

In January, John Gilvesy asked our local Rotary Club for volunteers to join him on a Microfinance Insight Trip to Honduras. I knew little about microfinance or Honduras, but I was interested to learn more. I came to realize it was an opportunity for a transformative experience in a country with many challenges, not the least of which is economic development. After a discussion with my wife Shelley that evening, we saw this as a great chance to support the club, district and gain better understanding of a very important international project.

The purpose of this Insight trip was to witness firsthand how organizations receiving funding in Honduras are walking alongside Honduran families in the poorest sectors of society to help them achieve their goals.

John, who joined Rotary in 1987, was first introduced to the program at a convention, joined a similar Insight trip in 2017 and was inspired to take an active role in the next phase. As the 2018/19 Governor for Rotary District 7080 (which includes 49 clubs and more than 1600 members throughout Southwestern Ontario), John volunteered to be the champion for the next phase (six) of the Rotary Honduras Economic and Community Development (HECD) program.

HECD is a collection of projects with the most recent phases focusing on microfinance. Microfinance provides funding to individuals and businesses that would not typically receive support from financial institutions, with the goal helping them develop sustainable businesses and creating holistic change in their lives. The smallest loans can be for as little as \$50 USD. The microfinance is facilitated with an organization in Honduras called Instituto Para El Desarrollo Hondureño (IDH) with oversight from local Rotary clubs in Honduras. Much more to come on IDH.

Some important background information about Honduras. As of 2016, approximately 61% of the 9.1M population is living in poverty according to official data. In rural areas, approximately one in five Hondurans live in extreme poverty, meaning they live on less than \$1.90 USD per day. The country faces the highest level of economic inequality in Latin America and very high violence and crime rates. There has been some decline in recent years, but murder rates are among the highest in the world with 43.6 murders per 100,000 inhabitants in 2017 (according to the Observatory of Violence at the National Autonomous University of Honduras).

Our first day focused around IDH client visits in Santa Barbara. We stopped at five businesses which included a shoe maker, general store, tile factory, fruit stand and corn/rice based beverage maker.

Each business had its own inspiring story involving entrepreneurs driven to improve lives for their families and their community.

A great illustration of this was Marvin Rios' tile factory, primarily used for eco-stoves. He has used funding and product from his business to build a house for his sister. In addition, the key benefactors of his eco-stoves are economically challenged families in rural areas. The eco-stoves are produced for projects run by other NGOs (non-profit organizations). They replace wood stoves and require only a couple of modest sized pieces of wood to provide fuel for a day.

Our second day took us to Puerto Cortes which is the focus area for the most recent phase of the program. We visited four additional clients and in the afternoon we were fortunate to be able to participate in the inauguration of a new IDH branch in Puerto Cortes. They opened their doors in January, and have approximately 70 clients currently. Funding from the latest

fundraising phase will infuse equity into the organization to be used by this branch in the area. John gave a short speech at the ceremony and hit on what made the trip so inspirational for me; "IDH and its supporting partners share three goals: To bring people together, take action to solve problems and improve the lives of those less fortunate."

IDH as an organization embodies and executes on these goals. The people and work carried out by IDH is very inspiring. They are a values based organization with a mission that translates to "Contribute effectively and efficiently in improving the standard of living of our customers, generating economic, social and spiritual value". The company was founded to provide financial assistance to church pastors in 1974, and has grown slowly and shifted focus over the years. In recent years, with the support of Opportunity International Canada (OIC) and funding partners such as Rotary, IDH has been able to become the largest NGO microcredit organization in Honduras. They are working to be registered as a regulated financial institution, which will allow them to offer a greater range of services to more clients in years to come.

IDH has been building momentum and in recent years has seen strong results. The repayment rate on loans is at 98.22%. Puerto Cortes is the 17th branch, up from only 6 in 2014, with three more expected by the end of 2019. This growth is helping them reach additional communities and get the loans out where they can help make change.

Their success, however, is not measured the number of branches or payments received, but rather the results of their clients. They have over 11,000 clients generating approximately 20,000 jobs.

The clients we met with expressed their gratitude for the support they receive from IDH. This was not just because they were able to secure credit after being declined by other institutions, but that they have been treated with dignity and respect. Rosa who runs the beverage company indicated she is "never harassed for payments, actually my loan officer is a customer."

We wrapped up our second day with a dinner with the local Club Rotario Puerto Cortes where we got to meet local members who will help support IDH in the coming phase of the program.

Regrettably, something in the local cuisine caught up with me and I missed out on our third and final day of excursions. The team visited five additional clients in Puerto Cortes and Choloma. The day and trip wrapped up with a review of our activities and some discussions on the next phase of the HECD program with a look forward to next year's trip and speculation on what further progress will be observed.

For the sake of brevity, I have omitted a few organizations, not to mention the many passionate individuals whose work has helped build to the success we witnessed on our trip.

Reflecting on the trip and some additional research has helped me understand the details of the program and the impact it is having with those involved. I was able to see first hand the compassion of the local individuals committed to make a difference and the passion of the Honduran people. It was incredibly fun, educational, and I made strong connections so many people involved directly and indirectly. Some of those friendships will grow through the years and all of them I will reflect on fondly.