partner Amanah in Bogor (Java) with representatives of our corporate donor Vopak who gave us a substantial donation in celebration of their 400<sup>th</sup> anniversary. Consequently we were able to increase our funding with EUR 11,000.

Our partner Kopdit Anna is currently not using the supplied funds to a full extent. We are trying to keep in close contact to optimise the funds and to increase the number of women that benefit. This project will be subject to a more intense investigation and evaluation in 2017.

Our recently started partnership with Tita Mae Ambon runs to our satisfaction.

Our program manager also paid a visit to a potential partner in order to extend our network in Indonesia. We expect to come to an agreement in 2017.

### Laos

We run two projects in two different provinces in Laos through our partner GDG Bamboo Traders.

Communication with this partner is of some concern because of the language barrier, however our program manager visited both projects in 2016 and was very enthusiastic about the way these projects are really helping the women involved to gain economic independence.

At the moment some 200 women are taking part in these projects and we are due to expand.

A lot of effort and energy was put in finding new partners in Laos, unfortunately with very little success. Therefore we have decided to research the microfinance market in Laos once again very thoroughly.

## Vietnam

Our two program managers went to Vietnam together and visited our two existing partners. The cooperation with ACE is performing above expectations, so we decided to fund them with MfM funds to replace the DM loan that needed to be paid back by the end of 2016.

They also visited three potential partners MCNV, VietED and CMCV in order to expand our network.

When visiting these potential partners, we realised that the cost of living in Vietnam has increased in the past few years and we had to acknowledge that the average amount we used to supply as a loan is no longer sufficient to start a small enterprise. We have adapted our policy for Vietnam and increased the amount for an average microcredit to match the present situation.

## Cambodia

In 2016 we had two partners in Cambodia.

Chamroueun, based in Phnom Penh, is a large MFI. During 2016 we had many discussions about their demands to increase the average loan amount. We noticed that they were moving away from our original target group of women that are out of reach of regular financial services. We have decided to terminate our agreement with Chamroueun. They understood our arguments and will repay all funds (EUR 13,000) by the end of 2017.

The Dutch Cambodia Foundation is a partner led by Jan Camp, a Dutchman who has lived in Siem Reap for many years. We supplied a loan in order to buy a rice field. Due to bad weather and poor harvests in the past paying back the loan has been postponed. This partnership will be evaluated again in 2017. If poor harvests continue to make it difficult for the women to pay back the loan, this could possibly result in a need to write down the fund completely.



## Nandika's fragile progress

Nandika made papé maché dolls, but with four children this was labour-intensive. Our microcredit offered her the opportunity to start a shop at home. As a result, she was able to increase her income from less than € 2 per day to over € 5 per day. She invested the extra money in housing and education for her children. One of Nandika's daughters has a misguided foot. Unfortunately there is still not enough money to have her operated. For Nandika, the progress remains fragile, despite of her growing income.





## 3. Fundraising

### 3.1 Introduction

Fundraising is an important anchor for Microcredit for Mothers. It's providing us the funds to carry out our mission. We fully depend on donations from donors as we don't receive any funds from the Dutch government or other governmental organizations.

### 3.2 Fundraising policy

It is our policy to raise funds without any costs involved, all based on efforts of our unpaid volunteers and supported by Dutch partners who work pro-bono.

As direct contact is key for good relations with our donors, we strive to have a dialogue with all our different donors as well as account management with our existing corporate partners. Each donor has a volunteer assigned who is in contact regularly to give updates about our organization and once every now and then to discuss the partnership.

With regard to our individual donors and foundations, we strive to communicate regularly through our different communication channels

(social media, newsletters, etc.) and involve them in activities organized by us.

### 3.3 Fundraising targets and activities

The marketing team organized our own signature fundraising events. This proactive way of fundraising has proven to be successful in the past, but also presents a challenge in terms of the increasing efforts that need to be taken to make these events profitable. In a majority of our activities and events, a way of reciprocity is seen however: people joining events gain social, intellectual or inspirational value in return for their donations.

One of the events organized is the Female Leadership Journey (FLJ) to one of our projects in Asia. During these journeys, MfM facilitates three connections for the participants: a connection with their selves, a connection with the women in MfM's microcredit programs and a connection with local nature and culture. In 2016, the Female Leadership Journey took place in January. This year Indonesia, and the Amanah project was visited. As with the journeys in previous years, part of the fee for this journey is reserved for donations for the project that is visited. Our yearly Cooking Month event was held traditionally in October.

### 3.4 Impact

The efforts of our fundraising team resulted in approximately EUR 50,000 donated by individuals and institutions. Using an average loan of EUR 85, we can provide almost 600 new microcredit loans for new income generating activities.

### 3.5 Way forward in 2017

Our marketing, fundraising and communications team has been stable over the past years, and is working professionally. This provides a good basis for expanding our fundraising activities. This gives us confidence in our ambitious goal for 2017: We plan is to collect a minimum of EUR 80.000 to be able to match the growing number of projects and new local partnerships and the ambition of our programme managers to collectively provide EUR 185,000 funding in 2017.

The project team for our Cooking Month event is transformed to an permanent team that, next to the big event in October, will also organize small fundraising events during the year.

We will continue our relationship and communication strategy with our Dutch partners and individual donors. We will expand our network and search for more opportunities for new partnerships. In 2016 we were connected to several women networking communities; in 2017 we will continue to look for expanding these cooperation's. Next to that, we aim to explore the corporate market.

Another focus point is to actively involve our growing network of ambassadors (volunteers, former volunteers, Female Leadership Journey participants, highly involved donors). We will work on a more detailed approach to keep the connection with this group.



## 4. Communication

### 4.1 Introduction

Communication is key to spread our word and tell the stories of our women in the projects in Asia. It also supports our ability to mobilize and expand the pool of resources available for development of female entrepreneurship in Asia.

### 4.2 Communication policy

Our communication policy focuses on the external communication with our local partners in Asia and all stakeholders in the Netherlands and our internal communication with our volunteers. As we want to spend as much of our funds on microcredit as possible, our communication focuses on channels and tools that are free of charge.

MfM is a transparent organization; we communicate directly with all our stakeholders; in the Netherlands our partners, our donors, our social media followers, our volunteers and all other individuals who show interest in our organization and in Asia our local partners. The content of our communication is very diverse; the projects and the women in Asia are the main focus, but also our fundraising events and activities in the Netherlands and information about the organization are items we communicate on.

Our main point of contact is our email address [info@microkredietvoormoeders.org](mailto:info@microkredietvoormoeders.org). As we are volunteers with mostly full time day jobs it is not always possible to communicate by phone in the first moment of contact. However emails are always followed within a few days, mostly by phone. It is very important to be personal, our stakeholders would like to know the people behind the organization. This also gives us a good opportunity to listen to our stakeholders and learn from their ideas, wishes and remarks.

### 4.3 Communication targets and activities

Our marketing, fundraising and communications team has several specialists who are responsible for PR, communication materials, social media and direct marketing. In line with 2015, they focused on the different communication target groups and communication channels of MfM.

With no budget available for communication, we are keen to use all forms of free publicity that can be gathered by using different channels. Each channel focuses on different target groups and has its own way of communication.



Contact with our organization is possible through our website, social media channels and our general email address. Our aim is to respond within several days.

### Online communication

Our website is an important source of information for our donors. Information about our organization, Dutch partners and projects can be found, as well as information about our events (Female Leadership Journey and Cooking Month). An important part is also the information about how you can contribute to our organization.

Via our social media channels we communicate with our stakeholders in the Netherlands about project (visit) updates, fundraising activities and events. Our aim is to communicate weekly via Facebook, several times a month via Twitter and LinkedIn, and to send a newsletter every other month. In 2016 the number of followers increased again.

Communications channel	2014	2015	2016
Website   page views	15,203	37,456	29,137
Google Adwords   ad displays	128,068	209,562	129,400
Facebook   followers	537	635	780
Twitter   followers	622	639	653
LinkedIn   group member or followers	182	203	210
Newsletter   subscribers*	674	729	801

\* Including FLJ mailing list

### PR

In 2016 we continued the PR strategy we started in 2015. Together with our partner WorldPR our PR activities are now on a professional level. We continued our stopper mailings, and started informing local, and regional separately in the regions our volunteers live in.

### Print

Since our general flyer is still up to date, we invested our time in developing a new flyer for the Cooking Month that can be used as promotion material by participating individuals and restaurants. As always Studio Pompe and VS&P assisted us with dtp and printing. Also developed for the Cooking Month, but useful for all fundraising activities is our own DIY donation box. This design can be downloaded from our website. Once printed, and folded into a small box to receive donations in.

### Thank you policy

Donors of whom contact details are known, receive a personal thank you post card. If donations are done through the Geef Gratis module, also an automatic thank you message is sent.

#### 4.4 Impact

The impact of our communication messages in total is increasing strongly. In 2016 the followers on our social media channels and the number of newsletter subscriptions increased, social media messages are liked, shared and commented on and more emails were sent to our general email account.

As in 2015 more and more people who lack any personal connection at first instance with MfM or one of the volunteers, contacted us. This has led to new fundraising leads, individual actions for donations, new communication partners and participants for the Female Leadership Journey. Some of our communication channels do not show positive results or impact yet.

Press releases were picked up more and more since 2015. We clearly are starting to see the success of our strategy started in 2016.

A big achievement for 2016 is winning the jury award at the NRC Charity Awards. This prestigious awards were created on the initiative of NRC and intended to support Dutch charities in reaching their target group. The prize consisted of a double page ad in two Dutch papers: NRC Handelsblad, and NRC.next as worth EUR 65,000 gross media value.

#### 4.5 Way forward in 2017

For 2017, we will continue our successful PR strategy and focus on local newspapers and magazines. Also the “Stopper” campaign for printed media will be continued.

In our online communication we plan to develop individual websites for the Cooking Month, and for the FLJ. Giving these fundraising events the possibility to communicate more extensively with their target groups.

For social media, and email newsletters we developed a detailed communication plan, making sure posts for MfM in general, the Cooking Month and the FLJ are balanced, and minimal every week an update is posted. In order to increase our online reach further, we will start up a project with a growth hacker.

Furthermore we will make a start positioning MfM also as a knowledge partner in the field of microfinance. With over 10 years of first handed experience in this field, we can share the do’s and don’ts, practical tips, and our the successes and the setbacks we have overcome.

## Regina Maria's dream came true



Regina Maria founded a very first women's group in her area, and at the age of 65 she got her microcredit together with that group of women. She started by selling vegetables, chickens and chicks. Nowadays she owns an orchard with various kinds of fruit, all her children are adults, have a job and are married.

Her daughters-in-law are members of the women's group that was established by Regina 10 years ago. Regina's dream became reality. She managed to offer her children a future. Her one son is an electrician, her other son is building homes. He also built a new house for his parents.

## 5. Organisation

### 5.1 Introduction

MfM consists of a team of approximately 30 volunteers. The board of 3 works with a Management Team consisting of Marketing & Communications, a Programme managers team for the South Asia region, a Programme managers team for the South East Asia region and HR & Connection.

#### **Managing director and board**

As of Summer 2016, MfM has a new board.

*Marietje de Savornin Lohman* has been appointed in the position of Managing Director. Marietje is commercial Director for skincare brand Drs Leenarts. She has been active for MfM since 2014 when she started organizing the 10 year anniversary in October 2015. During her pregnancy leave end of 2016, she was temporarily replaced by the 2 other members of the board.

*Diana Brandsema* is Operational Director. Diana is global head of RFP at UBS Asset management and she has been active for MfM since 2014. The third member is *Annemieke Bos*, who is Finance Director. Annemieke is investment specialist at OnePlanetCrowd and has been active for MfM since 2013.

All Board members are engaged with MfM on a voluntary basis. The board meets once a month.

#### **Supervisory board**

In 2016, the Supervisory Board of Microcredit for Mothers consisted of: *Ryanne van der Eijk*. Ryanne joined the board in 2013. Ryanne works as Senior Vice President Customer Experience at Air France-KLM. Ryanne has a background in the (international) hospitality and travel business.

*Thirza Schaap*. Thirza moved from the board to the Supervisory board. She has been active for MfM since 2012.

*Alexa Dutilh*. Also Alexa moved from board to Supervisory board. She has been active for MfM since 2006. Both Thirza and Alexa bring a huge knowledge of the internal MfM organization which is very helpful for the board.

*Janine Meins*. Janine joined MfM in 2016 because of her huge knowledge and long background in HR. As HR is always a challenge at MfM, Janine can help building a strong(er) team.

None of the board members receive any compensation for their efforts and none of the board members have additional positions with conflicting



interest. The board meets once every two months. The responsibilities of the board are stated in the articles of association of Microcredit for Mothers; these articles of association were renewed in 2013.

Report by the Supervisory Board: “The Supervisory Board of Microcredit for Mothers supervises if the vision is lived up to and if the goals are achieved. The annual plan is made by management in close cooperation with the volunteers, and execution is followed by means of regular team meetings. The Supervisory Board advises, assists and supervises the execution of the annual plans through bi-monthly consultation. Next to this the Supervisory Board also has the task of approving the budget, annual report and the long term strategic plan. Therefore, the Supervisory Board is accountable for the end results of the foundation, including the functioning of the Management Board.”

## 5.2 Organisational policies

All volunteers work on a fully voluntary basis, with an agreed requirement to spend approximately half a day a week on MfM. Most volunteers are professionals and have a nearly full-time job besides their work for MfM. Everyone works virtually and we do not have an office where we meet. We meet at locations at no cost, with the exception of the 3 annual MfM meetings, for which volunteers pay a small contribution.

The average volunteer spends 3 years with MfM. We have a continuous flow of new volunteer hires. We have agreed set positions and only take

on new volunteers when there is a position available, to keep it manageable. The HR team speaks with everyone who approaches MfM with interest to work as a volunteer for MfM.

For active volunteers, we want to be an appealing team to work with and we make an effort to keep our virtual volunteers connected with their roles, their teams and the overall MfM team.

## 5.3 Targets and activities

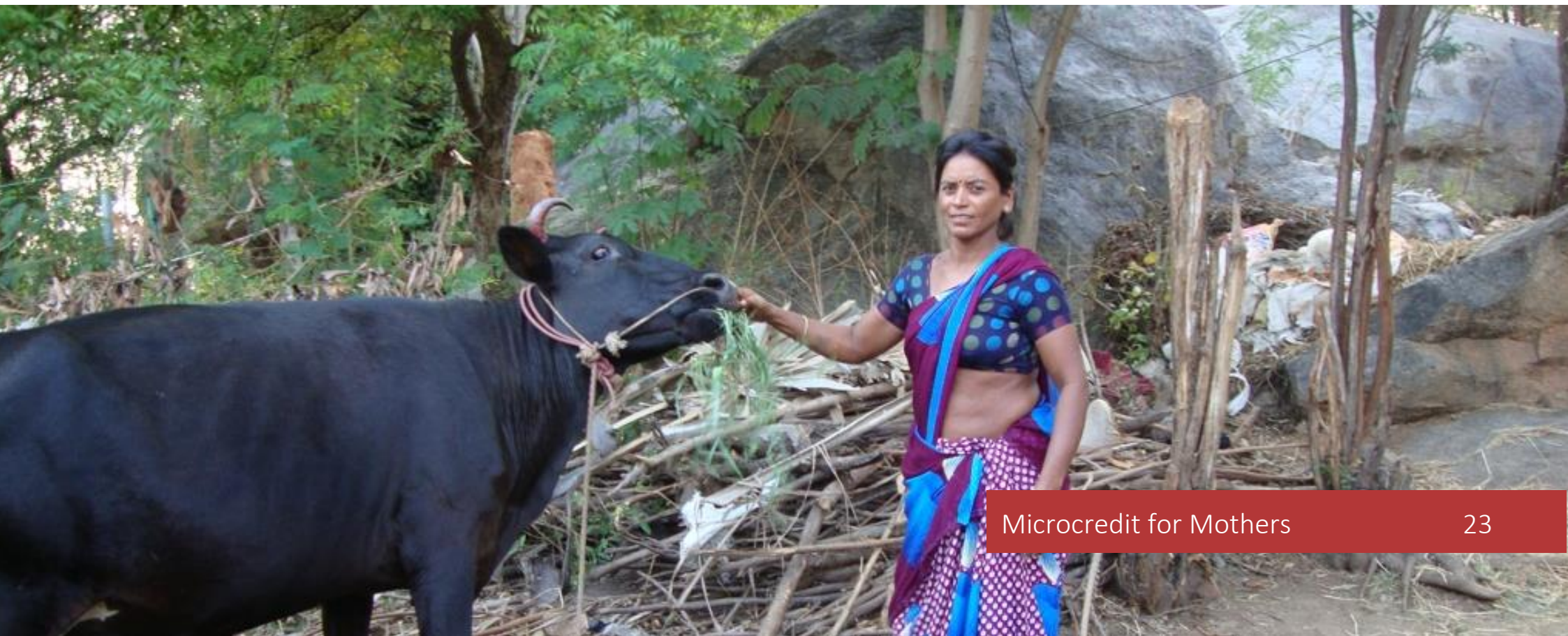
The HR team focuses on the sourcing and intakes of new volunteers, onboarding new volunteers, organising 3 annual meetings with all volunteers focused on Connection with MfM, making up and distributing the annual newsletter, and offboarding volunteers who decided to leave MfM. In addition, a good administration of active volunteers is kept up to date.

## 5.4 Impact

Adding the focus of Connection to the HR team has increased the focus on keeping the virtual organisation together with high quality and committed volunteers. Many new volunteers join as a result of a referral from existing volunteers.

## 5.5 Way forward in 2017

In 2017 we focus on Connection as a main theme in the 3 annual meetings. We prioritize the content of internal communications and meetings according to an internal survey held among active volunteers. The position of Recruiter is new, to deal with the many open applications we receive, to ensure the quality of new hires and to allow the Manager HR & Connection to have a more strategic focus. New are offboarding interviews to keep our alumni volunteers as ambassadors and to learn from their experience and advice.



## 6. Financial Report

### 6.1 Financial policy

The Financial Report is a fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 “Fund-raising institutions” of the Dutch Accounting Standards Board.

This annual report is based on a reporting period of one year. The financial year coincides with the calendar year. All amounts are in euros. The assets and liabilities are carried at the nominal value. Revenue and expenditure are allocated to the period to which they relate.

Transactions in foreign currency are converted with the exchange rate of the transaction date. In foreign currency denominated assets and liabilities are converted per balance sheet date in the functional currency with the exchange rate of that date, except for the Dutch Microfinance assets and liabilities. These are carried in functional value at nominal value. The exchange differences are accounted as expenditure in the statement of income and expenditure.

### 6.2 Balance sheet

Balance sheet	2015	2016
Total funds	480,317	476,411
Accounts receivable	3,401	3,210
Total cash	85,592	187,435
<b>Total assets</b>	<b>605,310</b>	<b>667,056</b>
Continuity reserve	12,500	12,500
Revolving funds reserve	422,817	476,411
Future projects reserve	102,004	80,674
Long term liabilities	57,500	0
Accounts payable	10,488	63,803
Deferred income	0	33,667
<b>Total equity &amp; liabilities</b>	<b>605,310</b>	<b>667,056</b>

A more detailed explanation can be found in paragraph 6.4

### 6.3 Overview Income and Expenses

Profit and loss statement	2015	2016
Fundraising	102,208	49,084
Interest income	2,859	3,466
<b>Total income</b>	<b>105,067</b>	<b>52,550</b>
Spent on behalf of the objective	2,217-	20,148
Acquisition costs	127	0
Administrative costs	212	138
<b>Total expenditures</b>	<b>1,878-</b>	<b>20,286</b>
<b>Net result</b>	<b>106,945</b>	<b>32,264</b>

### 6.4 Notes to the Balance Sheet

#### Financial Assets (1)

The Financial Assets consist of the Revolving Funds. These are the loans distributed to our partners, which they use to provide microcredits to the women in the countries in which we are active. In that way, they represent the microcredits that are provided to the various projects. When providing the loan to our partner organizations in the various countries, we make sure the microcredit loans to the women in the projects can only be granted under the terms and condition as set by our foundation.

The tenor of a microcredit is, generally speaking, 1 year. Of course our goal is to have every woman repay her loan within this year but because the loans are provided to (very) poor women the risk profile of these loans is also very high. In the last few years our partners have reported very high pay back percentages of the loans by these poor women. We decided that in the year 2016 MfM, in some cases, needed to explore these high numbers more accurately. Notably, this effort has resulted in the decision to write off more funds than previous years. We consider these write offs a logical results of working with this vulnerably target group. For the coming year we can already say that we expect a similar number as we decided to more critically evaluate a number of projects where we think our funds are at higher risk than average.

On the next page, a detailed overview of the Financial Assets per country and the number of local partners per country can be found.



Country	Partners	2015	2016
<b>Bangladesh</b>	Two existing partners	22,180	22,582
	Additional funds for existing partner		9,105
	<b>Total</b>	<b>22,180</b>	<b>31,687</b>
<b>Cambodia</b>	Two existing partners	28,017	29,115
	<b>Total</b>	<b>28,017</b>	<b>29,115</b>
<b>India</b>	Six existing partners	153,311	133,640
	Funds provided to new partners		10,440
	<b>Total</b>	<b>153,311</b>	<b>144,080</b>
<b>Indonesia</b>	Five existing partners	50,966	53,688
	Funds provided to one new partner		11,000
	<b>Total</b>	<b>50,966</b>	<b>64,688</b>
<b>Laos</b>	One existing partner	26,586	27,379
	<b>Total</b>	<b>26,586</b>	<b>27,379</b>
<b>Nepal</b>	Two existing partners	31,245	30,191
	Funds provided to one new partner		11,000
	<b>Total</b>	<b>31,245</b>	<b>41,191</b>
<b>Sri Lanka</b>	Five existing partners	52,975	53,125
	<b>Total</b>	<b>52,975</b>	<b>53,125</b>

Country	Partners	2015	2016
<b>Vietnam</b>	Two existing partners	57,861	60,775
	Funds transferred from DM to MfM for existing partner		24,372
	<b>Total</b>	<b>57,861</b>	<b>85,147</b>
<b>DM</b>	Two existing partners	57,500	57,500
	One partner repaid, one partner transferred from DM to MfM		-57,500
	<b>Total</b>	<b>57,500</b>	<b>0</b>
<b>Total</b>		<b>480,317</b>	<b>476,411</b>

The increase in financial assets is the result of new loans (EUR 65,917), write off of projects mainly in India (EUR 23,310) and the very strong appreciation of all foreign currencies versus the euro. The latter is non-cash, due to the fact that the provided loans are local currency loans, reported in euro.

The outstanding DM loans (provided with the Dutch Microfinance funds) were fully paid back to DM in financial year 2016 (EUR 57,500). Our partner in Indonesia fully repaid their DM loan (EUR 37,500) and MfM decided to continue the other outstanding DM loan in Vietnam (EUR 20,000 + interest 4,372) with our own funds under normal MfM interest free conditions.

### Cash & Cash equivalents (2)

Cash and Cash equivalents	2015	2016
Triodos	76,794	180,316
ING	2,348	578
ASN	6,450	6,541
<b>Total</b>	<b>85,592</b>	<b>187,435</b>

### Accounts Receivable (3)

This concerns amounts receivable of EUR 3,210 which relate to the year 2016 but which are received in 2017. This amount consists of private donations that related to 2016 but were transferred in the beginning of 2017.

### Equity (4)

Appropriation of result	Continuity Reserve	Revolving Funds Reserve	Future Projects Reserve
Equity 2015	12,500	422,817	102,004
Appropriation of 2016 result	-	53,594	21,330-
<b>Equity 2016</b>	<b>12,500</b>	<b>476,411</b>	<b>80,674</b>

### Continuity Reserve

The Board of the Foundation has decided that at all times a reserve of EUR 12,500 must be present to make sure the foundation is able to fulfil all short-term obligations as well as cover any future unexpected expenses.

### Revolving Funds Reserve

The Revolving Fund Reserve consists of the equity that is used to fund or provide loans to the different local projects in accordance with the purpose of the foundation.

### Future Projects Reserve

The Future Projects Reserve consists of part of the equity and net result which is still available for (future) funding of the projects in accordance with the purpose of the foundation.

### Long term liabilities (5)

In 2015 the loan term liability of EUR 57,500 consisted of the loan received from Cor Bladt, a Dutch individual with whom MfM started a collaboration to further enhance the goals and activities of Microcredit for Mothers under the name Dutch Microfinance (DM). In total, he has allocated EUR 100,000 for this collaboration, of which EUR 57,500 was still provided to two MfM partners by the beginning of 2016. By the end of 2016 one partner fully repaid their loan. A remaining EUR 20,000 was continued (plus interest) in 2016 with MfM own funds.

It was contractually agreed with DM that MfM shall not incur any risk with respect to the loans provided by MfM as part of this collaboration.. For reporting purposes, the nominal value of the obligation is therefore used.

### Accounts Payable (6)

This concerns amounts still payable of EUR 63,803 which relate to the year 2016 but which become payable in 2017. These obligations largely consist of the transfer for repayment of the DM funds (EUR 57,500). Furthermore, EUR 5,497 consists of the interest payment on DM loans to be transferred to DM beginning of 2017. The remaining part of accounts payable consist of banking costs and invoices that related to 2016 but were transferred in the beginning of 2017.

### Deferred Income (7)

This concerns amounts received of EUR 33,667 which relate to the year 2017 but have been received in 2017. These obligations largely consist of the prepaid amounts for the Female Leadership Journey which is to take part in 2017.

## 6.5 Notes to the statement of income and expenditures

### Income (8)

Income	2015	2016
Donations individuals	18,758	25,503
Donations foundations and associations	21,492	2,995
Donations corporations	38,818	16,063
Donations events	23,140	4,523
<b>Income from fundraising</b>	<b>102,208</b>	<b>49,084</b>
Interest income	2,859	3,466
<b>Total</b>	<b>105,067</b>	<b>52,550</b>

In 2016 the overall income from fundraising amounted to EUR 49,084. In comparison with 2015, only donations of individuals increased. Income from events consists of amongst others contributions from participants of the Female Leadership Journey organized by MfM and our Cooking Month event. In 2015 MfM hosted a number of jubilee fundraising initiatives which made the fundraising amount in this year exceptionally high.

Interest income in 2016 was largely related to DM. This income covers most of the amount of interest expenses related to DM in 2016. The remaining DM interest expenses were added to new loan that MfM provided to our partner in Vietnam after their previous DM loan was repaid.

### Expenditures on behalf of the objective / Funds to projects (9)

Total expenditures on behalf of the objective/funds to projects amounted to EUR 20,148 in 2016. Excluding the currency gain and write offs, they amounted to EUR 7,825. In accordance with the mission of Microcredit for Mothers, these expenditures were used to support all projects. A detailed overview of these costs can be found below.

Spent on behalf of the objective	2015	2016
Capacity building	320	0
Currency result	20,414-	10,987-
Depreciation of bad funds	11,482	23,310
Representation costs	419	392
Travel expenses	2,796	3,908
Bank costs variable	32	150
Interest expenses related to DM funds	2,859	3,375
<b>Total</b>	<b>2,217-</b>	<b>20,148</b>

#### a) Capacity Building

In 2016 there were no capacity building costs. MfM incurred no costs for further on the ground inspections.

### b & c) Currency Results & Depreciation of bad debt

Country	2015	Additional funding	Depreciation bad debt	Currency result	2016
Bangladesh	22,180	9,105	0	402	31,687
Cambodia	28,017	0	0	1,098	29,115
India	153,311	10,440	20,768-	1,097	144,080
Indonesia	50,966	11,000	0	2,722	64,688
Laos	26,586	0	0	792	27,379
Nepal	30,920	11,000	353-	-377	41,191
Sri Lanka	52,975	0	0	150	53,125
Vietnam	57,861	24,372	2,189-	5,103	85,147
<b>Sub total</b>	<b>422,817</b>	<b>65,917</b>	<b>23,310-</b>	<b>10,987</b>	<b>476,411</b>
DM	57,500	57,500-	0	0	0
<b>Total</b>	<b>480,317</b>	<b>8,417</b>	<b>23,310-</b>	<b>10,987</b>	<b>476,411</b>

All of our projects are funded in local currency. Therefore, MfM occurs a currency risk. In 2016, this resulted in a currency gain of EUR 10,120. As mentioned before, all of our projects run a high risk for bad debt depreciation. In 2016, two projects in India had to be written off. Smaller write-offs incurred in Nepal and Vietnam, due to a number of reasons such as illness or death of the ultimate beneficiaries, crop diseases etc. We consider this amount within normal boundaries.



#### d & e) Representation costs & Travel Expenses

Our volunteers regularly visit the local projects. Travel expenses are paid for by the volunteers with their own financial means and upon request MfM contributes to their travel expenses with an amount of EUR 450 up to maximal EUR 1,000 for each volunteer visiting a project. In 2016, 5 volunteers requested this compensation, resulting in travel expenses of EUR 3,908. These travels are also used to visit potential new partners. Because of the relatively large number of travels in 2016 we expect to be able to start up many new projects in 2017. In addition, representation costs of EUR 392 were made because of activities for the volunteers.

#### f) Bank costs (variable)

EUR 150 of bank costs incurred, related to the transfers of funds to international bank accounts of MfM's partners.

#### g) Interest expenses DM funds

The interest expenses related to DM funds are partly covered by the interest income of the DM funds. The interest in 2016 related to one of the DM loans was converted into a new MfM loan for our partner in Vietnam.

#### **Administrative costs (10)**

The administrative costs in 2016 of EUR 138 related to fixed bank costs, for keeping an account.

## 6.6 Cashflow

Cashflow	2015	2016
Net Result	106,945	32,264
-/- currency result	20,414-	-10,987
+ depreciation of bad debt	11,482	23,310
+ change in account receivables/payables	51,052-	123,173
<b>Cashflow from operations</b>	<b>46,961</b>	<b>167,760</b>
-/- new funds provided to partners	41,290-	8,417-
+ new funds received from DM	20,000-	57,500-
Cashflow from financing	61,290-	65,917-
<b>Total net cashflow</b>	<b>14,329-</b>	<b>101,843</b>
<i>Cash beginning of the year</i>	<i>99,920</i>	<i>85,592</i>
<i>Cash end of the year</i>	<i>85,592</i>	<i>187,435</i>

By the end of 2016, MfM's cash position had increased with ca. EUR 102,000. This is mostly explained by the strong increase of accounts payable and deferred income.

## 6.7 Expenditure ratio's

Ratio's	2015	2016
Expenditure to projects + net result / total income	99.7%	99.7%
Expenditure for fundraising / total income	0.1%	0.0%
Expenditure for management and administration / total income	0.2%	0.3%

### Expenditure to projects + net result / total income

The ratio expenditure which includes the net result which is added to the Future Projects Reserve and Revolving Fund Reserve provides a good understanding of the total income that is used to fulfil the strategic goal of the Foundation. This percentage is 99.7% in 2015. We are extremely proud of the fact that this percentage is - again - above 95%.

### Expenditure for fundraising / total income

The ratio costs for fundraising was 0% in 2016. This ratio indicates the relation between costs of fundraising and the total income by fundraising. This shows that the Marketing, Communications & Fundraising Team is able to raise funds at an exceptionally low cost.

### Expenditure for management and administration / total income

The ratio management and administration is 0.3% in 2016. This ratio indicates which part of the income is spent on management and administration costs. MfM does not incur any management costs! Our entire management team and board of directors operate on a 100% voluntary basis.

<b>MEMBER</b> (Anggota)
<b>CLIENT</b> (Jumlah Peminjam)
<b>MEMBER OUT</b> (Anggota Keluar)
<b>DISBURSE</b> (Pembiayaan yang disalurkan)
<b>REPAYMENT</b> (Pengembalian Pembiayaan Pokok)
<b>OUTSTANDING</b> (Piutang Anggota)
<b>SAVING</b> (Simpanan Anggota)

	5.896	
	3.377	
	3.330	
	659	
Rp.	7.656.600.000	Rp.
Rp.	4.945.222.000	Rp.
Rp.	690.057.874	Rp.



## Seeta's dream: A good life for my children

Of the small loan that Seeta received from Microcredit for Mothers 10 years ago, she made lunch packages for sale. When this started to take too much of her time, having to raise four children at the same time, she began to make string hoppers. This is a traditional dish in Sri Lanka that resembles chow mein. At the time her husband retired, she received another microcredit. With this loan she was able to purchase the right resources to increase her production and earn four times as much: from EUR 1.20 per day to EUR 5.40 per day! As a result, all her children could go to school and her son is saying that they have really moved forward as a family in 10 years.

