MERCY CORPS
VENTURES

ANNUAL *Impact Report*

Fueling high-impact companies from SEED to SCALE

2019

"Mercy Corps as a whole brings a deep understanding of smallholder agriculture to the table, while the team at Mercy Corps Ventures is already showing its tremendous value in areas such as financing, market entry and value chain analysis. We are pleased to have them on board as we start scaling our business."

THOMAS VAASSEN | CO-FOUNDER OF MERIDIA

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"The work done with Mercy Corps Ventures was extremely helpful in better understanding our impact on society. Within a few months, we moved from basic impact data tracking to a 360-degree impact view with defined KPIs and routine measurement. Now, we are able to clearly communicate, both internally and externally, about the impact we have on companies and candidates."

JACOB ROSENBLOOM | CO-FOUNDER AND CEO OF LEVEE

ABOUT

Mercy Corps Ventures leverages the global resources and reach of a leading development agency to provide high-impact enterprises with investment capital, value-added support and catalytic partnerships so they can scale solutions for underserved populations in fragile, frontier markets.

Welcome

GRIT. Grit is what it takes to move from idea to market. To export coffee from a country in crisis when larger players could not. To make a basic phone as valuable as a smartphone. And to break through instead of breaking down in the face of company growing pains and existential risks. It's a quality shared by the founders we invest in and one we look to embody ourselves.

It's been a year full of messy challenges — including our fund's third fail — and amazing successes. **This year alone, the ventures we support reached over 1.2 million people in frontier markets.** They also expanded their teams, expanded to new countries and expanded product and services offerings to deepen their impact on underserved populations.

Alongside generating positive impact, seven ventures in our portfolio raised $23M in follow-on financing this year, bringing our overall portfolio follow-on rate to 75% and $32M in total. When less than half of all startups in the U.S. are able to raise their second round of funding, social enterprises in developing countries achieving this follow-on rate is monumental, and we salute the founders who made it happen. Attracting follow-on capital also shows us that we've done our job as early-stage investors to help de-risk ventures for later-stage investors, and that we can leverage our initial investment to create bigger impact for underserved communities.

This coming year will be one of new frontiers and scaling pathways. **We're expanding to source more investments in West African markets where a number of our portfolio ventures and field teams are active and where we see opportunities for more early-stage capital.** New philanthropic partners are making it possible for us to grow our team in the region and to accelerate our investments in high-impact companies globally, especially in fintech.

We're also expanding our investment horizons. As the shocks and stresses from climate change threaten to unravel decades of sustainable development gains we are **focusing efforts on climate adaptation solutions.** We feel an urgency to support entrepreneurs whose business models can create social and economic resilience to climate change and extreme climate events. Stay tuned for more developments and learnings.

The following pages tell stories of impact, amazing ventures, and our first exit. We've also included insights on the sectors we invest in and our lessons on impact investing generally, in the hopes that transparency will help us all get farther, faster.

With grit,
The Mercy Corps Ventures Team
Scott, Tim, Amanda, Chris, Carol and Hetal

GRIT *in action*

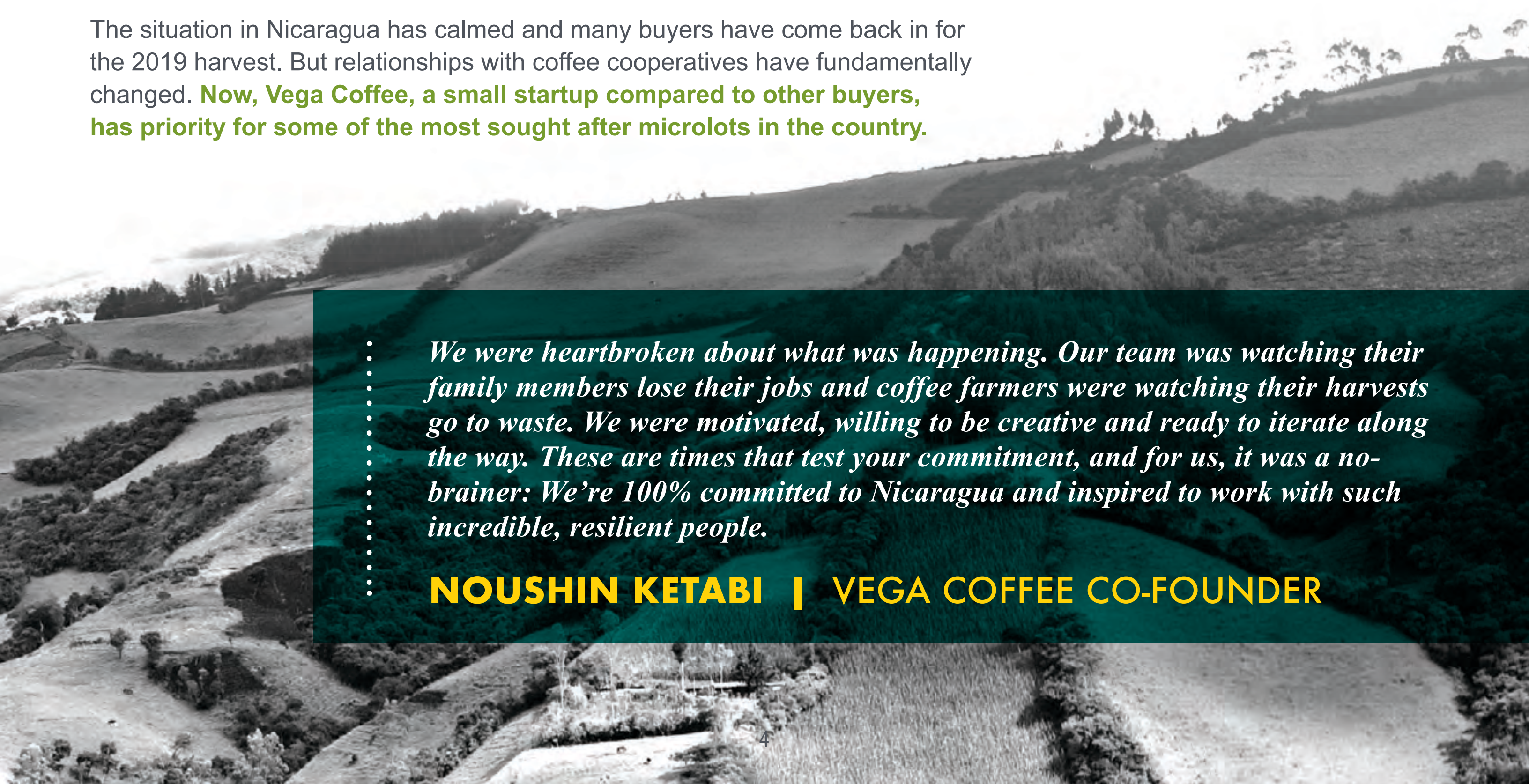
In the midst of a nationwide crisis, Vega Coffee leaned into uncertainty so coffee farmers wouldn't go without their one paycheck a year.

Not long ago Nicaragua was a tourism hot spot and home to one of Latin America's fastest-growing economies. But when aid from Venezuela dried up, President Ortega announced he would slash social security benefits as a cost-cutting measure. An outraged public took to the streets by the hundreds of thousands to demand Ortega's resignation, which prompted a crackdown by government and paramilitary forces that left hundreds dead. Nearly every day for months there were battles between rebels armed with homemade mortars and slingshots and Ortega supporters with military weapons, prompting western governments to advise against visiting the country. Since then, 80% of small hotels and up to 35% of restaurants have closed. Of the 120,000 people employed in the tourism sector, about 70,000 have lost their jobs, while Nicaragua lost its credibility to external investors, who pulled out almost $1 billion in capital.

Rural coffee farmers were equally affected by the clash. **When protesters blockaded the Pan-American Highway, one of the country's main economic arteries and a vital route to getting goods to port, almost all international coffee buyers pulled out of the country as well.** Those that remained took advantage of their increased bargaining power — making an already unequal playing field completely lopsided and leaving farmers with little to show for the year's work.

Vega Coffee took a different approach. It changed its operations overnight with new roasting schedules, safety protocols, driving routes and more to overcome the unrest and maintain its twice-a-week export schedule. And true to its mission to improve livelihoods for smallholder farmers, Vega continued to pay premium prices for the coffee.

The situation in Nicaragua has calmed and many buyers have come back in for the 2019 harvest. But relationships with coffee cooperatives have fundamentally changed. **Now, Vega Coffee, a small startup compared to other buyers, has priority for some of the most sought after microlots in the country.**



We were heartbroken about what was happening. Our team was watching their family members lose their jobs and coffee farmers were watching their harvests go to waste. We were motivated, willing to be creative and ready to iterate along the way. These are times that test your commitment, and for us, it was a no-brainer: We're 100% committed to Nicaragua and inspired to work with such incredible, resilient people.

NOUSHIN KETABI | VEGA COFFEE CO-FOUNDER

By the Numbers

$1.9M

total invested in 15 early-stage ventures

Over

$11M

in total co-investment capital

7 *ventures raised*

$23M in follow-on financing this year

12 *ventures have raised*

$32M in total follow-on financing

5

female-founded ventures

15 *strategic partnerships*

forged this year to help ventures scale smarter and faster

EXIT SPOTLIGHT

In 2017, Mercy Corps Ventures invested in LiftIt, a Colombian company that makes it simple, safe and less expensive to ship cargo throughout the country. LiftIt addresses an enormous need of rural Colombians — 45% of whom live in poverty. The cost of logistics in Latin America ranges from 18 to 35% of the product value, compared with 8% in developed countries, and reaches upwards of 40% for small and medium-sized businesses.

We knew that improving access to markets for rural producers could be a game changer for Colombia, where rural development will play a critical role in whether or not the country sees peace and prosperity after over 50 years of armed conflict. When LiftIt initially started fundraising, we saw a huge opportunity and entered early as the first institutional investor.

In the 13 months following our investment, LiftIt's growth was explosive. It used funds from the investment round to improve its technology, bring drivers onto the platform, and refine its sales process and messaging. We connected the company to coffee and other agricultural value chains, which became its fastest growing business lines, and it expanded its network across all areas of Colombia and into Mexico. With this traction, LifitIt closed a $14.3M Series A round led by the IFC and monashees in late 2018 and is now well on its way to becoming Latin America's next unicorn, having already expanded into a total of five countries and having more than 10,000 drivers on board.

Mercy Corps Ventures received an undisclosed multiple return for the repurchase of our original investment and is using those funds to invest in and support more pioneering ventures. With exits in impact investing still a rarity, this watershed moment for us — and the whole impact investing community — shows that impact investing is viable and that nonprofit organizations like Mercy Corps have a strategic role to play in the space.

This Year's Impact Highlights from 10 Active Investments

1.2M *customers served*

860,000 smallholder farmers

Over **430,000** women

$18M

in income earned or income increases

More than

350,000

people received livelihood improving skills training on their phone

$4M

in property value created for low-income Colombians

$1.7M

in income and monetary benefits for coffee farmers and roasters in Latin America

16% *of workers placed in their first formal job via artificial intelligence (AI) received a promotion*

CUSTOMER SPOTLIGHT

When Gigs Build Businesses.

Chrispus Mwasingo lives in Kenya's capital city, Nairobi. He's a carpenter and joiner with 23 years of experience. He says he "stands for quality craftsmanship and endeavors to create unique masterpieces for all my clients." Yet despite decades of experience and previous jobs, Chrispus is not employed in the formal sector — like almost 80% of the workforce in Kenya. But he is a five-star rated service provider on the Lynk job-matching platform. As Chrispus completed more gigs through Lynk, he was selected to receive additional training and support. Lynk worked with him on business formalization, management, taxes and employee engagement. With this support, Chrispus grew his workshop from two irregular helpers to 15 full-time employees who have completed over 560 metal working and furniture making or repair jobs. "Chrispus did an exceptional job. I was pleasantly surprised at the craftsmanship and how clean the finish of the job was!" said Israa, one of his reviewers.

Chrispus was already a talented craftsman, but now, thanks to Lynk, he's also a successful entrepreneur.

Post Investment Support

While capital is important, it is only a small part of what early-stage companies need to thrive. Smart entrepreneurs look for experienced investors that can add value to their company and provide an array of support offerings and connections that can accelerate their growth. It's a team effort, and one that often involves our co-investors.

Over the last year, we refined our post investment support offerings to have a balance of fully systematized and ad hoc support. We did so to ensure we're addressing the recurring bottlenecks we've seen in early-stage ventures working in difficult contexts, and to differentiate ourselves (and be complementary to) the approaches of other funds.

We created and piloted four core support offerings designed to help enterprises make more data-driven, strategic decisions (especially on cash management), overcome early barriers to growth and bake impact into their business models. We also strengthened our bench with trusted external consultants that we can match with our portfolio companies for short-term, in-depth engagements that fall outside the bounds of our core expertise. Combined with recurring check-ins and often a board observer seat, our Venture Growth approach is high-touch, high-value to ventures, and sets us up to know when and how we should work to form catalytic partnerships between ventures we invest in and Mercy Corps' programs and global networks in order to scale their reach.

FINANCE SYSTEMS

Gets timely and accurate finance systems in place to inform key business decisions and make reporting requirements easier.

SERVICEABLE/ADDRESSABLE MARKET ANALYSIS

Reviews size, segments and potential revenue of the market to inform projections, market entry and growth strategies.

UNIT ECONOMICS ANALYSIS

Lays out the direct revenues and costs associated with the business model expressed on a per unit (often per customer) basis to inform investments in R&D and sales as well as fundraising cycles and timelines.

IMPACT MANAGEMENT

Develops a clear path to impact, key performance indicators (KPIs) and customer feedback loops to inform company-wide performance management goals, marketing insights and messaging to potential investors.

As a lean startup, we have a long list of projects that we aren't always able to do justice because of lack of time and bandwidth. Our EY intern really helped us with capacity by developing a road map for our finance systems and processes. She produced a rigorous and actionable framework to improve our finance systems which we are now currently implementing. We truly appreciated having an extra pair of hands to work on this long overdue project and produce high quality work that has guided how we're now developing our finance systems.

ROSE GOSLINGA | FOUNDER AND CEO OF PULA

"Mercy Corps Ventures has been incredibly hands on, providing support across a spectrum of critical issues to the business. It has been like having your team expanded with five people who're all working strategically and at an incredibly high level towards your business goals."

SIMON ULVUND | CO-FOUNDER OF MERIDIA

POST INVESTMENT SUPPORT SPOTLIGHTS

Creating Finance Systems With Power

Pula is radically restructuring agricultural insurance, using technology to insure the previously uninsured, unbanked, untapped market of 1.5 billion smallholders worldwide. Pula asked for support to update its financial and operational processes, and we worked with our partners at Ernst & Young (EY) and their low-bono team, Ripple, to design a scope of work to meet its needs. Pula and EY then worked to identify key changes to its back-office systems. The engagement ended with clear guidelines and system recommendations for Pula's finance and operational processes, creating a scalable foundation from which Pula can expand its project work and impact in multiple countries.

Capturing New Customers

Meridia is an end-to-end solution for land and property documentation for individuals (mostly farmers) and communities in frontier markets, where accurate maps and effective land administration systems often don't exist. Together, we conducted an in-depth review of its core business lines and created a clear road map to capture customers in new agriculture value chains. We then leveraged our networks to get Meridia a meeting with the head of sustainability at AB Sugar to discuss using Meridia as a service provider for its land rights programs with smallholder farmers. The engagement ended with supporting Meridia to incorporate a financial forecast and this new analysis into its business planning and preparation for a fundraise.

Designing Pricing and Sales Processes For Scale

Arifu offers mobile learning tools that make it possible for the world's least served to access the information they need to escape poverty using any mobile phone. On the back of its successful fundraise, Arifu is building out operations and processes to rapidly increase its sales and impact. We worked with the Arifu team to identify needs, which included outlining their current cost of goods sold (COGS) and building a pricing model. We then connected Arifu with our partner, Rippleworks, who was able to secure a Google executive to support Arifu on creating an end-to-end B2B sales process, while we worked on the pricing model and SaaS approach internally. The engagement resulted in a clearer understanding of COGS, an updated pricing approach and model, and a guide to building out a SaaS solution as the company grows.

Defining and Validating Impact

Levee applies agnostic AI technology to sourcing and hiring processes to help companies minimize hiring bias and find the best-fit talent for each position — decreasing hiring time and turnover and giving informal or unemployed workers of diverse backgrounds increased access to quality job opportunities. Levee had made great strides on articulating and validating its value proposition to its customers (companies), but not to its users (people looking for employment). We helped Levee define its problem statement, create a theory of change, map out KPIs and conduct its first user survey to gather the needed data. The engagement ended with Levee having clear, data-backed impact messaging aligned with industry standards and a refined pitch deck for its Series A fundraise.

Impact Themes

AGRICULTURE

The majority (78%) of the world's poor live in rural areas, work in agriculture and earn less than $2 a day. We invest in emerging ventures that are leveraging technology to give farmers greater agency over their livelihoods and the tools and resources they need to grow enough food to feed their families and generate enough profit to thrive.

1 NO POVERTY

2 ZERO HUNGER

IMPACT HIGHLIGHTS

$6.2M *in insurance claims paid to smallholder farmers in East Africa for lower than expected yields*

Over **20,000** *loans disbursed to rural farmers in Kenya*

$1.7M *in income and monetary benefits to coffee farmers and roasters in Latin America*

CUSTOMER SPOTLIGHT

Godfrey is a 27-year-old farmer who resides in Gatheri, Meru County and raises livestock and chicken, practices beekeeping and plants bananas. Godfrey first heard about Safaricom's DigiFarm product on the radio, dialed #283* to register, and then accessed free Arifu dairy farming training based on Heifer International's best-in-class training material. The interactive training taught Godfrey how to keep his cows clean and free from mastitis and how to increase milk production through a healthy diet. After using Arifu to access SyngentaMaize training, he bought 2 kilograms of maize seeds. The harvest was successful and he was able to get three bags of maize to sell. He's excited about the results and says, "In the past, I was broke, but after learning I have done a lot. I am currently building a house for myself."

INSIGHTS

Top-down Traceability: Consumers, regulators and major brands are increasingly concerned about validating the origin and journey of their raw materials and products in an effort to identify and/or mitigate risks related to health, labor exploitation and equitable value transfer/pay. We are excited about this increased focus on transparency and equity in supply chains. Emerging innovations in distributed ledger technology and geospatial tech are allowing for a new wave of traceability solutions. However, as we started to vet some of the startups in this space, we were left wondering, what's the point? How does the farmer really benefit? While we hear about a collective desire for the generational sustainability of supply chains we love (e.g., coffee, sugar), we don't see the farmer being incentivized or compensated to participate. Moreover, the majority of solutions are built far from the critical value chain actors that would need to dramatically change their behavior and systems to make these solutions possible. Embedded in all of this will be an additional cost either to the farmer, manufacturer, brand and/or end consumer.

We need to first understand the systemic issues and incentives along the value chain and then assess if any of the aforementioned actors really cares or benefits enough to pay a premium, or if it's simply nice to have. As we continue to support and advocate for smallholder farmers, we're also engaging with more corporate players further upstream in the value chain on these issues and on the collective action we might take.

Don't Forget the Ground Game: Geospatial and remote sensing are amazing sources of data for assessing the productivity of smallholder farmers. But in many cases the data still needs to be ground truthed. For example, geospatial data can tell us about the presence of trees, but not necessarily how old or well-cared for they are — both critical factors in determining a farmer's long-term productivity. Moreover, microclimates can greatly influence yields in even the smallest areas, which complicates algorithms that rely on imagery with a low resolution to, for example, trigger insurance payouts. While technology and imagery are continually improving, companies must still find cost-effective ways to ground truth data so that they can improve their algorithms and product or service. This tends to be quite costly, but is a necessary step to creating models with a valid value proposition. Combining secondary data with ground data also has the power to create a validated farmer profile (or ID) that the farmer can own and use to access a range of beneficial services (e.g., finance, information, knowledge/precision ag, insurance). In this way, then, the data is truly leveraged and becomes a useful tool for a farmer to grow their way out of poverty.

Data Sharing for Survival: As an impact fund housed in an NGO, we have access to various types of ag stakeholders and the data they collect on smallholder farmers and value chains. Many actors are collecting the same data and are unwilling to share it. If big data can lower risks for everyone, we've been contemplating if forming an alliance to make data more openly available would get everyone — including farmers — further, faster. Pre-competitive alliances between entities with different datasets, like the Council on Smallholder Agricultural Finance, treat data as a common good that strengthens all stakeholders. For example, ag lenders, microinsurance product developers, alternative credit score companies, input companies and land surveyors have their own data and customer relationships, but could be missing out on synergies gained through data sharing that would allow them to create more value, better serve farmers and improve systems-level outcomes. Subject to privacy, when the data is shared as a common good the analysis and linkages among various datasets becomes the "secret sauce" that allows more startups, financial service providers (FSPs) and other agtech ecosystem actors to thrive.

ACTIVE INVESTMENTS

VEGA COFFEE — vertically-integrated model in coffee value chain

FarmDrive — credit profiles to enable mobile money loans

Suyo — lower-cost and transparent land titling with financing

MERIDIA — lower-cost and transparent land formalization and titling

Harvesting — remote sensing and machine learning to generate farm-level data

PULA — mobile microinsurance and tailored advisory

Arifu — skill training via mobile phone

FRONTIER FINTECH

Almost 2.5 billion people don't have access to financial services, limiting their ability to build assets and secure their economic futures. We invest in emerging ventures that leverage technology to create access to and use of financial services.

1 NO POVERTY

IMPACT HIGHLIGHTS

More than **18,000** *people received legal title to their land, increasing their ability to access formal financial services*

Almost **370,000** *beneficial products sold on credit to low-income shop owners*

Almost **$6M** *in microinsurance claims paid out to 130,000 farmers in Zambia and Malawi*

COMPANY SPOTLIGHT

SOKOWATCH

Urban areas have tens of thousands of last-mile consumers who primarily rely on small kiosks (called dukas in Kenya) to access essential products. More than 98% of African consumers buy goods from an informal shop every week, and 80% of all retail purchases on the continent are made at these small, independent kiosks. But the informal micro-entrepreneurs who run them lose sales opportunities when they are out of stock or have to close shop to go purchase inventory. So, it's no surprise that Sokowatch's offering — which allows shop owners to place orders for a variety of products (from maize flour to medicine) on a mobile phone and have these products delivered within two hours —has been so attractive. Sokowatch also extends a small line of credit to shop owners, enabling them to purchase and stock the everyday goods their communities need at lower prices, while saving time on their operations. Over the last year Sokowatch's revenues grew more than tenfold. The company raised millions in new financing and expanded its operations to six large cities across four countries. Sokowatch also continued to expand its credit lines for shop owners, with an average default rate of less than 0.2%. Sokowatch attributes its explosive growth to its integration of technology, logistics and financial services, allowing shop owners to access what they need in one place.

ACTIVE INVESTMENTS

FarmDrive	credit profiles to enable mobile money loans
PULA	mobile microinsurance and tailored advisory services
MERIDIA	lower-cost and transparent land formalization and titling
SOKOWATCH	sales and financing of beneficial products for small urban shopkeepers
Arifu	financial capability training via mobile phone
Suyo	lower-cost and transparent land titling with financing

INSIGHTS

Regulation is Catching up with Fintech Enterprises: Many of us have either seen first hand or heard of the digital credit bubble that may be growing in Kenya. Waves of lending platforms have hit the scenes over the years, providing various amounts of unsecured loans resulting in varying, consequence-free repayment rates and little or no data on whether or not the loans improved people's livelihoods (and if so, how). This is leading many to wonder if we are just perpetuating a culture of over-indebtedness while abdicating the duty to increase borrowers' financial literacy and promote responsible lending practices. With millions of dollars flowing in to fuel the growth of fintech lenders, the government is now exploring what regulations are needed to harness the fintech revolution. The form any regulations will take is the subject of much debate, and we're tracking the discussion to see where this lands. Our hope is that regulation will help protect vulnerable borrowers without discouraging helpful innovation or impeding those who are already lending responsibly to their customer segments, experiencing great repayment rates and generating evidence on livelihood improvements.

Using Financing to Build Trust with Farmers: As many of the world's unbanked are also smallholder farmers, several companies in our portfolio contribute to both our agriculture and frontier fintech impact themes. They're at the intersection of agriculture and financial technology, and are known as AgriFin companies.One assumption that they and we have been making is that financing should be the crux (or beginning) of the relationship with the farmer. Many of today's innovations are designed around financing being the great "unlocker." While financing is certainly an important piece of serving the smallholder farmer population, having a narrow focus on financing limits a business's ability to serve the whole user experience. For example, you can approve a farmer for a loan, but if that farmer cannot physically access the inputs that the loan was intended for (such as seeds or fertilizer), they may not take the loan or may use it in some other way. The bottom line is that companies should consider the best methods for building a trusted relationship with farmers, in addition to financing.

B2B Models in the Financial Sector: We're seeing, supporting and partnering with companies that want to sell services to FSPs. These companies want to provide the back-end systems that will help FSPs operate more efficiently so they can serve (or better serve) smallholder farmers and other underserved population segments. FSPs, however, may not immediately see the value of adopting a new process or approach that could change the way they have grown accustomed to operating, and it can be challenging to sell an FSP on a new way of doing business. It can take time for the B2B provider to demonstrate the value of its offering and the effectiveness of its approach, leading to long sales cycles. This reality makes the case for more patient investment capital and an adjustment in expectations around the time it can take for B2B companies to generate real traction with their service offering.

FUTURE OF WORK

Globally, youth are three times more likely than adults to be unemployed. At the same time, the number of young people entering the labor force in many parts of the world is surging while the growth of formal sector jobs is not keeping pace. We invest in emerging ventures leveraging technology to give youth the skills they need to succeed in the 21st century world of work — providing access to opportunities to unlock their energy and productivity.

IMPACT HIGHLIGHTS

17,000 *people from underrepresented populations (e.g., women, those with less than a high school degree) in Brazil were placed in formal jobs with social protection benefits for the first time*

Over **$2.7M** *in income earned by more than 1,600 people in Nairobi completing short-term gigs*

More than **350,000** *people in East Africa received skills to improve their livelihoods via a basic phone*

CUSTOMER SPOTLIGHT

Anayara is a young woman in Brazil who supports her husband and child. Before finding out about the Levee platform she had been unemployed for four months. Then she saw a poster about Levee at a bus stop and decided to give it a try. She spent a few minutes on WhatsApp creating her profile and days later she was working as a cashier at a large department store. Now, she has formal employment with a steady paycheck and a variety of social protection benefits. “I feel more alive,” says Anayara. Before Levee, information on formal job opportunities in Brazil was hard to find and underrepresented populations were unconsciously yet systematically discriminated against in formal hiring processes. The power of agnostic artificial intelligence and the ease of WhatsApp is minimizing hiring bias and benefiting companies with lower hiring costs and turnover, while benefiting workers with increased access to quality job opportunities and greater income security.

ACTIVE INVESTMENTS

Arifu	skill training via mobile phone
LYNK	job-matching platform connecting workers with employment opportunities
LEVEE	inclusive artificial intelligence for sourcing and hiring of low-skill position

INSIGHTS

Informal Vendors Still Reign Over E-Commerce in Africa: Alibaba and Amazon have come a long way, showing us the potential of online super platforms to streamline the shopping experience and give businesses of all sizes access to a huge potential customer base. Jumia is gaining ground in Africa, but in many markets, like Uganda, customers will primarily just purchase mobile phones from its website. For other products, customers want to see them in person before buying. Super platforms are great at reducing frictions, but these frictions may not exist in all markets. In small towns, going to the market isn't so much a burden. In cities, where e-commerce solutions could provide more convenience to consumers, the behavior change that's required for people to begin using these platforms has been slow. Patience is required for companies that are creating e-marketplaces akin to Etsy, or developing platforms with employment-generating opportunities. It takes time for these sites to build trust with customers, improve the user experience, and establish quality control measures that will help them build (and maintain) credibility with customers.

Using Tech to Build a Work History: We are supporting ventures that remove the inefficiencies and frictions of the job search and hiring processes, whether it's for short-term gigs in the informal economy or long-term jobs in the formal economy. Each of these endeavors requires a different approach, but both ventures offer workers an opportunity to use their platform to develop a trusted identity, work history and real-time CV complete with performance ratings, credentials and accomplishments. Lynk is operating in Nairobi, where the majority of the workforce is in the informal sector. Its gig-matching platform offers workers the opportunity to develop detailed profiles that include training, certifications, performance ratings/reviews and other accomplishments so that employers and customers will feel more confident they're hiring "pros" or purchasing on-demand products from its e-commerce offering called Lynk Shop. Levee is operating in Brazil, where formal employment is more common. This venture is prioritizing helping previously unemployed or informal workers to build an online work history that resembles a traditional resume, and then uses their work history, various alternative data points and location to match them to formal jobs. Both platforms are figuring out how to evaluate an individual's skills and thinking about how they might expand offerings on their respective platforms to increase revenue and impact. We're intrigued by both models and their ability to help people move up the career ladder and land higher quality jobs.

When Should Upskilling Be a Part of the Business Model?: A lot of social enterprises in the youth employment space are encouraged to make upskilling a core part of their product or service. We understand and agree with the rationale, but only in some contexts and for some business models. Lynk is a great example. We're highly supportive of Lynk's aspirations to make upskilling a core component of its product, as training and credentialing are great ways for Lynk to improve outcomes for its customers' and users' and build its business. On the other hand, we would not encourage other businesses to add an upskilling component to their model if doing so does not contribute to their unique value proposition. In such cases, the time and effort involved could make upskilling an expensive add-on that does not enhance the value or impact of the company's core offering. For example, a company that leverages big data and machine learning may be better positioned to improve labor markets and outcomes for workers by reducing information asymmetries in the marketplace. It could analyze a wide range of open job positions requiring common skills or certifications, and either provide that information directly to unemployed persons or to institutions that already do skill building. This approach would deliver higher value to the company and the overall labor market.

LAST-MILE DISTRIBUTION & LOGISTICS

Almost half of the world's population lives in last-mile communities, where goods, services and information can be inaccessible or unaffordable. We invest in emerging ventures leveraging technology to bridge the last-mile gap and create access to the products, services and markets that people need to thrive — regardless of where they live.

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

IMPACT HIGHLIGHTS

370,000 *beneficial products sold in last-mile urban communities*

3,500 *coffee farmers in Latin America increased their income, almost 70% of them women*

15% *savings for small shopkeepers — often used to expand their business or open new stores*

CUSTOMER SPOTLIGHT

Women represent a good majority of the world's 20 million coffee farmers living at or below the poverty line, and are responsible for up to 70% of the labor in coffee production. Despite their critical role in coffee quality and cultivation, women have been traditionally relegated to positions of relative powerlessness, without the land ownership and income necessary to establish themselves as leaders in a challenging industry. Vega Coffee works with women every day to demonstrate that coffee belongs as much to women as it does to men. It's core to the way Vega does business. ***"Dreams don't seem so impossible now that we can sell our coffee to Vega Coffee, and are diversifying our income with tourism and other products.*** We dream of expanding our land and realizing even more benefits for the community. So far, we have seen great success for the women in our community – many are able to continue their education given the added income that they're earning from Vega," say Mayra Velásquez, member of the cooperative Nuevo Amanecer in Nicaragua.

ACTIVE INVESTMENTS

VEGA COFFEE — vertically-integrated model in coffee value chain

SOKOWATCH — sales and financing of beneficial products for small urban shopkeepers

INSIGHTS

Logistics is Made for the Capital Markets: The impact potential of improved logistics is tremendous. We know this impact can be hard to measure and can be less defined than the other areas we invest in, but its key to the success of many other impactful innovations — both from an access and an affordability perspective. While we've become more knowledgeable and confident in the positive impact that logistics and distribution solutions can have on underserved populations, the capital markets have already seen the value in these types of investments. In 2017, we became the first institutional investor in LiftIt, an online platform for quoting, scheduling and tracking cargo shipments of all sizes. We were proud to invest at that high-risk early stage alongside a host of strategic local Colombian angels and family offices. Today, the company has raised millions and is attracting interest from major international funds that see growth potential across Latin America. We've seen the same thing happen in Africa with Zipline and in Indonesia with Go-Jek. The most successful logistics models survey an array of geographies and client bases — not just the most challenging (i.e., rural markets). This diversity of customers and revenue streams innately attracts different type of capital than, say, an ag-only focused business with very long-term returns, uncertain acquisition horizon and a multitude of risks.

Big Data is Key to Big Leaps in Supply Chains: We know this one is a little obvious. The more data a company has, the better able it is to do predictive analytics on customer purchasing trends and plan inventory accordingly (assuming it takes its data seriously). Over the past year it's been great to see this play out in servicing urban, last-mile consumers. Sokowatch (see Company Spotlight below) now has a long enough history of purchasing data that it can accurately predict incoming orders from shopkeepers serving low-income consumers and pre-stock tuk-tuks (a three-wheeled motorized vehicle) for deliveries to last-mile urban settlements. Leveraging predictive analytics has allowed them to significantly decrease the time from order to delivery — cutting it down so much that it takes shopkeepers less time to order products through Sokowatch than to go to the central market to buy them themselves. The predictive data has also helped Sokowatch plan for shopkeeper financing needs. We think this is a valuable proof point for the sector and a great example of a company on its journey to leverage its data to enhance its customer value proposition.

Don't Lose Focus on Logistics: It's easy to fall in love with a new technology that reduces the costs of providing impactful goods or services. But these cost savings can quickly be eaten up by the expense of reaching underserved customers and thus limit the market potential of the innovation. Logistics costs for small and medium-sized businesses can be up to 40% of the value of the products they sell. If you're a social venture looking to save on costs, logistics is probably high on your list of line items to reduce. But the stumbling block often comes in the need to frequently evaluate what's possible. The ecosystem is rapidly changing,creating new possibilities in land and sea shipments. We saw LiftIt change the entire Colombia cargo market in less than two years. You have to actively track innovations in the space. You also have to be on top of what's possible for your different volumes. If you're shipping between countries, going from air freight to container shipping is a game changer. But if you're not thinking creatively and proactively about how or when to make the change, then you're leaving margin on the table.

Facilitating Scale

Part of our job as investors is to walk the talk. If we say we want something to scale, then we need to do our part to make it happen. For us, that can take several forms, from streamlining our investment processes to get capital out the door more quickly, to providing tailored post-investment support to help ventures overcome critical barriers to making strategic connections for fundraising. We listen to our entrepreneurs, we try different things, and sometimes we're successful. Over the last year we've had a few of those successes.

Creating New Capital Mechanisms

The scale of land insecurity is daunting, with 72% of the world's population living on property for which they do not hold formal rights. Landlessness is one of the best indicators of poverty, with billions in potential wealth unrealized, and in many countries people without formal titles face the risk of violent land disputes, fraud and eviction. In Colombia, almost 60% of the population lives without property ownership.

In 2017, we invested in Suyo, a company offering the most affordable and reliable property formalization services in Latin America. Suyo has reached almost 9,000 people and unlocked $4M in property value for low-income customers since we invested. **But the company still faced a major barrier to scaling its impact: Low-income consumers are willing to pay, but are unable to do so without financing options.** As a startup, Suyo's ability to finance its own customers was limited and established financial institutions were unwilling to take the risk to develop a new lending product. So we stepped in.

This year, we partnered with Omidyar Network to create an innovative blended finance structure that incorporates two tandem financing facilities (the Catalytic Land Financing Facilities, or CLFF):

- **A loan facility that provides low-cost capital for onlending** and ensures Suyo receives full upfront payment for services from the local Colombian financial institution, Créditos Orbe.
- **A guarantee facility funded by Omidyar Network that serves as a risk mitigant** to Créditos Orbe's potential credit losses resulting from lending to Suyo customers.

The CLFF enables Suyo's customers to access low-cost loans with affordable payment terms. Through these loans, up to 65,000 low-income Colombians will gain legal titles to their land — generating over $50M in property value over the next three years and contributing to the end of land disputes that have been rampant for decades. We see tremendous opportunity to replicate this approach for the mass formalization of informal households in urban settlements, and we will be evaluating the impact and sustainability of the CLFF to act as a proof point for future investors.

> *"One of the most critical barriers restricting low-income families from formalizing their homes has been the lack of appropriate financing. The CLFF is an innovative response that will unlock the value of countless low-income families' homes by making property formalization financing easy and affordable."*
>
> **MATT ALEXANDER** | FOUNDER AND CEO OF SUYO

Forging Partnerships

EXPANDING A PARTNERSHIP ACROSS BORDERS

Mercy Corps' AgriFin initiative takes a systems-change approach to catalyzing the development and delivery of digitally-enabled products and services for smallholder farmers. In Kenya, AgriFin collaborated with Safaricom, the largest mobile network operator, to de-risk the creation of a mobile "one-stop shop" that farmers can access anytime, anywhere to get everything from better seeds to banking services to real-time weather and market information. This new product became DigiFarm, which has now reached millions and won a Fast Company 2018 World Changing Ideas Award. In 2017 we brokered a partnership between AgriFin and our investee Arifu that led to its integration on the DigiFarm platform. Now, that partnership has expanded to AgriFin's work in Zambia.

Mercy Corps, Arifu and the Zambia National Commercial Bank (Zanco) are engaged in a partnership to train dairy farmers in financial management, digital financial products, business skills and good dairy farming practices. Zanco aims to increase its rural clients' financial skills and ability to use digital financial services. Similar to DigiFarm, AgriFin aims to increase impact and de-risk the creation of digital services tailored to the unique needs of smallholder farmers. This project not only stands to benefit smallholder farmers, but also further increase Arifu's reach and give the company a solid base for future expansion in Zambia.

BUILDING NEW PRODUCTS TO INCREASE REACH AND DEEPEN IMPACT

With support from Google.org, Mercy Corps created Youth Impact Labs (YIL) to work with local startups to build labor market systems that support youth. YIL provides financial and technical support for startups that enhance youth skills and increase demand for their labor. It's taking a technology-driven, systems approach to addressing youth unemployment and helping every person work with dignity and purpose.

We connected YIL with our investee Lynk, which shares the same goal of decent work for all. YIL supported Lynk to design and pilot two extensions of its core job-matching platform that links blue-collar workers to jobs in Kenya: Byld and Shopsales. Byld is a labor management platform where construction contractors can easily find and manage quality workers trained through Lynk. Shopsales is an e-commerce platform that allows pro users to list their products and services for purchase by individual clients (like a combination of Etsy and TaskRabbit in the US), giving workers access to a pool of clients outside their network, training and other support to build skills, and most importantly, increase income. During the pilot phase, YIL and Lynk saw that for each dollar invested in the creation of the platforms, workers earned $2.50. This partnership has given Lynk a road map to continue developing both products — increasing its reach and deepening the impact of its platform.

Recent Investments

Harvesting

MARKET NEED

The world's 500 million smallholder farmers grow 70% of the food in developing countries, yet most live on less than $2 a day, without access to the knowledge, services and tools they need to thrive. Farmers face a range of complex, interconnected challenges (including weather variations, seasonal cash flows, fluctuating prices and unreliable buyers). In addition, agricultural service providers (e.g., lenders, input suppliers) operate with outdated systems and a lack of information about this market segment. Combined, this creates perceived risk and a high cost to service, which excludes smallholders from formal value chains and markets, leaving them trapped in a cycle of low investment, low yield and low income.

THE HARVESTING SOLUTION

Harvesting removes critical barriers for businesses and financial institutions to serve smallholders at large scale by addressing information, sourcing, scoring, system and support inefficiencies. Harvesting is creating the technology needed to drive down costs and create linkages in the fragmented smallholder farmer market. Its Agriculture Intelligence Engine combines traditional and alternative datasets with remote sensing and AI to generate farm-level data and power a suite of products designed to better include smallholder farmers in the agriculture value chain. As less than 10%t of farmers have access to finance, Harvesting's flagship product is an agri-lending suite for FSPs. This product is designed to make the lending process more efficient, scalable and responsive to farmers' needs and demands.

INVESTMENT RATIONALE

There is a fundamental lack of data inhibiting development. Without more information, FSPs, for example, are unable to efficiently and effectively engage smallholder farmers with financial products that could substantially improve their livelihoods. By collecting and analyzing a range of localized and remote data points, Harvesting's platform could accelerate the development of an ecosystem of lower-cost, more inclusive and effective products and services for millions of farmers around the world. We think the most exciting advances in leveraging big data for small farmers are just over the horizon, and we're excited to leverage our decades of experience in agriculture to work with Harvesting in driving this revolution. "We think it is applicable, especially given the paucity of credit risk data in Myanmar [a Harvesting pilot country]. There are a number of potential areas of application for the data, including making crop insurance more feasible by using the data to reduce costs and develop yield or weather index-based schemes." - Leo Roozendaal, country director, Mercy Corps Myanmar.

We are super excited about this opportunity as Mercy Corps brings in their extensive network and understanding of regions and communities we want to serve. They get smallholder agriculture and agtech. We believe that this partnership will help us further fuel our growth in both micro-lending as well as micro-insurance in agriculture.

RUCHIT GARG | FOUNDER AND CEO OF HARVESTING

Website	harvesting.co
Year Founded	2016
Location	San Francisco, CA (subsidiary in India)
Founders	Ruchit Garg
Round Size	$400,000
MC Share	$150,000
Type	SAFE
Date	October 2018

MERIDIA

Learning that some 70% of the world is unmapped, it seems like a no-brainer that in our current predicament of climate crisis, food security and growing human population, here was work to be done.

SIMON ULVUND | CO-FOUNDER OF MERIDIA

MARKET NEED

The scale of land insecurity is daunting: An estimated 72% of the world's population lives on property for which they do not hold formal rights. The landless are vulnerable to the risk of land disputes, fraud and evictions. Property rights also represent the key institutional asset on which people build their livelihoods. In fact, in many countries, landlessness is the best predictor of poverty. The repercussions resulting in lack of documentation to one's land are far-reaching: economic disempowerment, meager agricultural yields, lack of investment in property improvements and an overall sense of insecurity.

THE MERIDIA SOLUTION

Meridia combines technological tools and on-the-ground expertise to unlock land potential. From digitally mapping boundaries and validating legal documents to helping secure ownership, it brings much-needed transparency and clarity to the communities that need it most. Meridia's mission is to make the equitable distribution and use of land accessible to all. Not just one-off solutions, but a full-service approach that specifically addresses each community's continuously changing needs. Meridia's proprietary data collection, surveying and land documentation workflow platform makes surveying simple, high quality and compliant. The company has been able to drastically drive down the cost of surveying and land document production in rural areas, potentially unlocking this service for millions of landholders.

INVESTMENT RATIONALE

There is a strong and growing body of evidence that validates the impact of land formalization. Ultimately, from the perspective of households, the initial primary value is peace of mind and security. Secure property rights promote economic development through a number of mechanisms: they encourage investment by reducing the risk of expropriation; they increase credit access by raising the collateral value of property; and they promote an efficient allocation of resources by activating land markets and enabling labor mobility. Securing land rights has the potential to increase agricultural production by 60%. Given this potential, Meridia's focus on smallholder farmers, and Mercy Corps' extensive networks of farmers, a partnership could prove to be transformational for the communities we work in. Together, we'll build the case for land formalization as a key aspect of financial inclusion.

Website	meridia.land
Year Founded	2015
Location	Accra, Ghana
Founders	Simon Ulvund; Thomas Vaassen
Round Size	Undisclosed
MC Share	$170,000
Type	Convertible Note
Date	January 2019

"At Levee, our mission is to increase the world's productivity and we do this by focusing on inclusion. Institutions, job sites and resumes are often exclusive, leaving people out of formal hiring processes — especially for mass market positions. We use the right applications, like WhatsApp, together with machine learning to make sure that anyone, anywhere, anytime has access to job opportunities a short distance from their home."

JACOB ROSENBLOOM | CO-FOUNDER AND CEO OF LEVEE

MARKET NEED

Some 25 million people in Latin America are unemployed. Long-term jobs and short-term work opportunities are often available, but qualified job seekers and employers fail to connect with each other — or do so through inefficient means that hinder job seekers' ability to consistently engage in productive activities. In addition, many workers in emerging economies – by some estimates, about two-thirds – are self-employed or in the informal economy. A substantial portion of their time can be taken up seeking the next "gig" for their portfolio of work. At the same time, firms experience high turnover and low productivity because their hiring processes often result in a mismatch between skills, experience and performance.

THE LEVEE SOLUTION

Levee applies inclusive AI technology to sourcing and hiring processes to help companies minimize hiring bias and find the best-fit talent for each position — decreasing hiring time and turnover. Its omni-channel applicant job search platform gives informal or unemployed workers of diverse backgrounds increased access to information about available jobs and quality job opportunities that are a right-fit for their skills. Levee validates an individual's skills, work history and other key personal information to create an accurate and comprehensive profile. The company's algorithm then analyzes dozens of the most relevant predictors of performance, including geo-location, and connects the individual directly to a shortlist of pre-screened job opportunities, allowing them to schedule an interview. The process is simple and streamlined for both prospective employees and employers — increasing the bottom line for businesses while giving workers increased income security and quality of life.

INVESTMENT RATIONALE

Jobs are more than just avenues to income — they help bring meaning and purpose to our lives, to form our identity and secure a sense of belonging. In Latin America, a region currently overwhelmed by crisis, it's more important than ever to facilitate connections between those seeking employment and employers seeking workers. With solutions like Levee, we can effectively support thousands of job seekers (including refugees and migrants) in finding the foundation they need to improve their livelihoods and build security. Our goal is to integrate the Levee solution as part of our ongoing effort to connect the unemployed to income-generating activities in Colombia, specifically, and beyond. We're also connecting Levee to our networks in the region, while simultaneously sharing our own regional experience to help the venture expand its capacity to provide training resources and reach more employers and prospective employees.

Website	levee.com.br
Year Founded	2016
Location	Sao Paulo, Brazil
Founders	Jacob Rosenbloom; Derek Fears
Round Size	Undisclosed
MC Share	$100,000
Type	Convertible Note
Date	February 2019

Previous Investments

ACTIVE

PULA: Microinsurance bundled with input and advisory to help smallholder farmers increase yields and protect their incomes.

Nairobi, Kenya; Seed Round, convertible note, April 2018

VEGA COFFEE: Pushes value-added coffee processing (cupping, selecting, roasting, etc.) down to the farm level, allowing farmers to increase their incomes fourfold.

Nicaragua and Colombia; Seed Round, equity, March 2018

ARIFU: Mobile training solution that provides people at the base of the income pyramid (BoP) with access to needed information, skills development and products.

Nairobi, Kenya; Seed Round, convertible note, June 2017

SUYO: Public benefit corporation that unlocks the transformational impact of secure property rights by making it easier and more affordable for low-income families to formalize their property.

Bogotá, Colombia; Seed Round, convertible note, April 2017

SOKOWATCH: Last-mile distribution company that makes it possible for people in underserved communities to affordably access the health, sanitation and everyday household products they need to live healthy, productive lives.

Nairobi, Kenya; Seed Round, SAFE investment, February 2017

LYNK: Two-sided, online marketplace connecting youth in the informal sector with skill training and job opportunities in East Africa.

Nairobi, Kenya; Seed Round, convertible note, August 2016

FARMDRIVE: Expands access to credit for underserved smallholder farmers by providing partner financial institutions with analytics and risk profiles used for real-time underwriting.

Nairobi, Kenya; Seed Round, convertible note, June 2016

INACTIVE

LIFTIT: Online platform for quoting, scheduling and tracking cargo shipments of all sizes.

Bogotá, Colombia; Seed Round, SAFE investment, October 2018, Exited

VASHAM: Provides Indonesian smallholder farmers with the input and working capital loans, advisory and market linkages they need to achieve higher standards of living.

Jakarta, Indonesia; Series A, equity investment, March 2016, Pending Exit

AGRUPPA: Mobile technology streamlining the complex supply chains of key food items in Colombia by connecting produce farmers directly to mom and pop shops in low-income neighborhoods.

Bogotá, Colombia; Seed Round, convertible note, March 2017, Failed

WOBE: Digital platform that enables anyone with a smartphone to become a sales agent for prepaid phone credits, utilities and other offline-to-online transactions.

Jakarta, Indonesia; Seed/ Angel Round, convertible note, March 2016, Failed

NEWLIGHT AFRICA: Direct marketing and distribution company that sells socially beneficial products to the rural poor and increases affordability through pay-as-you-go financing.

Nairobi, Kenya; Seed/Angel Round, equity investment, September 2015, Failed

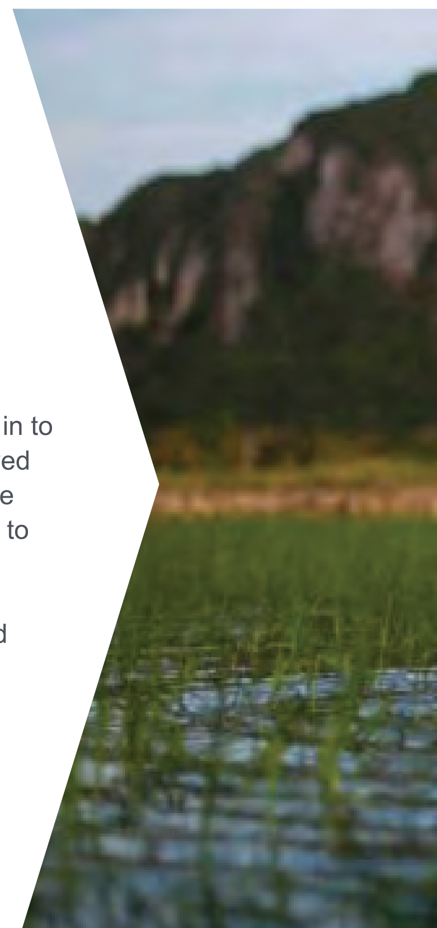
Fails & Lessons Learned

The world is rapidly changing — and so is the world of impact investing. We try to take the same advice we give entrepreneurs —to take a timeout to assess changes in the ecosystem, your opportunity costs, and how what you're learning is informing your business decisions. Here's what we came up with.

FAILS

This year we experienced our fund's third fail when our very first investee, NewLight Africa (NLA), closed its doors. We all know it can be very challenging and expensive to get essential products and services to people living in remote, rural or marginalized urban/peri-urban communities. The logistics and costs are prohibitive, so companies either ignore them or pass along those expenses through middlemen or to the end user directly — making the cost of being poor even higher. That's why we invested in NLA (branded Heya), a company focused on last-mile distribution and financing to increase the affordability of impactful products for rural communities in Kenya. But, after four years of rapid growth and clear potential, NLA closed down operations.

We want to call out three reflections we've had from this investment. First, it's challenging to structure and operate last-mile sales agent networks in a way that aligns incentives for the sales agents, maximizes the lifetime value of a customer, and keeps costs low enough to ensure affordability. Second, offering financing for products like solar lanterns and cookstoves is critical to making them more affordable for people living in last-mile communities, but creating a sales and marketing culture to drive user growth and uptake must be balanced with a responsible culture around credit risk assessment and ongoing servicing and management. These can be competing cultures and it's no easy task to get it right. Third, offering end-user financing requires a considerable amount of working capital, and lines of credit and debt can be extremely difficult for startups to raise. Even when they do access adequate capital, the terms and repayment schedules can be challenging for the cash flow of startup. For years it's been called out that there is a severe lack of working capital available for durable goods companies in these markets. The problem persists and is certainly one of the challenges that led to NLA's shutdown.



Last-mile distribution and logistics will continue to be one of our core impact themes, and sales agent models will continue to be used by emerging startups to reach communities and build trust. As we gain more experience with these models we aim to better support our investees in structuring and managing these networks for sustainable success.

LESSONS LEARNED

Impact Can Be Hard to Assess in B2B Models.

We love B2B models for their potential to scale quickly and improve markets. We knew going in to these types of investments that our investees would have an indirect impact on the underserved populations we care about, but it would be difficult to measure in the short term. What we were not expecting was how long that measurement challenge can persist and how tough it can be to align on critical metrics. All B2B customers want to see that the social enterprise is delivering them results, such as increased uptake of their products. Only some B2B customers want to know what the results are (i.e., whether or not increased uptake of products leads to improved outcomes for users). When you're taking a lean approach to data collection, gathering information on both fronts can be difficult and entrepreneurs have to make the tough choice between justifying their value to customers or validating their impact to investors (like us). We're excited to be more proactive in navigating these challenges and helping entrepreneurs figure out how to align expectations of success with B2B partners.

Don't Forget the Ground Game.

We talked about this earlier (in the Ag Impact Theme section), but it bears repeating here as an overarching lesson. It's rare that you can totally eliminate your ground game. Mobile phone penetration is changing the world, creating new possibilities for business and lowering customer acquisition costs, but it's uncommon that you can just rely on a mobile device to build trust with BoP consumers and achieve the outcomes you care about. You still need a blend of tech and touch. That means you need to be thoughtful about your short-term and long-term ground game. We've found this to be especially important in the agriculture sector, where trust is paramount and farmers (customers) need a bundle of services for any one of them to be successful. Our lesson here is to ask more about a company's on-the-ground presence, how it will change if they work through partners, and to better evaluate incentives of all the players needed to get from innovation to impact.

Copycatting Doesn't Mean It's Working.

There's been an assumption in the impact space that a metric for success in our sector should be the number of copycats of various business models out there. We're seeing a lot of copycatting out there now, especially in the ag space, but we're not seeing any proof of success. For example, many companies are popping up in alternative credit scoring for smallholder farmers, but no one (that we know of) has made a significant dent in figuring it out — there is little innovation on how it's being approached. Instead, it looks like aspiring founders are seeing an easy way to raise some money while investors are keen on the space. We've even seen the presentation of false traction and financials to try and seal the deal. We absolutely think more money coming into the impact space is good for the sector, we're just reflecting on our own role to invest in the right things, do our diligence on impact, and try to make sure we don't contribute to a future headline about how impact investing doesn't work.

Sometimes Impact Capital and Venture Capital Don't Mix.

Using impact capital to leverage venture capital, or other forms of private capital, is great. We've been one of the many that want to unlock new pools of capital and even influence traditional capital to be more impactful. But it doesn't always play out that way. We're finding that when the two types of capital are mixed too early in a company's lifecycle, the conflicting values, visions, experiences and objectives of investors can confuse a founder and even cause them to significantly pivot their business model. We get it. Some of us have been founders ourselves and felt the crippling pressure of dwindling bank accounts and slow investment processes. But as we move forward, we're going to be more careful about the mix of capital that entrepreneurs are amassing. We'll be assessing the power of our voice at the table and more strategic about advising entrepreneurs on when to bring in different types of capital (grants included),connecting them to the people who can provide it.

That's all folks. Thanks for reading. We hope our insights and lessons prove to be valuable to you. We'll be climbing a steep learning curve over the next year as we deepen our investments in fintech (with a focus on crypto, blockchain) and climate adaptation solutions, and we'll be sure to share the lessons we learn along the way, through our **blog** and **newsletter**.

Until then.

Acknowledgments

As we reflect on the last year, we are filled with gratitude to all those who have helped us succeed, who pushed us outside of our comfort zone, who inspired us to take risks, and who picked us up when we were down. We're glad to have you on our team and look forward to another year of working together to make a better world possible.

We're also privileged to partner with some amazing organizations. Each of our ecosystem partners brings unique value, perspectives and resources to the table. You increase our reach, strengthen our work, push us to be better, and so much more. We thank you all for your partnership over the last year and we look forward to more collaboration in the years to come.

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MERCY CORPS COUNTRY TEAMS

We work alongside several amazing teams at Mercy Corps in the pursuit of empowering people to transform their communities for good. You've become too numerous to name, but know you are critical to this work and the success of the ventures we collectively support. Thank you.

ECOSYSTEM PARTNERS

MERCY CORPS

VENTURES

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