In 2018 we served 134 households in 16 distinct neighborhoods and villages with life-giving, hope-building micro-loans. We disbursed over $42,000 in loans, which are being paid back faithfully, a little at a time, and recycled to others as fresh loans.

Because the capital cycles, a dollar you gave for loan capital a year or two ago (or five! Or ten!) — is still working for the poorest of the poor today.

Portfolio at Risk (PAR) is a factor we use to track the percentage of borrowers who may be struggling with their loan payments. From January to March, our PAR was 0%, a remarkable achievement.

In April Nicaragua fell into a political catastrophe, with riots, violence and loss of life in the streets. During that crisis our PAR grew as high as 24%. Thankfully, over the last four months of the year, it has steadily decreased each month to 12% at year end.

One of our main goals is to grow our pool of micro-loan capital to the break-even point, where program income will fully offset operational costs. At year end we are approximately 1/3 of the way to that goal.

Meet Aydalina, the mother of 9-yr-old Samuel. She operates a small business out of her home in the refugee community of Cristo Rey. She received her first loan of $100 from NEO in October, 2016, then last November she received a $300 loan to expand her business. Our Nica team is coaching her to maximize her location near the bus stop to increase sales. Each morning she prepares tortillas and beans to sell to locals heading to the bus for work in Managua. When they return in the evening, she sells freshly made chips. With her new loan, she now sells fresh fruits and vegetables, too. Before her business, Samuel was unable to attend school because she could not afford uniforms or school supplies for him. But “thanks be to God,” she says, “he can now go to school and study to have a better life.”
This year we entered a partnership with our long-time friends at Pure Heart Children’s Fund, whose mission is “to break the cycle of poverty by providing adequate nutrition, support, education and love.” Pure Heart serves about 200 kids in many of the same neighborhoods where NEO’s micro-loan program operates. Their motto says, “You can’t build a peaceful world on empty stomachs.”

In our eleventh year of partnership, our friends at El Faro loved and served about 300 kids in their private daycare, kindergarten and grades 1–5. They are continuing their focus on their church and school.

Thanks to our partner Pontis, we were able to help El Faro develop their agricultural training center toward even greater impact and productivity.

Viral fevers, joint pain, infection, malnutrition, diabetes, asthma, cough, cold, high blood pressure, burns, wounds, diarrhea, malaria, snakebite, sun stroke, heart attack...these are just a few of the hurts, tragedies and ailments that brought men, women and children to our health center for comfort and relief. We served over 8,000 people with urgent and preventative care, and created a beachhead for good in the region at a cost of just $2.59 per patient visit.
2018 Financials

We are delighted to announce that our micro-lending program in India in now underway! In December NEO staff conducted our Micro-lending for Nonprofits training session in India, five full days of training in the classroom and the field. The new lending program officially launched the first of January and will reach at least 110 households during its eighteen-month pilot.

Looking Forward

Imagine a world where all parents, even the most challenged, have an opportunity to provide for their children’s nutrition, health, and education.

That vision led us – ten years ago this year – to launch a micro-lending experiment for the poorest of the poor. That experiment is working! It is step 4 in our 5-part long-term development strategy:

1. **Walking Around.** This is how we maintain a caring, relational presence with the poorest and most vulnerable.

2. **Meeting Basic Needs** We work through local partners for the benefit of needy children, in the areas of nutrition, basic health care, and education.

3. **Creating Community** Whether it’s a healthy community center, church, medical clinic or school, we strive to create a relational beachhead in poor neighborhoods.

4. **Micro-Loans** We provide these to the neediest people in a dignified, relational way.

5. **Coaching, training, and business development**
Looking Forward, continued from previous page

To this end, here are our goals for 2019:

**Goal 1: Grow our micro-finance programs in Nicaragua and India.**

*In Nicaragua,* we intend to double our pool of loan capital, taking us to 2/3 sustainability (where program income covers local program costs).

**Need:** $36,000 in new capital.

*In India,* employ careful operations to prove our pilot successful in transforming lives, beyond a shadow of a doubt.

**Need:** this program is already funded, thanks to you!

**Goal 2: Fully fund at least two pop-up schools in India.**

Pop-up schools are an insanely innovative idea that align perfectly with what NEO is all about. A teacher arrives in a desperately poor slum neighborhood. Children with no shoes, who have never been to a formal school, flock to him (or her). With permission from neighborhood elders, a simple, transient school space is created on the spot — a grass mat on the ground, a chalkboard hung from a tree, a big umbrella for shade. The kids learn the basics, they get a nutritious meal, and they gain a role model who cares about them and their families. They sing songs and dance, and learn how important it is to wash their hands. And then teacher waves goodbye and travels to the next slum — two schools a day. It’s low overhead, high impact, life-giving and wonderful.

**Need:** $7,500 to fully fund one school for one year. We’d like to fund 3 in 2019.

**Goal 3: Leverage our successful Pedapatnam Health Center and positive relationship with local villagers to provide workforce training in computer skills.**

This year we are developing a workforce training program that will give youth valuable skills matched to the local job market and improve their chances of finding paying work. It will provide lifelong tools and the opportunity for self-improvement, decreasing dependence and extreme poverty.

**Need:** This program is already funded thanks to a generous grant from The Palmer Foundation. Ongoing cost to operate the Health Center is about $60 a day.

**Goal 4: Create more partnerships to serve poor children in Cristo Rey and Ciudad Sandino, Nicaragua**

There are 15 churches in two ministerial alliances who wish to partner with The NEO Fund to launch child feeding, education and expanded micro-lending programs in these desperately poor communities. We’re just waiting for funding.

**Need:** Feed a child for a month – $10; Send a kid to school for a month – $25; Fund a micro-loan that will cycle over and over to lift families from poverty – $100.

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**The NEO Fund**

“Empowering indigenous people to transform their own communities is the most effective weapon against global poverty.” — Jen Hatmaker

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