EXPANDING OPPORTUNITY 
FOR PEOPLE LIVING IN POVERTY
Dear Friends,

This year Global Partnerships (GP) embarked on its third decade of expanding opportunity for people living in poverty and its second decade as a nonprofit impact investor supporting market-based solutions to poverty. It also marked the first year of GP’s aspiration-based strategic plan. Our goals are simple — to triple the breadth of opportunity we invest in, quadruple our volume of impact investments and, most importantly, multiply our social impact more than tenfold, ultimately impacting 30 million lives through our partners.

I am pleased to report that we’re off to a good start with strong results and solid growth. And we have philanthropically-funded research and innovation in the works to do even more in coming years.

This year, GP invested $35.7 million in social enterprises that bring the opportunity to earn a living, improve basic health and access solar energy to people living throughout Latin America and the Caribbean. This brings our impact investments since inception to $168.4 million. Most importantly, these investments have positively impacted more than 600,000 lives in this year alone, increasing our cumulative impact to 3.3 million lives.

All of GP’s Social Investment Funds performed exceptionally well. Highlights this year included our first investment in Paraguay and growth in our rural livelihoods and green technology portfolios. We made several investments in different types of social businesses beyond microfinance institutions and cooperatives, with the promise of scaling access to solar light to millions of people and to bring economic opportunity to tens of thousands of smallholder farmers. We laid the groundwork for our largest fund ever — Social Investment Fund 6.0, a $50 to $75 million fund — which had its first close in October 2015. This Fund will continue our work throughout Latin America and the Caribbean, and will also include our first impact investments in sub-Saharan Africa, where we have opened a new office in Nairobi, Kenya. Our Social Investment Team has begun work on the continent with the most prevalent and persistent poverty in the world.

Beyond GP’s Social Investment Funds and geographic expansion, our philanthropically-funded research is exploring how new types of products and services can make a difference in the lives of people living in poverty. We are currently exploring the potential of opportunities in education, efficient cookstoves and urban sanitation. We are assessing new channels for delivering services, most notably in rural livelihoods where agricultural value chains are experiencing innovation that may benefit millions of smallholder farmers. And we are exploring new types of impact-led capital to address market failures where early-stage social enterprises that have high potential for impact at scale cannot attract the seed-stage funding they need to kick start their efforts.

As we look ahead, much remains to be accomplished. Together with our partners, investors and donors we will continue investing in ways that bring opportunity to millions of people living in poverty. We appreciate your support, the trust you put in our staff and partners around the world and the passion you share for our mission.

With gratitude,

Rick Beckett
President & CEO, Global Partnerships
With financing and education from Friendship Bridge, Doña Mari has been able to start her own pharmacy business and use the earnings to send her children to school. She is pictured with her youngest child, Deborah, who at just six years old already knows she wants to become a doctor when she grows up.

“I would like to thank Global Partnerships for being such a key partner in our work. They have trusted us from the beginning. They were the first to give us funding. And in addition to the funding, everybody has been so nice to us. Everybody has opened their doors, they have shared knowledge and they have shared information. It’s a great team and it’s a pleasure to be working with Global Partnerships in the empowering of Guatemalan women.”

– Astrid Cardona, Country Director, Friendship Bridge
WHO WE ARE

Founded in 1994, Global Partnerships (GP) is a nonprofit impact investor whose mission is to expand opportunity for people living in poverty. Our mission guides our work; it informs the initiatives we support, the partners in whom we invest, and the ways in which we make our investments.

We invest in social enterprises that deliver opportunity in the form of high-impact products and services to poor families and communities in Latin America, the Caribbean and Africa. Our partners deliver access to financial services, healthcare, education, training, solar lights and connections to markets. This access empowers people living in poverty to create better lives for themselves and for future generations.

WHAT WE BELIEVE

- Everyone deserves the opportunity to earn a living, care for their families and improve their lives;
- High-impact products and services can be delivered to people living in poverty in a market-based way;
- Taking a financially sustainable approach will enable us to reach millions of people living in poverty; and
- We can achieve the most impact by investing in and partnering with in-country social enterprises that understand local needs and market context.

OUR APPROACH

As a nonprofit impact investor, we invest with the intention of delivering social impact alongside financial returns. Philanthropic support from our donors catalyzes our impact by funding GP’s research, exploration and identification of promising approaches to poverty alleviation. Once solutions are proven sustainable, we deploy social investment capital to scale delivery to millions of people living in poverty.

Our investments are currently focused on four impact areas: microentrepreneurship, health services, rural livelihoods and green technologies.

OUR IMPACT

In fiscal year 2015, we made 66 impact investments totaling $35.7 million in social enterprise partners who delivered opportunities to over 600,000 people. Since our beginning over 20 years ago, we have impacted 3.3 million lives through our investments in 83 partners in 13 countries in Latin America and the Caribbean. Through our impact-led social investment funds and generous donor support, we will continue to invest in partners that deliver meaningful opportunities to families living in poverty.
Where We Work

Number of Partners

- Bolivia: 6
- Colombia: 1
- Ecuador: 5
- El Salvador: 2
- Guatemala: 6
- Haiti: 1
- Honduras: 3
- Mexico: 5
- Nicaragua: 7
- Paraguay: 2
- Peru: 10

Latin America: 2

Two regional partners are located in multiple countries throughout Latin America.
3.3 million lives impacted
13 countries reached
83 partners
367 impact investments made

*All numbers on this page are cumulative from inception until June 30, 2015.
FINANCIAL SUMMARY

Global Partnerships (GP) is a nonprofit impact investor whose mission is to expand opportunity for people living in poverty. We pioneer and invest in sustainable solutions that help impoverished people earn a living and improve their lives. To view the complete audit report please visit www.globalpartnerships.org or contact us at info@globalpartnerships.org.

BALANCE SHEET SUMMARY AS OF JUNE 30, 2015

- Current assets: $42,693,000
- Long-term assets: $28,641,000
- Total assets: $71,334,000
- Current liabilities: ($24,786,000)
- Long-term liabilities: ($36,707,000)
- Total liabilities: ($61,493,000)
- Net assets and equity: $9,841,000

REVENUES

- Impact investment interest income: $4,452,000
- Individual contributions: $2,708,000
- Gifts in kind: $559,000
- Institutional contributions: $314,000
- Earned and other income: $277,000
- Total revenues: $8,310,000

EXPENSES

- Programs: $5,256,000
- Fundraising: $991,000
- Management & General: $214,000
- Total expenses: $6,461,000

2014-2015 CASH OUTFLOWS

In Fiscal Year 2015, nearly ninety-seven percent of GP’s total cash outflows went to support and expand Global Partnerships’ impact investments.

- Impact Investments & Operations: $33,289,000
- Fundraising: $991,000
- Management & General: $214,000
- Total cash outflows: $34,494,000

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THE CHALLENGE
Access to formal financial services is critical to reducing extreme poverty. Over the past few decades, microfinance has played a significant role in creating that access for millions. Today, there are over 200 million microfinance clients worldwide. Yet, access to financial services only partially addresses the challenge of poverty alleviation. Many microfinance clients lack basic financial literacy and money management skills. This impedes their ability to build savings and assets, grow their businesses, and invest in their families’ future.

THE OPPORTUNITY
Global Partnerships (GP) invests working capital in microfinance institutions (MFIs) that supplement financial services with education on basic financial literacy, the importance of saving, and business skills and management. As a large portion of microfinance clients are women, education modules often include topics such as women’s empowerment and health. Most of GP’s MFI partners use group lending methodologies to reach people living in poverty. Group loans help keep interest rates accessible. These MFIs send credit officers to attend group loan meetings in different communities in order to deliver education as well as collect loan repayments and savings deposits, and disburse loans. This is a powerful way of using a successful distribution model to deliver valuable knowledge to women and the rural poor, two highly vulnerable populations.

OUR IMPACT
As a result of receiving education combined with credit, clients make more informed decisions about household spending and accrue assets (e.g. savings and tools to run their businesses). Families become more resilient against economic shocks that could delay their progress out of poverty. Additionally, women build their self-esteem and become empowered to make financial and non-financial decisions at home.

GP HAS INVESTED
$83.0MM
43 Microentrepreneurship Partners*
Opportunities for 1.9 million microentrepreneurs

* Some of our microentrepreneurship partners are also categorized as health partners because they have activity in both impact areas. However, the number of opportunities delivered (also known as “lives impacted”) remains a unique number.
**Pasquala Vilca** is a client of ADRA, a microfinance institution and partner of Global Partnerships (GP) in Peru. The majority of ADRA’s clients are women that are served through village banks. Pasquala is a member of the “Ebenezer I” village bank, through which she receives financing as well as education on basic financial literacy.

Pasquala’s first loan of 7,000 soles (approximately 2,200 USD) enabled her to start her shoemaking business. She used her loan to purchase fabric, materials and sewing machines. “Working with ADRA is not the same as with a commercial bank; there is no personal connection with a commercial bank,” she says. Commercial banks also require collateral for loans, which people like Pasquala lack.

Together with her husband Elias, Pasquala designs, sews and sells beautiful leather shoes. Their success has led them to hire family members and others to help run their business.

Aside from the much-needed working capital she has received, Pasquala has also learned the importance of saving. Through ADRA’s mandatory savings program, Pasquala and her family have built up a reserve that will help them withstand financial emergencies, as well as eventually achieve their dream of owning their own home.

By investing in social enterprises like ADRA, GP helps enable women like Pasquala to build better futures for themselves and their families.
THE CHALLENGE
Limited or nonexistent access to healthcare is one of the largest obstacles facing families working to lift themselves out of poverty. It is estimated that 1.3 billion people lack access to quality, affordable health services. Families often have to sacrifice a day’s wages to travel to a hospital or clinic. Once there, they usually pay high prices for treatment and medications. Since this is time-consuming and expensive, families often forgo check-ups until their condition becomes serious or life-threatening—worsening the financial burden of ill health. Families also lack the information needed to make informed health decisions, leading to poor health habits and increased occurrence of preventable illnesses.

THE OPPORTUNITY
Global Partnerships (GP) invests working capital in social enterprises, enabling them to deliver health education and affordable screenings and treatment to families living in poverty. These social enterprises include microfinance institutions that use group lending. Preventive health education is delivered during regularly occurring repayment meetings. These meetings also provide an opportunity for MFIs to promote the importance of obtaining health screenings, primary care and health insurance. GP’s partners often work with third parties to provide health services at discounted rates, and build the cost for service into the clients’ loan repayments, thus making it more affordable to obtain.

OUR IMPACT
GP’s investments promote better health, which enables families to improve their lives by remaining productive at work, school and home. At group repayment meetings, women learn about health conditions prevalent in their communities, including diabetes, hypertension and cervical cancer. They also learn how to make more-informed health decisions, and avoid or mitigate preventable and treatable diseases through healthy diets, exercise and regular screenings. Women and their families also save time and money with convenient access to timely, affordable healthcare.

GP HAS INVESTED

$30.5MM ➔ 17 Health partners ➔ Opportunities for 961K people

* Some of our health partners are also categorized as microentrepreneurship partners because they have activity in both impact areas. However, the number of opportunities delivered (also known as “lives impacted”) remains a unique number.
Global Partnerships invests in Friendship Bridge, a microfinance institution that distributes loans and education to women through a group lending structure called “trust banks.” Ana Victoria Dubon is a Friendship Bridge client and the president of the Poor Ladies Number Three Trust Bank in Panajachel, Guatemala. Through Friendship Bridge, she has received loans to grow her business by expanding the selection of food she sells at her market stall. Her increased income helps provide for her family. It also helps her get closer to achieving her dream of returning to school to study and become a registered nurse.

But Ana doesn’t just receive loans. “At Friendship Bridge…they also teach us about health, education and domestic abuse,” says Ana. A cross-trained credit officer provides education to the members of Poor Ladies Number Three during routine loan disbursement and repayment meetings. The women have learned about many topics, including family planning, sexually-transmitted diseases and cervical cancer.

Family planning has been a valuable lesson for Ana, who got married when she was just 15 years old. “I can say I am an example of not having many kids because life is very expensive. You have to work a lot [to provide for kids]. I have a son Abner who is 15 and a daughter who is three months old, and I can see how well I live with just two kids.”

Another valuable lesson that Ana has learned has been about domestic violence. “One of my uncles abuses his kids and his wife. [My aunt] has said, ‘Ana, come help me.’ I have told [my uncle] that at Friendship Bridge they have given us good advice about domestic abuse. I know how to tell him that women have value. [My husband] doesn’t mistreat me. He treats me very well. And I say to him, ‘Take my husband as an example.’

Treat your wife well.” With Friendship Bridge’s support, Ana and many others like her become knowledgeable and empowered business owners and leaders within their family and community.

Seeing a need for not only health education, but also health services, Friendship Bridge launched a mobile clinic in the summer of 2015. The mobile clinic provides health services including blood pressure checks, screenings for diabetes and sexually transmitted diseases, breast exams, cervical cancer screening, pregnancy tests and family planning. The services will be implemented in partnership with Maya Health Alliance, a local nonprofit organization. The mobile health clinic will be financially sustainable by including cost for service in clients’ loan fees. GP continues to invest in and support partners like Friendship Bridge who utilize sustainable and multifaceted approaches to helping women succeed.
THE CHALLENGE
There are about 500 million smallholder farmers in the developing world. They rely on their farms to earn a living but often lack the necessary financial resources, knowledge and inputs (such as seeds) to produce their crops. Furthermore, smallholder farmers’ harvests are often poor quality and low yield. They also need connections to global and specialty markets, where their crops can be sold at higher and more stable prices. Under these conditions, smallholder farmers often earn unpredictable incomes, making it difficult to provide for their families, build savings, or improve their farms.

THE OPPORTUNITY
Realizing that smallholder farmers have three crucial needs to earn a better living — access to finance and inputs, technical assistance (agricultural training and consultations), and connections to markets — Global Partnerships (GP) seeks out and invests working capital in social enterprises that can meet those needs. These enterprises include cooperatives, microfinance institutions, crop processors and exporters. GP also invests in enterprises that perform a combination of services that are needed throughout the crop production cycle.

OUR IMPACT
Through our investments in partners, we have helped meet smallholder farmers’ needs at each step of the crop production cycle — from planting to selling. As a result, smallholder farmers improve their harvest yields and quality, diversify their crops and secure higher prices for their harvests. They also earn a better and more stable income and become more knowledgeable about sustainable ways of maintaining and improving their land.

GP HAS INVESTED
$52.4MM → 24 Rural livelihoods partners → Opportunities for 331K farmers

Global Partnerships Knowledge Sharing Financing Partners

Smallholder farmers Transport, process & store harvest Sell to markets

As a result
Smallholder farmers Diversify crops & improve yields Obtain higher prices & improve income Become more knowledgeable
Leonardo Garcia lives in Aguas Marias 2, a community nestled in the lush northern highlands of Nicaragua. He lives there with his wife Esperanza and their nine children.

Before Leonardo became a smallholder coffee farmer he worked on another producer’s land; that producer gifted 5.4 manzanas (about 11 acres) of land to Leonardo as a token of gratitude for his hard work. But the land was covered in rocks and weeds. With support from Fondo de Desarrollo Local (FDL), a microfinance institution and GP partner, Leonardo has since turned his land into a fertile and thriving farm. This began in 1980, when Leonardo took his first loan of 12,000 cordobas (about 440 USD) from FDL to purchase inputs (seeds, fertilizer and other materials) to plant coffee.

Throughout the years, Leonardo has remained an FDL client because they provide credit tailored to farmers’ needs as well as crop technical assistance. Recently, Leonardo obtained a 30,000 cordoba loan (1,000 USD) to build a wet mill. Leonardo uses his wet mill to de-pulp coffee cherries before drying and selling them to CISA, one of the largest coffee exporters in Nicaragua. His unprocessed coffee cherries used to sell for about 500 cordobas (19 USD) per quintal (100 kilograms). He now earns 1,800 cordobas (67 USD) per quintal. The loan for Leonardo’s wet mill is considered a farm improvement loan and carries a one to two year repayment term. Since there is only one annual coffee harvest in Nicaragua, farmers need loan repayment terms that are timed to the harvest cycle.

In addition to loans, farmers like Leonardo also receive crop technical assistance. Through a partnership with NITLAPAN, a local research institute, FDL sends agronomists to visit farmers about three times a year. The agronomists advise farmers on issues such as crop diseases like Ojo de Gallo or Rooster’s Eye, a white fungus that destroys coffee leaves and cherries. Farmers learn to prevent and manage the disease by keeping humidity levels from getting too high by clipping leaves that project too much shade and obstruct airflow.

In the near future, FDL aims to develop a commercialization product that would provide farmers with access to markets that pay higher prices for coffee. GP seeks out partners like FDL that prioritize impact for households like Leonardo’s. With improved and stabilized income, Leonardo and other farmers like him can better provide for their families and continue making progress out of poverty.
THE CHALLENGE
Almost 1.3 billion people worldwide live without access to electricity. Most rely on unsafe and expensive lighting alternatives. One common solution is a lantern fashioned out of a tin can and filled with kerosene. These kerosene lanterns emit dim light and acrid smoke, which can lead to upper respiratory ailments in young children. After sunset, off-grid families are often unable to run their businesses. Without adequate lighting, they also struggle to complete daily chores, study and spend quality time together.

THE OPPORTUNITY
Global Partnerships (GP) invests working capital in social enterprises who ensure that high-quality solar products reach families living in off-grid communities. These enterprises tackle the logistical, financing and ongoing maintenance challenges associated with last-mile distribution. GP’s partners include solar light manufacturers, distributors and resellers. GP’s working capital helps local distributors import high-quality solar lights from manufacturers. GP’s investments also enable local resellers to offer solar products at affordable prices to families living in areas without electricity.

OUR IMPACT
With solar lights, families can extend their workday and earn more income. They save money on kerosene costs. Some solar light models also charge cellphones, which means families can save money on cellphone charging costs, too. Children can study, increasing their chances of obtaining a good education and becoming professionals. Homes are no longer filled with toxic smoke. All of these improvements help propel families toward brighter futures.

GP HAS INVESTED
$2.4MM
7 Green Technology Partners
Opportunities for 97K people
Maritza Jarquin and her husband Diego live in El Aguacate, a remote village perched on top of a mountain in Boaco, Nicaragua. It is an area with no running water, sewage system or electricity. Without access to these basic needs, daily life poses many challenges.

Maritza and her 13 children, 27 grandchildren and four great-grandchildren used to rely on candiles for lighting. Candiles are modified tin cans filled with kerosene. They emit dim light and toxic fumes and are easily blown out by the wind. Everyday necessities, such as cooking dinner, studying or working after dark, and even using the open-air toilet at night, were very difficult. Furthermore, candiles are also expensive to use since kerosene costs quickly add up. Because it was difficult to be productive or active at night using candiles, Maritza and her family used to go to bed around 6:00 or 7:00 p.m. — right after sunset.

Life for Maritza and her family changed when she purchased solar lights through Global Partnerships’ partner MiCrédito. She took a loan from MiCrédito to purchase three Sun King Pro solar lights (manufactured by another GP partner, Greenlight Planet). The solar lights provide bright, smoke-free light, enabling Maritza’s daughter to sew at night, which brings in vital additional income for the family. The lights also allow the children to study. “This is how they get ahead. With the opportunity that the solar lamp has given us…they don’t get behind in their studies,” says Maritza.

Fully charged, the solar lights provide between six and 30 hours of light, depending on which of three brightness settings is used. The lights can also charge cellphones, enabling Maritza and her family to save money on cellphone charging costs too. In addition to having the choice to be productive at night, Maritza and her family can now also stay up late to talk with one another.

Spending quality time together after the work day is done is important for this tight-knit family.

By investing in social enterprises like MiCrédito, Global Partnerships expands opportunity for millions of people who deserve the opportunity to succeed.

Maritza’s daughter uses the Sun King Pro solar light to sew at night. She makes all kinds of designs—from tablecloths to clothes—whatever her customers ask for. Her sewing has brought in vital additional income for the family. She is pictured with her son.

Maritza’s grandchildren are able to study at night with illumination from her solar lights.
WHAT WE DO
As a nonprofit impact investor, Global Partnerships makes investments with the intention to create measurable social impact. Our rigorous focus on research and impact helps us direct our capital towards solutions that make a difference and account for how our capital is creating social impact. Philanthropic support from our generous donors enables us to perform this work.

• Our research allows us to develop recommendations on current and future investment initiatives that use a market-based approach to achieve our mission; and
• Our impact work helps us assess GP's quantitative and qualitative social impact, as well as use the lessons learned to refine and guide investment decisions.

WHY IT MATTERS
Our work in research and impact is an ongoing and iterative process that is critical to our mission of expanding opportunity for people living in poverty.

HOW WE DO IT
Research Methodology
Currently GP invests in microentrepreneurship, health, rural livelihoods and green technology. We are also evaluating new opportunities in education, efficient cookstoves and urban sanitation. GP goes through a three-step research process to evaluate new initiatives:

• What's the opportunity? We work to understand how many households are affected by a particular challenge, as well as how well an intervention would address the challenge. We also evaluate whether there are market-based approaches to addressing the challenge. For instance, how many families living in urban areas are negatively impacted by not having access to sanitation? Are there business models that can be used to provide them with access to sanitation?

• Will it create impact? We look at existing evidence of how interventions can make a difference. We also take a look at what interventions can create the most impact, and if capital has a role to play in making that difference. For example, does the evidence show that families improve their health when they have access to sanitation? How can that access be created (e.g. build public toilets). How can investment capital help create that access?

• Is it ready for investment? We investigate whether there are social enterprises that are actively delivering products and services in a way that can be sustainable and scaled. This assessment requires us to not only look at individual organizations but also at supply and demand trends in the marketplace and inefficiencies in supply chains that would impact their potential to scale. We also do a market-scope to see if there are investable social enterprises that require the type of capital that GP provides.
Impact Methodology
To understand and maximize our impact, Global Partnerships goes beyond simply counting the number of people served. We also evaluate what approaches work, why, for whom and under what circumstances. GP then uses that knowledge to inform our investments.

GP’S PROCESS TO EVALUATE IMPACT

| 1. Define Impact: Before we can measure, we must define the impact we intend to deliver for households living in poverty and assess how we can go about deliver that impact. To do so we rely on: |
| • existing evidence; |
| • insights from practitioners (other impact investors, social enterprises and NGOs); and |
| • learning from our own portfolio of partners. |

| EXAMPLE: GREEN TECHNOLOGY |
| Research shows that access to solar lights and small solar home systems enables off-grid households to reduce costs, increase productivity, and improve well-being by decreasing their reliance on expensive, inefficient and harmful forms of fuel such as kerosene. |
| By investing in social enterprises that deliver access to solar lights and small solar home systems, GP looks to improve the health and household finances of families living in poverty. |

| 2. Measure Impact: We select output metrics to help track our progress. When possible, we align these metrics with industry standards. Since output metrics measure breadth of impact, we continue to rely on emerging research, practitioner insights and targeted case studies to better understand the depth and quality of the impacts delivered by our partners. |

| One output metric is the number of solar lights sold. When combined with data on average household size, we can infer how many people are being impacted. |

| 3. Refine Investment Strategy: We use the data, evidence and insights that emerge from our impact measurement work to continually refine our investment strategy and deploy capital to the most promising solutions. |

| In talking with our early green technology partners and the families they serve, we learned that solar lights were indeed helping households save money, improve health and be more productive at night. We also learned that there was a shortage of high-quality and affordable solar lights in Latin America. We pivoted our investment strategy to drive more capital into solar light manufacturers and distributors to address this need. |
Philanthropic funding is essential to achieving Global Partnerships’ mission. These gifts allow us to identify, analyze and activate innovative market-based solutions that provide people living in poverty with life-changing essential goods and services. We give heartfelt thanks to the generous individual donors, foundations and corporations whose support makes our work possible.