

## Partner Profile: FDL



In Nicaragua, an estimated 80 percent of adults living in poverty do not have access to formal financial services,<sup>1</sup> and rural households are disproportionately excluded.<sup>2</sup> Additionally, a survey of living standards found that three out of ten Nicaraguan families live in inadequate conditions.<sup>3</sup>

**Financiera FDL** (FDL) is a micro-finance institution in Nicaragua within Global Partnerships' Rural-Centered Finance with Education and Home Improvement Finance initiatives.<sup>4</sup>

### WHO IS SERVED:

FDL serves more than 48,000 clients, with a focus on low-income, rural households.<sup>5</sup> 76 percent of FDL's clients live in rural areas and 51 percent of their clients are female. FDL operates in 16 out of 17 departments of Nicaragua, including traditionally underserved areas, and 76 percent of surveyed clients report lacking access to similar financial services.<sup>6</sup>

### WHAT IS DELIVERED:

FDL provides microloans and complementary educational services designed to meet clients' business and home improvement needs. All clients receive basic financial literacy training from their loan officer. For agricultural clients, FDL partners with a local university to also provide technical assistance on topics ranging from climate adaptation to improving pasture quality. In-person training at borrowers' farms is supplemented by free access to a call center, dedicated WhatsApp groups for coffee and cattle farmers, and informational "podcasts" shared via radio and phone.

### WHY IT IS IMPACTFUL:

Access to loans and support services for incremental home improvement projects enable health, safety, and quality of life improvements for households living in poverty. FDL's financial and educational services enable rural clients to improve their economic resilience, income, and food security. In a 2021 survey, 85 percent of FDL clients said their quality of life had improved, 64 percent said their ability to plan their finances improved, and 73 percent said they earned more money since becoming a client of FDL.<sup>6</sup>

1. "The Global Findex Database," The World Bank, 2017, <https://globalfindex.worldbank.org/>.

2. Leora Klapper, "Two Persistent Divides in Financial Inclusion: Gender and Rural," 25 April 2012, <https://www.cgap.org/blog/two-persistent-divides-financial-inclusion-gender-and-rural>.

3. "Housing Situation in Nicaragua," Habitat for Humanity Nicaragua, 2014, <https://habitatnicaragua.org/en/situacion-de-de-la-vivienda-en-nicaragua/>.

4. FDL was a current borrower of Global Partnerships Impact-First Growth Fund, LLC; Global Partnerships Social Investment Fund 5.0, LLC; and Global Partnerships Social Investment Fund 6.0, LLC as of December 31, 2021.

5. FDL client data represents current clients as of December 31, 2021.

6. Based on responses from 400 FDL clients via a mobile, voice-based survey method known as Lean Data<sup>SM</sup> conducted in 2021 by 60 Decibels, Inc., an impact measurement company.