

Mid-term strategic plan 2022-2025

Stichting Kula Loans International



Postal address:

Leidseweg 77 bis, 3531 BE Utrecht, Nederland

info@kulaloans.org

www.kulaloans.org

RSIN: 859247302

Chamber of Commerce number: 72816651

Bank account: NL86RABO0334533562

Contents

Introduction	3
1. Mission	5
1.1 Objectives	5
1.2 Strategy	6
2. Background & vision	7
2.1 The revolving fund	7
2.2 Plan of activities 2022-2025	9
3. Organisational structure	10
3.1 Supervisory Board	10
3.2 Local partners	10
3.2.1 India	10
3.2.2 Colombia	12
3.2.3 The Gambia	12
4. Fundraising & finance	13

Introduction

In this mid-term strategic plan, the Kula Loans International Foundation describes its strategic intentions for the period 2022–2025. The strategy to be pursued by the foundation during this period is partly dependent on developments in the external environment and the capital available. If these factors change, the foundation will anticipate and adjust its strategy where necessary and/or desirable.

When implementing the strategy, the foundation focuses on its statutory objectives. The foundation was formally established on October 5, 2018, and is committed to pursuing its statutory objective: “improving the position of poor communities worldwide and everything else that is related to, belongs to and/or is conducive to this in the broadest sense.”

The foundation achieves this objective through, among other things, with the following activities:

- providing affordable and tailor-made group-loans to impoverished communities, via local partners – with Group-loans and via so-called Community Chests;
- through a revolving fund –managed by the local partners- that support communities;
- we support in capacity building, transfer of knowledge about (group) social entrepreneurship, and between partners; Also, with some grant funding to do capacity building of the communities;
- inspiring (online) other communities, and partners to communities, by ways of Credits for Communities.

The foundation does not aim to make a profit. The work of the Kula Loans International Foundation serves the public interest. The Kula Loans International Foundation is working in partnerships and hosts the secretariat of a global movement that works towards full financial inclusion, by increasing access to financial services for the most impoverished communities, called “Credits for Communities”.

Credits for Communities is a global movement connecting change agents and partners who want to contribute to our mission: incubating agency of impoverished communities across the globe to grow their own wellbeing, through community-based social ventures that connect income-generation or financial services with access to (or



provisioning of) basic needs, like water, health, renewable utilities, housing, food, and so on.

The Kula Loans International Foundation was founded from the idealistic motive of contributing to a global society where every community has the opportunity to participate in economic activity, with a view to increasing the well-being of the community. Kula loans International does this by, on the one hand, showing “how this can be achieved”: by managing a revolving fund that is used for “community-owned solutions for the good of all”. And on the other hand, to share all the lessons learned, worldwide, facilitate collaboration on this topic of community self-development, to those who also want to do this in the same way, for other communities.

The plans for the 2022 to 2025:

- growing the capital of the revolving fund, in collaboration with the right community organisations (partners), and growing the number of successful social “investments” and community-owned solutions;
- growing the global movement that strives for the same impact: self-reliant communities growing their wellbeing;
- sharing the tools and solutions and access to capital, to partners who want to invest in the well-being of the community, and change agents based in the communities.

1. Mission

The power to develop out of poverty lies in the community. While microcredit has focused on strengthening the development opportunities of individuals in recent decades, Kula Loans International has a mission to strengthen the community: stimulating sustainable change in a community by providing capital for a revolving fund. The revolving fund provides group-loans and capital for community chest for community-owned social or green ventures that contribute to the growth of wellbeing of the larger community.

Mission: to contribute to a world where every community has the opportunity to participate economically, aiming for increasing the well-being of their own community.

1.1 Objectives

The overarching objective: “improving the position of impoverished communities worldwide and everything else that is related to, belongs to and/or is conducive to this in the broadest sense.”, is translated in the anticipated impact as follows:

Kula Loans International ultimately aims to raise the standard of living of the communities we support through:

1. improved livelihood;
2. better environment;
3. healthier living.

We do this, by investing in group- or community-owned solutions to grow the wellbeing of the larger community.

Envisioning to reach our impact on the long run in this way, the overarching objective is broken down in the following three sub-objectives:

1. providing affordable and tailor-made group-loans or community chests to impoverished communities, via local partners - in three different continents;
2. learn what works best to do this, and share the learnings & the tools to do so, with others so the approach can be replicated elsewhere;

- grow and position the global movement that reimagines our economy, putting the agency back into the hands of the communities, empowering them to rebuild their own community economy as to grow the wellbeing of their community.

By 2022, the following results were booked:



Recap 2018-2022: output

1 Countries & Communities

2 Revolving fund

3 Credits for Communities Collective

<p>India:</p> <ul style="list-style-type: none"> 2 partners 30 Drishtee groups (± 300 families) 3 Drishtee Community chests (±150 families) 100 NEED groups (±400 families) 1 Need Community Venture (15 families?) <p>Colombia:</p> <ul style="list-style-type: none"> 1 partner 3 ColImpactoB Community chests (±35 families ?) 	<p>Total Revolving fund, managed by local partners: 86,000</p> <p>India:</p> <ul style="list-style-type: none"> 60,000 euro – NEED 30,000 euro – Drishtee <p>Colombia</p> <ul style="list-style-type: none"> 6,000 euro ColImpactoB 	<ul style="list-style-type: none"> Positioned the movement C4C website & social media Created a movement of followers: <ul style="list-style-type: none"> 160 LinkedIn members 60 Facebook (To be deleted?) Launched a Collective of 8 partners – who joined a Learning Circle
--	---	--

1.2 Strategy

Kula Loans International's strategy consists of the following six pillars:

- Revolving fund;
- Group loans & Community chests, through local partners;
- Investments in community-based solutions that contribute to the well-being of (the majority of) the community;
- A local partner network, partners who have an overlapping mission;
- By working with donations, interest free capital, and with volunteers, it is possible to provide access to capital that can be invested at risk (read: in the most impoverished communities) and in social enterprises: not driven by profitability, but by maximising social impact;
- A global movement “Credit for Communities” to facilitate the impact scaling strategy in other parts of the world.

2. Background & vision

The foundation has been established and builds on the successful establishment of the Microcredit for Mothers Foundation, which has a similar mission, aimed at combating poverty through access to capital for the poorest entrepreneurial individuals throughout South and Southeast Asia.

Through this experience, we learned that solutions that contribute to the wellbeing of the full community (like sanitation, housing, water, energy), as well as income and financial services (means to transact, savings, credits, insurances, mortgages and pensions) should be linked, adapted and supportive to the needs of the communities. And not only be based on individual support, but geared towards a communal good.

That's why Kula Loans International aims to empower and include the impoverished communities around the world. Our vision is to create innovative, community-led approaches that provide pathways to grow into sustainable, self-reliant, flourishing communities. Not in isolation, but in joint efforts with hyper-local eco-systems of partners.

2.1 The revolving fund

Kula Loans International believes that investment at community level, is a great pathway to unlock agency and ignite self-development of communities. Encouraging the entrepreneurial group to invest in the well-being of the entire – or large part of – the community. Kula Loans focuses on group-loans and capital for community chests to be used for investments that lead to a sustainable impact in the areas of:

1. health,
2. economic progress,
3. social emancipation and
4. environment/nature.

In this way, the loan contributes to the overall well-being of the community. Kula Loans International always investigates whether there is a sustainable and impactful business case underlying the investment. In other words: does the investment generate sufficient income or cost savings that a loan is justified. Kula Loans International strives for investments that generate both social and financial returns for

the local community. By repaying the group-loan, Kula Loans International is able to support another excluded underprivileged communities with a group-loan from the revolving fund. If communities are ready for self-managed community chests, the capital stays in the community for the next round of investments. The money /capital is revolving while it is built-up with donations, in this way we anticipate to grow the fund to Euro 200.000 by the end of 2025; allowing for an accelerated growth of community-based solutions, through this innovative financial approach.

With this the anticipated output of the revolving fund by 2025 would be:

- a TOTAL of 102 community chests (guesstimate: 5100 families) annually
- TOTAL capital of the Revolving fund, managed via local partners: Euro 207.000

Details are anticipated to be as follows:

Suggested 2022- 2025: output



1 Countries & Communities - ASIA

2 Revolving fund - ASIA

3 Credits for Communities Collective

ASIA

India:

- 100 Dristee groups (± 1000 families)
- 30 Dristee Community chests (±1500 families)
- 100 NEED groups (±400 families)
- 3 Need Community Venture (50 families) – with 3 community chests

Other Asian country:

- 1 partner
- 3 Community chests (±150 families)

India:

- 60,000 euro – NEED
- 60,000 euro – Dristee

Other Asian country:

- 5,000 euro

- Content-rich C4C website & growth of social media & newsletter
- Growth of the movement of followers:
 - 5000 LinkedIn members
 - 500 newsletter subscribers
- Launch & grow Collective of partners/members
- Continue to create content with Learning Circle –openly accessible

1 Countries & Communities – LATAM & AFRICA

2 Revolving fund – LATAM & AFRICA

LATIN AMERICA

Colombia:

- 1 partner: ColmpactoB
- 30 Community chests (±360 families ?)

Other LAT-AM country:

- 1 partner
- 3 Community chests (±35 families)

AFRICA

Gambia:

- 1 partner Buzz Women
- 30 Community chests (±360 families ?)

Other AFRICAN country:

- 1 partner
- 3 Community chests (±35 families)

LATAM

Colombia

- 40,000 euro ColmpactoB

Other LATAM country:

- 6,000 euro

AFRICA

Gambia

- 30,000 euro

Other African country:

- 6,000 euro

2.2 Plan of activities 2022-2025

To realise the 6 pillars of our strategy, we focus on the following plan of activities:

- Extending our partnerships with our current 3 local partners in India and Colombia. This way we are able to help more local communities and develop the “Community chest” into an effective tool.
- Increasing the total Revolving fund amount. This will give us a higher volume for our local partners to provide group-loans to the communities.
- Build new partnership in Latin-America, next to Colombia; Build new partnership in Asia, next to India; Build new partnership in two countries in Africa.
- Ultimately, all three of the above will build a solid proof-pilot to generate the evidence that this Community Chest works, i.e. grows the well-being of the larger communities regardless of different cultural settings.

Our impact scaling strategy, will be by co-facilitating the Credits for Communities movement:

- Intensifying our social media efforts and launch a newsletter, both to creating a following to inspire others to join and/or follow suit;
- Publish an online toolkit by the Learning Circle “Credits for Communities” – with partners (community organisations) spread across the world;
- Grow the “Credits for Communities” Collective and the collaborations impacting self-development in communities, as a result of it.

3. Organisational structure

Kula Loans International team consists of a Supervisory Board, a team of volunteers and a local partner network.

All professionals in the Kula Loans team dedicate their time and efforts on a voluntary basis, so they do not get paid and receives no financial compensation for their work.

3.1 Supervisory Board

The Supervisory Board of the foundation currently consists of Mrs. Erlijn Sie (chairman), Mrs. Denise Schelbergen (managing director) and Mr. René Pieterse (treasurer). The board is unpaid and receives no financial compensation for their work.

3.2 Local partners

Our current local partners are the following.

3.2.1 India

NEED

Our first local partnership with NETWORK OF ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT (NEED) has been established in 2018. NEED has many years of experience in promoting value based economic cum social enterprises, and 15+ years of operations in education, skill training and value based fast growing non-farm & farm sector. NEED operates in Uttar Pradesh, Bihar, Uttarakhand and West Bengal (in the north of India) and covers over 6500 villages. Together we envision the poor people residing in the Northern region of India, to raise their standard of living by empowering them to benefit from the solar power available to them, by investing in solar-powered solutions, that increase the well-being of (the larger part of) their communities in a financially and environmentally sustainable manner.

We do this by investing in community- as well as household owned solar-powered solutions, that increase the well-being of (the larger part) of the community in a (self-) sustainable manner. Together with NEED, we have been able to support many groups Their repayments will be used to finance new groups and new investments are made



on an ongoing basis. Below and on the next pages we have described a number of solutions where our funds have been utilized for. In 2022 with support of Kula Loans NEED has been able to provide assistance to the local communities in different ways.

DRISHTEE

In 2020, we have started a new partnership with Drishtee Foundation. Drishtee Foundation is a social organization working in villages towards sustainability and shared prosperity since year 2003. They work with farming families and local entrepreneurs to ensure availability of services and development of livelihood within the village. Drishtee helps develop rural and urban linkage through a value chain approach in the field of micro enterprise development or livelihood and through a franchisee model for provisioning of services. The organization stands on the principles of sustainability, value creation and entrepreneurship.

Community development is an approach to bring ownership among community of any development initiatives so that community themselves can respond to their needs. Community development is a holistic approach of Drishtee to enhance local livelihood opportunities and access to basic services, with in community. The initiative focuses on building self-reliant sustainable, interdependent community organization and enable community organizations to design and develop community led economic and social solutions for the betterment of their villages.

We share the common believe that thriving communities are the heart of sustainable development instead of encouraging individualistic enrichment. The aim of Drishtee is to continuously to improve the quality of life through the collective involvement of local community members: 'One Village, One Family, One Community Organization'.

With support of Kula Loans Drishtee has started to build locally relevant business ecosystems among 5 focus areas in Northern India. The groups that have been established work in a production chain, collectively building and growing the local economy.

The support given to the villages and villagers is multi-faceted, but it is primarily community driven. The support includes group loans, knowledge support in enterprise development, support in building distribution networks, as well as community empowerment.

Our approach consists of three unique elements:

1. in partnership,
2. building local economies through production chains,
3. providing group loans from a revolving fund.

3.2.2 Colombia

Over a quarter of the population in Colombia lives in poverty, according to the National Administrative Department of Statistics. According to the World Bank, the gini coefficient, the indicator for inequality in terms of wealth distribution in a country, ranks amongst the lowest in Latin America's. Colombia is a 'good' country to test our approach and method of group loans. To grow the well-being of the larger communities, and income generation for the individual members.

Our local partner CoimpactoB, an accelerator of triple impact projects in rural communities in Colombia, committed to democratizing sustainable development and financial inclusion to communities in extreme poverty. They have 5 years of experience facilitating education and impact entrepreneurship acceleration programs for youth and rural leaders and projects for access to water, solar energy, and sanitation solutions.

CoimpactoB operates in La Guajira, a desert region in northern Colombia; composed of indigenous Wayúu communities with difficult geographical conditions, poor infrastructure, lack of access to water, energy, food, and low investment by the government. In the last 3 years, CoimpactoB has benefited more than 1000 indigenous families and 5 educational institutions with its acceleration, education, potable water, and solar energy programs with the active participation of more than 20 national and international partners.

3.2.3 The Gambia

In 2023 Kula Loans anticipates launching a partnership with Buzz Women. We will start our partnership aiming to empower village based female change agents to grow community-based green ventures, with support of a Community Chests. Ultimately, growing the village economies as well as the wellbeing of their own communities in The Gambia.

4. Fundraising & finance

Kula Loans International raises funds through an establishing and growing trusted network of philanthropic friends of Kula Loans International, institutional donors and corporate foundations. Fundraising is anticipated to grow till we reached the objective of the growth the revolving fund. Cost for fundraising is kept as low as possible, so far we kept it less than 1%. The outstanding capital of the revolving fund is managed by our local partners and dedicated to realising our objectives.

Since we work with volunteers and all supervisory board members work without cost compensation, the costs of labour are kept to the minimum, as a consequence almost all funds raised are invested in the communities, through the revolving fund, which is deployed through our local partner network. So far, we managed to dedicate over 99% of the funds raised to the objective of our Foundation, geared directly to the investments made in the impoverished communities.