



# **Providing hope for impoverished migrant families in the slums of Lima, Peru**

**Final Report  
June 2005**

Project funded by Care & Aid

## 1. Summary

Poverty levels in Peru are increasing in urban areas such as Lima as a massive internal migration to cities from rural villages has caused a dramatic increase of urban shanty towns or slums, characterized by their lack of basic services such as health posts, water, electricity or adequate schools.

To address the health and economic problems of migrant woman and their families living in the slums of Lima; Project HOPE Peru, with funding from Fondation PH Suisse – *Partnerships in health* (formerly Project HOPE Switzerland), extended its Village Health Bank (VHB) program to impact 3 impoverished districts in the north sector of the city. This project provided migrant women in these districts with access to credit to manage small scale economic activities and generate income along with valuable health education so they can improve the lives of their families.

This project was developed and implemented with the objective of directly benefiting 500 migrant women and their families living in the slums of Comas, Independencia and Los Olivos through the VHB program. To that end, 30 new Village Health Banks were started in these districts; directly improving the quality of life and reducing poverty for 468 women participants and their families. Other principal achievements of this project include:

- 62 loans to VHB's were disbursed totaling US\$152,743, creating a total loan portfolio of US\$81,729 at end of project.
- A total of 468 women participated in the project, receiving loans and health education and training on the VHB methodology, of which 180 were elected to be group leaders and received additional training on the management and operation of Village Health Banks
- 280 educational sessions promoting healthy behaviors were carried out with an average of 1.3 sessions per VHB per month.
- A notable increase in healthy behavior practices among program beneficiaries was documented. For example, the number of women who had a PAP exam increased by 28% and the number of women who performed breast self-exams also increased by 28%, among others.

## 2. Project Objectives, Activities and Results

	<b>Proposed</b>	<b>Result</b>
Target Population	<ul style="list-style-type: none"> <li>▪ Low-income women and their families who reside in the slums of Lima, Peru. Direct beneficiaries will be the 500 new participants as well as supporting the continued growth and expansion of economic activities for 600 existing participants in Lima.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 468 women with starting monthly incomes averaging US\$161 residing in Comas, Los Olivos and Independencia, received at least 1 loan and actively participated in educational sessions.</li> </ul>
Objectives	<ul style="list-style-type: none"> <li>▪ The long-term objective is to alleviate poverty and its effects on women and children in a sustainable manner.</li> <li>▪ The immediate objective is to improve economic and health opportunities for 1,000 families over one year (benefiting existing and new VHB participants).</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1,130 families benefited from the program and 826 women were actively involved in the program at the end of the year.</li> </ul>
Activities	<ul style="list-style-type: none"> <li>▪ Formation of community loan groups – New local groups with a formal structure, which have elected leadership, defined rules and procedures, independent resources, and the capacity to pro-actively improve their communities.</li> <li>▪ Provision of credit– Providing opportunities for women to start or expand small scale economic activities and pursue alternative livelihood options.</li> <li>▪ Stimulating health behavior changes – To combat the effects of poverty by focusing on improving health in conjunction with increased income.</li> <li>▪ Training and empowering women – Working with impoverished women to improve their skills in handling of funds and personal savings, personal self-confidence, greater household bargaining power, and ability to implement positive changes in their lives.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 30 new VHBs were formed and 28 groups are actively participating under the group methodology; attending education sessions focused on improving healthy behaviors.</li> <li>▪ 62 group loans were disbursed totaling US\$152,743</li> <li>▪ All program participants (468 women) received health education and training on the VHB methodology</li> <li>▪ 180 of the 468 participants were trained to be group leaders.</li> </ul>

	<b>Proposed</b>	<b>Result</b>
	<ul style="list-style-type: none"> <li>Capacity building of partners – so that they can operate this project methodology, utilize high performance business practices, and achieve sustainability.</li> </ul>	
Expected Outcomes	<ul style="list-style-type: none"> <li>Creation of new economic opportunities for 500 impoverished women through 30 new VHBs that provide over US\$100,000 of loans for income generation activities.</li> <li>20% increase in reported incomes (with similar improvement in other socio-economic indicators) by participants over one year.</li> <li>Long-term participants (one year) demonstrate improved quality of living: financial savings, increased food sufficiency, and increased utilization of preventative health practices.</li> <li>Empowered low-income women benefiting from expanded self-confidence and self-esteem and greater participation in the decisions affecting their lives.</li> <li>Peru partner gains the institutional capacity and financial sustainability to operate the VHB methodology beyond grant end.</li> </ul>	<ul style="list-style-type: none"> <li>468 new women received loans for income generation activities through 30 new VHBs totaling US\$152,743.</li> <li>Participants who completed a full year in the program reported a 19% increase in income (from US\$161 to US\$191).</li> <li>72% of the women indicated that their incomes had improved in the last year.</li> <li>433 participants, after one year in the program, had an average of US\$28 in savings.</li> <li>The percent of women participants who indicated that they are able to pay for healthcare when needed increased by 23%</li> <li>Overall operational sustainability of Project HOPE Peru grew from 60% to 86%.</li> </ul>

This project was carried out in three impoverished districts in the north sector of Lima: Comas, Independencia and Los Olivos. In these districts a total of 30 VHBs were created: 10 in Comas, 7 in Independencia and 13 in Los Olivos; benefiting 468 women and their families. To promote the VHB program in these three districts, the following strategies were used:

- ? Development of relationships with community leaders and local authorities;
- ? Program promotion in local markets or fairs; and
- ? Personal recommendations from existing women beneficiaries of the VHB program.

Thanks to the additional groups that were organized through this project the Village Health Bank program in Peru has grown to 60 active groups with 1,130 women participants.

One of the main objectives of the program was to create 30 VHBs that would benefit 500 women and their families. To that extent, 30 VHBs were organized throughout the year providing 468

impoverished migrant women and their families with access to economic opportunities and improved health. The number of direct beneficiaries is smaller than the original goal due to a decrease in the average number of members per group than what was originally stated in the proposal (the average of members decreased from 20 to 15). The number of participants in the VHB groups was reduced due to feedback from participants indicating that they felt more comfortable participating in smaller groups with more solidarity where they could have better control over the groups' performance.

Each new VHB member started with a loan worth approximately US\$108 and as they successfully repaid their loan they were awarded with another loan of a higher amount. In this way the capital is productively invested into income generation activities. At project end, the average member loan was US\$152. Overall, 62 loans were distributed to VHBs totaling US\$152,743. The rate of on-time payment for these loans was 95%. By the end of the project 2 of the 30 groups were unable to comply with the pre-established standards of the Village Health Bank program leaving 28 active VHBs.

### **3. Training Activities**

Each Village Health Bank elected members to be officers of the Management Committee that governs the VHB. For this project, 180 members were elected to be officers and received additional training on the internal regulations for the VHB, how to conduct meetings, and how to manage the group, among other topics.

During the year, all VHB members were trained on the VHB methodology which includes education on the policies and procedures of the VHB program, loan repayments, savings deposits, balancing financial books and problem resolution.

A major focus of this project was to provide valuable health education to all the project beneficiaries. Each VHB received education through the "Healthy Women" curriculum which includes topics such as; Knowing my Body, STDs & HIV/AIDS, Breast Cancer, Cervical & Uterine Cancer, Family Planning and Menopause, among others. Throughout the year 280 health education sessions were carried out, signifying that at least 83% of the 30 VHBs had one session per month. The program goal was to have 1.5 sessions per VHB/month and the actual amount obtained was 1.3 sessions per VHB/month. This goal was not achieved because some groups decided to focus more of their meeting time on reinforcing the VHB methodology instead of on health education.

To improve the quality of the VHB program the Project HOPE Peru VHB staff were trained on the VHB methodology, methods of loan default prevention, and to be facilitators for the health education sessions. Two new VHB facilitators were also trained to support the health education component. In addition, all of the Project HOPE Peru staff were trained by Project HOPE's Regional Educator on the VHB educational methodology and have continued to receive training through weekly education sessions given by the National Educator.

#### **4. Socio-Economic Indicators**

*Income Levels* - Members who completed one full year in the program reported a 19% increase in their income level from US\$161 to US\$191.

*Savings* - Each VHB member is required to set aside part of their earnings into a commercial savings account control by the group. The total amount of the savings at the end of the project for all of the participants combined was US\$13,265 and the average amount of saving per participant was approximately US\$28.

*Loan Utilization* - 39% of the women indicated that they had used their loans to buy merchandise for their business or to invest in home improvements. 50% had used the loan to purchase necessary household items, including food and other provisions.

*Economic Productivity* - 72% of participants indicated that their incomes had improved in the last year and in the same manner 78% affirmed that now they were usually able to pay for their expenses. In addition, the participant's ability to pay for their or their families medical needs rose from 44% to 67%.

*Housing quality* - Upon entering the project 94% of all of the participants were living in houses made of durable materials such as cement. However, 5 women were living in poorly constructed houses made mainly out of wood. By the end of the project 4 of the 5 had built more secure cement houses.

*Nutrition* - When they first entered the program, 61% of the women reported eating protein from an animal source 3 or more times a week and at the end of the project that number rose to 81%.

#### **5. Health Indicators**

The health results shown here apply to members who have completed one continual year in the program. Unfortunately as a result of slow startup in the beginning of the year, only 18 women had completed a full year in the program by the end of the project. The remaining women are scheduled to complete a full year in the program shortly and are expected to have similar results.

Below is a summary of the most notable health improvements observed, other health indicators are described in further detail in Annex 2. The results are similar to those we find with larger samples of participants after one year in the program.

*Uterine Cancer* - Before receiving education on uterine cancer, 11% of the members recognized the danger signs for uterine cancer, and at the end of the program 33% could identify the danger signs. Most importantly, the percent of women that had a PAP exam doubled from 33% to 61% after receiving education and 100% of these women picked-up their exam results.

*Breast Cancer* - In relation to health knowledge and practice for breast cancer prevention, the percent of women that recognized at least one warning sign for breast cancer increased 27% to 94% and the percent of them that could identify at least 2 warning signs for breast cancer rose from 0 at the beginning to 67% at the end of the year.

At the beginning of the year 0% of the women could identify the correct steps for a breast self-exam. After one year in the program 33% could identify all of the correct steps and 67% could mention at least 2 of the steps. Further, the percent of women who acknowledged performing a monthly breast self-exam increased from 0% to 28%.

*Family Planning* - At the beginning of the project only 20% of the members between the ages of 18 - 49 recognized at least 2 signs of reproductive risk but at the end of the year 80% of them could recognize at least 2 signs.

*Knowledge and practices related to the prevention of STDs* - The number of women who could recognize at least 2 of the dangers signs for sexually transmitted diseases increased from 11% to 33%. Unfortunately, we did not find an improvement in the number of women who knew the different methods of HIV/AIDS prevention. After observing this in a primary analysis, we are working to redesign the HIV/AIDS prevention module to emphasize and reinforce the methods of HIV/AIDS prevention and we hope to see improved results in the coming months.

*Menopause* - Of the women participants age 49 and over who were questioned, 33% of them could mention 3 ways to decrease the discomfort caused by menopause. However neither before nor after this education intervention were we able to obtain valid responses from the women regarding their ability to identify the physical and psychological changes that occur during menopause.

*Ability to pay for medical care*- Finally, we asked the women if they had savings set aside to pay for medical care for themselves and their families if needed. At the beginning of the program 44% of them indicated that they did and by the end of the year 67% affirmed that they had sufficient savings to pay for medical care if necessary.

## **6. Project Sustainability**

The built-in cost recovery method of the Village Health Bank program helps to assure that projects such as this one will be able to continue long after grant funding has ended. Over US\$14,000 of local program income was generated from the loan activity in Peru during the project. These funds were invested into supporting the operational costs of the program. As the VHBs will continue to use more loan capital, they will continue to generate additional income which further strengthens the sustainability. This will help to ensure the continuation of Project HOPE's VHB program in Peru and strengthens its ability to impact the economic and health status of impoverished migrant women and their families living in the slums of Lima.

## Annex 1

### Financial Report

April 2004 – June 2005	Total Project Revenue/Expenses to Date
PH-Suisse funds from Care & Aid	82,985.00
Interest Income Generated from Lending Activity	14,155.60
<b>Total Revenue</b>	<b>97,140.60</b>
Salaries	28,314.40
Benefits	6,095.18
Payroll Taxes	1,223.72
Office Supplies	1,303.00
Utilities	460.00
Repairs & Maintenance	2,483.00
Postage	84.37
Vehicle Insurance	250.00
Used Vehicle Purchase	12,300.00
Temporary Labor	544.00
Professional Fees	3,280.00
Printing & Photocopying	600.45
Training	315.00
Site Travel	2,574.02
Site Travel - HQ's	974.00
Vehicles Gas & Oil	100.00
Telephone	2,191.38
Currency (Gain)Loss	189.35
Bank Charges	1,024.00
Loan Funds	30,000.00
Indirect Charge	2,834.73
<b>Total Expenses</b>	<b>97,140.60</b>

## Annex 2

### Village Health Bank Program - Peru Health Indicators of the Healthy Women Module - July 2005 COMPARISION OF BASELINE TO RESULTS AFTER 1 YEAR OF EDUCATION

ALL PARTICIPANTS COMPLETING 1 YEAR		BASE		1 YEAR	
		Num/Denominator	Percentage	Num/Denominator	Percentage
PAP exam	% percent of members that recognized at least 3 danger signs for uterine cancer (bleeding outside of menstruation/bleeding after sexual relations/anemia/pelvic pain)	0	0.0%	0	0.0%
		18		18	
	% percent of members that recognized at least 2 danger signs for uterine cancer (bleeding outside of menstruation/bleeding after sexual relations/anemia/pelvic pain)	2	11.1%	6	33.3%
		18		18	
	% percent of members that recognized the 2 <u>main</u> danger signs for uterine cancer (bleeding outside of menstruation and after sexual relations)	0	0.0%	0	0.0%
		18		18	
% of members that had a PAP exam in the previous 12 months	6	33.3%	11	61.1%	
	18		18		
% of members that know the result of their PAP exam (Based only on those who had a PAP exam in the last 12 months)	3	50.00%	11	100.00%	
	6		11		
Breast exam	% of members that know the 3 danger signs relating to breast health	0	0.00%	0	0.00%
		18		18	
	% of members that know at least 2 danger signs relating to breast health	0	0.0%	12	66.7%
		18		18	
	% of members that know at least one danger sign relating to breast health	5	27.8%	17	94.4%
		18		18	
	% of members that know the 3 steps for breast self-exams (Observe your breasts in front of a mirror/palpate your breasts in circular motions / press the nipple)	0	0.0%	6	33.3%
18			18		
% of members that know 2 steps for breast self-exams.	0	0.0%	12	66.7%	
	18		18		
% of members who indicated having done a breast self-exam at least once a month	0	0.0%	5	27.8%	
	18		18		

WOMEN OF REPRODUCTIVE AGE (18 - 49)		BASE		1 YEAR	
		Num/Denominator	MEF	Num/Denominator	MEF
Family Planning	% of members between 18 & 49 that can identify <u>4</u> reproductive risks (multiple partners /short time between pregnancies/pregnancy before 18/pregnancy after 35)	0	0.0%	0	0.0%
		15		15	
	% members between 18 & 49 that identified <u>3</u> reproductive risks (multiple partners /short time between pregnancies/pregnancy before 18/pregnancy after 35)	0	0.0%	0	0.0%
15			15		
	% of members between 18 & 49 that identified <u>2</u>	300.0%	20.0%	12	80.0%

	reproductive risks (multiple partners /short time between pregnancies/pregnancy before 18/pregnancy after 35)	15		15	
	% of members between 18 & 49 that used a family planning method which was "modern" at the time of the survey (Surgery, Pills, Injections, IUD, Barriers, Chemicals)	6	40.0%	5	33.3%
		15		15	
	% of members between 18 & 49 that used a family planning method that was considered to be <b>very safe</b> at the time of the survey (Contraceptive Surgery, Injectables, IUD)	3	20.0%	5	33.3%
		15		15	
	% of members between 18 & 49 that used a family planning method that was considered to be <b>safe</b> at the time of the survey (Pills, Barriers)	3	20.0%	0	0.0%
		15		15	
	% of members between 18 & 49 that used a family planning method that was considered to be <b>risky</b> at the time of the survey (Chemicals, Exclusive Breast Feeding, Rhythm method)	0	0.0%	0	0.0%
		15		15	
HIV/AIDS, STIs	% of members that identified the <b>2</b> main practices for safe sex (abstinence and condom use)	5	27.8%	6	33.3%
		18		18	
	% of members that recognize the 3 danger signs for STIs for her & her partner (genital lesions/genital warts/excretions with a foul odor - women/pus excretions - men)	0	0.0%	0	0.0%
		18		18	
	% of members that recognize 2 danger signs for STIs for her & her partner ( 2 responses between: genital lesions/genital warts/excretions with a foul odor - women or pus excretions - men)	2	11.1%	6	33.3%
		18		18	
	% of women that know the 3 methods of HIV/AIDS prevention (abstinence/condom use/do not use used needles/ or razors/avoid getting transfusions from unauthorized locations)	0	0.0%	0	0.0%
		18		18	
	% of members who indicated having the ability to pay medical bills when necessary for their family	8	44.4%	12	66.7%
		18		18	

WOMEN NOT OF REPRODUCTIVE AGE (>49)		BASE		1 YEAR	
		Num/Denominator	NO MEF	Num/Denominator	NO MEF
Menopause	% of members > 49 that know at least <b>3</b> of the physical and psychological changes that can occur during menopause (end of menstruation/hot flashes/weak bones/ depression/anxiety)	0	0.0%	0	0.0%
		3		3	
	% of members > 49 that mentioned <b>3</b> ways to decrease the physical changes that occur during menopause (healthy eating/health control/ exercise/distraction)	1	33.3%	1	33.3%
		3		3	
	% of members >49 with good health that had not been sick in the 12 months prior to the survey	0	0.0%	0	0.0%
		3		3	

## Annex 3

### Participant Testimonials

Member: **Luz Rebeca Ari Melgarejo**

VHB: Friends Forever

Cycle II

In the district of Independencia in the zone of Ermitaño the VHB “Friends Forever” was formed. When I first heard of the VHB program I have to admit that I was not very interested but after participating in an organizational meeting I decided help organize and form a VHB. During the last organizational meeting we chose a board of directors and I was elected to be the president. I was surprised at the trust the other members had in me even though I did not know all of them and despite my doubts and concerns I accepted the position.

With the first loan that I received I could improve the wardrobe of the Mariachis (traditional Mexican ensemble) “CASCABEL”, understanding that a lot of our success depends on our image and that it was necessary to replace some of the hats and dresses worn by the musical team.

My participation in the Village Health Bank program has allowed me to better plan and balance my daily activities. For example, I am now convinced that there is always enough time to dedicate part of it to my family, my business and the VHB program as well. I just needed to learn how to better manage my time.

After participating in the health sessions I realized that the most important thing is my health and that of my family. The health sessions also allowed me to relax, interact with the other members and most of all learn more about general health issues for women. My homework for the last session was to ask my husband if he had ever heard of the PAP exam, he told me he had never heard of it. In response I asked him; how is it possible that after living together for so many years that you do not know about this exam and its importance for disease prevention in women? Along with the importance of a yearly PAP exam the educational sessions have taught me many other valuable things that I share with my friends, neighbors and family. In fact, after sharing what I have learned through the sessions with my friends many of them decided to participate in the program and some are even on their second loan cycle.

Currently, I am still directing the Mariachis and I have also started selling kabobs at a street stand and business is going well. Even though my time is limited, I have learned that with a little planning I can be a successful mother, wife, businesswoman and President of my Village Health Bank.

Member: **Consuelo Cueva Guerrero**  
VHB LAS MARGARITAS  
Cycle II  
Date of Membership 12/07/04



I joined the VHB program after speaking with Mrs. Amparo at a local market. I liked the program and was in agreement with loan but at first I did not like the educational sessions. However after participating in a couple of the sessions I realized how important they were. About 11 years ago I was diagnosed with uterine cancer. The treatment process was very painful and my family and I suffered a lot during that time. I am now in remission but my experience

with cancer helped me to see the value of the educational sessions because I learn something new at every session that enables me to better care for my health and that of my family.

The credit has really helped me as well. Before, I used to just sell vegetables for salads, but now my business is growing since I sell vegetables that are already cut and diced and ready to use in casseroles, soups, and sauces. My clients thank me for saving them work and time in the kitchen that they can now spend with their children and other activities

I am very thankful for Project HOPE and I hope that many women can have the opportunity to benefit from this program. Before entering the program I earned S/. 10.00 daily, with my first loan (S/. 500.00) I earned between 20-25 soles a day and now with my second loan (S/. 1000.00) I earn 35-40 soles everyday. Furthermore, I now have the ability to care for my health and that of my family.

Member: **Luisa Villavicencio**  
VHB: Women of Faith & May 19th  
Cycle I  
Date of Membership 05/08/05

PICTURE FOR PERU on annual report

Throughout my life I have never had to work outside of the home, my husband wanted me to stay home and take care of our home and children. My husband earned good money working in international transportation throughout different countries in South America for the Exportadora Company. However on February 3, 2005 my husband passed away in Piure from a brain hemorrhage. I have 6 children, three of which are already married and independent but I still need to care for the other three who are 14, 12 and 10 years old. In that moment I awakened to face the sad reality of a life alone with my children, with no food or even a cent in my pocket. Desperate, I did not know what to do or how to begin fixing my economic situation being an older woman no one wanted to give me work.



On February 10<sup>th</sup> Mrs. Amparo was in the Huandoy market handing out information on the Village Health Bank program. She told me to gather a group of interested women in my neighborhood and she would come and provide us with more information about Project HOPE and the program. I have just finished my first cycle in the program and the support from the loan helped me to buy material to sew macramé bags and to create different decorations for classrooms.

Before, my husband gave me S/1,200 a month for household needs, but without his support I have had to adjust my budget. Project HOPE gave me a loan of S/500 which I invested in materials for my new business. At first it was hard because I did not have any customers but now business has picked up and I am earning an average monthly salary of S/ 1,000.

I also believe that if I had heard the information given at the health education sessions before maybe my husband would not have passed away. He had been suffering from headaches and high blood pressure for a while but we never said lets go to the doctor for a check-up. I now understand the importance of preventative care for my family and myself. I am very thankful for Project HOPE!

Member: **Urbana Teodora López Sullcarayme**

VHB MICAELA BASTIDAS

Cycle II

Date of Membership 11/30/04

I heard about Project HOPE through a friend that has a small business. She told me that there was an institution that gave loans with low interest rates and few requirements. At that time I didn't have my own place to live and was staying with my in-laws, so I hoped this loan would help the small business I have selling jewelry and other small gifts on the street. I needed the loan for the Christmas season; with the loan I was able to stock my business and all the gifts that I bought I was able to sell and make a profit. Then I obtained a second loan, which I was able to use for Mother's day gifts to sell through my business.

Shortly after that I suffered a hemorrhage and went to the hospital, and the doctor there told me I had a fibroid on my uterus. When I heard that I became very distressed and started to cry thinking about my children and who would take care of them, as I had been both the father and mother to them. I thought I was going to die because I did not have enough money to pay for the treatment as I had spent all of my money on the diagnostic exams. When I told the VHB supervisors what had happened they assured me that there was no need for me to be afraid and that I could always rely on the support of my friends from the VHB program.

I will always be thankful for this because I was able to believe in life again and now I am being treated. I was also part of a fund-raising activity with the support of my partners, whom I considered to be my family, as I do not have a real family here in this huge city.