



OPPORTUNITIES *for the* MAJORITY

## Backing Community-Driven and Community-Led Investment in Ecuador

### From Disaster to Hope

In 1993, a landslide and widespread flooding devastated the region around the city of Paute in southern Ecuador, taking lives and destroying property in its path. Out of a belief that the community itself was best able to determine what was needed to help it not only rebuild but grow and prosper, the Jardin Azuayo Cooperative was founded in 1996 as a savings and loans co-op dedicated to meeting the needs of this underserved region.

Today, the cooperative's microloans support a wide variety of projects, such as educational programs, development of small businesses, and infrastructure improvements. The co-op boasts US\$175 million in assets and some 180,000 co-op members. Now, with a \$US9 million loan package from the Inter-American Development Bank's Opportunities for the Majority (OMJ) initiative and three impact investment co-lenders, Jardin Azuayo will be able to increase its activities.

### A Network Creates Local Solutions

The Jardin Azuayo Cooperative, based in a largely rural area of remote villages in southern Ecuador, has created a decentralized management structure with 30 branches. This system enables the cooperative to serve each individual community better by offering members products and services that are tailored to meet its specific needs. This bottom-up branch system creates local jobs by hiring villagers to administer its programs, gives people the chance to serve as leaders within their own communities, and helps ensure that programs and projects financed by the co-op are implemented effectively and appropriately. At the same time, leaders from

each branch have the opportunity to learn from one another's experience, and to enhance their impact by banding together under the Jardin Azuayo name.

One highly successful example of a Jardin Azuayo project is the Mercado de Centavo ("One Cent Market") in the town of Paute, which is managed, supplied, and staffed entirely by local women. In this area of Ecuador, many men migrate to larger cities or abroad to look for work, leaving wives and other female relatives at home. With support from Jardin Azuayo, the women of Paute established a central market where they could sell produce, meats, crafts, and other goods. They are developing their entrepreneurial skills at the same time that they are earning money to support their households.

### Investment with a Social Impact

A \$3 million loan from the OMJ initiative, along with \$6 million mobilized from impact investors Incofin, Calvert Foundation, and Oikocredit, will finance Jardin Azuayo's new Credits for Community Development project. In turn, the project will channel funds to municipalities, community organizations, and other local entities to finance improvements in social infrastructure such as renovating public schools; establishing marketplaces, parks, and other public spaces; building roads; and installing water treatment systems. This loan will help fund as many as 250 such projects.

Jardin Azuayo has a slogan: "To save is to invest in hope." Its members are given the tools to capitalize on hopeful investments, including savings accounts, automatic teller machines (ATMs) that service remote localities, the option to use mobile phones or computers to transfer money and process bill payments, and perhaps most importantly, credit accounts to finance their own dream projects, be they business ventures or new homes. For its part, Jardin Azuayo lives up to its motto by reinvesting profits in new projects, multiplying its impact by keeping money within its communities.



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