This report represents Friendship Bridge's responses to Charting Impact, a joint project of BBB Wise Giving Alliance, GuideStar USA Inc, and Independent Sector. Charting Impact uses five simple yet powerful questions to encourage strategic thinking and help organizations share concise information about their plans and progress toward impact.

**Mission:**
Mission To empower impoverished Guatemalan women to create a better future for themselves, their children and their communities through microfinance and education. Vision A world in which empowered women eliminate poverty. Core Values -Empowerment -Respect -Solidarity -Participation -Quality -Integrity -Transparency

The content of this Charting Impact Report is the sole product and responsibility of Friendship Bridge. This report does not in any way represent an endorsement from Independent Sector, BBB Wise Giving Alliance, or GuideStar, nor does it represent fulfillment of the BBB Wise Giving Alliance's *Standards for Charity Accountability*. For more information on Charting Impact, visit [www.guidestar.org/chartingimpact](http://www.guidestar.org/chartingimpact)
1. What are we aiming to accomplish?
Friendship Bridge has experienced substantial success over the past 6 years and reached or made significant progress towards the majority of our Strategic Goals from the 2014-2016 Strategic Plan. The organization has reached a size that necessitates more structure and professionalism while ensuring a culture that is built around improving the lives of our clients and the skills of our employees. The microfinance market in Guatemala is much more mature and competitive than it was 5 years ago, requiring consideration for competing differently and with enhanced skills and competencies in a number of positions. These needs are incorporated in our strategic plan below. The plan also ensures that we are innovative and client-centric, reflects a commitment to empowering our clients and our employees, and continue to find ways to become a more efficient and effective organization. Our clients will have access to various credit products, and education and health services, each serving to enhance her individual growth along a path of empowerment, business development and poverty alleviation. We will continue to work with and study the pilot projects we began in the last few years and improve and expand them when ready. With the support of empowered employees who are aligned with and believe in our mission, we will work hard to ensure we can offer these products and services in the most efficient and simple way and understand our clients well enough to know when and what will best support their needs. We will continue to grow a quality portfolio, especially penetrating existing markets from our 7 branch offices with specific focus on new clients meeting our poverty targets. We will effectively use Social Performance data to make the best decisions possible and measure and evaluate the impact of our work and our clients’ progress. We hope to transform lives in the coming years.

2. What are our strategies for making this happen?
1. Refine the CLIENT CONTINUUM STRATEGY offering client driven products and services to achieve the desired impact.
2. CUSTOMERS will be at the center of all our decision and data will be used to monitor and evaluate results
3. OUR EMPLOYEES are the foundation to achieving our mission and we will invest in a culture of empowerment and skills development
4. SIMPLIFY all operational activities while maintaining financial sustainability

3. What are our organization's capabilities for doing this?
1. For artisans and those involved in agriculture, who make up a majority of our poorest clients, we will develop an integrated value chain, providing not only capital and skills, but eventually linking clients possessing the desire and ability with better access to markets to sell their products. 2. Over the next few years, we will capitalize upon best practices and standardized reporting to:
   • Implement systems for social responsibility that meet or surpass industry standards
   • Align business processes to achieve both social and financial objectives
   • Incorporate social impact into all decision making processes
3. One of the significant factors inhibiting the success of a client along the Continuum is related to health issues, either hers, or someone in her family. The 2017-2019 Strategic Plan includes expanding the health services program, a critical area to help improve the lives of clients, their children and their communities.
4. Programs that develop leaders among our employees are imperative, especially in rural areas where hiring quality staff is always a challenge. A special emphasis will be put on developing women leaders and hiring more clients as employees. In addition, maintaining a strong and informed Board of Directors is critical to the future success of the institution. Ensuring all of our leaders remain current with industry trends will encourage change, innovation and progress toward creating new opportunities for our clients and employees.
5. Using technology, process improvement tools, employee retention strategies and better transportation solutions will allow us to streamline processes, improve employee effectiveness and improve the timeliness of product delivery to clients.
6. To grow our portfolio, we will expand geographically with new branch offices reaching more impoverished, rural clients, while increasing penetration in existing markets. The plan also includes diversifying other revenue sources including new platforms and medias for donations and expanding our portfolio of impact investors.
4. How will we know if we're making progress?

Measurements for Success The success of Friendship Bridge is based on clients' growth as individuals and businesswomen to become agents of change in their families and communities. To gain a deeper understanding of the impact of our programs, Friendship Bridge will not only use client satisfaction and exit surveys, but also client focus groups and a client advisory council. In addition, we have partnered with the Grameen Foundation to utilize the Progress Out of Poverty Index (PPI). Over the last several years, we have built a solid foundation to measure these successes as clients begin to move along the Continuum, and are currently collecting data on every client. In 2015-2019, Friendship Bridge will publish an impact report on an annual basis to share our progress over time.

5. What have and haven't we accomplished so far?

In 2016, Friendship Bridge provided microloans to over 28,000 Guatemalan women. Roughly a third of those clients were new to Friendship Bridge. Our clients live in 12 of the 22 departments of Guatemala, in regions that are predominantly indigenous, impoverished, and rural (see map on page 7). As indigenous women, they are among the most marginalized populations in Guatemala and suffer frequent discrimination because of their gender, economic status, and ethnicity. As a result, our clients lack access to healthcare and education and do not have significant representation in the government. Additionally, like most indigenous people in Guatemala, many of our clients do not speak Spanish, the country's official language. Instead, they speak one of the country's 24 indigenous languages, which functions as an invisible barrier of communication. Through poverty targeting, we ensure that we provide services to the women who need them most. We target clients who live in households that earn between $1.11 and $4.49 a day, and 87% of our clients, as measured by PPI®, fall within this range. On average, our clients are 38-years-old, largely illiterate, and have four children. They manage various types of businesses, mostly as artisans, farmers, and vendors. Roughly half have completed more than two loan cycles with Friendship Bridge. Since 2011, we have tracked the poverty rates of our clients and increased the concentration of new clients within our target market. We boast one of the better poverty penetration rates in the Latin American and Caribbean region,i meaning we serve a higher proportion of the poorest populations. However, we feel that we could improve outreach within the areas we serve to reach more impoverished women, particularly in the departments of Quetzaltenango, San Marcos, and Retalhuleu. From 2013 to 2014, our results show most clients have been elevated to a place of financial stability, but not necessarily economic prosperity. Sixty-two percent of our clients did not change in poverty level over the period, while another 20% have experienced improvements that signal movement out of, or less, poverty.x Our data shows that the longer a client is with Friendship Bridge, the more likely she is to improve her PPI score.xi The two most salient drivers of change in poverty are the number of dependent children under age fourteen in the household and ownership of a durable asset. Ninety percent of clients surveyed reported having taken on a leadership role in one of these three domains since becoming a Friendship Bridge client. We found that for each successive loan cycle, clients are 19% more likely to report that they have taken on a leadership role,xiii which reinforces our theory that through continued participation, clients are aspiring for a better future and more able to achieve their objectives.