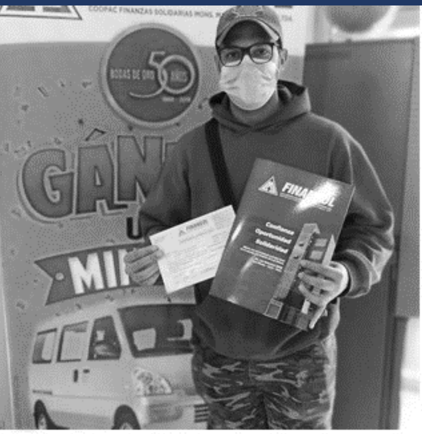

Economic Inclusion Project

ANNUAL REPORT FY2020

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ACRONYMS AND ABBREVIATIONS

CLA	Collaborating, Learning, and Adapting
EIP	Economic Inclusion Project
GBV	Gender-based Violence
GTRM	Working Group for Refugees and Migrants
IFC	International Finance Corporation
ILO	International Labor Organization
INDECOPI	National Institute for the Defense of Competition and Protection of Intellectual Property (in Peru)
IOM	International Organization for Migration
MEL	Monitoring, Evaluation, and Learning
MINSA	Ministry of Health (in Peru)
MINEDU	Ministry of Education (in Peru)
MOU	Memorandum of Understanding
PRODUCE	Ministry of Production (in Peru)
SBS	Superintendence of Banking, Insurance, and Pension (in Peru)
SCF	Seed Capital Fund
SEPS	Superintendence of Economic Support (in Ecuador)
SUNAT	National Superintendence of Customs and Tax Administration (in Peru)
SUNEDU	National Superintendence of University and Higher (in Peru)
UNHCR	United Nations High Commissioner for Refugees
US	United States
USG	United States Government
USAID	United States Agency for International Development
UVIP	Union Venezolana en Peru
WOCCU	World Council of Credit Unions

EXECUTIVE SUMMARY

The Economic Inclusion Project (EIP) seeks to respond to the challenges impacting Peru and Ecuador due to the Venezuelan refugee crisis. The project works through proven methods in entrepreneurship, workforce development, and financial inclusion to directly combat negative economic impacts, but by implementing integrated activities targeting both Venezuelan migrants and refugees as well as local Peruvian and Ecuadorian residents, it also indirectly tackles xenophobic sentiment. The project also has a gender inclusion component that addresses gender inequities in the aforementioned sectors of society and works to prevent gender-based violence (GBV). Due to the cross-cutting nature of this component, it has been strategically incorporated into each project activity for maximum impact.

Implementing a project whose goal is to promote the economic inclusion and financial success of Venezuelan migrants and vulnerable local populations in the midst of a global public health crisis causing significant retractions in local economies and some unexpected changes in the migratory trends of Venezuelans has no precedent. For EIP, this context has forced the project to stay attentive to constantly changing COVID-19 responses in both Peru and Ecuador to best understand emerging and shifting risks in order to mitigate them as successfully as possible. To do so, the project is pioneering the virtual implementation of many activities that would, under normal conditions, be carried out in person with partners and beneficiaries.

This Annual Report covers a period of four months, from the project start date on June 1, 2020 to September 30, 2020 (the end of the fiscal year). Considering the complexity of the mostly-virtual operational and programmatic start-up, EIP quickly identified and responded to learnings on a continuous basis to make the first phase of the project a success. Remotely, the project completed country registration in both Peru and Ecuador, onboarded 24 out of 26 project staff, and opened the project office in Lima, Peru. EIP also carried out an extensive analysis of the financial environments to inform Year 1 activities, as well as life of project targets and overall anticipated impact. EIP presented the final findings of the analysis in the Financial Inclusion Study, which was then presented to multiple stakeholders and partners at an event with over 500 attendees.

EIP also onboarded four local and international subawardees and engaged ten credit unions and financial institutions, with three more in process. With partners Union Venezolana en Peru (UVIP) and HIAS, the project immediately began to transfer and adjust entrepreneurship and workforce development methodologies within days of the project start date. EIP also worked with partners to develop and adjust four financial products to address key findings from the study. From issuing the first Seed Capital Fund transfers to revalidating professional certificates of Venezuelan medical practitioners and teachers, EIP is happy to report that the first pilot programs have resulted in resounding successes with plans to scale within the next month.

As with all project start-up phases, successes come with lessons learned. EIP fully embraces USAID's Collaborating, Learning, and Adapting (CLA) framework, including through a Monitoring, Evaluation, and Learning (MEL) team that continuously engages project stakeholders. EIP's communications team was structured keep all actors in the economic growth ecosystem abreast of success stories, lessons learned, and replicable methodologies to ensure collaboration and sustainability beyond the project's lifetime.

BACKGROUND

Venezuela has experienced and continues to experience political and economic crises resulting in massive rates of emigration. Multiple agencies estimate that more than 4 million individuals have left Venezuela. This makes Venezuela the country of origin with the highest numbers of displaced people across international borders after Syria, which has been immersed in a civil war since 2011. Unlike other refugee crises, the Venezuelan one is not the result of conventional war or conflict, which has resulted in the United Nations defining the stream of individuals leaving Venezuela as a "mixed flow" of migrants and asylum-seekers, and has for the first time in its institutional history created a joint platform of the United Nations High Commissioner for Refugees (UNHCR) and International Organization for Migration (IOM) to assist them.

Despite international pressure, the situation in Venezuela continues to deteriorate, leaving migrants with little hope of returning and prompting most to build a new life in their host countries. An estimated 870,000 Venezuelan migrants are living in Peru, while estimates in Ecuador are closer to 400,000, as many use Ecuador as a transit point for onward migration rather than as a final destination. Both countries along with others in the region, are now faced with several key issues related to this migration crisis, particularly addressing migrants' legal rights to reside, work, and/or own a business in their new country; ensuring local economic integration, and – most importantly in combatting xenophobia – protecting local populations from displacement while mitigating the perception of giving preferential treatment to migrants.

On top of the refugee crisis, host countries are also being confronted with challenges specific to the pandemic. For many, economic lifelines are tied to working in the informal economy. However, due to the lockdown restrictions, this lifeline has been severely damaged. For Venezuelans, the increasing difficulty of processing work visas or revalidating educational degrees in their host countries while public institutions are either closed or operating under reduced hours has resulted in a larger build-up of migrants without formal work options.

PROJECT OVERVIEW

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 build socioeconomic security for both Venezuelan migrants and refugees in Peru and Ecuador, as well as members of the local communities they join. The project is focusing its efforts in the cities of Lima in Peru, and Quito and Guayaquil in Ecuador, where the largest populations of Venezuelan migrants reside.

Specifically, EIP has three overarching objectives:

(1) to support and strengthen both new and existing entrepreneurs by ensuring sustained income through self-employment;
(2) to facilitate access to employment through identification of market needs and skill development; and,

(3) to increase access to financial services and products by supporting financial institutions in their development of products tailored to the diverse needs of the beneficiaries.

As a critical cross-cutting theme, gender inclusion and the prevention of GBV have been integrated throughout all project objectives.

OPERATIONS

EIP commenced operations on June 1, 2020 in an environment complicated by the unprecedented COVID-19 pandemic and associated operational restrictions. In this unique environment, the first weeks of start-up were deeply focused on understanding and adapting to the new reality. Most significantly, government closures in both Peru and Ecuador delayed the processing of WOCCU's registration, which in turn delayed the project in other areas including opening of a bank account in each country and receiving VAT reimbursement approval.

At the time of this first annual report, EIP has successfully overcome these initial challenges and is fully implementing activities in both countries. All while working virtually and remotely, EIP has obtained country registrations (in September for Peru, and in October for Ecuador), completed a rapid staff onboarding, managed office set-up, and processed key procurements.

The team moved quickly to identify and mitigate pressure points and bottlenecks, including by establishing processes and procedures to ensure compliance during limited virtual oversight, and worked to build team capabilities and trust by defining communication expectations. The project found that partners also understood the limitations of working remotely and were enthusiastically open to learning best practices collaboratively.

FINANCIALS

While the project team skillfully adapted to implementation of technical activities in this environment, the implications of COVID-19 understandably continued to impact project operations, including planned financial expenditures during project start-up. As noted above, one of the challenges of starting up EIP during the COVID-19 operating environment was the long delay in the processing and activation of WOCCU's registration in Ecuador and reactivation in Peru. As of October, WOCCU's registration in both countries is active.

However, as a result of this delay, the project was not incurring anticipated expenditures that would have taken up a large portion of the monthly accruals. These costs include rent, furnishing, and maintenance costs for two offices, social benefits, information technology (IT) equipment, and two project vehicles at the rate planned in cost proposal.

Consequently, the average monthly burn rate from July to September was USD $121,098.32. However, in the month since the project has received registration, the project has pushed forward at full speed, hiring 24 out of the 26 projected staff. As an indicator of this increased capacity and push, EIP's burn rate for the month of October is USD $306,962.75. Given anticipated activities and established internal processes, the project is expecting to increase the burn rate by another USD $100,000, putting it on track to achieve its financial targets.

PROJECT PROGRESS

In the following section, the report will cover the updates made according to each project objective, as well as the cross-cutting theme of gender and prevention of GBV.

Objective 1: Assisting New and Existing Entrepreneurs

Under Objective 1, EIP is fostering a sustainable entrepreneurial ecosystem by designing and implementing activities that address the needs of different actors and that strengthen relationships between those in the community. These priority activities include:

- 1.1 Building business skills and human capacity,
- 1.2 Supporting and developing business ventures,
- 1.3 Providing access to seed capital,
- 1.4 Connecting entrepreneurs to financing and commerce, and
- 1.5 Developing the organizational structures of partner organizations.

EIP worked with UVIP, ConQuito, HIAS, and key credit union partners to train new and existing entrepreneurs on business, technical, soft skills, and financial literacy. To deliver appropriate trainings, beneficiaries have been segmented by experience level and type of support they require, in order to be connected with the appropriate institution All trainings are being delivered virtually.

Building Business Skills

In Peru, the project worked with UVIP to launch and deliver *"Escuela de Soñadores"*, a two-pronged program that identified entrepreneurs to build skills for successful business implementation. Entrepreneurs attended either the *"Despega"* section, aimed at developing foundational capabilities of new entrepreneurs, or the *"Crece"* section, aimed at strengthening existing enterprises.

In Ecuador, the project coordinated with the CACPECO credit union to design a similar training and coaching program called "*Campamento Emprendedor*". In coordination with HIAS, EIP expanded on the entrepreneurship methodology with "*Escuela de Emprendimiento 2.0*", supporting beneficiaries in both countries through additional training and the addition of a mentoring component.

Supporting Business Ventures

EIP also developed a shared learning platform with World Vision and Save The Children to open all the courses, training materials, modules to all the institutions implementing workforce development programs to generate economies of scale, more efficiency, avoid duplication and increase impact. EIP has confirmed that UNHCR, IOM and the International Labor Organization (ILO) will be joining this effort a soon as the platform is in place.

In addition to the formal course structure, EIP engaged Peruvian State Institutions through virtual seminars that addressed issues around enterprise formation, such as the National

Superintendence of Customs and Tax Administration (SUNAT) who presented on navigating tax registration, Ministry of Production (PRODUCE) who presented on the process of legal registration for entrepreneurs, and the National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) who addressed issues of trademark registration. Not only did the project train entrepreneurs directly, but it also facilitated a training-of-trainers program with local organizations. This additional step was designed to ensure the sustainability of these trainings post project completion in 2023.

Seed Capital Fund

For beneficiaries who require external financing for their business, EIP developed the Seed Capital Fund (SCF). Seed funding is crucial for entrepreneurs because it helps them start essential steps in their business before the business actually earns revenue. The project has allotted USD $1.25 million for the SCF in both countries. As mentioned, EIP's activities were designed holistically, keeping integration at the forefront of development. As a result, of the 66 participants from the *"Escuela de Soñadores"* in Peru, 19 presented business plan applications to the SCF, all of which were accepted since they met the conditions for implementation and scalability with a clear and viable value proposition. The SCF addresses immediate financing needs but does not address those needs long term. To complement the work under the SCF, EIP once again focused on sustainable impact and brought in local actors to develop financial services and products entrepreneurs can apply for, further strengthening the ecosystem. While these products are detailed in the section covering Objective 3, the project emphasizes the need for financial education in entrepreneurship programs to ensure success of new and existing businesses through an adequate management of its finances, as entrepreneurs often have complex financial needs in addition to those of their personal and familial finances.

Given that the project launched in June of this year and both the trainings and SCF processes have commenced, EIP is right on schedule for setting up the components for Activity 1.4 in the coming months.

Virtual Fairs

According to our methodology, with the appropriate training and tools, entrepreneurs will be well-positioned to connect to finance and trade resources and manage those linkages successfully. As such, the project is currently planning virtual business fairs in the coming quarter. The goal of these fairs is to create a space for entrepreneurs to promote their businesses and products and generate business relationships with potential customers, thereby increasing sales. With COONECTA in November and UVIP in December, EIP wants to show entrepreneurs how they can leverage restrictions placed on in-person events through e-commerce. Attendees (potential clients) will join the virtual fair and be invited to buy products directly through the e-commerce platform using credit cards, debit cards, and/or mobile wallets. This will also support and promote Objective 3 activities addressing the development of digital financial products.

In Ecuador, resulting from EIP's efforts on the *"Red Binacional de Mentores"*, the peer-to-peer learning and mentoring exchange, the project has partnered with CACPECO to lead a virtual fair in December 2020, whose main beneficiaries will be participants of the credit union's aforementioned "*Entrepreneurial Camp*". As with Peru, these fairs will give entrepreneurs an opportunity to sell their products and scale their market. Equipped with the tools and strategies provided through EIP, entrepreneurs will be able to expand their businesses, using newly acquired skills such as social media management, to cultivate increased sales and outreach crucial to the success of their businesses. It is expected that once public health regulations deem it viable to have a relatively permissive social interaction, in-person fairs will be developed as a complementary strategy in the process of commercial linkage.

Institutional Strengthening to Partner Organizations

In parallel to working with individual entrepreneurs, EIP is working with partner organizations to strengthen their ability to deliver quality services and support to entrepreneurs in the long term, thereby strengthening the sustainability of the entrepreneurial ecosystem. Without strong internal structures, these organizations cannot effectively support entrepreneurs. As an example, in Peru EIP supported UVIP with the developing of the UVIP 2023 Strategic Plan. Despite being entirely virtual, it was a highly participatory process in which UVIP's vision, mission, and values were updated, resulting in the development of actions plans to address to newly identified strategic objectives. A feedback process was built into every action plan in order to quickly and efficiently adapt to the needs of the beneficiaries. In Ecuador, the project commenced the grant process to identify actors in the ecosystem which are interested and could benefit from institutional strengthening support. EIP plans to have the first round of applicants identified by end of November.

Objective 2: Facilitating Access to Employment

Under Objective 2, EIP is providing flexible, in-demand skills training and connections to employers for beneficiaries pursuing salaried employment. To ensure that the skills provided by the project evolve along with the skills in demand by employers, EIP is working through local partners, including HIAS, ConQuito, and FENACREP, to ensure that these services will continue to be provided after the project closes by responding to the demands of the local economy. To address immediate workforce needs in both Peru and Ecuador, the project is:

- 2.1 Understanding the professional profiles required in the market,
- 2.2 Preparing job seekers with market-relevant skills, and
- 2.3 Connecting and fitting candidates with job openings through job platforms.

Additionally, to respond to the fact that some Venezuelan refugees and migrants are equipped with skills that are in demand in Peru and Ecuador need, EIP is also:

- 2.4 Recertifying Venezuelan educational diplomas and professional certificates.

While the project had planned to focus on addressing the demands of the market pre-COVID, activities during this period have shifted necessarily to the urgent public needs brought on by the unprecedented pandemic.

In Peru, the Ministry of Health (MINSA) flagged a severe shortage of practitioners needed to address the new operating environment necessitated by the health crisis. EIP has responded by coordinating with UVIP and relevant authorities to revalidate required certifications for Venezuelan professionals. To date, the project has registered 50 medical practitioners with the National Superintendence of University and Higher Education (SUNEDU), the first step in the revalidation process, and is working with another 50 practitioners who are currently in the midst of the registration process. The first 50 are all signed up and ready to take the National Examination in Medicine in November 2020. EIP has also supported 100 teachers to revalidate their professional certifications and, based on the annual public announcement from the Ministry of Education (MINEDU), is expecting to support 200 more in November. In addition to the immediate support provided to medical practitioners and education professionals, EIP will also support dentists, engineers, and technicians through the certificate revalidation fund in the coming months.

While pandemic-specific jobs are a priority, EIP is also responding to the support needed by the general workforce. In Peru, EIP coordinated with the Tent Partnership for Refugees, UNHCR, Acción Contra el Hambre, and HIAS to prepare a guide for employing Venezuelan refugees and migrants in Peru with direct resource input from the Ministry of Labor. EIP's goal is to promote new jobs or improved job opportunities for Venezuelans through the publication of this guide. Recognizing the need to engage the private sector, EIP will host an event in November to broadcast the guide, focusing on the benefits of hiring Venezuelans and instructions on how to use the guide to do so. In order to better integrate Objective 3 throughout project activities, EIP also worked with FENACREP to identify the professional profiles needed by local credit unions. The positions identified to be most in demand included heads of regional offices, credit officers, and internal auditors. To adapt to said needs, FENACREP is developing a training curriculum and establishing an employment center module on its website where credit unions can find professionals with experience in the needed career fields.

In Ecuador, EIP worked with ConQuito to completely restructure its employment platform, shifting the aim to focus on connecting job seekers with employers. The two main priorities of the new platform include expanded search engine functionalities and connection to capacity building opportunities. Now, job seekers can post their resume and availabilities, and employers can search for potential candidates. EIP and ConQuito, with additional support from HIAS, also researched market trends for the most in-demand job skills, and identified courses offered through virtual platforms like *Coursera* and *Capacite para el Empleo* which job seekers using the ConQuito platform could easily access in order to bolster their resume and experience.

In response to the workforce changes caused by altered migration trends, EIP understands that many people have been forced to find ways to translate their skills and competencies into new fields and occupations, especially when job titles or degrees are not immediately transferable. In response, the project is collaborating with HIAS to implement a software called Skill Lab, which uses AI and an easy-to-use interactive platform to identify the skill set of job seekers and connect them to education and employment opportunities. The project also hopes to bring the ILO into these activities next quarter to ensure efficient coordination of efforts.

Objective 3: Increasing Access to Financial Services

Difficulty accessing services and managing finances are at the core of the common barriers to entrepreneurship and issues leveraging salaried employment for economic advancement. EIP's financial education and financial inclusion methodologies fully address the multitude of intersections in the area of financial inclusion. Having adapted the methodology to the country contexts as affected by COVID-19, EIP is:

- 3.1 Engaging credit unions,
- 3.2 Conducting a financial inclusion study,
- 3.3 Teaching financial education methodology and building partner capacity,
- 3.4 Developing and adapting financial products, services, and channels,
- 3.5 Hosting financial commercial fairs,
- 3.6 Advocating with public sector institutions, and
- 3.7 Creating village savings and loan associations.

Financial Inclusion Study

In the first three months, EIP conducted a Financial Inclusion Study to understand the characteristics and financial needs of the project's target population, identify gaps in access to financial services, and identify opportunities for improvement. This study was crucial not only in mapping out the details of all activities under Objective 3, but also in fleshing out the details of the implementation of the Monitoring, Evaluation, and Learning (MEL) Plan. Due to the importance of this study, both the technical team and the MEL team worked hand-in-hand to ensure the most accurate results. EIP is pleased to report that the Financial Inclusion Study was a booming success. The study is broken into five sections which walk the reader through objectives, methodologies, context of the financial inclusion environment and legal framework, results, and reflective pointed recommendations. There were many important findings discussed in the study; however, in this report, the project would like to flag the following key findings.

1. There are many barriers to access to finance, but the most prevalent **include excessive documentation requirements** by financial institutions, lack of information about the types of products available, and – for Venezuelans – there are many examples of people in their community experiencing xenophobia by being actively turned away when trying to acquire financial services.
2. **Only half** of the Peruvian and Ecuadorian local population and **16%** of Venezuelans in both countries **have access to financial products and services**.
3. While there is consensus that many Venezuelan migrants are seeking access to credit, it is important to highlight that 56% are also looking **to increase savings and access debit cards.**
4. The study showed that **91%** of Venezuelans and **76%** of the Peruvian and Ecuadorian local population surveyed **have never received financial education**. This underscores the need for the type of financial education provided through the project.
5. Only **14%** of Venezuelans in Peru have **revalidated their professional certifications**, drastically limiting their participation in the formal sector.

The project held two virtual workshops to present the findings of the financial inclusion study. The turnout for both events was significantly high with 258 participants in Ecuador on September 17, 2020, and 275 participants in Peru on September 18, 2020. Participants included the UNHCR, IOM, ILO, International Finance Corporation (IFC), and Tent. USAID Ecuador and Peru opened the respective events, followed by presentations from SEPS and SBS, the Cacpeco credit union, Bancamia, and the UNHCR. The response to the survey has been extremely positive – as a result of the study, EIP has received a surge of requests from credit unions interested in joining the project, and SEPS, SBS, and the Central Bank of Ecuador are interested in coordinating efforts in their respective countries.

Credit Union Engagement

A fundamental component of EIP is that engaging credit unions is a crucial step in bringing vulnerable groups access to finance. This is why the project has signed an agreement with the Federation of Credit Unions (FENACREP) which is comprised of 150 credit unions in Peru. FENACREP has pledged to have personnel specialized in financial inclusion and workforce development in order to channel efforts within the framework of the project. In the five months since project inception, in Peru, EIP has signed working agreements and developed workplans with over five credit unions and financial institutions: MICROFINANZAS PRISMA, FINANSOL, Caja Arequipa, Financiera Confianza, and Edpyme Credivision. In Ecuador, EIP signed agreements with five credit unions: CACPECO, San Jose, Jardin Azuayo, Cacpe Pastaza, and Tulcan. EIP is also working on finalizing agreements with COOPROGRESO and Fernando Daquilema in Ecuador, and with Banco de la Nación in Peru, by mid-November.

The workplans must include specific timetables to accomplish each item to ensure successful management. While each plan is customized to the specific credit unions, all of the interventions work to identify and tackle barriers to access. Some examples of EIP's technical assistance include:

- Building digital financial products
- Conducting market studies for new delivery channels,
- Adjusting policies and procedures to reduce entry barriers,
- Developing credit/risk assessment tools,
- Improving payment services,
- Evaluation of membership requirements,
- Use of financial education to actively bring in previously excluded groups into the formal financial sector,
- Redesigning mobile wallet programs, and
- Structuring wider reaching and more inclusive commercial strategies.

To date, EIP has worked closely with CACPECO and FINANSOL to develop or adjust six financial products. The financial inclusion pilots were established in the first months of the project, reaching 447 Venezuelans and locals, with 105 loans of USD $199,570 disbursed as of September 2020. In coordination with COONECTA, the credit union network in Ecuador, EIP is working with more than 60 credit unions nationwide to scale mobile wallet services, debit cards issuance, and the number of correspondent agents, bringing beneficiaries a wide array of financial services urgently needed in the current pandemic environment.

Financial Education

As mentioned in the Objective 1 progress update, financial education is an essential building block for leveraging financial products to ensure growth and success of beneficiaries by combatting negative consequences of financial mismanagement stemming from lack of knowledge. Simply put, financial education improves quality of life by ensuring comprehension, ownership, and intentional management of personal and family finances, thereby generating a greater flow of money and mobilization of resources. With the results of the study, EIP was able to further customize its financial education methodology in order to best address the needs of its target audience and to transfer learnings to partners, particularly credit unions. In regards the financial inclusion, EIP emphasizes that the coursework developed should have clear concepts which are practical and easy for users to remember, thereby achieving immediate beneficial results. EIP's methodology places a heavy emphasis on the first step in the coursework, encouraging community members to reflect on how they use their personal and family allowances. This personalization allows for participants to take ownership of the process and helps them apply what they have learned at a deeper level. As of September 2020, 189 individuals have received financial education training from EIP.

It is important to note that in addition to serving beneficiaries, financial education workshops provide an excellent opportunity for credit unions to better understand the needs of their clients. These workshops go beyond educating individuals on managing their finances and administering financial products, and give financial institutions opportunity to ensure that they are providing products that are attractive and beneficial to customers. These products cannot be static, but rather must be consistently evaluated to ensure they are responsive to the needs of the clientele they are trying to reach. For example, in Peru, COOPAC FINANSOL realized that their membership requirement and fees were a massive barrier for many Venezuelan refugees and migrants, and were therefore excluding a large new market segment. As a result, FINANSOL began working with the EIP team in Peru to develop less restrictive requirements for membership, as well as a pricing structure that is more amenable to this market segment without compromising foundational financial principals as a credit union.

Public Sector Engagement

Financial institutions can only be as innovative as governmental regulations permit. With this in mind, EIP working closely with financial service providers to advocate their needs to public sector institutions. To date, the public sector has been enthusiastically receptive to such proposals.

In Peru, the Superintendence of Banking, Insurance, and Pension (SBS) played a critical role in sharing the findings from EIP's Financial Inclusion Study. The results of the study reinforced the goals of the National Policy of Financial Inclusion, particularly in addressing the needs of Venezuelan refugees and migrants. Building on this goal, the government is promoting savings account with Banco de la Nación to all citizens over the age of 18 through *Cuenta DNI*. Banco de la Nación is working closely with EIP to integrate financial education into the process of opening a savings account in order to promote better administration. They have also expressed interest in EIP assisting them in the development of a new programmed savings account, train all the bank commercial staff on savings mobilization and implement commercial strategies with the correspondent agents.

In Ecuador, EIP signed a Memorandum of Understanding (MOU) with the Central Bank of Ecuador. The MOU was signed at the conclusion of a live virtual conference which drew more than 160 attendees, including representatives of Ecuadorian financial associations, savings and credit unions, and international and local support organizations. The event focused on sharing financial inclusion efforts and digital financial services, particularly from representatives of USAID, WOCCU, and UNHCR. The event was also broadcast on Facebook Live with rating of over 1,800 views. The EIP team in Ecuador is also working with the Superintendence of Economic Support (SEPS) to identify how as a government entity they can support financial innovation, coordinating with UNHCR as part of the Working Group for Refugees and Migrants (GTRM) roundtables, and transferring EIP's financial education methodology to World Vision, Save the Children, ILO and IOM.

Gender Inclusion and Prevention of Gender-Based Violence

EIP recognizes the impact that gender imbalances have on entrepreneurship, employment, and financial inclusion. While refugee populations experience many stressors, both worldwide and in the Venezuelan context, EIP is particularly cognizant of the work to be done in the prevention of GBV. As a result, the project is taking active steps to integrate Gender Inclusion and GBV Prevention programming into all three project objectives. Specifically, EIP is focused on:

- G1 Applying gender lens to all trainings, methodologies, financial products, channels, and services and education materials,
- G2 Connecting women to employment, finance, and entrepreneurial networks,
- G3 Building capacity on gender inclusion and awareness in institutions,
- G4 Promoting social awareness and education for the prevention of GBV, and
- G5 Providing rehabilitation and support services for victims of GBV.

In coordination with HIAS, EIP has organized workshops for project staff in both countries to train the team in identifying gender disparities and GBV referral cases, particularly those unique to local community, and preparing them with the tools and skills to address those situations with care. While often thought to be an objective area of practice, it is important that EIP staff fully understand how finance and employment, including self-employment, can be used as tool to effect change in gender inequities and address GBV. Through HIAS, EIP also led diagnostic efforts with the project's original partner institutions, including UVIP and FENACREP, to identify gaps in knowledge and policy, and determine the training needs regarding the gender approach in the planning workshops.

From these trainings and analyses, EIP will prepare materials that will be provided to the beneficiaries of EIP programs in employability, entrepreneurship, and access to financial services, as well as to project partners. These materials are expected to be completed by November 2020. Unfortunately, EIP is slightly behind schedule on internal deadlines set for this component's milestones due to delays in hiring the in-house gender specialists. Due to the importance and reach that this theme has across the entire project, EIP wants to guarantee that these staff members have extensive experience in managing sensitive topics with internal and external teams. The project plans to finish recruitment and onboarding for both specialists by the first week of November. The expectation is that with the Gender team fully hired, the project will be able to quickly catch up on gender inclusion and prevention of GBV activities, building on the work currently being done by project partners.

MONITORING, EVALUATION, AND LEARNING

EIP's MEL Plan includes targets for the full project period of performance; however, for the purposes of this Annual Report, which covers data collected from July to September 2020, the data is compared to targets for Project Year 1, which runs until September 2021.

Table 1: Indicator Results

Performance Indicator		Project Y1 (through September 2021)	Results to Date	%
E/E-IR 1.1	# of EIP beneficiaries receiving support to promote new or better employment/ entrepreneurship, including through training, coaching, renewal/revalidation of professional certificates or other support	2,500	83	3%
E/E-IR 1.2	# of Venezuelan EIP participants with revalidated professional or technical certifications	400	33	8%
E/E-IR 2.1	# of individuals with new or better employment or businesses following participation in EIP-assisted programs	500	0	0%
E/E-IR 2.2	Average % change in income generated through entrepreneurship and employment initiatives through EIP support	10%	0	0%
E/E-IR 3.1	# of private sector partners trained on the value of hiring Venezuelans and local EIP program participants	20	0	0%
E/E-IR 3.2	# of public and private institutions that apply employment or entrepreneurship methodologies developed with EIP support	4	2	50%
3.1.1 (EG 4.2.1)	# of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors	25,000	447	2%
3.1.2	# of loans to participants as a result of EIP support	400	105	26%
3.1.3	Value (USD) of loans to participants as a result of EIP support	300,000	199,570	67%
3.2.1	# of individuals receiving financial education and financial literacy training through EIP support	2,000	189	9%
3.3.1	# of new or adapted financial products or services developed with EIP-supported credit unions	5	6	120%

CC1 (GNDR-6)	# of people reached by a USG funded intervention providing GBV services	100	0	0%
CC2 (GNDR-2)	% of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	60%	60%	100%

Restrictions related to COVID-19 was the main barrier to project monitoring efforts. As a result, the project developed digital data collection materials and methods. To manage the digital data entry channels, the project is working with software developers to create SYSEIP, the project's official data management platform. SYSEIP is being built with extensive data storage and safe housing capabilities to ensure accurate reporting. Additionally, due to the numerous partners involved in successful project implementation, EIP is building easy-to-use interactive data visualization tools to quickly customize reports based on micro and macros factors.

During start-up, EIP quickly built up the MEL team. In addition to core data collection and analysis functions, the team strives to be a resource to both the rest of the EIP staff as well as beneficiaries and partners, working to ensure MEL is an integrated part of project implementation. Over the past couple of months, the MEL team has been involved in offering ongoing support to grantees through direct phone calls, emails, and virtual meetings, supporting their reporting requirements and responding to their MEL challenges.

DELIVERABLES

EIP has submitted all deliverables required per section A.5 Reporting and Evaluation of Cooperative Agreement No. 72052720CA00001. Deliverables, relevant dates, and comments are included in the table below.

Table 2: Table of Deliverables

Deliverable	Due Date	Date Submitted	Date Approved
Draft Work Plan	45 calendar days after award effective date	July 15, 2020	Draft Work Plan did not get approval, but rather received comments from USAID as dictated by the Cooperative Agreement on July 23, 2020
Final Work Plan	90 calendar days after award effective date	August 28, 2020	September 16, 2020
Branding and Marking Plan	N/A	July 16, 2020	September 18, 2020
Monitoring, Evaluation, and Learning Plan	90 calendar days after award effective date	August 28, 2020	The project is currently working with USAID to resolve comments to the MEL Plan, and is expecting approval by mid-November
FY20 Q3 Quarterly Report	Fiscal quarter end + 30 days	N/A	Since the project started on June 1, the FY20 Q3 Quarterly Report would have only covered 30 days of information. The project instead received approval from AOR on July 14, 2020 to not submit this report.
FY20 Annual Report	Fiscal year end + 30 days	October 30, 2020	-

ENVIRONMENTAL COMPLIANCE

All activities performed under the EIP, since inception on June 1, 2020, have corresponded to classes of actions eligible for the Categorical Exclusion determination made in Initial Environmental Examination (Bureau Tracking ID No. LAC-IEE-19-36). The project has not conducted or identified any activities or project elements which alter the climate risks and risk ratings identified in the *Project Risk Management Summary* provided in IEE No. LAC-IEE-19-36.

ANNEX A – PARTNER ORGANIZATIONS

PARTNERS		
Partner Name	Country	Areas of Collaboration
UVIP	Peru	Escuela de Soñadores, entrepreneurship program. Professional certification and employment program. Financial education
HIAS	Peru and Ecuador	Escuela de Emprendimiento 2.0., entrepreneurship program Employability program GBV prevention
FENACREP	Peru	Digital credit Employability program for credit unions
COONECTA	Ecuador	Mobile wallet to access savings accounts Debit cards to access to the national payment system Financial education Correspondent agents
CACPECO AND JARDIN AZUAYO CREDIT UNIONS	Ecuador	Financial inclusion (Digital financial services and channels) Financial education Entrepreneurship activities
TULCAN, SAN JOSE, CACPE PASTAZA CREDIT UNIONS	Ecuador	Financial inclusion (Digital financial services and channels) Financial education
FINANSOL AND PRISMA CREDIT UNIONS	Peru	Financial inclusion (Digital financial services and channels) Financial education
FINANCIERA CONFIANZA, CREDIVISION AND CAJA AREQUIPA	Peru	Financial inclusion (Digital financial services and channels) Financial education
Tent Partnership for Refugees	Peru and Ecuador	Employability private sector engagement and employment guide

USAID-FUNDED PROJECTS		
Name	Country	Areas of Collaboration
WORLD VISION	Peru	Transfer financial education methodology Shared learning platform
SAVE THE CHILDREN	Peru	Transfer financial education methodology Shared learning platform
ILO	Peru and Ecuador	Support beneficiaries with financial inclusion and financial education activities
ACCION CONTRA EL HAMBRE	Peru	Employment guide Financial education methodology
NCBA CLUSA	Ecuador	Support beneficiaries with financial inclusion and financial education activities

STAKEHOLDERS		
Name	Country	Areas of Collaboration
UNHCR	Peru and Ecuador	Support beneficiaries with financial inclusion and financial education activities Joint efforts on entrepreneurship and employability
GTRM	Peru and Ecuador	Information about financial inclusion and coordination
IOM	Peru and Ecuador	Support beneficiaries with financial inclusion and financial education activities
SBS	Peru	Financial education Training and financial inclusion guidance
SEPS	Ecuador	Financial education Training and financial inclusion guidance
CENTRAL BANK	Ecuador	Financial education Training and financial inclusion guidance