

# WOMEN'S LIVELIHOOD BOND

Semi-Annual Impact Report – Quarters 3 & 4 /2017




## Key Social Objectives of the WLB

The WLB defines women's empowerment as improving the ability of women to access the constituents of development, including resources and opportunities to participate in the labour force. Positioned at the heart of development in Asia, women play a pivotal role in advancing the overall welfare of their families and the wider community.

Yet, in many countries across Asia, women and girls continue to face structural constraints that trap them in subsistence livelihoods, which consequently reduce their resilience to economic and environmental downturns and compromise holistic economic development. In particular, the WLB identifies three key challenges faced by women:

- i. Limited access to credit and financial knowledge, resulting in vulnerability to economic shocks and stresses
- ii. Limited availability of affordable goods and assets, constraining the ability of women to maximize productivity
- iii. Limited access to knowledge and skills, inhibiting self-improvement opportunities and keeping women trapped in the informal economy

To address these issues, the WLB utilizes a comprehensive multi-dimensional strategy grouping together a basket of entities focused on mitigating these gender-based constraints and empowering women to achieve sustainable livelihoods. A livelihood is sustainable when it can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, provide earning opportunities for the next generation and contribute to wider development goals. While each WLB borrower seeks to address different structural issues, all entities share the common goal of advancing sustainable livelihoods for women:

Participating MFIs and IEs	Country	Loan Amt. (US\$)	Business Description
 SAMIC Plc	Cambodia	3,200,000	Mid-sized MFI serving the indigent market in Cambodia with both individual and group loans to women
 Negros Women for Tomorrow Foundation, Inc.	Philippines	1,000,000	Non-profit MFI providing group loans to low-income women entrepreneurs in Central Philippines
 Viet Phu Payment Services Support Corporation	Vietnam	3,700,000	Operates a retail platform for underserved/low-income women to gain access to essential products and services

## Expected Social Outcomes of the WLB

The WLB proceeds were lent to 3 underlying borrowers focused on empowering women through sustainable livelihoods in Southeast Asia. To project the social impact of the bond, prior to bond issuance, IIX Foundation assessed the borrowers' impact on women across 2 main themes:

**ACCESS TO CAPITAL AND CREDIT**



Provide affordable credit and access to finance to enable women to:

- Scale their business
- Purchase income generating assets
- Fund capacity building/ skills development

**Impact on Women:**

- Improved Financial Security
- Reduced Gender-Based Income Inequality

**ACCESS TO ESSENTIAL GOODS & SERVICES**



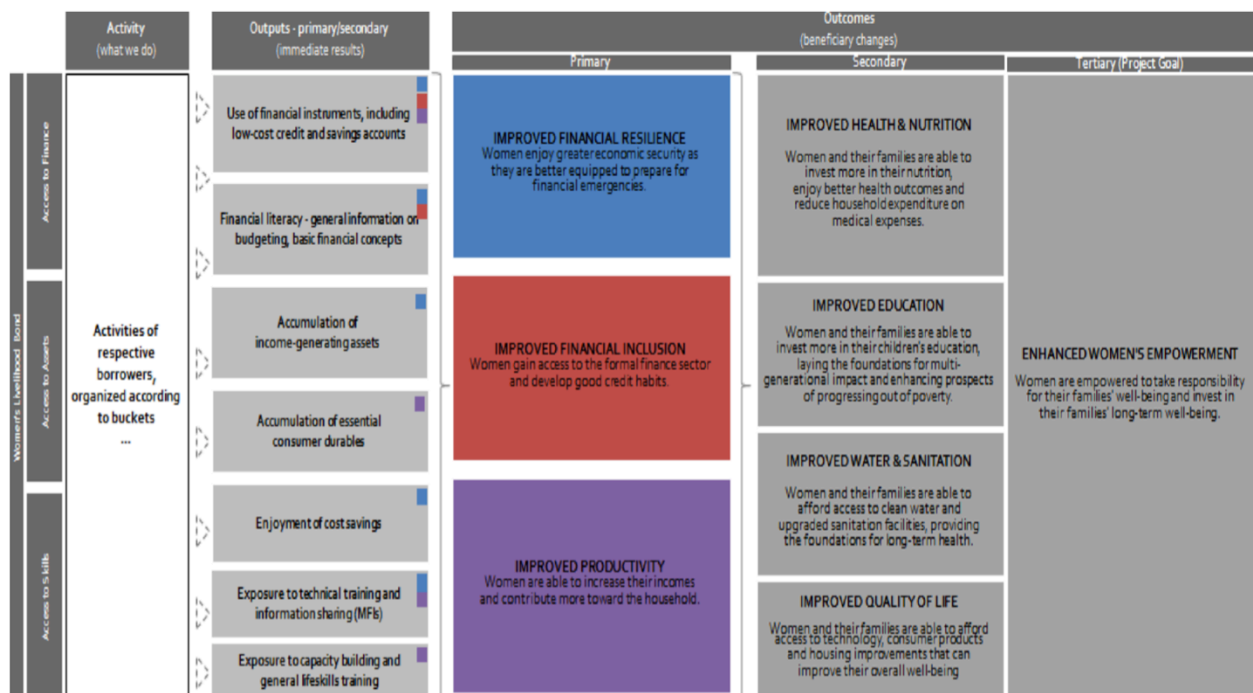
Equip women with value-adding tools to:

- Improve mobility to higher-return sectors or higher value functions
- Access employee benefits to integrate into the formal workforce
- Access healthcare and medical services like vaccinations

**Impact on Women:**

- Improved Quality of Life and Wellbeing
- Increased Multi-Generational Impact

Based on IIX Foundation's upfront impact assessments\* on the WLB borrowers, the WLB is projected to advance sustainable livelihoods for over 385,000 women in Southeast Asia over its 4-year tenor. The following framework illustrates the linkages between the activities undertaken by the WLB portfolio companies, and the expected social outcomes:






\*As part of the upfront social due diligence conducted on the borrower portfolio prior to bond issuance, IIX Foundation used its proprietary impact assessment methodology to develop impact assessment frameworks on each of the borrowers to clearly map out how the basket of entities achieve the expected social outcomes. IIX Foundation's impact assessments use internationally recognized standards of measuring social outcomes such as Social Return on Investment (SROI) and metrics from Impact Reporting and Investment Standards (IRIS).

## Contributions Towards the Sustainable Development Goals (SDGs)

In achieving the abovementioned impact outcomes, the WLB also advances progress towards meeting the United Nations SDGs:

- The WLB’s focus on women’s livelihoods has a clear link with SDG 5 “Gender Equality” and SDG 8 “Decent Work and Economic Growth”.
- The multi-sector collaboration between the WLB mechanism also engages the public, private and philanthropic sectors and promotes SDG 17 “Partnerships for the Goals”.




The following table outlines the links between WLB outputs and contributions towards achieving the SDGs:

Key outputs	SDG outcomes	SDG targets
Provide 385,000 women with access to credit, access to essential goods and services to enhance wellbeing, access to technology and market linkages.	 <p>The WLB is aligned with SDG 5 “Gender Equality”, with a focus on recognizing women as participants in securing Development outcomes. More than 70 per cent of the end beneficiaries are marginalized women in developing countries.</p>	<p><b>5.1:</b> End all forms of discrimination against all women and girls everywhere.</p> <p><b>5.5:</b> Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p> <p><b>5.B:</b> Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.</p>
<p>Generate \$2.40 in socio-economic value for every dollar invested.</p> <p>Generate +\$13 million in improved financial resilience by empowering women to increase income and savings and, as a result, promote the economy’s demographic dividend.</p>	 <p>The WLB is aligned with SDG 8 “Decent Work and Economic Growth” to enable women to engage in income-generating activities as well as build credit histories to borrow larger amounts of capital to expand their businesses in the future.</p>	<p><b>8.3:</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p><b>8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
<p>Mobilized \$8 million for microfinance institutions and social enterprises in Cambodia, the Philippines and Viet Nam.</p> <p>Brought together private sector actors (two banks, five law firms) and public sector actors (two donor agencies) as partners.</p> <p>Mobilized \$20 of private sector investment capital for every \$1 of grant funding provided to structure the instrument.</p>	 <p>The WLB is aligned with SDG 17 “Partnerships for the Goals” with the following overarching aims:</p> <p>(i) Bring new actors from the private sector into the equation as investors and as implementation partners.</p> <p>(ii) Use existing sources of donor capital to de-risk the mechanism and unlock far larger amounts of private investment for the SDGs.</p>	<p><b>17.3:</b> Mobilize additional financial resources for developing countries from multiple sources.</p> <p><b>17.16:</b> Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.</p> <p><b>17.19:</b> By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.</p>

## Measuring the Social Impact of the WLB: Original Targets

Over the 4-year WLB tenor, IIX Foundation will track the actual performance of the WLB portfolio in empowering women, and identify any deviations against the WLB's targeted impact performance. On a conceptual level, the measurement also seeks to encourage maximum mission-alignment between the portfolio companies and the expected social outcomes of the WLB.

The following table provides an overview of the WLB's original impact targets, based on IIX Foundation's upfront impact assessments of each of the borrowers:

Participating MFIs and IEs	Country	SROI <sup>(1)</sup>	Direct Beneficiaries <sup>(2)</sup>	% Women Beneficiaries	Direct Women Beneficiaries
 SAMIC PLC	Cambodia	1.66	9,625	80.0%	7,700
 Negros Women for Tomorrow Foundation, Inc.	Philippines	2.05	14,906	99.5%	14,831
 Viet Phu Payment Services Support Corporation	Vietnam	3.13	519,039	70.0%	363,327
<b>Total</b>		<b>2.40</b>	<b>543,569</b>		<b>385,858</b>

<sup>1</sup> Social Return on Investment (SROI) measures how much social and environmental impact (in dollar figures) is created for every dollar invested

<sup>2</sup> Direct Beneficiaries shown above represents for each Borrower the number who will benefit from the Loan, not the total number served by the Borrower. Projected total direct beneficiaries of all the Participating MFIs and IEs between 2016-2020 is 4,373,766 with 3,234,717 female direct beneficiaries.

## Measuring the Social Impact of the WLB: Actual Performance (Q3-Q4 2017)

To ensure that the WLB meets its social impact targets over its 4-year tenor, IIX Foundation will report on the WLB's actual social outcomes on a semi-annual and annual basis until bond maturity. The semi-annual reports will be developed based on self-reported quarterly impact figures from the borrowers, while the annual reports will be developed based on verified data obtained via in-person visits to the borrowers by IIX Foundation.

In this first semi-annual report, the following section provides an overview of the actual impact performance of the WLB. All output and outcome level indicators reflect the impact created by the WLB over the first semi-annual period of the bond's life (i.e. July – Dec 2017).

### Output Level Indicators (as of Q4 2017\*)

Indicator	SAMIC Plc	Negros Women for Tomorrow Foundation, Inc.	Viet Phu Payment Services Support Corporation	TOTAL
<b>Overall:</b>				
Total # of direct beneficiaries	3,389	9,764	147,388	<b>160,541</b>
% women beneficiaries	78.6%	99.8%	80.5%	
Total # of direct women beneficiaries	2,664	9,744	118,704	<b>131,112</b>
<b>Access to Finance:</b>				
% of women beneficiaries receiving access to finance	100%	100%	100%	
<b>Access to Training:</b>				
% of women beneficiaries receiving access to training	1.9%	80.7%	NA	
<b>Access to Assets:</b>				
% of women beneficiaries receiving access to assets	74.6%	100%	100%	
US\$ value of assets purchased directly or through loans	1,226,512	844,295	2,472,675	<b>4,543,482</b>

\*All figures cited represents for each Borrower the amount of impact – i.e. number of beneficiaries served, social value created, etc. – created by the WLB loan (not the total impact of the Borrower).

## Outcome Level Indicators (as of Q4 2017)

The outputs created by the activities of the Borrowers collectively lead to three primary outcomes as follows:

Indicator	SAMIC Plc	Negros Women for Tomorrow Foundation, Inc.	Viet Phu Payment Services Support Corporation	TOTAL
Improved Financial Resilience:				
US\$ value of improved financial resilience	262,526	455,128	3,051,420	<b>3,769,075</b>
Improved Financial Inclusion:				
US\$ value of improved financial inclusion	212,760	602,364	649,328	<b>1,464,451</b>
Improved Productivity:				
US\$ value of improved productivity	NA	NA	68,003	<b>68,003</b>

## Social Return On Investment (SROI):

Based on the WLB's impact performance to-date, the current SROI for the WLB's individual borrowers and portfolio as a whole is as follows:

Indicator	SAMIC Plc	Negros Women for Tomorrow Foundation, Inc.	Viet Phu Payment Services Support Corporation	Weighted Average*
SROI	1.67	2.87	3.73	<b>2.79</b>

The SROI tabulates the total net impact generated (monetized) per dollar of investment across the life of the bond. While the original expected SROI of the bond was 2.40 (i.e. \$2.40 of socio-economic value generated for every \$1 invested), based on the borrowers' actual performance to-date, the revised SROI of the bond is now 2.79. The reason for this increase is that both NWTF and Viet Phu have significantly exceeded their original impact targets:

- NWTF: The MFI has expanded its client portfolio (i.e. reach to low-income women).
- Viet Phu: The IE has expanded the % of low-income women within its existing client reach.

\*The WLB's weighted-average SROI is computed by considering the percentage allocation of the bond investment sum across the three Borrowers.

## Testimonials from End-Beneficiaries

On a more individual level, IIX Foundation has also obtained some direct testimonials from the WLB Borrowers' end beneficiaries on how they are being empowered with sustainable livelihoods:



"Before getting a loan, I had challenges providing for my children's daily allowance when they go to school, as well as financing my family's livelihood (sugar cane farming). But when I became a NWTF client, it became easier to borrow money as long as you are a good payer and you work hard to earn."

- Gina, NWTF Client



"It was difficult for me to afford household goods and essentials as I already don't have enough money for my children's education. With iCare, I can make purchases worry-free because the costs are paid in installments via deductions from my monthly salary. It is now easier for me to purchase necessary items for my family."

- Nguyen Thi Minh Nguyet, user of iCare Benefits



"Before SAMIC's financial literacy training, I knew very little [about managing my finances] and my family struggled when caught unprepared by crises. Now I know how to save money and make sure we spend less than we earn. My family's situation is better than before."

- Nong Samai, SAMIC client and financial literacy training participant