



KULA LOANS

# Annual Report 2022

Investing in rural communities



A woman with her arms crossed stands in a tea plantation. She is wearing a red long-sleeved shirt and an orange sari with a yellow and blue floral pattern. On her head, she wears a green patterned headscarf and a white cloth. She has a bindi on her forehead and a nose ring. In the background, another person in a red sari is visible working in the tea field.

Kula Loans  
believes that the  
power of true  
transformation  
lies within the  
community

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# 1 Introduction

2022 was a year of re-building our communities. The devastating consequences of corona, and the related lock-downs, in the past two years, brought us to revisit our programming. With the help of our families, friends and funders we have been able to support our local partners to deliver the requested investments -financially and educationally- to build back their own livelihoods, grow their own communities' well-being.

For this we would like to thank our local partners. The local staff did everything in their power to go out and support the local communities to their needs. We can only have lots of respect for their relentless efforts. In India with NEED we have revised our approach to speak better to the needs of the communities to build back their livelihoods. We have started to educate and develop community-based ventures, producing solar lights, organic black rice and other much requested products. With Drishtee, we have supported many groups of female entrepreneurs to grow their village-based ventures and livelihood. We started to educate indigenous entrepreneurs in Colombia, with our partner CoimpactoB, and provided loans to them via a community chest.

For all of this, we would like to thank all our sponsors and volunteers. Thank you for your trust, thank you for your flexibility, and thank you for all your efforts. We believe 2022 has brought back hope and resilience in the vulnerable communities.

We are very excited that next year, we will scale our impact with our existing partners, by deepening the impact we have in the communities. And we will scale to The Gambia, in Africa! We can be proud of these achievements. Hope you are proud to be our supporter and contributor too. Without you we could not have done this.

We are looking forward to a bright year ahead. Let us create more joint impact and support more impoverished, but entrepreneurial communities in 2023!





# 2

## About Kula Loans

### 2.1 Kula Loans International - the foundation

Kula Loans International is a foundation based in the Netherlands that promotes the well-being of poor communities worldwide. We invest in groups of people that want to implement solutions that foster the well-being of their communities. This way, we give them the opportunity to build a better life, be economically included and jointly grow to become sustainable communities.

### 2.2 Our drive

At Kula Loans International - 'Kula' means in Sanskrit 'Community of the Heart' - we believe that the power of true transformation lies within any community. We also believe communal well-being to be the cornerstone of a thriving society. While traditional microcredit provides small loans to individuals with household businesses, Kula Loans aims at broadening the possibilities by reaching out to groups, and through group enterprises to the entire community.

We dare to take the risk to provide loans to base of the pyramid community groups, willing to invest in solutions which will be beneficial to all members of these groups, their families and the well-being of their larger communities.

## 2.3 Our mission and vision

To improve the well-being of poor communities worldwide and furthermore everything that can be conducive to this the broadest sense.

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

The foundation does not aim at making a profit and consists entirely of volunteers. Through donations, our foundation is able to set up a revolving fund dedicated to the poorest communities. This so-called revolving fund is risk-free, trust-based and dedicated to invest in groups to give them opportunities to build a better life, be economically included and build sustainable social businesses.

## 2.4 Our goals

The foundation tries to achieve its goal by, among other things, the following activities:

- providing cheap and tailor-made loans to groups in poor communities worldwide;
- investing through a revolving fund in projects that provide healthy, sustainable and economically viable solutions for the groups in those communities;
- engaging in capacity building, transfer of knowledge about (group) social entrepreneurship;
- inspiring (online) communities;

## 2.5 Our strategic plan

Our overall goal is to maximize our impact for Base of the Pyramid communities worldwide. Our strategic aims for the mid-long term can be summed up as follows:

1. Extending our partnerships with our current three local partners in India and Colombia. This way we can help more local communities.
2. Increasing the donation amount we receive per annum. This will give us a higher volume of revolving fund to be utilized for our local partners to provide loans to the communities.
3. Build new partnerships in existing and in new countries.
4. Ultimately, all three of the above will build a solid proof-pilot to generate the evidence that this approach/method of group-loans works, i.e., grows the well-being of the larger communities regardless of different cultural settings.
5. Intensifying our social media efforts and creating an online community as to inspire others to join and/or follow suit. This effort carries the name "Credits for Communities".

## 2.6 Who we are

Kula Loans is managed by professionals, united by their passion to reduce poverty, through the power of the community; They all provide their time, expertise and network voluntarily, to assure that each donated Euro will fully and directly support the beneficiary communities.

Consisting of a small board and a number of volunteers, Kula Loans International organizational structure is fairly uncomplicated. Currently, our board consists of four people:

Denise Schelbergen, managing director (Australia)



Denise is the Managing Director of Kula Loans and started our community projects in Colombia (2019). She is the founder of Australian coaching and consulting business The Ikigai Entrepreneur, co-author of "Goodbye Busy, Hello Happy" (2022) and proud mom of her beautiful son Luca. Denise is committed to ending poverty in the world and empower people to create a life they love.

Erlijn Sie, chairperson (Netherlands)



Erlijn is co-founder of Micro credit for Mothers, a foundation aiming to support women in Asia to set up their own business through small loans, provide the opportunity to save and get professional, entrepreneurial and leadership trainings. Currently the revolving fund provides loans to (over) 5000 families per year, in 8 different countries. She has been leading the Banking with the Poor network, and is author of the book "Reimagining Financial Inclusion" (2021).

René Pieterse, treasurer (Netherlands)



In 2018, René felt inspired and energized to join Erlijn and Niels with the start of a social enterprise. He was curious to find out what it would take to get personally involved (or not) with charity? He learned a lot over the last few years and is getting more involved and connected with our mission every day. René is treasurer and fundraiser at Kula Loans. He has worked for 30 years as a business (IT) consultant and his experience has landed on fertile ground.

Niels Boertje, secretary (Netherlands)



Niels has been volunteering with Microcredit for Mothers for around 10 years, building the partner network of that organization in the India and Nepal region over the past years. He co-founded Kula Loans together with Erlijn.

Other volunteers around the world:

Moritz Weinzierl (Germany) - Moritz joined Kula Loans in 2021 after he got inspired by the work of Muhammad Yunus and the impact of microcredits in the world. He supports the team mainly with fundraising activities. He had no experience with microcredits when he joined the team and is learning something new every single time.

Brian Golsteijn (Netherlands) - Brian joined Kula Loans as of its foundation and is primarily responsible for corporate identity, styling and web design.

## 2.7 Guiding principles

We always work through local partners that interact and support the impoverished communities we support, either Non-Governmental Organizations (NGO's) or Microfinance Institutions (MFI's) that have established trust-based relations with the local communities. Our partners are selected because they are committed to dedicate the revolving fund to grow the well-being of the poorest-of-the-poor communities.

We cooperate with local partners that share our vision and work according to the following key operational values:

- Character: integrity, reliability, transparency, accountability, and altruism.
- Compassion: we want to work with organizations with a "heart" for the poor who are truly embedded in the community.
- Competence: we want to work with organizations that strive for efficiency and accuracy and that value strong communication.

Kula Loans works only with local partners that have these values as above stated. In addition, we follow a rigid selection process. We select our partners based on the following unique set of selection criteria:

1. Each loan from the fund aims to increase wellbeing at large
2. Revolving fund is only disbursing loans to (social) ventures that are:
  - Generating income / have a sustainable business model,
  - Contributing to well-being (in the broadest way, including but not limited to Water, Sanitation, Hygiene (WASH), solar, housing, healthy food)
  - Environmentally sustainable and
  - Empowering
3. Operating area of partner is in the poorest region of the country/sea, or partner is committed to dedicate the revolving fund to the poorest-of-the-poor
4. Credits/Fund for loans for communities is new to the partners
5. After repayment of the loan(s) the "invested/implemented" technologies are owned by the group that took the loan
6. Partners have a proven track record of capacity building and Technical Assistance (TA) to communities



7. Willingness and active contribution to open-source sharing of learnings
8. Partner is committed to manage a sustainable revolving fund
9. No criminal records of Board members, no extreme pay for CEO's, low overhead, high integrity of director (and/or founder)

## 2.8 Our legal status

Kula Loans International has been granted the ANBI status (ANBI = “Algemeen Nut Beogende Instelling”, a Dutch not-for-profit foundation aiming to create benefits for the society as a whole) on 10th of October 2018. Our registration number is: 859247302.



# 3 Our partners

## 3.1 Our strategic partner 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.

## 3.2 Our strategic partner 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.

### 1. In partnership with Drishtee.

Kula Loans partners with Drishtee. Drishtee has decades of experience in building sustainable communities, both with capacity building and microcredit. They have an approach, as pictured here. On the one hand, they build an ecosystem to support local economies to start and grow, build the distribution network and provide the capital. On the other hand, they support villages to build the basic services and develop micro-enterprise groups (MEGs).

## 2. Building local economies through production chains,

Together, we will further initiate and grow MEGs that are connected in a production chain, in order to ignite the local economy. Community involvement and participation is key to the success of locally driven businesses. In doing so, we assume local ownership; common decision making regarding the use of common space and reinvesting in the well-being of the entire community

Creating a production chain is crucial, it strengthens local resilience, increases opportunities for income generation for others; e.g. the transportation needed, but also additional things like packaging, jobs that come from the different businesses and the like. It gives an impetus to keep as much value as possible in the local environment.

## 3. Providing group loans from a revolving fund.

Allowing groups (MEGs) to invest in their business to grow is very unusual because a loan to a group is considered too risky according to the existing institutions. Both Drishtee and Kula Loans believe in the power of community, which is why we have been joining forces to prove that these groups are also creditworthy. We do this by providing a revolving fund, from which we provide group loans to those MEGs, which are linked together in a production chain. After repayment of the group loan, the group will own the solution they invested in. In addition, another MEG can apply for and receive a group loan to invest in their group company.

In 2022, even though the corona crisis, we have been to distribute our first loans to the groups. Please see the managers' report for the highlights.

### 3.3 A strategic partnership in Colombia: CoimpactoB

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

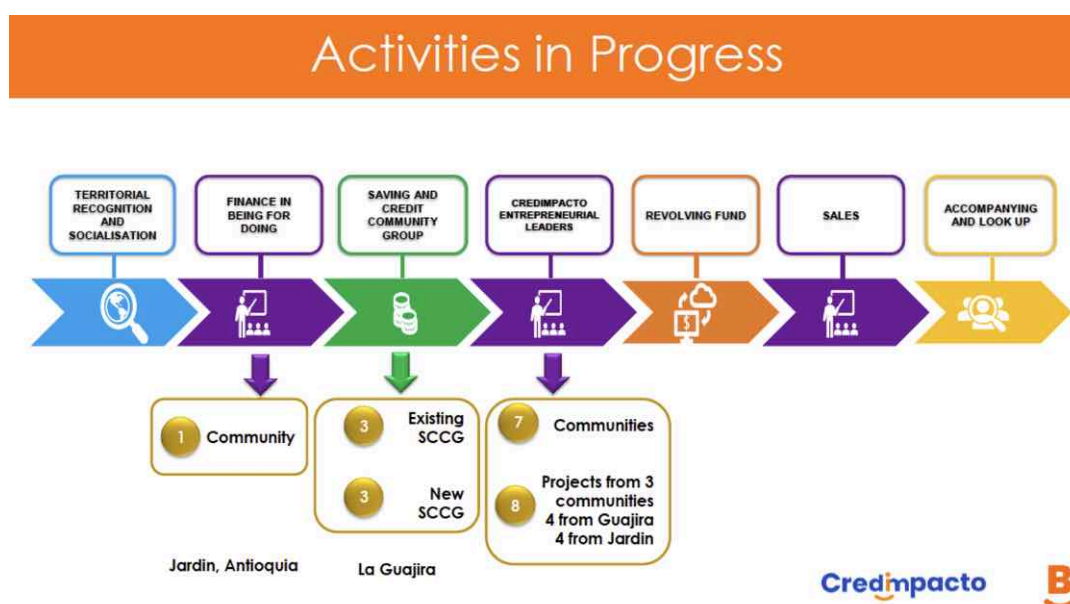
government. In the last 3 years, CoimpactoB has benefited more than 1000 indigenous families and 5 educational institutions with its acceleration, education, potable water, and solar energy programs with the active participation of more than 20 national and international partners.

Our ally has a program called Credimpacto, a financial inclusion solution that enhances the quality of life of people living in rural areas. It is supported by a model of solidarity economy that provides education and moreover financial products that allow these populations to develop sustainably. All is articulated with technology to manage and measure the operation and impact, keeping stakeholders informed in real-time.

The education is provided about 3 main topics financial education, sustainable business model and Formalization of entrepreneurship and commercialization of products and services, what ensures that the community are continuously supported by mentors to ensure they succeed during different stages of business evolution.

Once the training participants graduate from the first educational program where they learn about personal finances, they are prepared to create a Saving and Credit Community Group, a voluntary model that encourages saving habits and offers its members the opportunity to obtain loans with money from the own community. Subsequently the sustainable business model training teaches them how build a business plan for articulating their business and apply for a loan from the community chest with resources from the revolving fund that are provided by Kula Loans. The loan is not given in cash, so the beneficiaries receive the raw inventory materials they need for their businesses or communitarian project. As the loan is repaid, the money is available again in the revolving fund so that other members can apply for new loans.

In the final training program the participants are guided in the necessary requirements to formalize their enterprise (another significant obstacle for rural entrepreneurs) and thus be able to establish commercial relationships with larger market players. On the other hand, entrepreneurs are supported in the marketing of their products and services through CoimpactoB impact network.







# 4 Our programs

## 4.1 Program "Transitioning to solar", with NEED in 2022

In 2022, to re-built after the devastating consequences of Corona and the subsequent lock-downs, we re-visited our program approach and adapted it even more to the needs of the communities. In our partnership we continue to envision the people residing in the Northern region of India, in the most impoverished communities, to raise their standard of living, by empowering them to benefit from this solar power available to them. We will continue to invest in communities to ignite a transition to solar energy, that will increase the well-being of (the larger part) of the community in a (self-) sustainable manner. However, we also need to acknowledge the dire need for livelihoods within the communities.

In phase 1 of this partnership (2018-2021), we have introduced solar power, with community mobilization campaigning. We have provided individual loans to households, as well as loans to groups of people, to be invested in solar-powered solutions. We have established a revolving fund of € 60.000 to be invested in these solar loans both to groups as well as to individual households. And we have jointly overcome several lock-downs during corona.

Evaluating these first years, as well as taking stock of the needs within the communities after corona, we learnt a lot.

Lessons learnt:

- Due to Corona and several lock-downs, livelihoods dropped dramatically. Especially the most vulnerable are in dire need of income generation activities.
- Therefore, it is not wise to continue to provide group-loans only, without re-building capacity to generate income for the most vulnerable.
- Solar products are imported and do not result in local income generation.
- There are other opportunities to increase income-generation activities for the most vulnerable communities. Next to producing solar-products themselves, that will increase the well-being of the full community (think of producing healthier food).
- Most of the outstanding individual and group-loans invested in solar-powered solutions, are not being repaid, due to the lack of income; making support to income-generation even more important.
- Therefore, re-building livelihoods is key and required, and to assure well-being for the full community is guaranteed, this can be done at community level.
- Essential to keep and grow the trust we/our partner has in the communities (where the loans are outstanding), is to be out there, and to offer support to fulfill their basic needs.

### **Revisited 2nd phase of the program with NEED (2023-2025)**

The 2nd phase will -based upon these lessons learnt- be focused on building community-based social enterprises, producing different products. Starting with solar lights (lanterns and light bulbs). This is of the highest importance, to re-build income generating activities. We will do so in a manner that supports the community. Not only will the enterprise be based in the cluster of villages, it ultimately will also be fully owned, and self-managed by the people living in this cluster of villages. So, we will stay true to the outputs envisioned: Community-based Social Enterprises governed, owned, managed by the community.

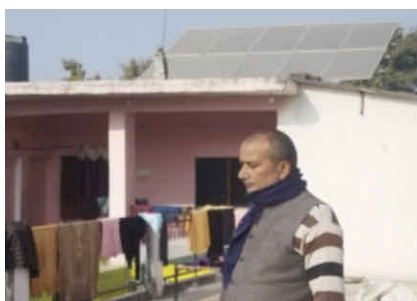
Products to be produced by the social enterprises in the community, are picked and assessed based upon current usage/demand in the existing markets. These are the products that are bought everywhere in the villages. This community way of eco-friendly localized employment generation largely for girls and women. The largest demand -in 2022- was for solar lights (solar lanterns) and decorative lights, for Deepavali, the light festival in India, that's why we choose to start with this.

This will be followed by similar community-based enterprise production facilities for products like lanterns and broomsticks, but also, organic fertilizer and food, like black rice or chia seeds.

Parallel to all of this, we will continue to manage a revolving fund to invest in solar-powered technologies that will increase the well-being of the whole (or largest part) of their living community. However, phase 2 will focus on the support to train, guide and built community-based ventures in cluster of villages that will start producing these different products as mentioned above. This will provide income generation, and on top of that, we anticipate this will unlock the repayment of the outstanding group-loan portfolio.

## Families and groups supported with loans for an investment in solar powered devices

### Solar lights for a village community school



In the Northern part of India, in the state of Uttar Pradesh, in the Lucknow district, in Bhaliya village, mister Raju Yadav has built a school. Since the village is located next to an express way and a canal, it continues to grow. The school grows too, but experienced continuous problems with frequent power cuts, and erratic electricity bills. To improve and grow the ability to provide a safe and healthy teaching environment, mister Raju Yadav requested a

loan, on behalf of the school. It will be part of the community, and used to invest in solar panels on top of the roof of the community school. The solar solution is currently on the roof of the school, with which they power the lights, drinking water installation and fans. The school continues to grow, and recently started to become the place of community events too. Not only for studying, but for sports competitions too. For 500-600 children of 7-8 villages as of today. It is also a perfect way to promote renewable energy in the vicinity, other families in and around the villages, start to get solar panels installed in their respective fields and houses, some with loans from NEED.

### Solar-powered blower for sharpening tools shop



In the Northern part of India, in Maheshkhut, Lucknow, Savitri Devi requested for a solar loan together with her husband (on the picture), Sraavan Kumar. They invested it in a solar powered blower for their business in front of their home. A shop that sharpens all kinds of tools, like knives and agricultural devices. The work had to be done by two people, but since the solar-powered blower was installed, the work can be done by one person. An

incredible time-saver, and therefore cost saver to the family business. The shop owners say that they can even keep their shop open (easier) after dark, which allows for more business and working time to finish orders.

The shop owners are part of a group of 5 to 6 others, who, as a group vouch for the loan together, they have signed a contract and a Code of Conduct. They host monthly group sessions and administer the group-loan and repayments themselves. When the group-loan is repaid, which is expected within 12 months, others can take a similar loan.



Similar solar powered solutions are implemented with group-loans from the Kula revolving fund managed by NEED.



Ram Prakesh Sharma, a black smith in Mulepur, invested in a blower powered by solar.

Laxmi and Birju (both without any education) invested in a solar powered light, in Tulsipur, allowing light for their children to study.





## Families and groups supported with community-based ventures

In 2022 NEED started to support women from a cluster of villages to build their own, village-based venture. The first community-based venture will produce solar lanterns, hanging lights (jhallar) and LED bulbs - all of these are going to be in high demand. Anticipating large festivals like festivals of light, Deepawali, Dussehra, Christmas and also, marriage ceremonies.



NEED started to provide training how to make these products

- support for setting-up supply & sales
- financial education
- support to get advertisement (branding) of the product
- education specifically how to run an enterprise
- support to instill proper saving behavior

The bulbs and lamps are produced by the women, as per their demand, being maintained by them in terms of the stock and ultimately it is going to be consumed (sold) in the local markets.



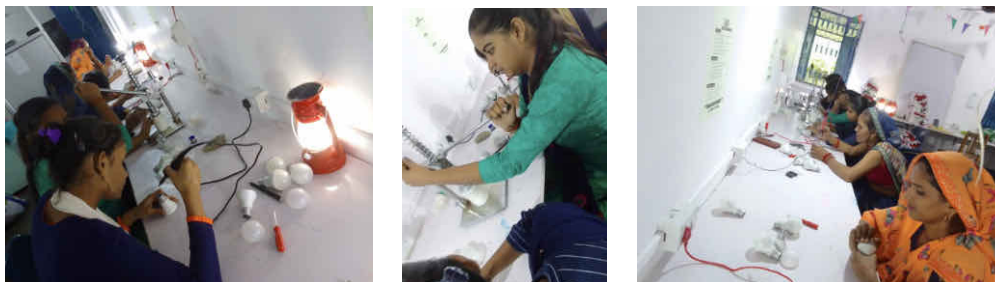
The village-based venture is named Gohramau - after the cluster of villages, where the women have been selected and mobilized. The LED bulb as shown in the picture has been named as “Jyoti Punj”, where Jyoti means light and Punj means spreading, i.e. spreading the light and illuminating in an eco-friendly way. And also to let you know that the name of the bulb "Jyoti Punj" has been finalized and named as one amongst the original names of one of our community members named “JYOTI”.

The women have received training, how to manufacture the bulbs, and produce the lanterns. NEED has supported the setting-up of the entire production and operation, which is handled by the female villagers themselves. The young women who join in the 1st year, will get a stipend for their participation. They all learn how to produce, how to pack, how to check quality, how to keep storage, how to distribute and where to sell. After sales started, some income is used to pay back the 'stipends', some income is 'saved' in a so-called community box, some income is used to buy new raw materials.





### Bulb assembly training



Parallel to all of this, our partner NEED has also:

- Educated and trained some "guardians" to support the management of the village-based venture
- and, made preparations to kick-start the next community-based production enterprise in another cluster of villages

Like, pilot plots of organic black rice.



## 4.2 Program "Growing local supply chains", with Drishtee in 2022

In 2022 Drishtee continued their program of providing loans to rural women enterprise groups. 27 micro enterprise groups, 202 women, received a loan during the pilot phase that was completed in March 2022.

In total 1.034.300 INR (€ 11.700) was disbursed of which more than 50% has already been repaid. No default cases were observed till date (Oct-2022).

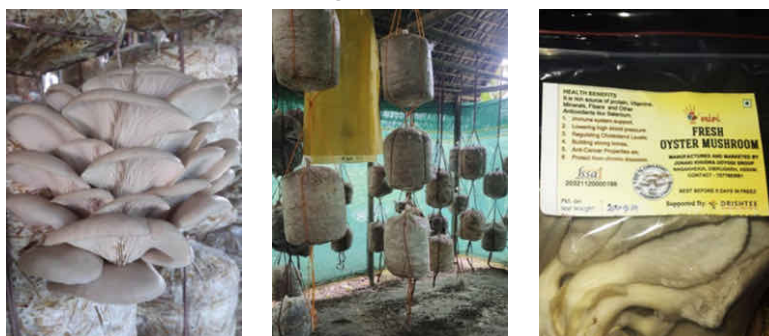
Drishtee has been strengthening the group approach within above communities. Best financial practices have been shared. Group meetings were organized to form a larger system of groups backed up by village advisory groups and mentors.

Training has also been provided to learn how to deal with seasonal product. Learning to make projections, buy in the season, store and produce later. Learning not to use dangerous products and emphasize the importance of preserving quality.

Also 11 products from 8 groups were launched on the Drishtee online platform ([www.drishtee.mirimarket.in](http://www.drishtee.mirimarket.in))

One example of the enterprise focus is the growing and selling of oyster mushrooms by 5 groups. The Pragati Khudra Udyogi Group from the village of Barpathar in the Assam state started in March. The 7 female group members bought a Paddy Straw Cutter Machine, a bamboo made greenhouse and a drum for boiling and wetting from the provided 10,000 INR loan. They managed to enhance the production quality and quantity which led to an increased income that enabled them to repay 40% of the loan within 7 months!

The 4 other 'mushroom' groups have similar results.



The Surujmukhi udyogi gut group (located in the Charagua village, state of Assam) has utilized the loan amount to purchase soap base, essence, packaging materials and a sealing machine. They have launched their new product which is herbal coffee soap and are planning to produce herbal lemon soaps and shampoos in the near future.



The 5 members were able to raise their income and repaid already 40% of the 30,000 INR loan.

Another Ayurvedic and health group is Sanskriti Unnati Udyogik Samuh producing aloe vera gel, papadums and gulkhand (sweet rose jam). The loan of 50,000 INR was utilised to purchase the raw materials like amla, sugar and start their new production.



The group with 5 members increased the production and efficiency and above all strengthened their market connections with other producers and supplying partners.

Mahalakshmi Mahila Udyogi Samuh group has purchased Bharva Lal Mirch (Red chilli), storage container, Mustard oil, utensils, spices by utilizing the loan of 15,000 INR for processing garlic, mix chilli and mushroom pickle products. They have already started their new production of bharva laal mirch pickle.



Building on the success of the pilot phase the second phase group lending has been initiated on 2nd of October 2022. The applications are now being processed.

Onboarding criteria and baseline indicators developed by Drishtee are used for evaluating and accepting groups.

In 2023 Drishtee en Kula Loans will start experimenting with the concept of community chests: community owned savings, a combination of own savings and revolving fund investments by Kula Loans, used to support local initiatives and projects.

### 4.3 Program "Strengthening community social entrepreneurship", with CoimpactoB (Colombia) in 2022

In our alliance with CoimpactoB we seek to strengthen local impact through entrepreneurship of indigenous people who have participated in the financial and entrepreneurial training programs. The training program Finance in Being for Doing developed from September to November participated 28 people from 9 communities. They all went through a 10-week financial education program with 16 hours of training, distributed in classes (12 hours) and mentoring (4 hours). This workshop covers topics such as budgeting, debt management and the Saving and Credit Community Group.

During Finance in Being for Doing, 14 entrepreneurship that develop activities in their territories such as sheep breeding, tourism, selling of groceries, handcrafts, bakery, food cultivation.

**Sustainable sheep breeding - Kaula:** Is an enterprise specialized in the sustainable breeding and fattening of sheep and goats. They have revolutionized the traditional way of activity with the use of animal manure to produce organic fertilizer to increase the topsoil of the land. It is led by an association of sheep producers and seeks to generate collaborative networks to generate wealth and opportunities in the region. We seek to make this traditional sheep-breeding activity sustainable and to generate alliances between the indigenous communities to open markets and generate economic development in the region.





**Sustainable tourism - Tardes Wayúu:** Is an example of one of the most powerful activities in La Guajira, tourism. We seek to strengthen communities in good practices towards social, environmental, and economic sustainability. Tardes Wayúu is a community and cultural tourism venture that emerged in June 2021 as a result of the impact entrepreneurial leaders program led by CoimpactoB. It is composed of 6 entrepreneurs in favor of the Wayuu indigenous communities that offer ethnotourism experiences of the Wayúu culture in an indigenous, cultural, musical and entertainment space designed for national and international tourists and companies.



**Wuayuu Handicrafts - Tejiwua:** Produces typical, quality handicrafts to strengthen the cultural heritage, contributing to the community's economy and generating employment. These activities are one of the most common into Wayúu communities in La Guajira because it provides employment possibilities for women.



**Nearby grocery sales - Bendición de Dios (God's blessing):** The community does not have an outlet close to the territory that offers basic products, so God's blessing offers these products at a fair price and prevents the community from having to spend money on transportation or risking themselves walking on the road to get basic products in Manaure or Uribia.



**Sustainable food cultivation - From the field to your table:** They produce and distribute organic products at affordable prices for the community of Riohacha and Aremasain who want to improve their health through the consumption of chemical-free food. This has contributed to the economic development of the community by generating employment.



**Training and sales for the community – Jarrais Pan:** It is a bakery led by and for Wayúu youth where they provide affordable bakery and pastry products of excellent quality to the communities of the rural area of Manaure, in addition they provide training to young people in the area.



### Activities we have been working on

CoimpactoB was working on the following activities during 2022:

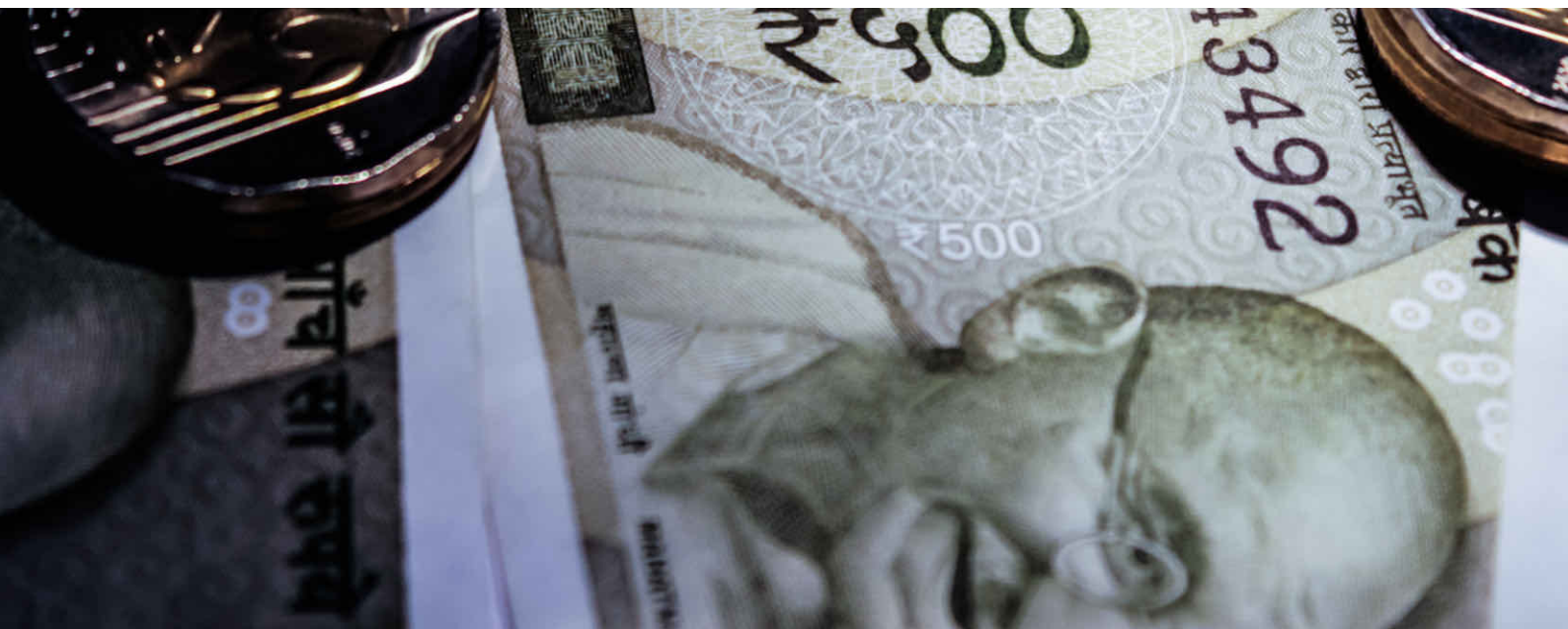
- Systematization of the Credimpacto program to develop an technology tool that allows manage and tracking operation and impact, with Educall as a technology partner.
- Development of the second training course called Emprendedores Líderes Credimpacto so that entrepreneurs can build their sustainable business plan to apply for the revolving fund loan. This is a 7-week program of 21 hours of training distributed in classes (14 hours) and tutorials (7 hours), beginning in February and ending in April. They were also in constant communication with community members to determine the number of enterprises that would participate and to organize all the logistics.
- Renewal of the alliance with EAN University to give a better support for the communities in the training programs during 2023.
- Establishment of new connections in Antioquia, another department of Colombia, to carry out the Credimpacto program.

In 2023 CoimpactoB is going to develop their Entrepreneurs Leaders Credimpacto program where around 9 communitarians entrepreneurs will learn how to build a business plan with the main concepts required for a business. These entrepreneurship work in different areas such as groceries, motorbike spare parts, stationery.

The activities of these community entrepreneurs will benefit the populations which they belong giving them the opportunity to obtain different products and services nearby because being rural settlements far from the main cities to get these types of products they would have to travel long distances and pay other expenses such as transportation.

Other enterprises are dedicated to the elaboration of handicrafts, which also benefits the members of the community because they are generating employment and preserving the ancestral knowledge represented in the elaborated elements. Once the training program ends CoimpactoB give for the first-time resources from the revolving fund to the entrepreneurs.





# 5 Financial report

Financially seen, 2022 was a satisfying year, we could fully revive our community support due to successful fundraising efforts.

The most important financial remarks are:

- A total amount of € 46.575 was raised this year. Meaning that we almost doubled our fundraising compared to the previous year.
- We managed to have a total Revolving fund, managed by local partners of € 96.000
- In India, NEED manages a revolving fund of € 60.000. And Drishtee manages € 30.000
- In Colombia € 6.000 is managed by CoimpactoB
- Only € 343 of bank charges as cost for management and administration.
- resulting in a ratio of 99,5% of our spent is geared to our goals, i.e. every Euro donated us used to support entrepreneurial groups, growing the well-being of their own communities
- We have added € 6.926 to the destination reserves.
- We have supported both NEED as well as CoimpactoB with grant funding for their entrepreneurship educational programs

More details can be found in the Appendix to this document containing our full financial statement.

## 5.1 Income and expenditure

Income (€)	2022	2021
Income from individuals	10.000	1.064
Income from companies	1.000	6.200
Income from non-profit organizations	35.575	19.013
<b>Total income from non-exchange transactions (gifts)</b>	<b>46.575</b>	<b>26.277</b>
Expenditure (€)		
Spent on objectives and goals		
- COVID donations for NEED	0	13.500
- grant for testing solar hand washing devices by NEED and DRISHTEE	281	0
- grant for training and support for community ventures by NEED	10.000	0
- grant for training and support for communities by CoimpactoB	4.887	0
- grant for training and support for communities by Drishtee	100	0
Raising funds (travel cost made to raise funds)	101	0
Cost for management and admin (Bank charges)	242	170
<b>Total of expenditure</b>	<b>15.611</b>	<b>13.670</b>
<b>Net income/(expenditure)</b>	<b>30.964</b>	<b>12.607</b>
Destination net income/(expenditure) (€)		
Addition to/withdrawal from		
Destination reserve	6.926	2.382
Destination funds (revolving fund NEED MFI)	0	10.225
Destination funds (revolving fund Drishtee)	17.500	0
Destination funds (revolving fund CoimpactoB)	6.538	0
<b>Total</b>	<b>30.964</b>	<b>12.607</b>

## 5.2 Balance sheet

<b>Actuals</b>	<b>2022</b>	<b>2021</b>
<b>Assets (€)</b>		
<b>Fixed Assets</b>		
<u>Financial assets</u>		
Revolving fund NEED MFI	60.338	60.338
Revolving fund Drishtee	30.000	12.500
Revolving fund CoimpactoB	6.538	0
<b>Liquid Assets</b>		
<u>Cash at bank and in hand</u>		
Rabobank NL86 RABO 0334 5335 62	10.551	3.625
<b>Total asset</b>	<b>107.428</b>	<b>76.463</b>
<b>Liabilities (€)</b>		
<b>Reserves and funds</b>		
<u>Reserves</u>		
Destination reserves	10.301	3.375
Other reserves (Bank charges)	240	240
<u>Destination fund(s)</u>		
Revolving fund NEED MFI	60.338	60.338
Revolving fund Drishtee	30.000	12.500
Revolving fund CoimpactoB	6.538	0
<b>Long term debts</b>		
Long term debts	0	0
<b>Short term debts</b>		
Short term debts (Bank charges)	11	10
<b>Total liabilities</b>	<b>107.428</b>	<b>76.463</b>

### 5.3 Ratios

Due to the voluntary contribution of the whole Kula team, our ratio's for expenditures continue to be great, having no additional cost except the insurmountable bank charges

Expenditure for raising funds ratio / total income	0,2 %
Expenditure for management and administration / total income	0,5 %
Expenditure to projects cost + net income /total income	99,3 %

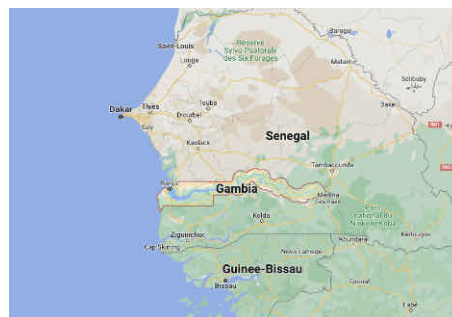
### 5.4 What's next: 2023

#### Experiment more with community chests

In 2023 we will of course continue to grow the number of so-called Micro Enterprise Groups. But we will also move beyond the groups and invest in so-called "community chests". We have selected communities with entrepreneurial groups (with income generating activities and healthy saving behavior) and the will and decision processes in place to do what they feel is needed to grow the wellbeing of the larger community. We will support them with the additional funds, to add to the amount available to them, that comes from their own savings; with these funds from this community chest, they can decide themselves what to invest in, as long as it grows the community wellbeing. Some have chosen to invest in proper sports facilities (for youth), others will invest in a health facility. We're excited to see how this agency will ignite their power to self-develop and grow their wellbeing, as a community.

#### Expand to the African continent, to The Gambia

In 2023 Buzz Women and Kula Loans will start their partnership 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.



#### Launch C4C toolkit & Collective

In 2023 we will publish a toolkit, as a launching member of the Credits for Communities Collective. This toolkit is for partners to communities, or community based change agents, who aim to support their communities to unlock and incubate their agency to grow their wellbeing and become self-reliant and sustainable.

The toolkit is meant to be a resource to jointly:

- learn from each other, and
- grow and improve the resources, tools and solution available for community self-development.

### **Expand the revolving funds for Drishtee and CoimpactoB**

CoimpactoB and Drishtee have been successful in providing loans to an increasing number of groups enabling them to develop and increase their economic activities. Training and support is provided for the groups, repayments are done timely. Both organizations are ready for expanding the revolving funds and thereby increase the number of entrepreneurial groups supported.

### **On board new team members**

Some members of the Kula team have indicated they will leave the team in the coming year. With the growing number of programs we are actively looking for new team members and hope to find new people interested in joining us.

### **Support NEED**

NEED MFI is struggling after Covid. Economic development has not fully recovered and the pace of repayments is reducing. We are supporting NEED MFI as much as possible. Evaluating options on how to revive the revolving fund.



## 5.5 Budget 2023

As a result of our plans to scale into Africa, and grow the program impact in both India and Colombia, we expect to raise more funds in 2023. We have already put in considerable efforts in growing our pipeline. Still hoping that the role of Covid in our daily life will not return. The budget shows for the first time a revolving fund in Africa (The Gambia). And, the budget below also indicates our intended growth of the revolving fund dedicated to the communities in Colombia, with CoimpactoB, and in India, with both NEED's and Drishtee's support. We will stay true to our intention to have low (or no) costs for our operation, aiming to continue to put over 99 cent of each Euro directly in the hands of the low-income communities.

### Income (€)

Income from individuals	2.000
Income from companies	4.000
Income from non-profit organisations	48.000
<b>Total income from non-exchange transactions (gifts)</b>	<b>54.000</b>

### Expenditure (€)

Spent on objectives and goals	16.000
Raising funds	0
Cost for management and admin	250
<b>Total of expenditure</b>	<b>16.250</b>
<b>Net income/(expenditure)</b>	<b>37.750</b>

### Destination net income/(expenditure) (€)

Destination funds	0
Destination funds (Revolving fund with partner NEED MFI)	0
Destination funds (Revolving fund with partner Drishtee)	17.500
Destination funds (Revolving fund with partner CoimpactoB)	10.000
Destination funds (Revolving fund with partner Buzz Women)	10.000
<b>Total</b>	<b>37.500</b>



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