



Roots
of Impact



Unlocking the potential
of Impact-Linked
Finance

Case Snapshot

altitud

November 2024



Helping low-income women in Mexico to launch their own home-based sewing businesses

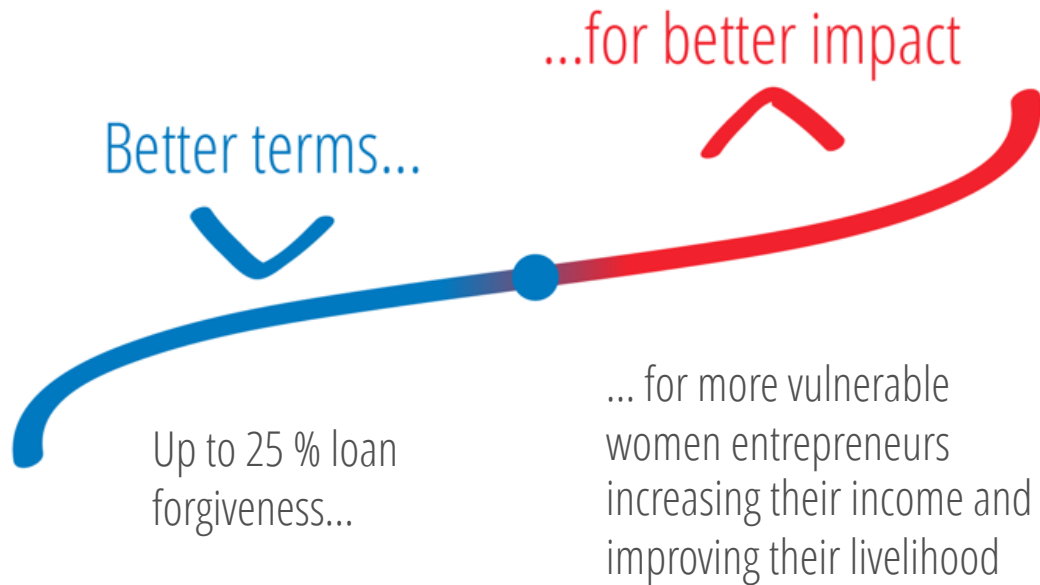
altitud



About the enterprise

Altitud supports Mexican women in purchasing sewing machines through small loans paid back over a period of 6-12 months. Altitud's holistic approach also provides free training and connects women entrepreneurs with large commercial sewing contracts, while women earn a higher income and can look after their children while working from home.

An Impact-Linked Loan, backed by a partial guarantee from SDC, not only helped Altitud to overcome the challenges of the COVID-19 pandemic, but also to increase its positive impact for the most vulnerable women.



altitud

Transaction snapshot

- USD 250k loan by Open Road Alliance, tenor 3 years
- Up to 25% loan forgiveness for full impact achievement at maturity, compensated by the Swiss Agency for Development & Cooperation (SDC)
- Partial loan guarantee by SDC

Metrics

1. Proportion of new loans with favourable conditions provided to vulnerable women¹
2. Women reporting an increase in income

Target

- ▶ Increase from 19% to 30%
- ▶ Minimum 92%

Partners

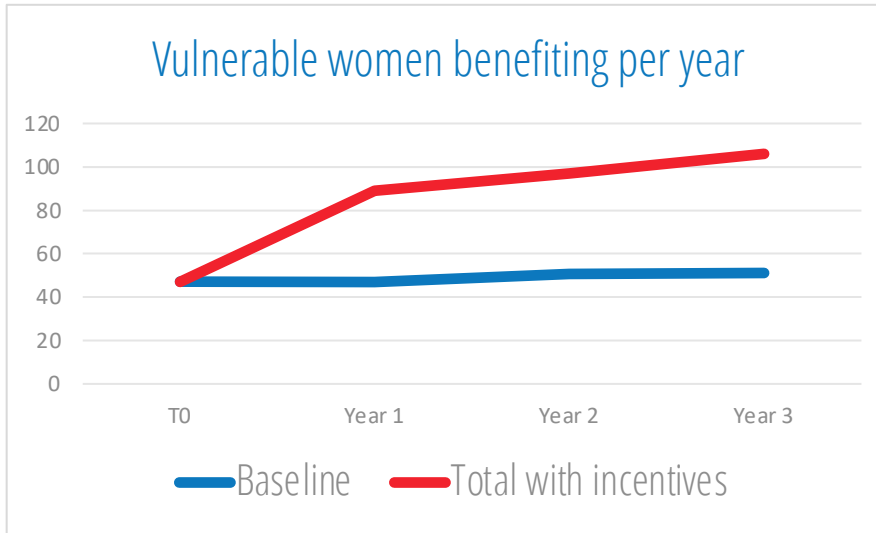
Investor:
Outcome Funder:
Transaction Manager:

Open Road Impact Fund
SDC
Roots of Impact

¹ Indigenous/ethnic minorities, single heads of household, experienced violence



Results and key insights



Total results over three years

- Total 783 low-income women increased their income permanently and sustainably by 22%
- Of these, 339 women were classified as particularly vulnerable¹

Additional impact (rewarded)

- 143 more vulnerable women¹ have benefited than before (result above baseline projections)
- This results in a cost-benefit ratio of 2.1 plus additional benefits such as improved livelihoods and better childcare

Key insights

- SDC's partial guarantee had a catalytic effect, as it enabled the Open Road Impact Fund to provide an emergency loan and stabilize the company during a time of great uncertainty.
- The embedded impact rewards compensated by SDC have proven to unlock Altitud's impact potential for the most vulnerable female clients.
- This financing enabled Altitud to innovate during the pandemic and even generate new business for its customers.
- In summary, Altitud has not only been able to overcome the challenges of the pandemic, but also to increase its positive impact.
- The focus on rewarding impact performance had another important effect: The management of the company realized, that measuring and managing impact can continue to be a strategic advantage going forward, whether for better understanding customer needs, improved operational decision-making, or reporting of impact data to potential investors.

¹ Indigenous groups and other ethnic minorities, single heads of household, and women that have experienced violence.