

## VisionFund, Cambodia

Initially managed by World Vision within its Area Development Programs, VisionFund Cambodia transformed in 2003 into a commercial entity and obtained a permanent license with the National Bank of Cambodia in 2007. In 2009, VisionFund has prepared to apply for a license of Mobilizing Deposits Institution. Anchored within World Vision's holistic approach to improving the well-being of children, VisionFund's has the **vision** "for every child, life in all its fullness; our prayer for every heart, the will to make it so" and the **mission** to be a "Christian financial institution that provides viable, integrated, market-inspired financial services to help the poor liberate themselves from poverty". As of July 2009, VisionFund served 85,172 clients located in 90 districts and in 13 of the 21 provinces of Cambodia.

### Social Performance Rating with Survey

September 2009

Overall, VisionFund's Social Performance is rated "4-"

<b>Social Performance Management</b> 4-	<b>Client Protection</b> 3+	<b>HR Policy</b> 4-	<b>Financial Inclusion</b> 3+	<b>Social Change</b> **
--	--------------------------------	------------------------	----------------------------------	----------------------------



#### Indicators

Intent to have an impact	Convincing
Risk of Mission Drift	Limited

### Social Performance Management

With a strong intent to achieve a social impact, VisionFund follows a clear social mission detailed into objectives, shared among decision-makers, and taken into account in key-decisions. Benefiting from the support of VisionFund International, VisionFund has acquired good skills in social performance management and client research techniques. For an optimal decision-making, VisionFund nevertheless needs to refine and further analyze social performance indicators.



Indicators	July 2009
% Loans checked /credit bureau	0%
% Loans checked /other MFIs	5%
% Clients with micro-insurance	82%
% Clients bearing FX risk	74%
Effective Interest Rate (EIR)	37%
Portfolio Yield	33%
% Clients visited by non-op staff	15%
<b>% Clients in the survey sample</b>	
Cross-indebted	16%
Aware of the loan amount	83%
Aware of the interest rate	17%
Knowing how to complain	54%

### Client Protection

- Active promoter of the Client Protection principles, VisionFund has put systems in place to protect consumer rights, that however need further improvement to be fully efficient.
- Efforts to limit clients' over-indebtedness (e.g. exchange of clients list with competitors) are positive but will not be sufficient to prevent its increase in the medium run in the absence of a credit bureau a sector level (being discussed).
- VisionFund communicates its pricing and loan conditions in a transparent way (declining interest rate, no fee, contracts read out loud), but given the low literacy level in Cambodia, additional efforts are needed to ensure better client financial awareness.
- VisionFund offers its services at a sufficiently competitive pricing in spite of high operating expenses and at the expense of profit margins.
- In a context of rising credit risk in Cambodia, VisionFund has taken good steps to foster ethical staff behavior, appropriate loan collection and privacy of client data; the institution has recently introduced specific mechanisms to redress clients' complaints and is currently designing an Anti-Money Laundering policy.



Indicators	2008
Staff Turnover	20%
Traffic accidents per LO	0.04
Yearly salary increase/inflation	0.2
% Staff receiving >2 training days	83%

### Human Resources Policy

- Human Resources Management is professional and recently improved to comply with Cambodian labor laws.
- VisionFund's compensation policy is within market practices with additional benefits making-up for a financial component below what is offered by leading MFIs.
- Women are well represented with 40% of staff, even if only 13% of management (the COO). The Chairperson is also a woman.