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WOMEN'S LIVELIHOOD BOND

A new Women's Livelihood Bond will enable over half a million Southeast Asian women to access credit to improve their livelihoods. As the world's first bond that focuses on both financial and social returns, the Women's Livelihood Bond is backed by a loan guarantee from the U.S Agency for International Development's (USAID), in partnership with Australia's Department of Foreign Affairs and Trade (DFAT). The bond, structured and managed by Impact Investment Exchange Asia (IIX), launched in September 2016.

The Women's Livelihood Bond will raise up to \$15.25 million in private capital for microfinance institutions and impact enterprises whose activities will directly benefit women in Southeast Asia.

INCREASING EMPLOYMENT OPPORTUNITIES FOR WOMEN

A recent United Nations study estimated that in 2015, women's lack of equal employment opportunities cost Southeast Asian economies about 18 percent of GDP, amounting to nearly half a billion dollars. Access to finance, mentorship and job training are key obstacles that women entrepreneurs and business owners face in the region. Proceeds of the new Women's Livelihood Bond will provide opportunities for women to start building credit histories that can help them borrow larger amounts of capital to expand their businesses and earn higher incomes.

INNOVATIVE FINANCING

Backed by a loan guarantee from USAID's Development Credit Authority, proceeds of the bond will be lent to four microfinance institutions and three impact enterprises working across Cambodia, the Philippines and Vietnam. The private capital raised from the bond will provide loans for these institutions and enterprises to support women's livelihood development through access to credit, income-generating assets and vocational training. The bond provides a channel to attract greater amounts of capital than these entities could have accessed 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 impact enterprises.

TRANSFORMING LIVES THROUGH PARTNERSHIP

The Women's Livelihood Bond is the first IIX Sustainability Bond, a financial instrument that demonstrates how investments can achieve positive social-environmental impacts. With funding from USAID and DFAT, the bond is backed by a Development Credit Authority loan guarantee to mitigate risk and attract private investors to purchase the \$15.25 million bond. The Rockefeller Foundation and Japan Research Institute also supported the creation of the bond structure. Shujog, a non-profit organization supported by USAID, will monitor the performance of the borrowers and create an impact report to demonstrate to investors the social outcomes. This bond will increase the availability of needed capital to support women throughout Southeast Asia through an innovative and replicable financial instrument.

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

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