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## WOMEN'S LIVELIHOOD BOND

The Women's Livelihood Bond will provide more than 385,000 Southeast Asian women with access to credit, enhanced linkages to supply chains, and affordable goods and services to improve their livelihoods. The \$8-million bond will benefit women in Cambodia, Vietnam and the Philippines. The U.S. Agency for International Development (USAID), in partnership with Australia's Department of Foreign Affairs and Trade (DFAT), is guaranteeing 50 percent of the loan portfolio's principal. The bond, structured and managed by Impact Investment Exchange (IIX), is one of the world's first social sustainability bonds with a focus on both social and financial returns.

### INCREASING EMPLOYMENT OPPORTUNITIES FOR WOMEN

The Women's Livelihood Bond will provide private capital to microfinance institutions and social enterprises that, in turn, will help low-income Southeast Asian women build credit histories and transition from subsistence to sustainable livelihoods. Long-term benefits, in addition to more successful women-owned businesses, include increased participation in the workforce, higher standards of living, and more education and health opportunities for women and children. This is vitally important in Southeast Asia, where women's lack of equal employment opportunities cost economies about 18 percent of gross domestic product, or nearly \$500 million dollars in 2015, according to a United Nations study.

## **INNOVATIVE FINANCING**

Backed by a loan guarantee from USAID’s Development Credit Authority, proceeds of the bond will be lent to microfinance institutions and social enterprises across Cambodia, Vietnam and the Philippines, which, in turn, will provide loans to support women’s livelihood development. The bond creates a channel to attract greater amounts of capital than these entities could access on their own. The bond also reduces risk for investors by combining lower-risk loans to well-established microfinance institutions with higher-risk loans to social enterprises.

## **TRANSFORMING LIVES THROUGH PARTNERSHIP**

The Women’s Livelihood Bond is the first IIX Social Sustainability Bond, a financial instrument that demonstrates that investments can achieve positive social-environmental impacts while also generating financial returns. The bond’s structuring was supported by global partners from the public, private and philanthropic sectors, including the Rockefeller Foundation, Japan Research Institute, DBS Bank, ANZ Bank, Shearman & Sterling and Hogan Lovells. IIX’s sister organization, the IIX Foundation, will monitor the performance of borrowers and report on social outcomes.

Since 1999, USAID – through the Development Credit Authority – has arranged more than \$350 million in credit through 63 guarantees in 13 Asian nations. USAID’s loan guarantee for the Women’s Livelihood Bond is part of the U.S. Government’s commitment to the development of the Association of Southeast Asian Nations (ASEAN) region. The United States partners with ASEAN to support economic integration, expand maritime cooperation, cultivate emerging leaders, promote opportunity for women and address transnational challenges.

At the end of the first year, the WLB has impacted 144,800 women, far exceeding its year one target of 77,358 women.

For more information, visit: <http://www.iixglobal.com/womens-livelihood-bond/>.

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