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**PARTNERSHIPS**

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## Global Partnerships ANNUAL IMPACT UPDATE

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**IA 50**  
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MANAGER

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## Improving Economic Position and Quality of Life

Roughly 1.2 billion people worldwide have no access to electricity and spend an estimated \$27 billion annually on dangerous alternatives such as kerosene lamps, candles and car batteries.

Global Partnerships (GP) invests in manufacturers and distributors that provide households living beyond the grid with access to solar lights and small solar home systems.



### Who is Served?

The target demographic is beyond the grid populations, many of whom are also living on less than \$3.10/day.

### What is Delivered?

- Solar lights
- Solar lights with mobile charging
- Small solar home systems

### Why is it Impactful?

Household economics and quality of life improve as clients see:

- Reductions in fuel and phone charging costs
- Increased productivity
- Decreased smoke from kerosene
- Increased study time for their children

### How is it Sustained?

The client pays for the product upfront or through a pay-as-you-go model. Once paid off, the solar light products create savings compared to ongoing spending on kerosene or candles.

### By the Numbers

#### SINCE INCEPTION

**\$3,445,133** Capital Deployed

7 Partners

**2,093,077** Units Sold

#### 2015 CALENDAR YEAR

**\$500,000** Capital Deployed

7 Partners

**1,305,426** Units Sold

### Key Insights

- The beyond-the-grid solar market has seen spectacular growth, however the need remains high, particularly in Sub-Saharan Africa where 600M people live beyond the grid and that figure is rising.
- Market forces including population growth, rising fuel costs, the decreasing cost of solar manufacturing and the prominence of the mobile phone will continue to drive growth in the solar market.
- Pay-as-you-go models are showing promise, with reliable revenue streams and the ability to penetrate poorer client segments. Furthermore these models will require the type of working capital loans that GP provides.



# Women-Centered Finance with Education

## Building Economic Resilience

An estimated 2 billion adults lack access to formal financial services and the unbanked are disproportionately female, with 42 percent of women worldwide living without access to a bank account.

Global Partnerships aims to empower women living in poverty by investing in microfinance institutions (MFIs) that deliver credit and savings plus education.



### Who is Served?

The target demographic is female microentrepreneurs living on less than \$3.10/day.

### What is Delivered?

- Small-to-medium size working capital loans, often delivered through the village bank
- Access to savings
- Education covering topics such as basic financial literacy, health, nutrition, business, and money management

### Why is it Impactful?

Household resilience improves because women are agents of change. With access to financial services and education they are able to:

- Make more informed decisions
- Smooth household income and consumption
- Build assets
- Better deal with health and economic shocks

### How is it Sustained?

The interest rate charged for the loan is used to cover the marginal cost of education delivery.

### By the Numbers

#### SINCE INCEPTION

**\$79,095,479** Capital Deployed  
**45** Partners  
**1,790,643** Lives Impacted

#### 2015 CALENDAR YEAR

**\$7,681,139** Capital Deployed  
**17** Partners  
**825,053** Clients  
**61%** Rural Clients  
**88%** Female Clients  
**640,865** Borrowers  
**\$669** Average Loan Size  
**380,503** Savers  
**499,685** Individuals Trained

### Key Insights

- The group lending platform continues to play an important role in reaching women who have been traditionally excluded from financial services.
- Regularly-occurring village bank meetings lend themselves to the frequency, repetition, and participation needed to promote adult learning. Furthermore, trusted relationships between bank members and with cross-trained loan officers can be leveraged for the delivery of gender-sensitive information.
- Maturity of the microfinance market in Latin America and the increase in mobile banking in Africa are putting pressure on group lending plus education models, forcing MFIs to innovate.



# Women-Centered Finance with Health

## Improving Health and Economic Position

An estimated 1.3 billion people worldwide have no access to effective and affordable health services. This lack of access and burden of disease continue to be shouldered disproportionately by women.

Global Partnerships (GP) aims to improve the health of women living in poverty by investing in microfinance institutions (MFIs) that deliver credit and savings plus access to basic health services.



### Who is Served?

The target demographic is female microentrepreneurs living on less than \$3.10/day.

### What is Delivered?

- Small-to-medium size working capital loans delivered through the village bank
- Access to savings
- Preventive health education and/or screening
- Access to primary care for the client and her family

### Why is it Impactful?

Household health and economic position improves because women are agents of change. With access to financial and health services they are able to:

- Practice prevention
- Make more informed decisions
- Seek timely treatment
- Better deal with the costs associated with a health event

### How is it Sustained?

Discounted health services may be delivered directly by the financial institution or through a third party or insurance model, with costs covered via pre-paid subscription packages or fee for service.

### By the Numbers

#### SINCE INCEPTION

**\$34,368,693** Capital Deployed  
**18** Partners  
**1,313,020** Lives Impacted

#### 2015 CALENDAR YEAR

**\$5,228,244** Capital Deployed  
**11** Partners  
**513,791** Clients  
**45%** Rural Clients  
**82%** Female Clients  
**466,672** Borrowers  
**\$930** Average Loan Size  
**203,174** Savers  
**296,806** Individuals Trained  
**299,234** Instances of Medical Attention

### Key Insights

- MFIs in GP's Latin America portfolio see the provision of health services as a key competitive advantage. That being said, they have been forced to revise their service offerings and delivery mechanisms in order to comply with increasingly complex regulatory frameworks.
- Under these conditions GP has witnessed partners create separate, but affiliated legal entities and/or focus on preventive health education and the promotion of services offered at a discounted rate through third party providers.
- While preventive education and the promotion of health services can be delivered in a cost efficient way through cross trained loan officers, mechanisms must be put in place in order to ensure the quality and accuracy of the information provided. Furthermore MFI's active in the health space must take extra precautions to protect client privacy.



# Rural-Centered Finance with Education

## Improving Economic Position and Wellbeing

An estimated 2 billion adults lack access to formal financial services and 58 percent of the world's rural population does not have access to any sort of financial services account.

Global Partnerships (GP) invests in financial institutions that deliver tailored credit and education to underserved, rural households, which remain largely reliant on agriculture and livestock activities.



### Who is Served?

The target demographic is rural households that live on less than \$3.10/ day and rely on farming as one of many economic activities to survive.

### What is Delivered?

- Working capital loans tailored to the productive activity
- Education customized to the clients specific needs and sources of livelihood but typically covering topics such as basic financial literacy, book keeping, livestock management and household nutrition

### Why is it Impactful?

Rural household economic well-being, resilience and food security improves due to:

- Increased business profit from productive investments;
- Diversification of income sources;
- Better able to anticipate economic shocks;
- More informed decisions

### How is it Sustained?

Individual loans are tailored to meet client needs while the cost of education delivery is covered by the interest rate charged on those loan.

### By the Numbers

#### SINCE INCEPTION

**\$53,861,168** Capital Deployed

**20** Partners

**545,498** Lives Impacted

#### 2015 CALENDAR YEAR

**\$6,800,000** Capital Deployed

**15** Partners

**218,529** Clients

**69%** Rural Clients

**47%** Female Clients

**203,999** Borrowers

**\$1,844** Average Loan Size

**52,508** Individuals Trained

### Key Insights

- Education services are critical to creating impact for rural borrowers, however the type and delivery model of the education needed varies significantly by population served.
- Off-farm income generating activities are critical for rural households living in poverty. In GP's Rural-Centered portfolio, more than half of borrower incomes come from non-farm activities. These activities allow rural households to smooth income and consumption especially when unexpected events occur.
- Several of the rural focused financial service providers in GP's portfolio have emerged from, or have developed strategic partnerships with, community development organizations. These entities have close ties to the community and have done the difficult work of organizing hard to reach clients. By leveraging these relationships, several of GP's partners are finding cost-effective ways to deliver credit and education that is tailored to the needs of rural households.



# Smallholder Farmer Services

## Increasing and/or Stabilizing Incomes

There are an estimated 450 to 500 million smallholder farmers in the world. Smallholder farming is often characterized by lack of information, low quality or improper use of inputs, and poor planting practices.

Global Partnerships (GP) invests in agricultural businesses that provide improved market access and technical assistance to smallholder farmers.



### Who is Served?

The target demographic is smallholder farmers that manage fewer than five hectares and live on less than \$3.10/day.

### What is Delivered?

- Access to markets and higher prices via purchase contracts and price premiums
- Crop-focused technical assistance and basic financial management

### Why is it Impactful?

Household incomes increase and/or stabilize as smallholder farmers:

- Make better use of inputs
- Reduce postharvest losses
- Diversify their crops
- Increase and/or stabilize yields
- Obtain higher and/or more stable prices

### How is it Sustained?

The agribusiness purchases products from smallholder farmers and sells to international or domestic buyers. The cost of technical assistance is funded by the enterprise's sales margin.

### By the Numbers

#### SINCE INCEPTION

**\$19,041,749** Capital Deployed

**13** Partners

**73,977** Lives Impacted

#### 2015 CALENDAR YEAR

**\$8,506,500** Capital Deployed

**11** Partners

**67,719** Farmers

**100%** Rural Farmers

**21%** Female Farmers

**50,748** Individuals Trained

**92,669** Tons of **Chia, Coffee, and Sesame** Purchased from Farmers

### Key Insights

- Our Smallholder Farmer Services portfolio has grown dramatically and continues to show promise as agricultural enterprises that work with smallholder farmers are abundant and remain largely underfunded.
- Agronomic training can have significant positive impact on yields and thus smallholder farmer incomes provided that training is designed around farmer needs, makes use of local service providers and includes continuous, practical guidance.
- Climate change continues to adversely impact many of our portfolio partners focused on coffee, as the incidence of leaf rust has increased, particularly in Central America, and the need to shift to higher growing altitudes has shifted some farmers away from coffee to other cash crops like cacao.