



2021-2025 Strategic Plan

Impact²



"I only went to school for one year because of my parents' limited financial resources. Thanks to the training I have received with Friendship Bridge, I have improved my way of thinking and my way of doing things. I want my daughter to be able to advance in her education and go where I could not go. I work hard to support myself and be an example for my daughter."

FERMINA

Dreamer Client, see pg. 5

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Mission

Creating opportunities that empower Guatemalan women to build a better life.

Our Vision

Empowered women choosing their own path.

Core Values

Empowerment, Respect, Solidarity, Participation, Quality, Integrity, Transparency

Impact Statement

We will build trusting relationships with our clients and employees. We will provide suitable products and services and operational excellence. As a result, our clients will experience a combination of increased resilience, improved empowerment, and business development.

Impact²

Our strategy will have a multiplier effect by effectively serving two distinct client segments and doubling our revenue and operations by 2025, thus exponentially impacting an even greater number of Guatemalan women, families, and their communities.

Organizational Overview

Friendship Bridge is a nonprofit social enterprise creating opportunities that empower Guatemalan women to build a better life. We utilize the tools of microcredit, education, and health services to support our clients in building resilience and pursuing their chosen opportunities. We call this *Microcredit Plus*.



Our Strategy Over Time

As a learning organization, Friendship Bridge has evolved substantially since it began work in Guatemala in 1998 to support women living in poverty and with limited economic opportunities, many of whom had lived through years of armed conflict, a lifetime of gender inequality, and racial discrimination. By 2003, almost 3,000 clients were borrowing from Friendship Bridge. By 2006, the number tripled to 9,000 clients. And by 2020, we were empowering more than 30,000 women a year with new loans.

For many years, our single product was based on a group lending model paired with basic, non-formal education. This methodology was effective in reducing clients' burden of poverty, but it was too basic for all clients over time. Meanwhile, many new lenders were entering the market and providing larger loans faster. Our clients were telling us that, while they loved the way Friendship Bridge treated them, they needed a greater number of products and a wider variety of services.

We, along with many other researchers, learned that credit alone does not alleviate poverty. At the same time, analysis of our Poverty Probability Index (PPI®)¹ data revealed a positive relationship between time spent receiving our *Microcredit Plus* programs and economic wellbeing. Through careful research, we learned that our clients' needs changed as their

personal situations changed. Leveraging the strong relationships we had cultivated with our clients, we embarked upon a new phase in the organization in 2014 with the launch of our Client Continuum Strategy. We then diversified our offerings and set out to provide the most appropriate products and services at the most opportune time for our clients.

Our efforts to grow with our clients were successful during our two previous strategic plan periods, from 2014-16 and 2017-19. At a time when poverty increased in Guatemala,² we accelerated our clients' advancement out of poverty. In one of the most gender-unequal countries in the world,³ our clients gained agency in their businesses and their lives. We continue to be highly valued by clients in a fiercely competitive environment because we treat them with respect and improve their well-being.⁴ The trust we have earned with our clients has allowed us to understand their dreams and what they need to achieve them. We have maintained a leadership position in the region for strong portfolio performance,⁵ are known for providing quality employment in rural areas,⁶ and are well regarded for our excellence in Social Performance Management.⁷



Here for Her in 2020

With the emergence of the COVID-19 pandemic, we were forced to set aside our newly-minted strategic plan and manage through the unknowns of 2020. The year was spent reacting to country restrictions, new protocols, work mode challenges, social distancing, acute food insecurity among our clients, client business impacts, and numerous other challenges. By the end of the year, however, we began to understand just how resilient our clients are. With the generosity of our loyal supporters, investors, and donors, and the commitment of our US and Guatemalan staff, we found ourselves in a much stronger position than expected.



Looking Ahead

With more confidence in the future, we picked up the strategic plan and moved it forward by a year, with some modifications based on our learnings and advancements. Also in 2020, there was increasing concern in the United States around the growing number of Guatemalans migrating North trying to escape extreme poverty and desperately seeking a better future. There is a well-established migration pattern between Guatemala and the US, and this link is important to Guatemala's economy and families, with more than 15% of Guatemala's GDP coming from remittances.⁸ However, the increase in the number of Guatemalan women and children arriving at the US border indicates that the combination of push factors (i.e. natural disasters, poverty and hunger, lack of opportunity, climate change) have become too strong. All of these elements combined are forcing people to make the difficult and dangerous decision to leave their families or send their children away in search of a chance of a better life.⁹ US public concern and awareness has brought attention to the importance of our mission of empowering Guatemalan women to build a better life for their families and communities through our work and particularly the initiatives we plan to carry out over the next five years.





STRATEGIC PLAN 2021-25

Impact² Goals

Our Strategic Plan is built around **two overarching objectives:**

- › Significantly expand our *Microcredit Plus* programs by first focusing on locations where the majority of migration is occurring in Guatemala. Our expansion will include opening six new branch offices over the five-year period and growing the total number of women in this client segment to 35,000. We call these clients Dreamers: women living in poverty operating ‘necessity-driven businesses’ who need support to improve their financial resilience and increase empowerment.
- › Develop, pilot, and fully implement our newest program, *Bridge to Success*, to support 1,100 of the “missing middle” client segment and empower them to grow their rural businesses, create jobs, and contribute to rural economic activity. We call these clients Entrepreneurs: women capable of growing high-functioning businesses, creating jobs, and becoming leaders in their communities through ‘livelihood-sustaining enterprises.’

* SEE PAGES 5-6 FOR DETAILS.

1 Responsible Growth

Strategic targeting to acquire new clients and geographies, improved retention rates, and expanded reach and depth of our programs and services.

2 Innovation and Technology

Be a nimble, responsive, and learning organization that is quick to respond to client and market needs. New technologies will allow both Friendship Bridge and our clients to prosper.

3 *Bridge to Success*

Provide appropriate products and services to Entrepreneur clients to support the creation and/or expansion of their businesses, increase empowerment, activate business development, and create jobs in rural areas of Guatemala.

4 Social Impact

Contribute to creating positive generational change and community transformation for clients, their families, and Friendship Bridge employees.

Dreamers

IMPACT:

- › Participate in decisions about their health
- › Participate in decisions about their income
- › Improved economic well-being
- › Improved conditions at home
- › Children in school, both more and longer



CLIENT PROFILE

Dreamers are women living in poverty, mainly in rural areas, looking for access to financial services to support a variety of productive economic activities, otherwise known as “necessity-driven” entrepreneurs.¹⁰ This segment is characterized as hard to reach, with many small loans offered through our group lending methodology. We will adopt new technologies to improve our efficiency, reach more clients, and expand our holistic services. This segment will continue to comprise the majority of our clients. Our theory of change for this segment will focus on improving the client’s resilience and empowerment to positively impact her family. Altogether, we expect that every Dreamer client we support will impact six people beyond our reach.

PLUS SERVICES:

- › Non-Formal Education
- › *Health for Life*
- › *Women’s Agriculture Credit & Training*
- › Advanced Business Training

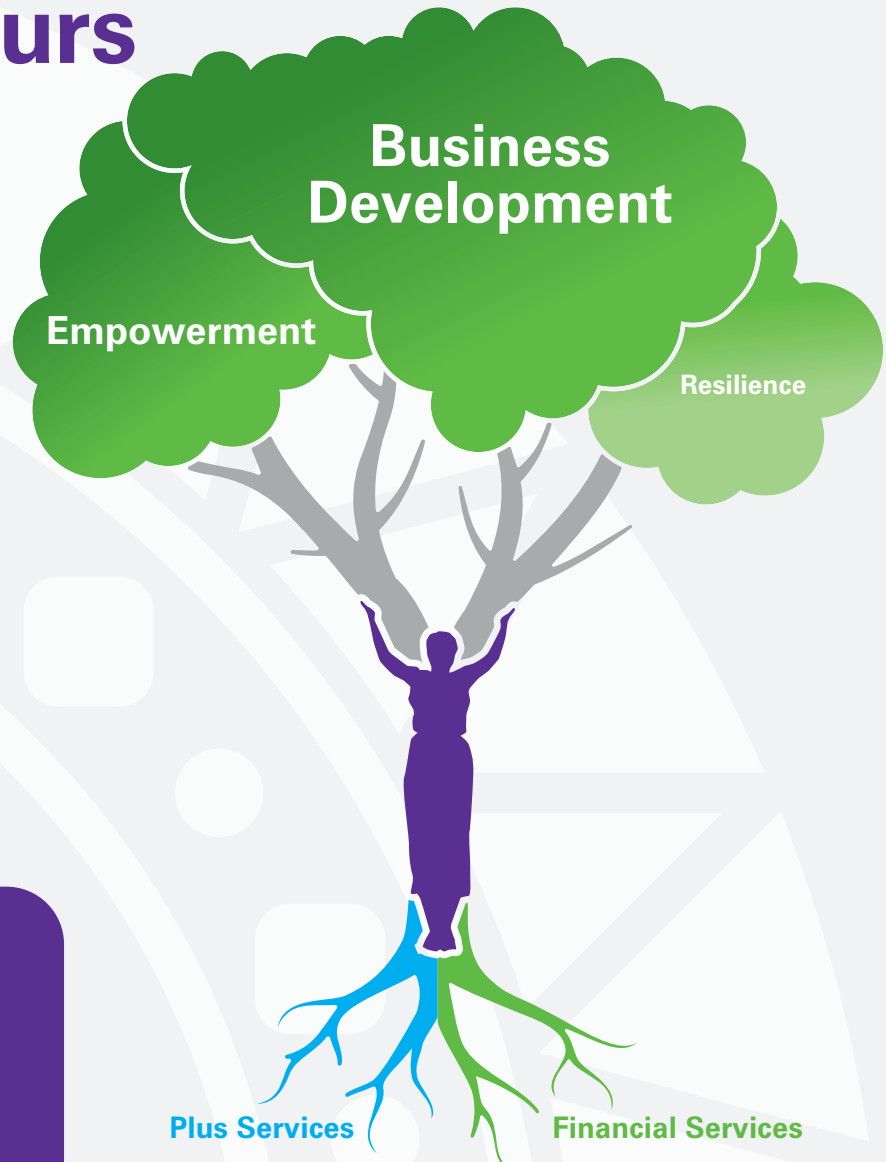
FINANCIAL SERVICES

- › Group Loans
- › Parallel Loans
- › Chanim-Chanim Loans

Entrepreneurs

IMPACT:

- › Create jobs and quality employment
- › Increased income and/or assets
- › Contribute to community sustainability
- › Increased leadership at home, in her business, and in her community



CLIENT PROFILE

Entrepreneurs are women looking to start or expand a business, who are living in vulnerable circumstances, and willing to assume some financial risk. To serve this highly variable segment, we will provide personalized products and services focused on business growth and employment. New and graduating clients will access individual loans, structured in a way that responds to their business opportunities and capacity. They will also receive personalized advisory services, connections to peer networks, and access to markets. Although this segment will represent a smaller portion of our total clients, we expect their impact to reach beyond their families and extend to employees and a larger community.

PLUS SERVICES:

- › Business development and mentor services
- › Market and peer-to-peer connections
- › Handmade by Friendship Bridge

FINANCIAL SERVICES

- › Individual Loans
- › Lines of Credit

2017-2019 Strategic Plan Outcomes

The 2017-2019 Strategic Plan, *A Path for Every Client*, reflected a strong commitment to our clients' growth along our Client Continuum Strategy. We had previously segmented our clients into three groups: Dreamers, Entrepreneurs, and Leaders, which allowed us to offer products and programs tailored to their individual stages of development.


This contributed to client improvements in three areas: 1. Increased Resilience 2. Improved Empowerment and 3. Business Development. Our data showed us that we are on the right track, and our learnings from this approach informed our new plan, in which we will create a segmented organizational structure to provide specialized services to two distinct client segments.

INCREASED RESILIENCE

 **3x**
more likely

Clients with access to our *Health for Life* program are three times more likely to pursue preventive health exams than clients without access.

IMPROVED EMPOWERMENT

 **33%**
family planning

33% of clients adopted family planning methods after learning about it in our *Health for Life* program.

BUSINESS DEVELOPMENT

 **40%**
higher income

Participants of our Agriculture program showed a 40% improvement in their income over the three-year period, with an average monthly income of \$250, compared to \$183 in the control group.

 **50%**
more likely

Because of participation in Friendship Bridge, clients are 50% more likely to rely on savings to cope with an unexpected health-related expense.

 **95 more**
client leaders

95 clients participated in the Client Advisory Committee from 2017-19, developing and applying skills to represent the opinions and needs of the women in their community and help inform our programs.

 **7%**
net profit

Entrepreneur and Leader clients who participated in mentorship programs on average reported a 7% increase in net profit in their business.

 **2 in 3**
family meals

2 in 3 clients report increasing the number and quality of meals consumed by their families.

 **86%**
family decisions


86% of clients feel they contribute more often to making important family decisions because of Friendship Bridge.

 **Insight**

We learned that Entrepreneur and Leader clients have the most opportunity to develop their businesses by participating in business training and applying administration practices.

 **20%**
reduction in poverty

The longer clients are in our program, the less poor they become. On average, clients who are with us for 6 years or more are 20% less poor. (Based on 34,756 PPI observations in 2019.)

 **73%**
income decisions

73% of Agriculture clients say they have the final word over the use of their agriculture income, compared to 60% in the control group.

“Friendship Bridge is an institution that has really supported me and my family in everything. There are things that I did not do before. But Friendship Bridge trained us on how to manage a business, how to improve a job order, how to work well with colors, and how to combine them well. I really thank them for helping us at all times.”

RUTH

Entrepreneur Client, see pg. 6



Social Impact

Social Performance Management (SPM)

Cerise

“Excellent” assisted self-assessment result of 74 in Cerise SPI4 compliance with Universal Standards of Social Performance Management, compared to a global average of 61 (out of 100.)¹¹

to Friendship Bridge for accessing capital for their businesses, indicating Friendship Bridge is successfully reaching our target poverty/rural market. The majority of clients say since joining Friendship Bridge, they have improved income, quality of life, ability to plan their finances, frequency of participation in important family decisions, and spending on home improvements.⁴

60_Decibels (2019)

According to a third-party evaluation by 60_Decibels, nearly 90% of clients have no acceptable alternative

Compared to peer organizations, Friendship Bridge clients fare better in their ability to save for shocks and receive preventive health services.



No Poverty

We provide microcredit to women living in poverty, so they can invest in their small businesses and create jobs in their communities. Nearly half (48%) of all new clients live below the National Poverty Line and earn less than \$2.35/day. After their third loan cycle, the rate drops to 45% and the trend continues downward the longer they are with us.



Decent Work and Economic Growth

According to Microfinance Opportunities Financial Diaries’ research of more than 100 countries, Guatemala is in second-to-last place for women’s participation in decisions over the use of money in the household.⁴ However, 95% of Friendship Bridge clients say they participate with their spouses in making decisions on how to use business revenue.



Quality Education

We provide both the education and financial means for our clients to become successful business entrepreneurs in a country with one of the highest disparities between rich and poor in Latin America. While 59% of people in Guatemala live in poverty, and 23% live in extreme poverty,¹³ our clients’ finances and livelihoods are improving.

Key Performance Indicators

INCREASED RESILIENCE

DREAMERS:

- › Improved economic well-being
- › Improved conditions at home
- › Access to health services
- › Have savings

IMPROVED EMPOWERMENT

DREAMERS:

- › Participate in decisions about their health
- › Participate in decisions about their income
- › Children in school, both more and longer

ENTREPRENEURS

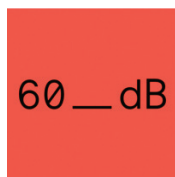
- › Increased leadership

BUSINESS DEVELOPMENT

ENTREPRENEURS:

- › Create jobs and quality employment
- › Increased income and/or assets
- › Contribute to community sustainability

Recognition



ENDNOTES

- ¹ “Innovations for Poverty Action.” Poverty Probability Index (PPI®) is a poverty measurement tool comprised of 10 simple questions that compute the likelihood that a person or a household is living below the poverty line, <https://www.povertyindex.org/get-started-ppi/track>.
- ² Encuesta Nacional de Condiciones de Vida, 3 February 2016, <https://www.ine.gob.gt/sistema/uploads/2015/12/11/vjNVdb4IZswOj0ZtuivPlcaAXet8LZqZ.pdf>.
- ³ “Human Development Reports: Gender Inequality Index.” United Nations Development Programme, September 2020, <http://hdr.undp.org/en/composite/GII>.
- ⁴ “Friendship Bridge Client Insights.” 60 Decibels, 13 June 2019, https://www.friendshipbridge.org/wp-content/uploads/2020/08/60_decibels-Friendship-Bridge-Results-2019.pdf.
- ⁵ “Estudio Sectorial de Microfinanzas.” Redcamif, December 2018, https://www.findevgateway.org/sites/default/files/publications/files/estudio_sectorial_microfinanzas_no1.pdf.
- ⁶ Great Place to Work® Certification, 2021, <https://greatplacetowork-cayc.com>.
- ⁷ “Truelift Recognizes Fundación Paraguaya and Friendship Bridge as Global Leaders in Pro-Poor Performance,” Truelift, 1 May 2017, <https://sealofexcellence.wordpress.com/2017/05/01/truelift-recognizes-fundacion-paraguaya-and-friendship-bridge-as-global-leaders-in-pro-poor-performance/>.
- ⁸ “Personal remittances, received (% of GDP) - Guatemala.” The World Bank, <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=GT>.
- ⁹ Sieff, Kevin. “What’s pushing migrants to the U.S. border?” The Washington Post, 2 April 2021, <https://www.washingtonpost.com/world/2021/04/02/us-border-migrants-guatemala>.
- ¹⁰ “Definition: What is Necessity-Driven Entrepreneur?,” IGI Global, <https://www.igi-global.com/dictionary/necessity-driven-entrepreneur/47103>.
- ¹¹ SPI4 Cerise: <https://cerise-spm.org/en/spi4>.
- ¹² Noggle, Eric. “Central America Financial Diaries, Volume I.” Microfinance Opportunities. 2 Dec 2016, https://financialdiaries.org/wp-content/uploads/reports/Central_America_Financial_Diaries_Final_Report_Dec_2016.pdf.
- ¹³ “Economy.” CIA: The World Factbook. 9 June 2021, <https://www.cia.gov/the-world-factbook/countries/guatemala>.



Keeping Families Together

Poverty, violence, natural disasters, and corruption are just some of the tragic challenges our clients face, ultimately leading some to migrate from Guatemala on a dangerous and costly journey North. Our work since 1998 has been dedicated to identifying and supporting women-led businesses that increase our clients' income and employment in hopes that they and their loved ones never need to make the difficult choice to migrate. Families in Guatemala deserve to stay together and have access to economic opportunities that are close to home, sustainable, and safe.

Why Women and Why Guatemala?

- › Women invest 90% of their income back into their families and communities.

Source: [Clinton Global Initiative](#)

- › **Gender Inequality:** Guatemala ranks 113th out of 153 countries in gender equality, making it the most gender unequal country in Latin America.

Source: [Global Gender Gap Index](#)

- › **Poverty:** 59% of the total population of Guatemala lives in poverty. The situation is more extreme for indigenous people (39% of the population), with a poverty rate exceeding 79%.

Source: [2020 CIA World Factbook](#)

- › **Malnutrition:** Nearly one-half of Guatemala's children under age five are chronically malnourished, one of the highest malnutrition rates in the world.

Source: [2020 CIA World Factbook](#)

- › **Corruption:** Guatemala's government is classified as 'corrupt' by Transparency International and its budget for public infrastructure is extremely constrained. Many Guatemalans lack confidence in the government to improve the economic conditions of the general population and some experience a dire lack of access to clean water, utilities, and public transportation.

Source: [US Department of State 2020 Investment Climate Statements](#)



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