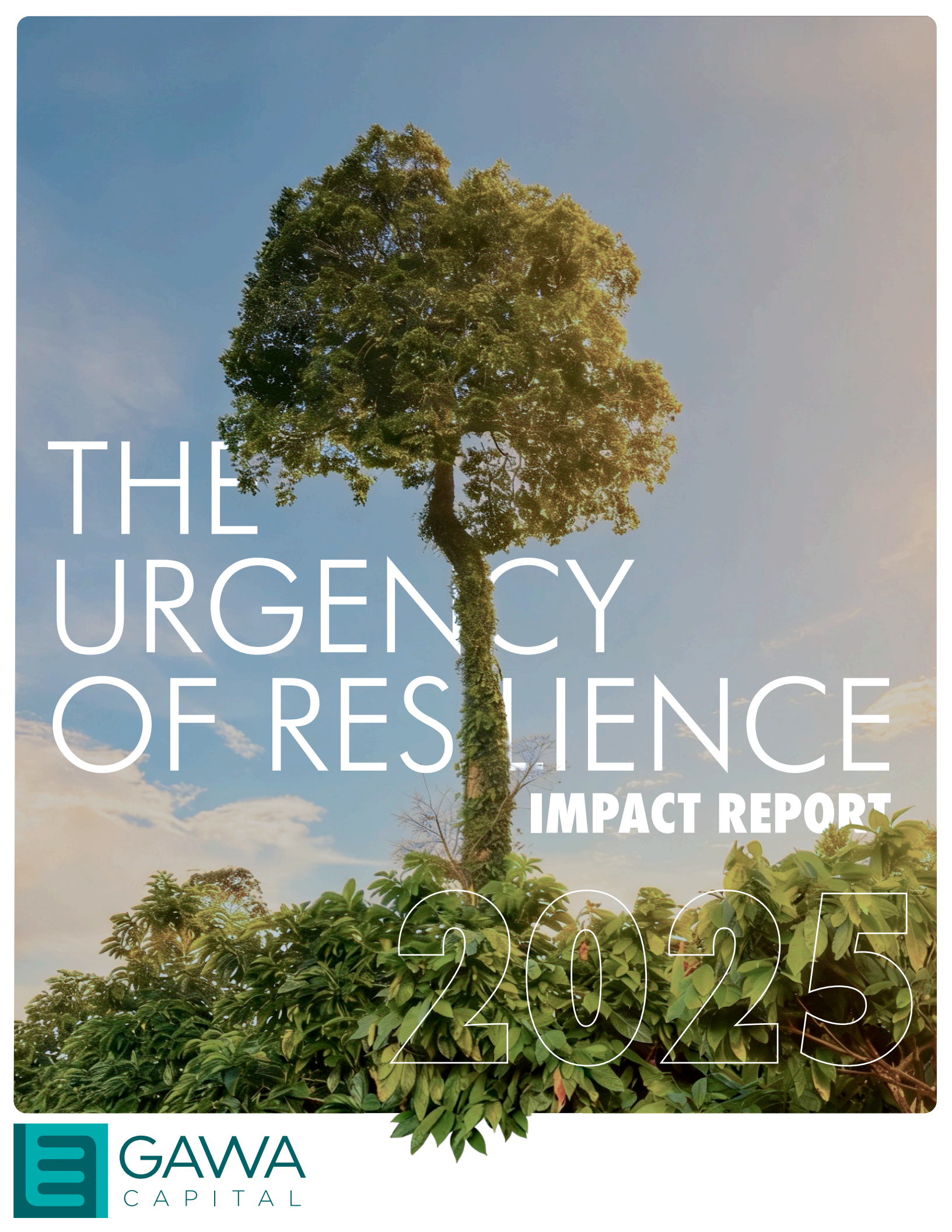




THE URGENCY OF RESILIENCE

IMPACT REPORT

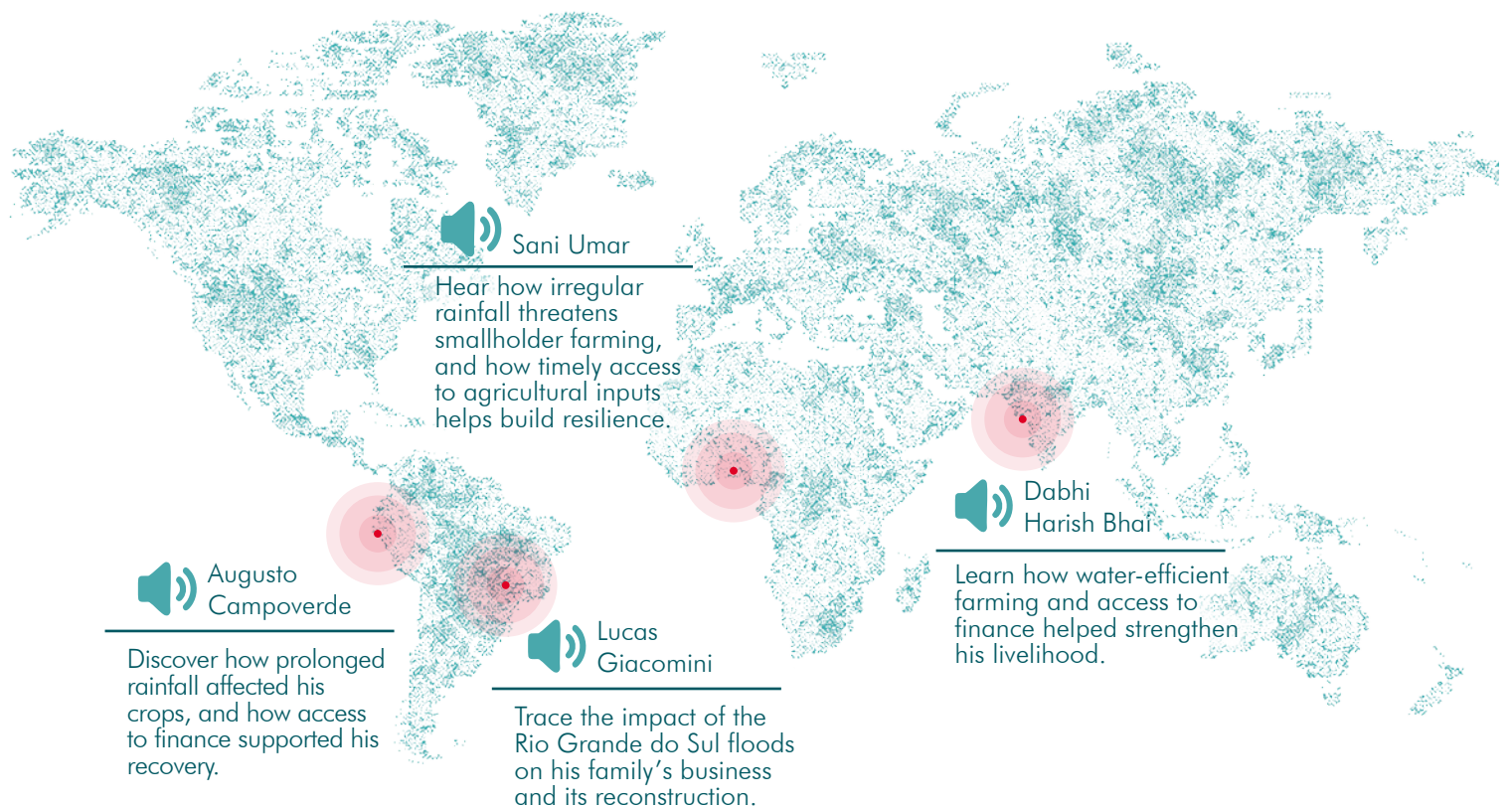
2025



GAWA
CAPITAL

STORIES FROM THE FRONTLINES OF CLIMATE CHANGE.

The following soundscape map allows you to visualise and listen to the areas in which we work, linking their soundscapes to the natural and climate-related disasters that have affected these regions. The map provides a territorial overview of the impact, vulnerability and resilience of the people living there.



FOREWORD

Some years ago, in the closing lines of our Impact report, we wrote that building resilience, at an individual and systemic level, would be a key priority for GAWA in the years to come. Reading those words today, we realize how much we underestimated the speed at which that future would arrive.

We have titled this report The Urgency of Resilience because we believe resilience has become one of the defining development imperatives of our time. Smallholder farmers, microentrepreneurs, women, MSMEs and rural households are on the frontlines of climate and economic uncertainty. They have contributed very little to these problems, yet they are usually the first to suffer their consequences, and they do so at a moment when budgets for international cooperation keep shrinking and the world's attention is elsewhere.

For the communities we serve, resilience is not an abstract aspiration. It is the difference between a farmer losing or saving a harvest, a microentrepreneur closing her shop or recovering after an income shock, and a family covering an unexpected expense without falling back into the poverty it worked so hard to escape. We are reminded of this every time we sit with clients during our due diligence and monitoring visits and also through our colleagues now based in Colombia and India. Almost everywhere, the message was the same. Climate change has become a big threat to their income, and what they need are practical tools to face it.

If sixteen years of this work have taught us anything, it is that access to finance alone does not build resilience. Financial products must be designed around the real risks our clients face, with loans that follow crop cycles, insurance that pays when disaster strikes and savings that are truly within reach. Besides, the institutions that deliver them must be genuinely committed to serving vulnerable communities and be part of ecosystems that connect them to knowledge, markets, technology and support. For all these reasons we continue to pair investment with technical assistance and to keep the transformation of our investees at the center of our strategy. The Kualí Fund, which in 2025 its first full year of operations began deploying blended finance for climate adaptation among smallholder farmers and MSMEs, was born precisely from this conviction.

The same conviction explains why we measure, and evaluate our impact. The evidence presented in this report reinforces something we have defended for years, which is that meaningful impact cannot be captured by outreach numbers alone. Through the independent evaluation of our funds we are listening to thousands of beneficiaries, trying to understand at a much deeper and more granular level how finance and technical assistance affect their ability to manage shocks, protect their income, adapt their productive activities and make more confident decisions in the face of uncertainty. We must admit that not everything we learn is comfortable. However, learning honestly, including about what does not work, is the only way to improve, and the people we serve deserve nothing less.

Above all, our funds were built with the ambition of helping to change a narrative, moving from the idea of vulnerability as a permanent condition towards the recognition of resilience as an investable pathway, one capable of generating measurable improvements in lives, livelihoods and the environment while delivering a solid financial return.

Finally, this report is also an invitation to our investors, partners, donors and peers to keep using evidence, transparency and collaboration to change perceptions of risk and to mobilize more capital toward the people and places where resilience is most urgently needed. Even in today's uncertain geopolitical context, we remain convinced that capital guided by purpose and evidence can help communities to withstand shocks and, beyond that, to adapt, recover and thrive.

Thank you for walking this path with us.
GAWA TEAM

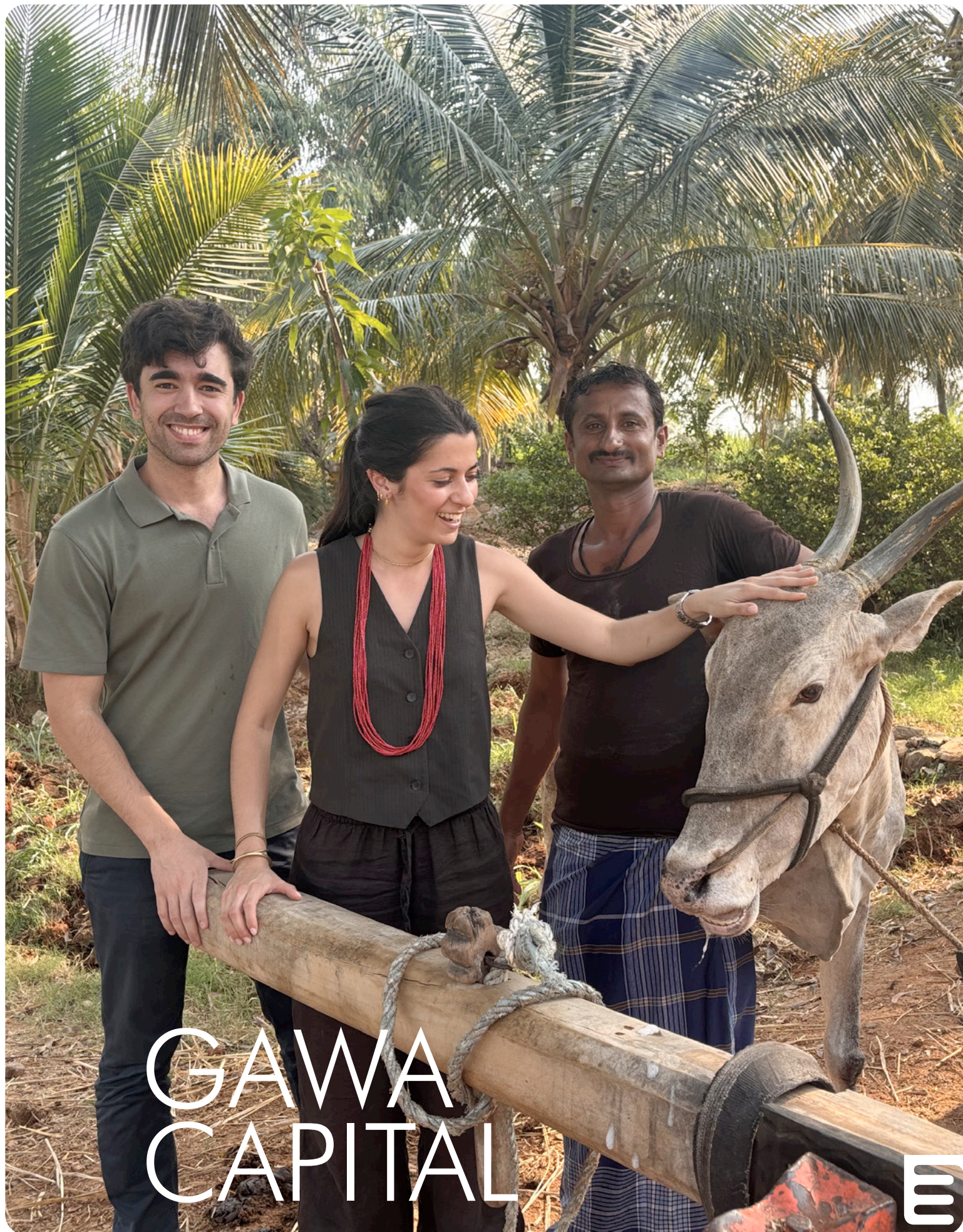


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Our 2025 Impact Report reflects our ongoing commitment to transparency, accountability, and continuous improvement. Through this report, we aim to keep our stakeholders informed and engaged as we advance toward our strategic goals and deepen our impact. The report also seeks to present impact information in a clear, decision-useful and balanced manner, including the assumptions, data limitations and methodological notes needed to interpret the results.

This report has been prepared with reference to the Impact Performance Reporting Norms. We include a table indicating where the main recommended disclosure areas are addressed in this report. [View the table](#)



GAWA CAPITAL



📍 Due diligence visit in Sri Ganganagar, India

ABOUT US

At GAWA Capital, we believe that investment and technical assistance (TA) are powerful tools for positive change. Since 2010, we have managed and advised impact investment funds committed to improving lives across emerging and developing markets.

Our mission goes beyond financial returns: we strive to empower vulnerable communities, strengthen their resilience and economic empowerment, and promote environmental sustainability. Our core objective has always been to support vulnerable communities. We pursue that objective by investing in financial service providers and mission-driven companies that already serve those communities, because they have the distribution, the trust and the local relationships needed to reach underserved people at scale. Capital alone is not enough: we combine it with technical assistance and active engagement to help these institutions improve their products, strengthen their capacity, and deliver more relevant solutions for the communities they serve.

GAWA Capital exclusively manages impact investment funds, dedicating 100% of our efforts to generating meaningful social and environmental outcomes. With EUR 259.8 M in assets under management and advised (AUM), EUR 89.7 M of outstanding portfolio as of 31 December 2025, EUR 17.5 M invested during the year and 5 active funds, we are committed to mobilizing private capital to tackle clearly identified social, financial inclusion and climate-related challenges in the markets where we invest.

By leveraging catalytic capital, which accepts higher risk or lower financial returns, we help unlock investments that drive additional capital flows toward underserved segments that are often perceived as higher risk or insufficiently served by traditional investors.

Our primary stakeholders are microentrepreneurs, smallholder farmers, MSMEs (Micro, Small and Medium Enterprises), women, rural households and communities exposed to climate risks. The outcomes we seek to support include improved access to responsible financial services, increased income-generation capacity, stronger resilience to economic and climate shocks, and the adoption of more sustainable and climate-smart practices. As of 31 December 2025, GAWA has historically reached 1.1M clients on an attributed basis, reflecting its investments and impact management activities.

Technical Assistance is a core component of our impact model, helping investees strengthen their institutional capacity, improve products and services, and embed social and environmental objectives into their operations. Through the Huruma and Kualu TA facilities, GAWA manages a combined TA budget of EUR 16.4 M (EUR 6.5 M Huruma + 9.9 M Kualu). As of 31 December 2025, 12 TA projects had been committed, representing EUR 2.4 M in committed TA funding.

This report is primarily intended for investors, limited partners, asset owners, allocators, public and catalytic capital partners, and the public in general. It aims to provide a clear and balanced view of how GAWA manages for impact, the results achieved during the reporting period, and the areas where further progress is needed.

This 2025 Impact Report covers GAWA Capital's impact activities and performance for the year ended 31 December 2025, unless otherwise stated. Quantitative figures are presented as of 31 December 2025 and are based on internal portfolio monitoring data, investee reporting and fund-level records.

15 YEARS AGO

Founded in 2010, GAWA Capital has grown into one of Spain's leading impact investment firms, helping channel capital toward underserved communities.

**Agustín Vitórica
& Luca Torre**
GAWA's Co-CEOs



98 IMPACT
INVESTMENTS

45 SUPPORTED
ENTITIES

19 EMPLOYEES IN
3 COUNTRIES

In these 15 years we have grown from a Spain-based founding team to an international platform with offices in Colombia and India.

3 IMPACT
THEMES

Financial Inclusion
Responsible financial services to underserved people and businesses.

Inclusive agricultural value chains
Businesses that help smallholder farmers and MSMEs connect to stronger value chains.

Climate adaptation & mitigation
Solutions that help to adapt to climate risks and adopt more sustainable practices.

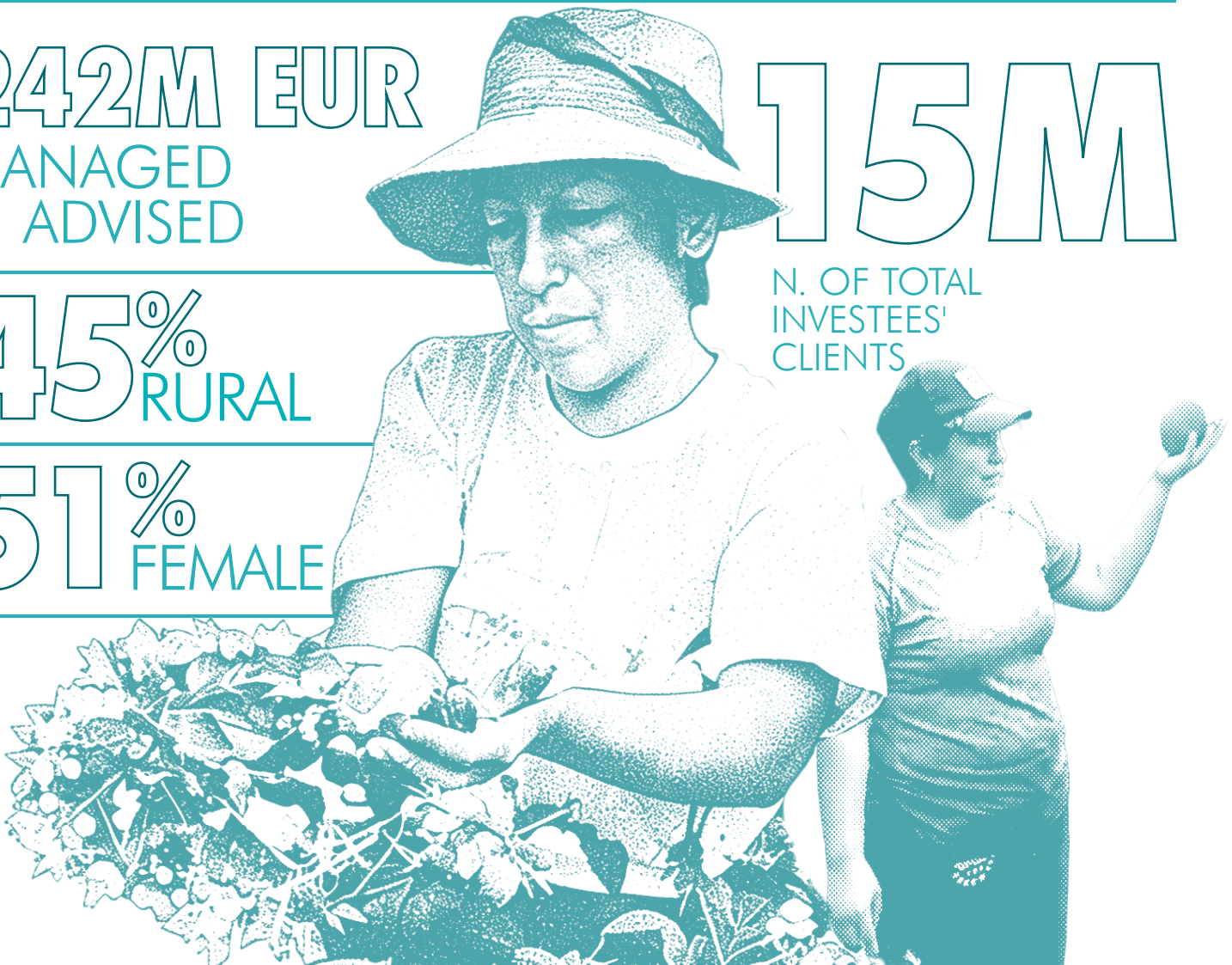
242M EUR
MANAGED
& ADVISED

45%
RURAL

51%
FEMALE

15M

N. OF TOTAL
INVESTEES'
CLIENTS



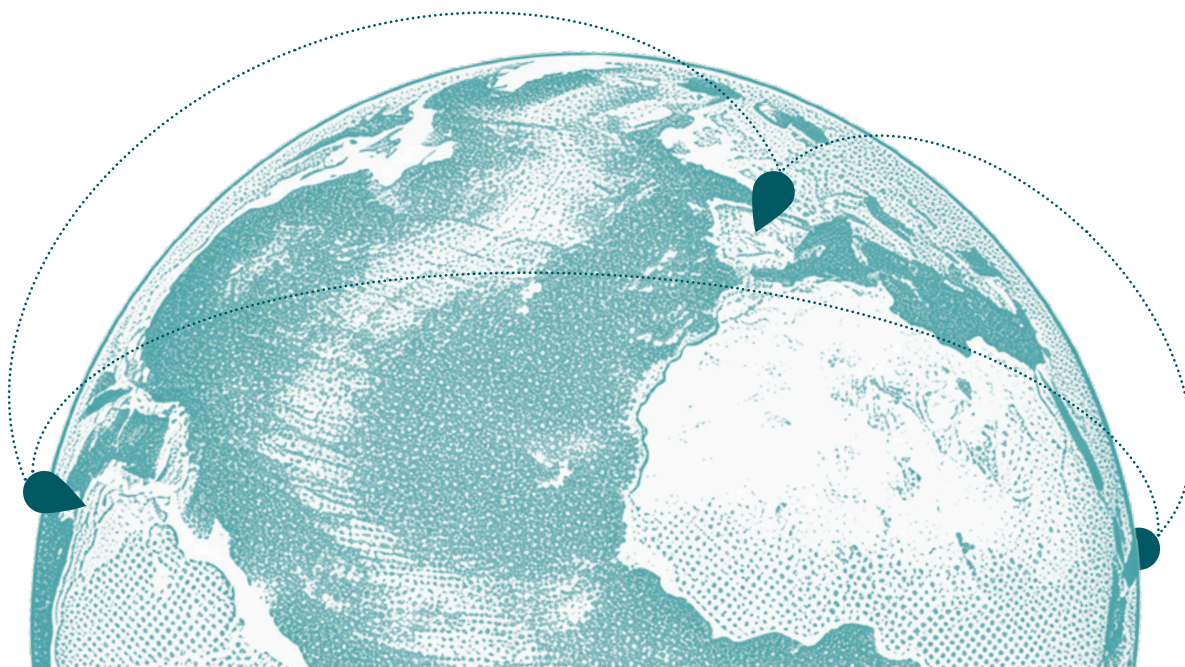
GROWING BEYOND BORDERS: FROM EUROPE TO GLOBAL PRESENCE

GAWA's growth has been a deliberate and phased journey. We began as a Europe-based team with a clear mission: channel impact capital toward underserved communities in emerging and developing markets. Over time, as our fund portfolio expanded and our ambitions deepened, so did our organizational model.

As we scaled, we moved toward area specialization within the team, building dedicated expertise across investment, impact management, technical assistance, and portfolio monitoring. This allowed us to go deeper: not just deploying capital, but actively shaping how our investees serve farmers, microentrepreneurs, and small businesses. This specialization also supports more consistent impact screening, due diligence, monitoring and learning across the investment cycle.

The next step was natural, and necessary. In 2025, we opened regional offices in Colombia and India, two of our most strategically important markets. Being on the ground is not just about proximity, it changes the quality of the work. Our local teams strengthen underwriting and monitoring, accelerate the design of targeted technical assistance projects, and build the trust that makes transformation possible. Local presence also helps GAWA better understand stakeholder needs, local market conditions and climate-related risks, improving the relevance of both investment decisions and post-investment support.

Today, GAWA operates as a multicultural, internationally distributed presence, with a team that spans continents and brings diverse perspectives to every investment decision.



OUR FUNDS

Many of the sectors and communities where impact is most needed are also those perceived as too risky by traditional investors. **Blended finance** is how we change that: by combining public, private and catalytic capital, we improve the risk-return profile for private investors and help unlock investment that would not otherwise reach smallholder farmers, rural financial institutions and climate-vulnerable communities. This has been the enabling architecture behind all of GAWA's funds. GAWA's funds apply a common impact pathway: mobilizing public, private and catalytic capital, investing in financial institutions, lenders and mission-driven companies, strengthening their capacity through technical assistance and active engagement; and ultimately supporting better financial, agricultural and climate-related outcomes for underserved end-beneficiaries.

GAWA Microfinance Fund (GMF) and **Global Financial Inclusion Fund (GFIF)**: GAWA's first funds established the firm's track record in impact investing, with a clear **focus on microfinance and financial inclusion**. GMF, launched in 2010 with EUR 20.4 M, invested in microfinance institutions and SME financing providers in developing countries. GFIF, launched in 2014 with EUR 32.3 M, expanded this approach through investments in microfinance institutions and micro and small enterprise lenders across Latin America and Asia. Together, these early funds laid the foundation for GAWA's later blended-finance vehicles by focusing primarily on expanding Financial Inclusion for excluded and underserved clients.

Huruma Fund: (AUM: EUR 128.5 M) Huruma **focuses on financial inclusion and inclusive agricultural value chains** in emerging countries. Backed by catalytic capital from COFIDES, AECID, and the European Commission, Huruma deploys blended finance across microfinance institutions, smallholder-focused lenders, and agricultural SMEs (Small and Medium Enterprises). Its Technical Assistance Facility (TAF) has supported investees in designing better products, improving risk tools, and reaching rural clients more effectively. An independent impact evaluation is currently underway, with preliminary findings already informing our strategy. Huruma's intended outcomes include improved Financial Inclusion for rural and underserved clients, stronger agricultural value chains, and enhanced incomes for smallholder farmers and microentrepreneurs.

Kuali Fund: Our largest and most ambitious fund to date (**target AUM 190 M + 13.5 M TA**), Kuali channels blended finance into **climate-smart, inclusive solutions for smallholder farmers and MSMEs**. Backed by the same catalytic partners as Huruma, now also including the Green Climate Fund (GCF), Kuali builds on Huruma's model and goes further, integrating climate adaptation and mitigation as core investment objectives alongside financial inclusion. Kuali represents GAWA's strategic commitment to supporting financial institutions and climate solution providers to become effective channels for climate adaptation and mitigation finance. Its intended outcomes include improved access to climate-related financial products, stronger resilience among farmers and MSMEs, and increased adoption of climate-smart practices and technologies.

Since our inception across all our funds we have made or advised on 98 investments, supporting 45 mission-driven companies that work directly to uplift vulnerable communities. As of December 2025, GAWA's active portfolio comprised 19 investees, with women representing 51% of clients and rural clients accounting for 45%, underscoring the continued focus of our portfolio on underserved and vulnerable populations.

IMPACT OBJECTIVES

GAWA Capital's impact thesis is built on a simple insight: lasting impact requires transforming the systems that serve vulnerable communities.

Many of the people we aim to support face interconnected challenges: limited access to finance, weak links to markets, unstable incomes and growing exposure to climate risks. These challenges are especially acute for microentrepreneurs, smallholder farmers, MSMEs, women, rural households and climate-vulnerable communities. To reach these populations effectively and at scale, we invest in financial institutions and other intermediaries that are best positioned to serve them, enabling lasting and systemic change.

For us, systemic change means one specific thing: improving the way institutions, markets and local ecosystems serve vulnerable communities, in ways that endure beyond our investment period. The impact we seek is the one that remains when our capital is no longer there.

Our Theory of Change is grounded in a simple conviction: capital, deployed with intention, can transform the institutions and markets that serve vulnerable and underserved communities. We invest in financial service providers, agricultural SMEs and climate-focused companies whose work expands access to essential services, strengthens resilience and enables more sustainable livelihoods. Beyond financing growth, we seek to contribute to systemic transformation across our three impact pillars: financial inclusion, inclusive value chains, and climate adaptation & mitigation.

Over time, GAWA's impact approach has evolved in response to these realities. We began by expanding financial inclusion for people excluded from formal financial systems. That work deepened our understanding of the challenges vulnerable communities face, and of the most effective way to address them, and showed us that financial service providers were not just investees, but the most scalable channel for reaching underserved communities at scale. That conviction led us to deepen our work in agricultural value chains, and from there, to integrate climate adaptation and mitigation as a core investment objective. Each stage builds on the one before it: financial inclusion remains essential, but it becomes more powerful when combined with stronger value chains and climate-smart solutions.

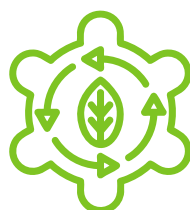
This evolution is reflected in our funds. GMF, GFIF and Magallanes Impacto Fund laid the foundation by expanding financial inclusion for microentrepreneurs and SMEs. Huruma Fund deepened this approach by focusing on smallholder farmers, rural finance and inclusive agricultural value chains. Kualu Fund builds on this experience by integrating climate adaptation and mitigation as a core impact objective, supporting financial service providers and climate solution providers that help vulnerable communities become more resilient to climate change.

OUR THREE IMPACT THEMES



FINANCIAL INCLUSION

We support financial institutions that provide responsible financial services to underserved people and businesses. Access to credit, insurance, savings and payment services helps households, farmers and MSMEs invest, manage risks and build more stable livelihoods.



INCLUSIVE AGRICULTURAL VALUE CHAINS

Finance alone is not always enough. We also support businesses that help smallholder farmers and MSMEs connect to stronger value chains, better markets, training, inputs and technical support. This helps turn access into lasting income opportunities.



CLIMATE ADAPTATION AND MITIGATION

Climate change increasingly affects the communities we serve. We therefore support solutions that help farmers, households and small businesses adapt to climate risks and adopt more sustainable practices, while also contributing to climate mitigation where possible.

These three themes are the means; the ends are the changes we want to see in people's lives. Through them, GAWA aims to contribute to three long-term outcomes for microentrepreneurs, smallholder farmers, MSMEs and the communities they sustain. The first is economic empowerment: higher and more stable incomes, driven by better access to finance, markets and services, so that families can move beyond subsistence and invest in their future. The second is holistic resilience: a stronger capacity of households, businesses and communities to anticipate, absorb and adapt to economic, social and climate shocks, so that a bad harvest, an illness or an extreme weather event does not undo years of progress. The third is environmental sustainability: more responsible use of natural resources and the adoption of practices that protect and regenerate the ecosystems on which rural livelihoods depend. Themes and outcomes do not map one to one; they reinforce each other. A responsible loan can raise a family's income and, at the same time, help it withstand a shock. A climate-smart irrigation system can protect a harvest while reducing pressure on water resources. It is precisely this overlap that makes the portfolio more than the sum of its parts.

CROSS-CUTTING FOCUS ON GENDER EQUALITY

Gender equality is embedded across all our investment strategies. We promote inclusive access to finance and economic opportunities for women, while supporting partner institutions in strengthening gender representation, practices and products that better serve female clients.



FINANCIAL INCLUSION

Responsible financial services to underserved people and businesses



INCLUSIVE AGRICULTURAL VALUE CHAINS

Businesses that help smallholder farmers and MSMEs connect to stronger value chains



CLIMATE ADAPTATION AND MITIGATION

Solutions that help to adapt to climate risks and adopt more sustainable practices

GENDER EQUALITY IS EMBEDDED ACROSS ALL OUR INVESTMENT STRATEGIES. WE PROMOTE INCLUSIVE FINANCIAL INCLUSION AND OPPORTUNITIES FOR WOMEN, WHILE SUPPORTING PARTNER INSTITUTIONS IN STRENGTHENING GENDER REPRESENTATION, PRACTICES, AND PRODUCTS THAT BETTER SERVE FEMALE CLIENTS.



GAWA Microfinance Fund
Global Financial Inclusion Fund
Magallanes Impacto Fund
AUM: EUR 75.7 M



Huruma Fund
AUM: EUR 128.5 M



Kuali Fund
AUM: EUR 203.5 M

IMPACT CREATION APPROACH

BUILDING IMPACT INTO EVERY INVESTMENT

At GAWA Capital, impact defines how we invest. Our approach to impact creation is built around blended finance funds that enable us to mobilize capital where it is most needed, and four mutually reinforcing drivers: Investments for Underserved Sectors, Investee Transformation, Impact Measurement and Management, and Partnerships. Together, these tools allow us not only to provide capital, but to help strengthen the institutions, markets and ecosystems that serve vulnerable and underserved communities. **Blended finance** is what makes this possible: combining public and private resources to unlock investment in sectors and communities that traditional capital markets consistently underserve.



Investments for Underserved Sectors By combining public and private resources, we help to unlock investment for sectors, geographies and client segments that are often perceived as too risky or insufficiently served by traditional investors. This allows us to channel capital toward financial service providers, agricultural SMEs and climate-focused companies that can generate meaningful social and environmental outcomes while attracting additional capital over time.

Investee Transformation is central to how we deepen and scale impact. Beyond financing, we support investees in strengthening their operational capacity, improving products and services, enhancing risk management, and better serving end-beneficiaries such as smallholder farmers, microentrepreneurs, MSMEs, women and climate-vulnerable communities. Technical assistance helps translate investment capital into practical improvements on the ground, from more tailored financial products to stronger agricultural value chains and climate-smart solutions.

Impact Measurement and Management ensures that impact is intentionally designed, actively monitored and continuously improved. We embed social and environmental considerations throughout the full investment lifecycle, from initial screening and due diligence to investment decision-making, monitoring and exit. Through clear targets, regular reporting, evaluation and learning, we seek to understand whether intended outcomes are being delivered and how our approach can be refined over time.

As part of this approach, **Impact Evaluation** plays a distinctive role. While regular portfolio monitoring helps us track activities, outputs and key performance indicators, independent impact evaluations allow us to go further: they help us understand the outcomes experienced by end beneficiaries and the transformations taking place within investee institutions. For this reason, both Huruma Fund and Kuali Fund incorporate independent impact evaluations as part of their lifecycle. These evaluations are designed to **provide objective evidence of outcomes achieved, strengthen accountability, and generate actionable learning for future investments. They combine portfolio analysis, institutional assessments and direct beneficiary interviews, to measure impact more comprehensively** and understand how GAWA's investments contribute to meaningful social, economic and environmental change.

Partnerships amplify our ability to create systemic change. We work with public institutions, development finance institutions, multilateral organizations, investors, technical assistance providers, investees, evaluation partners and local stakeholders to combine financial resources, knowledge and implementation capacity. These partnerships allow us to mobilize catalytic capital, design more relevant interventions, strengthen local delivery, improve accountability and build the evidence base needed to advance impact investing practice.

At GAWA Capital, we believe that financial investments should deliver measurable impact alongside economic value. Our portfolio companies play a key role in addressing critical social and environmental challenges. We support them in strengthening their impact trajectory through a combination of capital, technical assistance, active impact management and strategic partnerships, enhancing performance, scalability and service delivery.



HOW WE MANAGE IMPACT ACROSS THE INVESTMENT LIFECYCLE

Our process begins by assessing each company's current impact, followed by the identification of improvement opportunities, the definition of measurable targets, and the implementation of concrete actions. We embed social and environmental considerations throughout the investment lifecycle, from initial screening to exit, ensuring alignment between impact and financial performance. Our investment and impact teams work in close coordination to deliver meaningful outcomes for society and the environment, while achieving solid financial returns. This approach combines capital with continuous monitoring and evaluation to track progress and ensure that intended outcomes are delivered.

To structure this approach, we rely on recognized international frameworks, industry standards, and proprietary tools, ensuring that impact remains a tangible and measurable component of every investment decision at GAWA Capital.

OUR IMPACT STANDARDS AND METHODOLOGIES



IMPACT FRONTIERS

A global collaboration advancing practical methodologies that help investors define, manage and measure impact more consistently.



E-MFP

A collaborative platform that develops practical approaches to strengthen climate-smart and environmentally responsible inclusive finance.



CERISE + SPTF

A global standard for social and environmental performance management, promoting responsible and inclusive finance through practical frameworks and tools.

1. PRE-SCREENING: ENSURING STRATEGIC ALIGNMENT

Before advancing any opportunity, we assess its alignment with our impact objectives and its potential to generate meaningful outcomes. This includes evaluating the expected social and environmental results, identifying key ESG risks and applying exclusion criteria, and assessing the company's capacity to enhance its impact over time. This ensures a strong initial fit between impact ambition and investment potential.

2. DUE DILIGENCE: IN-DEPTH IMPACT AND RISK ASSESSMENT

We conduct a comprehensive assessment of each opportunity's impact-return profile, ESG risk, financial fundamentals and overall contribution to a balanced portfolio, applying recognized frameworks and tools. This analysis also includes technical assistance design and stakeholder engagement to validate assumptions, strengthen operational capacity and deepen long-term impact.

3. INVESTMENT DECISION: INTEGRATING IMPACT AND FINANCIAL VALUE

Investment decisions are based on a holistic evaluation of financial indicators and impact metrics, ensuring that both value creation and impact potential are considered. Impact expectations are formally embedded through covenants, action plans and exclusion lists, strengthening alignment and accountability between expected and delivered outcomes.

4. MONITORING: TRACKING PERFORMANCE AND SUPPORTING DELIVERY

Following investment, we maintain active oversight to ensure impact objectives are effectively delivered and adapt where needed to achieve intended outcomes. We undertake quarterly impact reporting against predefined targets and monitor TA implementation, with milestone-based tracking and performance-linked payments.

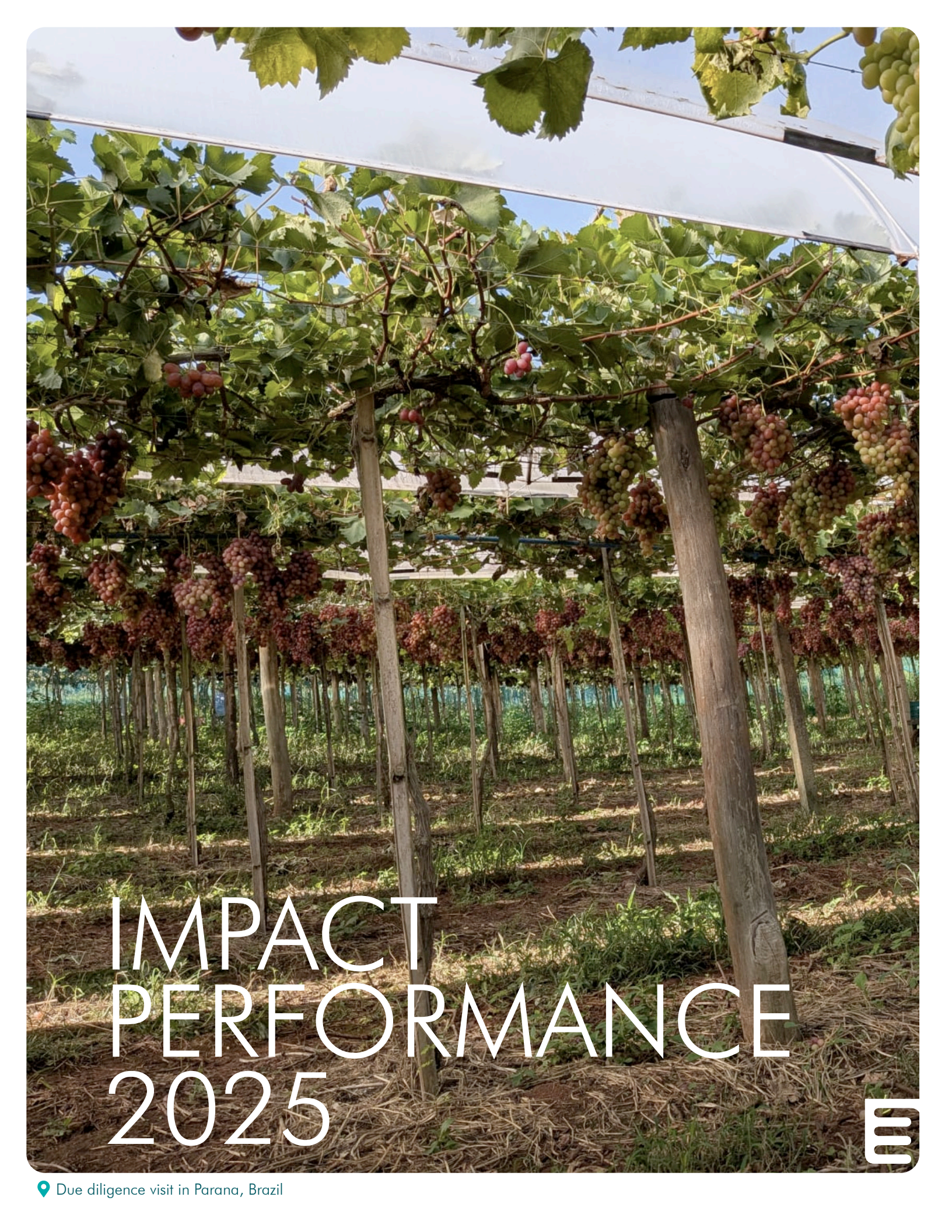
This lifecycle approach supports accountability and continuous refinement, ensuring that impact creation is not treated as a one-off objective, but as a disciplined practice embedded into every stage of our investment work.

5. EXIT: MEASURING OUTCOMES AND CAPTURING LESSONS

At exit, we assess the overall impact achieved and derive insights to inform future investments.

- Independent verification through external social audit.
- Final evaluation aligned with international standards.
- Systematic incorporation of lessons learned into future investment processes.





IMPACT PERFORMANCE 2025

📍 Due diligence visit in Parana, Brazil



IMPACT

LISTENING TO BENEFICIARIES

In this section, we focus on the changes experienced by end-beneficiaries and investees that are connected to our investment and technical assistance activities. These changes may include improvements in income, financial resilience, access to productive opportunities, climate adaptation capacity, institutional capabilities and the quality of services delivered to underserved clients.

We measure impact through a combination of portfolio monitoring, investee reporting, independent evaluation and direct beneficiary listening. Portfolio-level indicators help us understand the scale and direction of our work, while independent evaluations allow us to go deeper and assess whether, and how, meaningful changes are taking place for the people and institutions we aim to support.

The evidence presented in this section is mainly drawn from the independent mid-term evaluation of Huruma Fund, conducted by **Dalberg** and **60 Decibels**.

In 2025, GAWA Capital undertook the independent mid-term evaluation of Huruma Fund, conducted by **Dalberg** and **60 Decibels**. Dalberg led the overall evaluation and analytical work, while 60 Decibels brought its beneficiary-listening methodology to capture the direct experiences of end clients. Together, they combined portfolio analysis, institutional surveys, stakeholder interviews and **1,716 phone interviews with producers across nine countries**, allowing us to move beyond portfolio outputs and better understand the outcomes experienced by end beneficiaries and investees. As a mid-term evaluation, the exercise provides both early evidence of outcomes achieved to date and a baseline for assessing longer-term changes in the final evaluation.

The evaluation confirmed that Huruma is delivering encouraging results at two levels: **improvements in the lives of smallholder farmers and rural entrepreneurs, and institutional transformation among investees**. Overall, Huruma showed important early signs of impact in living conditions, agricultural finance and institutional capacity. These findings should be interpreted as mid-term evidence rather than final impact attribution. They provide a strong indication of emerging outcomes and contribution pathways, while recognizing that longer-term effects, sustainability and transformational impact will be assessed more fully at the end of the fund cycle.

PRODUCERS' IMPACT

The evaluation found that access to tailored finance is contributing to stronger financial resilience, income generation and climate adaptation among producers served by Huruma-supported institutions.

Key results include:

- **Improved financial resilience:** 66% of surveyed producers reported a greater ability to save and manage unexpected expenses thanks to the financing received.
- **Income growth:** 80% reported increased income, with producers attributing an average annual income increase of **USD 468** to the financing received.
- **Enhanced food security:** 50% improved their dietary diversity, in a context where only 25% of households in the sample had high dietary diversity.
- **Climate resilience:** 50% of producers considered that financing improved their resilience to climate change, enabling investments in modern machinery, new plantations and practices better adapted to their climate conditions.
- **First-time financial inclusion:** 50% of surveyed producers accessed this type of financial service for the first time through a Huruma-supported institution, showing the Fund's ability to reach underserved populations.

These findings reinforce the role of adapted financial services as a catalyst for broader social and economic transformation, particularly when finance is designed around the realities of smallholder farmers and rural communities.

INVESTEES' IMPACT

The evaluation also showed that Huruma is contributing to institutional transformation among investees, particularly in their capacity to serve agricultural and rural clients

At portfolio level, the agricultural loan portfolio of financial institutions **doubled**, increasing from **EUR 1.65 billion** to more than **EUR 3.36 billion**, while the number of loans in the agricultural portfolio grew by almost **80%** compared with baseline. The aggregate client base of invested financial institutions increased by more than **561,000 clients**, including more than **337,000 women clients**.



📍 Due diligence visit, Parana, Brazil

Huruma's relationship with investees also generated strong qualitative results:

- Around **80%** of financed entities considered their relationship with Huruma better than with other impact investment funds.
- Around **70%** considered Huruma's participation a determining factor in attracting other investors to the same transaction.
- More than **90%** attributed at least one transformation action to Huruma, including the development of new capabilities, the launch of new products, or improvements in impact measurement.

These results suggest that Huruma's contribution goes beyond capital provision. Its value lies in combining financing, impact expectations, close engagement and technical assistance to strengthen investees' ability to serve agricultural and underserved clients more effectively.



50% FIRST-TIME FINANCIAL INCLUSION

Accessed this type of financial service for the first time through a Huruma-supported institution, showing the Fund's ability to reach underserved populations.

WE HAVE HELPED
IMPROVE CLIMATE
RESILIENCE...

for 50% of producers by enabling investments in modern equipment and climate-adapted crops. By combining financing, technical assistance, and close engagement with investees, we create value while enabling financial institutions to better serve agricultural and underserved clients.

66% GREATER ABILITY TO
SAVE AND MANAGE
UNEXPECTED EXPENSES

80% INCREASED
INCOME

50%
IMPROVED
DIETARY
DIVERSITY

Dalberg

60 — decibels

50%

of producers considered that
financing improved their
resilience to climate change.

TECHNICAL ASSISTANCE INSIGHTS

A specific insight from the evaluation is that institutional transformation is a key pathway through which Huruma contributes to long-term impact. The evaluation found that Huruma's close relationship with investees, its alignment with their strategies, and its focus on capacity building have helped create the conditions for more tailored agricultural finance and stronger impact management practices.

Technical Assistance plays a central role in this transformation. The evaluation highlights that the TA is most effective when it helps investees develop agricultural products, strengthen operational and risk-management capacity, reduce portfolio-quality challenges, or improve impact measurement systems. These are not only internal improvements: they are institutional capabilities that can help investees serve smallholder farmers and rural clients more responsibly and sustainably over time.

At the same time, the evaluation identified important lessons for improving the deployment of technical assistance. Some investees reported that TA processes can be slow or administratively demanding, particularly when they involve procurement processes, coordination with consultants or significant internal staff time. The evaluation therefore recommends clarifying the expected operational effort from the start, simplifying and accelerating TA processes where possible, and tailoring support according to each investee's maturity, performance and business needs.

Going forward, these findings reinforce the importance of treating TA not as a separate add-on, but as an integrated part of the impact model. Better linking investment and TA, defining clear business cases for support, and focusing TA on measurable institutional changes can help strengthen both investee performance and end-beneficiary outcomes. This is what systemic change looks like in practice: stronger institutional capabilities, better risk tools, more relevant financial products and improved impact data systems that compound over time and outlast any individual investment.

📍 Monitoring visit, Bangalore, India



OUTCOMES & OUTPUTS

Our impact performance is reported through the three Impact Themes that guide GAWA Capital's investment approach: Financial Inclusion, Inclusive Value Chains and Climate Adaptation & Mitigation. These themes reflect the evolution of our impact strategy: from expanding responsible financial access for underserved populations, to strengthening the ecosystems around vulnerable communities, and increasingly supporting climate adaptation and mitigation solutions.

This section presents the main outputs and outcomes achieved across GAWA's active portfolio during the reporting period. We present these results not as a final verdict, but as part of a continuous learning process. Some findings reinforce our approach; others point to gaps we need to address. Both are useful. The purpose of measuring impact is not to validate decisions already made, but to improve the ones still ahead. It also preserves continuity with previous years' reporting by maintaining the core indicators historically disclosed under the "Objectives Breakdown", now reorganised under GAWA's current impact framework.

Across all themes, GAWA's contribution goes beyond investment capital. We work with investees to strengthen their institutional capacity, improve products and services, enhance risk management, and build the internal capabilities needed to serve end-beneficiaries more effectively and sustainably. This investee transformation approach is supported through active engagement, impact covenants, technical assistance, capacity-building programmes and partnerships with specialised providers.

To present impact performance in a structured and decision-useful way, each theme is also analysed through the five dimensions of impact: **What, Who, How Much, Contribution and Risk**. These dimensions help explain not only what outcomes we seek, but also who experiences them, the scale and depth of change, GAWA's contribution to that change, and the main risks that could affect impact delivery.

Gender equality remains a cross-cutting priority across all themes. We monitor the extent to which our investees reach women and support their access to finance, productive opportunities and resilience-building solutions.



FINANCIAL INCLUSION

Financial Inclusion remains the foundation of GAWA's impact model. We invest in financial institutions and mission-driven companies that expand responsible financial services for people and businesses that are underserved by traditional markets, including microentrepreneurs, smallholder farmers, MSMEs, women and rural households.

Access to credit, savings, insurance and payment services helps clients invest in productive activities, smooth income volatility, manage unexpected expenses and build more stable livelihoods. In rural markets, this is particularly important for smallholder farmers, whose income depends on seasonal production cycles and who often face limited collateral, weak market access and exposure to climate shocks.

Smallholder farmers' financial inclusion is a central priority within this theme. Through Huruma Fund in particular, GAWA supports institutions that serve farmers who are often excluded from formal finance because agricultural lending is perceived as high risk, costly to deliver, or difficult to adapt to seasonal cashflows. By supporting financial institutions to design more appropriate agricultural credit methodologies, repayment structures, risk assessment tools and rural delivery models, GAWA aims to help smallholders access finance that is better aligned with their production cycles, investment needs and repayment capacity.

By transforming the institutions that provide financial services, we aim to make access to finance more tailored, responsible and durable. The objective is not only to increase the number of clients reached, but to help investees build the capacity to serve them with products that are better aligned with their needs, repayment capacity and livelihood realities.

1.4



Increase access to economic resources for the poor and most vulnerable men and women through microfinance.

2.3



Increase agricultural productivity and income through financial services.

5.7



Increase women's access to financial services and other forms of control.

WHAT

Improved access to responsible financial services, including credit, insurance, savings and payment solutions, enabling underserved clients to invest, manage risks and strengthen their livelihoods.

WHO

Microentrepreneurs, smallholder farmers, MSMEs, women, rural households and low-income clients who are underserved by traditional financial markets.

HOW MUCH

Scale is measured through clients reached, rural clients, clients below the poverty line, women clients and clients accessing insurance or other risk-management tools.

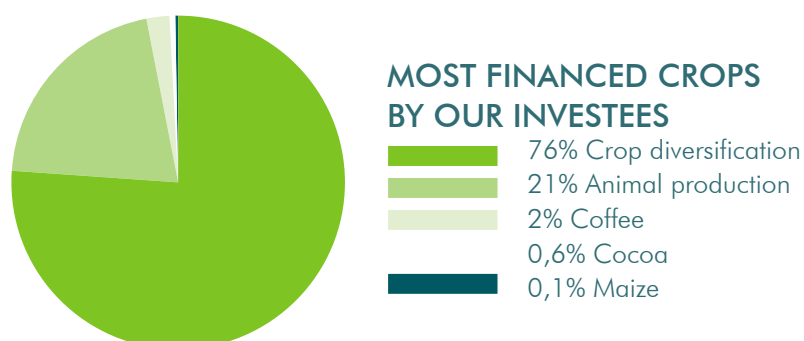
CONTRIBUTION

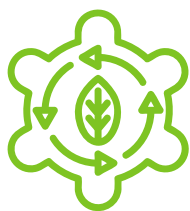
GAWA contributes through investment capital, impact covenants, technical assistance, product development, credit methodology improvements, staff training, institutional strengthening and active engagement with investees.

RISK

Key risks include over-indebtedness, inadequate product design, exclusion of the most vulnerable clients, affordability concerns, weak client protection practices, and limited institutional capacity to serve rural or agricultural clients responsibly.

Indicator <i>IRIS+</i>	How much	Contribution	Impact narrative
Clients reached <i>PI4060</i>	2 M Clients	322 k linked to our investment	Tracks poor and vulnerable clients reached through GAWA's microfinance portfolio, with over-indebtedness and unsuitable repayment schedules risks mitigated through due diligence, monitoring and TA.
Smallholders farmers	583 k smallholder served	230 k linked to our investment	Tracks smallholder farmers reached through GAWA's portfolio, with product-fit and repayment risks mitigated through agricultural product development and TA.
Rural MFI clients <i>PI6652 / PI6372</i>	1.17 M clients	196 k linked to our investment	Tracks rural clients reached through GAWA's portfolio, supporting access to finance for poor and vulnerable populations, with data quality and product-fit risks mitigated through Due Diligence and monitoring.
Investees' clients with agricultural insurance <i>PI8700</i>	11k clients		Tracks clients' access to insurance as a risk-management tool, with suitability and usage risks mitigated through product reviews, client education and monitoring.
FI current productive portfolio	93.3%		Tracks portfolio exposure to productive or income-generating financial services, with data quality and repayment-capacity risks mitigated through onsite diligence, monitoring and product adaptation.
N. of female clients / beneficiaries <i>PI8330</i>	1.28 M clients	279 k linked to our investment	Tracks women's access to finance and economic opportunities, with risks of limited outcome materialization mitigated through mission-driven investees, targeted training and monitoring.
Female smallholder farmers <i>OI2444</i>	475 k female farmers	210 k linked to our investment	Tracks outreach to women farmers, supporting gender inclusion in rural finance, with cultural barrier risks managed through productive loans and investee engagement.
% of female FI staff <i>OI2444 / OI8869</i>	40.9%		Tracks gender inclusion within investee institutions, with outcome translation risks managed through monitoring and continued investee engagement.





INCLUSIVE AGRICULTURAL VALUE CHAINS

Financial inclusion alone is not always enough to create lasting impact. Many of the people GAWA seeks to support face constraints that go beyond access to capital: weak links to markets, limited bargaining power, insufficient technical knowledge, poor access to inputs, and limited integration into formal value chains.

Through the Inclusive Value Chains theme, we track how our portfolio contributes to stronger agricultural and business ecosystems. This includes investees that work with smallholder farmers, agri-SMEs, MSMEs and rural entrepreneurs, helping them access training, inputs, advisory support, market linkages and value-added services.

This approach reflects our belief that stronger institutions can create stronger ecosystems. By helping investees improve their operational models, staff capacity and ecosystem partnerships, GAWA seeks to increase the quality and usefulness of the services reaching smallholder farmers.

2.3



Increase agricultural productivity and income through productive resources and inputs, knowledge, markets and opportunities for value addition.

2.4



Promote sustainable and resilient agricultural systems that enhance productivity, protect ecosystems, strengthen climate adaptation, and improve soil quality over time.

WHAT

Stronger rural and agricultural ecosystems that improve access to training, inputs, markets, advisory services, value-chain linkages and other non-financial support.

WHO

Smallholder farmers, agri-SMEs, MSMEs, producer organisations, rural entrepreneurs and investees that serve or connect these groups to broader markets.

HOW MUCH

Scale is measured through smallholders served, smallholders linked to business ecosystems, clients receiving training and capacity-building programmes supported.

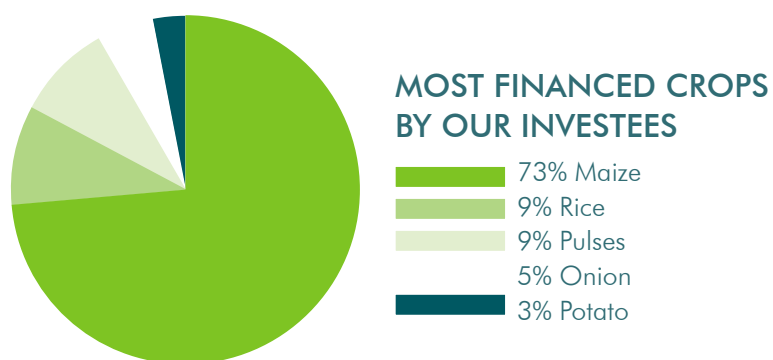
CONTRIBUTION

GAWA contributes through investment, technical assistance, value-chain diagnostics, product and service design, capacity-building programmes, partnership development and active support to investees.

RISK

Key risks include weak uptake of training or advisory services, limited market absorption, operational complexity, dependency on external partners, insufficient investee capacity, and challenges translating ecosystem support into durable income improvements.

Indicator <i>+IRIS</i>	How much	Contribution	Impact narrative
Farmers included in business ecosystems <i>PI9991</i>	84k farmers	25k linked to our investment	Tracks farmers included in business ecosystems, supporting access to inputs, knowledge, markets and value-addition opportunities, with climate-related productivity risks mitigated through improved farming practices.
Average % income increase of small-scale food producers	277%		Tracks increases in farmer income against national benchmarks, with climate-related income risks managed through improved practices and stronger market linkages.
Average % yield increase of small-scale food producers <i>PI8999 / SDG 2.3.2</i>	69%		Indicates farmer yield improvements, with climate-related productivity risks managed through climate-resilient farming practices and ecosystem support.
Farmers having received training initiatives during 2025 <i>PI2998</i>	82k farmers		Tracks farmer training on resilient practices, with adoption risks managed through investee engagement and follow-up support.
Ha of smallholder land indirectly supported <i>PI7403</i>	33k Ha		Measures smallholder land indirectly supported through investee ecosystems, with climate and soil-quality risks managed through improved farming practices and ecosystem-level support.





CLIMATE ADAPTATION & MITIGATION

Climate change increasingly affects the communities we serve. Smallholder farmers, rural households and MSMEs are often among the most exposed to droughts, floods, heat stress, changing rainfall patterns and other climate-related shocks, while having the fewest resources to adapt.

Through the Climate Adaptation & Mitigation theme, GAWA supports investees that help clients adopt more sustainable and climate-smart practices, access adaptation technologies, improve resilience to climate risks and, where possible, contribute to mitigation. This theme is becoming increasingly central to GAWA's strategy, particularly through Kuali Fund, which builds on Huruma's experience in rural finance and smallholder inclusion while integrating climate adaptation and mitigation as core impact objectives.

Institutional transformation is essential to achieving climate-related outcomes. Many financial institutions want to serve climate-vulnerable clients or finance green solutions, but lack the internal tools, methodologies and partnerships to do so responsibly. Through technical assistance, GAWA supports investees in developing climate-smart products, integrating climate and environmental criteria into credit methodologies, identifying adaptation and mitigation opportunities, training staff, improving climate-risk assessment, and building partnerships with providers of green technologies or nature-based solutions. It also supports capacity building for end clients to strengthen their resilience and adoption of climate-smart practices.

This work helps investees move from general financial inclusion toward more climate-aware and climate-responsive finance. It also creates an important learning pathway for GAWA, as the experience gained through Huruma informs the development of Kuali's approach to green finance and climate adaptation lending.

2.4



Promote sustainable and resilient agricultural systems that enhance productivity, protect ecosystems, strengthen climate adaptation, and improve soil quality over time.

13.2



Secure annual climate finance of \$100 billion for developing countries and accelerate the full functioning of the Green Climate Fund.

WHAT

Improved capacity of clients and investees to adapt to climate risks, adopt climate-smart practices, access green technologies and contribute to climate mitigation.

WHO

Smallholder farmers, rural households, MSMEs, climate-vulnerable communities and financial institutions or institutions and climate solution providers serving them.

HOW MUCH

Scale is measured through clients financing adaptation solutions, clients implementing mitigation practices or technologies, and technical assistance projects supporting climate-smart finance or climate-risk management.

CONTRIBUTION

GAWA contributes through investment, technical assistance, climate-focused product development, climate-risk tools, staff training, green finance strategies, partnerships with technology providers and learning from Huruma to inform Kuali.

RISK

Key risks include limited client demand for green products, affordability constraints, weak supplier ecosystems, climate data limitations, difficulty measuring resilience outcomes, green-washing risk, and delays in adoption or implementation of climate-smart technologies.

Indicator <i>+IRIS</i>	How Much	Contribution	Impact narrative
N° investees clients receiving finance for the implementation of climate adaptation & resilience solutions <i>SDG 2.4.1 / Internal indicator</i>	556k clients	13k linked to our investment	Captures farmers receiving finance for climate adaptation and resilience solutions.
Investees portfolio towards the implementation of climatic adaptation & resilience solutions <i>SDG2.4.1 / Internal indicator</i>	8.89 M EUR	No contribution had been acknowledged previously as this is a new impact focus for GAWA Capital. The firm is now actively monitoring its contribution to climate change adaptation and mitigation	Monitors investee portfolio exposure to climate adaptation and resilience solutions, with productivity and repayment risks managed through resilient practices and investee monitoring.

TECHNICAL ASSISTANCE OUTPUTS & OUTCOMES

80

FINANCIAL PRODUCTS

WERE DESIGNED & LAUNCHED TO HELP RURAL PRODUCERS ACCESS FINANCING THAT FITS THEIR FARMING ACTIVITIES AND SEASONAL NEEDS.

Through due diligence and ongoing technical assistance, GAWA works closely with financial institutions to understand local needs and develop financial products that better serve rural producers.

3 INVESTEEES IMPROVED EFFICIENCY THROUGH DIGITALISATION AND OPERATIONAL IMPROVEMENTS.



32 EMPLOYEES TRAINED



23 EMPLOYEES TRAINED



21 EMPLOYEES TRAINED



Due diligence visit in San Miguel, El Salvador

35%

increase in productivity reported by Cresol Baser farmers

7.3K

END-BENEFICIARIES

REACHED THROUGH TRAINING ACTIVITIES OR SPECIFIC FINANCIAL PRODUCTS.

ACTIVITIES & INPUTS

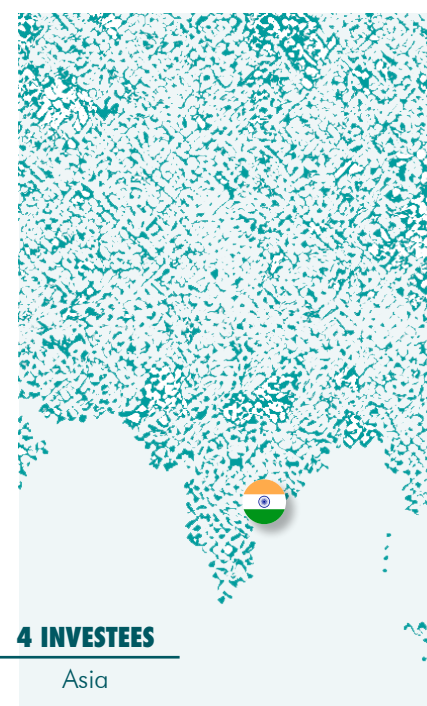
During 2025, GAWA deployed new capital across Ecuador, Paraguay and Peru, through investments aligned with its financial inclusion, resilience and climate-focused impact thesis.

EUR 89.7 M of outstanding portfolio as of 31 December 2025, EUR 17.5 M invested during the year and 5 active funds.

8
Countries

17
Active Investees

5
Active Funds



Country	N° of investees	% of total portfolio	Portfolio (MM EUR)
India	4	43,4%	38.9
Ecuador	3	13,7%	12.2
Brazil	2	12%	10.8
Paraguay	1	11,5%	10.3
Mexico	2	9,9%	8.8
Peru	2	5,1%	4.6
Panama	2	4,5%	4.8
Nigeria	1*	0%	0

* Divested during 2025



FINANCIAL INCLUSION

59.3 M EUR - 13 Companies
10 of which are focused on agricultural finance readiness



INCLUSIVE VALUE CHAINS

12.9 M EUR - 2 Companies*



CLIMATE ADAPTATION & MITIGATION

17.5 M EUR - 5 Companies
All invested during 2025

TECHNICAL ASSISTANCE ACTIVITIES & INPUTS

Technical Assistance is a core component of our impact model, helping investees strengthen their institutional capacity, improve products and services, and embed social and environmental objectives into their operations. Through the Huruma and Kuali TA facilities, GAWA manages a combined TA budget of EUR 16.4 M (EUR 6.5M Huruma + 9.9M Kuali). As of 31 December 2025, 12 TA projects had been committed, representing EUR 2.4 M in committed TA funding.

1 Company

15K EUR

Amount invested in knowledge dissemination products

2 Companies

322K EUR

in digitalisation and operational strengthening

5 Companies

738K EUR

in Agricultural Finance Readiness



3 Companies

1,3M EUR

IN VALUE CHAIN ENHANCEMENT



Kuali's TA Facility is just getting started and its projects are at the design stage







Soluciones de Microfinanzas S.A.



Panamá



HURUMA

Case study type:

Exploratory

Impact themes:

Financial Inclusion,
Climate Resilience

GAWA contribution:

Investment, technical
assistance and
knowledge sharing

STRENGTHENING AGRICULTURAL FINANCE AND CLIMATE-SMART LENDING IN PANAMA

Investee overview

This case study explores the lessons generated through GAWA Capital's investment and technical assistance provided to Microserfin, with particular focus on what was learned about green financing and climate adaptation lending product development. Through this engagement, Microserfin strengthened its agricultural credit methodology, improved its risk management practices, and ambitioned to begin integrating climate-smart finance into its product offering. The process also generated practical insights that are relevant for any financial institution seeking to serve smallholder farmers in the context of increasing climate vulnerability.

As several outcomes, particularly green product adoption, are still unfolding, this is an exploratory case study: it surfaces lessons and hypotheses for future investigation.

Investee overview and impact thesis

Microserfin is a leading microfinance institution in Panama, serving micro and small entrepreneurs. Its strong rural footprint and significant exposure to agriculture and livestock activities make it a strategic partner for improving Financial Inclusion for underserved smallholder farmers and rural communities.

Smallholder farmers in Panama play an important role in food security and rural livelihoods, but they face persistent barriers to finance. These include limited collateral, low financial literacy, restricted access to formal financial institutions in rural areas and increasing exposure to climate-related risks. Climate change is intensifying these vulnerabilities: unpredictable rainfall, drought, and extreme weather events threaten harvests, disrupt income cycles, and erode the limited assets that farmers depend on.

For Microserfin's clients, climate adaptation is a condition for income stability and repayment capacity: as climate variability increases, the traditional coping mechanisms, such as crop and livestock diversification, become less sufficient, making access to adapted financial products increasingly essential.

The impact thesis was that capital alone would not be sufficient to expand responsible agricultural finance at scale. To reach smallholders sustainably, Microserfin needed to strengthen its institutional capacity to assess agricultural risk, design suitable products and equip staff with the skills required to serve rural clients. The investment was therefore paired with a dedicated technical assistance project.

Technical assistance delivered

The technical assistance project, implemented by Frankfurt School of Finance & Management, focused on improving Microserfin's agricultural credit methodology and risk management. The project included market research and customer characterization, institutional gap analysis, agricultural risk and credit management methodology development and piloting, adoption of the new methodology, organizational structure strengthening and staff training.

Key outputs included updated agricultural and livestock technical sheets, new cash-flow models adapted to crop and livestock production cycles, and a more segmented product offering for smallholder farmers. The technical sheets enable loan officers to estimate production costs, yields and income more consistently, while the cash-flow model aligns loan analysis with the specific timing of agricultural income and expenditure. This supports more responsible lending decisions and repayment schedules that are better adapted to farmers' realities.

The project also assessed green and climate-smart finance pilot opportunities, which are discussed in more detail below.

Green finance and climate-smart lending learnings

Through this engagement, Microserfin strengthened its capacity to expand financial inclusion for smallholder farmers in a more responsible and tailored way. The technical assistance improved agricultural credit assessment by standardizing risk analysis and promoting the use of production and cash-flow data in loan decisions. Tailored agricultural products were developed, from shorter-term lending for emerging customers to longer-term working capital or



fixed-asset loans, better aligned with farmers' production cycles and repayment capacity.

By the end of the project, Microserfin had exceeded the target for agricultural loan disbursements in new regions, with more than USD 2.1 M disbursed since the start of the technical assistance project. The agricultural portfolio in new regions had also increased by 3% since the project's inception. During the pilot phase, the use of the technical sheets contributed to a reduction in defaults in the offices where the tool was implemented, although this result will require continued monitoring before broader conclusions can be drawn.

The technical assistance also contributed to staff capacity building. Training covered financial analysis, agricultural risk management, collection and recovery options, and climate-smart agricultural solutions. This helped strengthen internal ownership and improve the consistency of agricultural credit analysis across Microserfin's rural operations.

Challenges and limitations

Results should be interpreted with caution. While the technical assistance generated concrete tools, products and early operational improvements, some outcomes require longer time horizons to assess. Improvements in portfolio quality, climate resilience and end-client livelihoods depend on continued implementation, system integration, staff adoption and external factors. Some climate-smart solutions, such as solar irrigation pumps and hydrogel, experienced delays due to seasonality and supplier availability, reinforcing the importance of partnerships and ecosystem readiness before scaling.

Knowledge sharing and ecosystem contribution

The experience was shared through the publication *Advancing Credit Methodology and Risk Management in Agricultural Lending Amidst the Challenges of Climate Change in Panama: Lessons from a technical assistance Programme*, providing practical insights for financial institutions and donors on agricultural credit tools, staff training and climate-smart product development.

This knowledge-sharing effort is an important part of GAWA's contribution. It extends the value of the technical assistance beyond Microserfin by helping other market actors understand how agricultural credit tools, customer segmentation, staff training, product innovation and institutional commitment can enable better financial services for smallholder farmers.

Lessons learned and looking ahead

The Microserfin case shows that investment and technical assistance can help a rural financial institution strengthen agricultural lending while beginning to build the foundations for climate-smart finance.

Several practical lessons emerge from the experience. In particular, the case highlights the importance of:

- Embedding climate-smart criteria into credit methodologies and systems;
- Developing products linked to specific adaptation technologies, such as efficient irrigation and water management;
- Building partnerships with suppliers of climate-smart solutions;
- Training staff so green finance products can be implemented effectively in the field; and
- Using technical assistance to reduce the operational risks of innovation for financial institutions.

The case suggests that agricultural finance and climate adaptation finance are closely linked: farmers need credit products that reflect their production realities but also help them invest in practices and technologies that make their livelihoods more resilient.

For Microserfin, the next stage will depend on continued implementation of the improved methodology, further integration of green credit identification into internal systems, stronger supplier partnerships and continued monitoring of portfolio quality and client outcomes.

For the broader ecosystem, the case offers an example of how technical assistance can reduce the operational risks of innovation and help financial institutions move gradually from traditional agricultural lending toward more climate-smart financial services.



Sindhuja Microcredit Pvt. Ltd.



India



HURUMA

Case study type:

Illustrative and forward-looking

Impact themes:

Financial Inclusion, Inclusive Value Chains, Climate Resilience

GAWA contribution:

Investment, technical assistance, diagnostic support and product development roadmap

FROM GROUP LENDING TO INDIVIDUAL FINANCE: BUILDING THE NEXT PHASE OF RURAL LENDING IN INDIA

This case study illustrates Sindhuja's transition from a group lending model to the development of individual lending products for smallholder farmers and rural entrepreneurs through GAWA Capital and the Huruma Fund's investment and technical assistance. Building on a completed agri-finance diagnostic, the institution has identified priority products and is now entering a follow-on project focused on product development and pilot implementation. This marks a strategic shift from diagnosis to execution, supporting Sindhuja's expansion beyond Joint Liability Group (JLG) lending into tailored individual financial solutions that better address the diverse financing needs of rural clients.

The case is therefore forward-looking. It shows how evidence gathered through diagnostics can help an investee move from strategic ambition to a practical roadmap for serving smallholder farmers, rural microentrepreneurs and agricultural value-chain actors more effectively.

Investee overview and impact thesis

Sindhuja Microcredit Pvt. Ltd. is a regulated NBFC-MFI in India with a fully rural portfolio and a strong agricultural orientation. The institution serves a predominantly vulnerable client base, including low-income women, first-time borrowers and clients from historically disadvantaged social groups.

Historically, Sindhuja's portfolio has been concentrated in Joint Liability Group lending (JLG). While this model has enabled broad outreach, it is less suited to activity-based agricultural lending. Sindhuja has therefore been developing its MSME lending vertical as a more appropriate channel for individual and tailored agri-finance.



Huruma Fund's investment in Sindhuja is aligned with its objective of expanding financial inclusion for underserved rural clients and smallholder farmers. The impact thesis is that Sindhuja's rural presence, client relationships and growing MSME capabilities can be leveraged to develop tailored financial products for agricultural value chains. However, doing so requires institutional readiness, including credit tools, staff capacity, systems, risk management and partnerships.

Diagnostic and product development roadmap and following Technical Assistance Project

The diagnostic phase, implemented as an agri-finance strategy assignment, included management discussions, field visits to MSME branches in Bihar and Uttar Pradesh, engagement with sector agencies and value-chain actors, and desk research on agricultural opportunities in the target states.

The exercise identified three priority product areas for development:

- Dairy finance, including cattle purchase and related dairy value-chain needs;
- Input retailer finance, targeting working capital for retailers of seeds, fertilizers and agro-chemicals;
- Commodity trader finance, supporting small traders operating close to the farm gate in value chains such as maize, wheat, paddy, oilseeds, pulses and potato.

Goatery was assessed but deprioritized for the pilot phase because of its greater overlap with Sindhuja's existing JLG lending business. The diagnostic also confirmed that the MSME channel is the most suitable route for building. Sindhuja's agri-finance portfolio, as it allows more tailored underwriting and borrower-level analysis.

The proposed follow-on technical assistance project, "Development and implementation of tailored agri-finance products for Sindhuja Microcredit," will support Sindhuja in translating the diagnostic findings into operational products moving from institutional strengthening and product design to pilot implementation and scale-up.

The pilot aims to build an agri-finance portfolio of INR 25 crores, with dairy finance representing at least half of the portfolio. Input retailer finance and commodity trader finance will complement the dairy product. Subject to pilot performance

and institutional readiness, the project is expected to create a pathway for scaling the agri-finance portfolio over time.

Key elements of the next phase include demand-side market research, detailed product design, credit methodology development, process and systems design, staff training, pilot monitoring and exploration of credit guarantees or other risk mitigation mechanisms.

Agri-finance and rural value-chain expected contribution

Through this engagement, GAWA and Huruma aim to contribute to financial inclusion for smallholder farmers and rural value-chain actors in India. Direct financing to dairy farmers and rural microentrepreneurs can support productive investment and income generation. Financing input retailers and commodity traders can also strengthen the broader agricultural ecosystem by improving the availability of inputs, liquidity and market intermediation for smallholder farmers.

This case reflects GAWA's view that Financial Inclusion becomes more effective when it is embedded in local ecosystems and supported by the tools, capabilities and partnerships needed to serve rural clients responsibly.

Challenges and next steps

This case study reflects an early-stage project. The diagnostic has produced a strong roadmap, but implementation risks remain. Sindhuja will need to validate borrower demand, refine product economics, adapt systems, train teams, strengthen credit-risk tools and confirm which partnerships are commercially viable.

The next phase will focus on turning the roadmap into market-ready products, piloting them in selected branches and building the institutional capacity required for scale. If successful, the project can help Sindhuja expand tailored finance for smallholder farmers and rural value-chain actors, while generating practical learning for GAWA's broader transition from financial inclusion toward climate-smart rural finance through Kuali Fund.





📍 Visit to a hydroponic agricultural production site in the Eusebio Ayala area, Paraguay

STRATEGIC PARTNERS



AECID SPANISH AGENCY FOR INTERNATIONAL DEVELOPMENT COOPERATION

AECID leads Spain's public cooperation efforts for sustainable development, humanitarian assistance, and global citizenship education. Through FEDES (Spain's Development Promotion Fund) AECID supports initiatives aimed at eradicating poverty, reducing social inequalities, promoting gender equality, safeguarding human rights and advancing sustainable development in low- and middle-income countries.

What they bring to GAWA: AECID has been a longstanding partner of GAWA Capital. Through FONPRODE, it previously supported both the Global Financial Inclusion Fund and the Huruma Fund with €20 M in concessional financing. Now, in alignment with Spain's broader development and climate agenda, through FEDES, it has committed €50 M in subordinated debt to the Kuali Fund.

What GAWA brings: GAWA provides AECID with a proven investment vehicle to deploy Spain's development capital into unserved markets in emerging countries, combining financial rigour with independently verified environmental and social outcomes.



COFIDES COMPAÑÍA ESPAÑOLA DE FINANCIACIÓN DEL DESARROLLO

COFIDES is Spain's state-owned impact financier. It manages public, third-party, and its own funds to help Spanish businesses expand internationally, support sustainable development, and strengthen companies' solvency in the face of shocks.

What they bring to GAWA: COFIDES manages public resources that reinforce our funds with catalytic capital and hands-on support:

Huruma Fund: EU backing managed by COFIDES includes a €10M first-loss facility to de-risk investments and €8M for technical assistance (TA) to help our partners design better products and reach rural clients.

Kuali Fund: building on Huruma's model, COFIDES also manages EU and GCF support for Kuali, including a €12M first-loss (EU) and €25M first-loss (GCF) to de-risk investments, and €12M for technical assistance (TA) to scale access to finance and strengthen inclusive, climate-smart business models.

What GAWA brings: GAWA provides COFIDES with a specialised fund management capability in impact investing, combining investment discipline with rigorous impact measurement, to deploy public development capital effectively in fragile and underserved markets.



EUROPEAN COMMISSION

The European Commission is the EU's executive arm. Its mission goes beyond the EU's borders: sharing its experience and values to support inclusive, sustainable growth around the world.

What they bring to GAWA: partners in the Huruma and Quali Funds through first-loss capital (public capital that takes the earliest risk to attract more private investors) and a Technical Assistance Facility that provides practical support to help partners upgrade products, processes, and teams.

What GAWA brings: GAWA demonstrated that blended finance structured around smallholder agriculture and inclusive financial services can meet the EU's standards for development impact and financial rigour, establishing a replicable model for future Spain-EU cooperation in impact investing.

GREEN CLIMATE FUND (GCF)

The Green Climate Fund (GCF) is the world's largest dedicated climate fund, created under the UN climate framework to help developing countries adapt to climate change and reduce emissions. GCF blends public and private capital to turn proven ideas into impact at scale.

What they bring to GAWA: GCF has approved the Quali Fund, providing catalytic backing that helps de-risk investments and crowd in additional private capital. In practice, this support expands climate-smart finance and services for smallholder farmers and MSMEs, from efficient water systems and resilient seeds to bioenergy, soil restoration, and agroforestry, so communities can withstand shocks today and cut emissions for tomorrow. technical assistance complements the finance, strengthening partners on the ground.

What GAWA brings: GAWA offers GCF a vehicle to reach last-mile beneficiaries through a blended finance structure that combines climate adaptation and mitigation with financial inclusion.

NETWORK AND KNOWLEDGE PARTNERS



GLOBAL IMPACT INVESTING NETWORKS (GIIN)

The global community hub for impact investors worldwide. It brings leaders together to swap lessons, spot what's working, and raise the bar for the whole field through research, practical tools, and focused convenings.

What GAWA brings: GAWA is part of the GIIN's Investors' Council, a forum where leading practitioners compare approaches, pressure-test ideas, and help shape industry standards.



SPAINNAB

SpainNAB is the association that represents Spain at the Global Steering Group for Impact Investing (GSG), the successor to the G8 Impact Investing Taskforce. Its mission is to grow a stronger Spanish impact market through convening, practical tools and policy engagement.

What GAWA brings: As a founding member, GAWA helped secure Spain's adhesion to the GSG and now leads SpainNAB's Impact Funds Taskforce. GAWA authored three hands-on toolkits on blended finance, distribution of impact products, and impact measurement & management work that contributed to quadrupling the AUM of Spanish impact funds in just two years.



JOINT IMPACT MODEL (JIM)

A member-led alliance that aligns how investors estimate indirect impact, so results are consistent and comparable. By feeding in portfolio data, JIM models how money flows through the wider economy and translates it into three lenses: economic value added, jobs supported, and greenhouse gas emissions.

What GAWA brings: GAWA feeds portfolio data into the model and contributes to the collective effort of making indirect impact measurement more transparent and comparable across the industry.



NET ZERO ASSET MANAGERS INITIATIVE (NZAM)

A member-led coalition of institutional investors committed to transitioning their portfolios toward the transition of investment portfolios, while supporting decarbonization goals and encouraging transparent target-setting and progress reporting across the industry.

What GAWA brings: GAWA Capital is a signatory of the NZAM initiative, aligning its climate investment strategy with the initiative's targets and contributing to the collective accountability framework that holds asset owners to near-term emission reduction commitments.



PRINCIPLES FOR RESPONSIBLE INVESTMENT (UNPRI)

The Principles for Responsible Investment (PRI) is world's leading advocate for investing that accounts for environmental, social, and governance (ESG) factors. It supports a global network of signatories in integrating ESG into investment decisions and active ownership.

What GAWA brings: GAWA aligns its policies and practices with PRI's guidance using its frameworks, tools, and learning to integrate ESG across the investment cycle and to strengthen its stewardship with portfolio companies.



SCALE FOR RESILIENCE

A collaboration co-created by GAWA Capital, YAPU Solutions and CGIAR designed to help smallholder farmers weather a changing climate by putting Nature-based Solutions (NbS) to work: healthier soils, trees on farms, smart water management, and other practices that boost yields while protecting ecosystems.

What GAWA brings: GAWA is a founding partner and contributes both investment expertise and access to its network of agricultural investees to test and scale nature-based solutions in the field.



COUNCIL ON SMALLHOLDER AGRICULTURAL FINANCE (CSAF)

A global forum where lenders compare notes, set shared standards, and team up with partners to unlock capital for smallholder farmers and agri-SMEs. CSAF helps the market grow responsibly, with better risk tools, clearer data, and more client-centric products.

What GAWA brings: GAWA contributes deal experience and impact data from its agricultural portfolio, helping build the evidence base that underpins CSAF's shared standards for responsible agri-lending.



SMALLHOLDER AND AGRI-SME FINANCE AND INVESTMENT NETWORK (SAFIN)

SAFIN is a global community of over 50 institutions designed to bridge the silos among providers, seekers, and enablers of agri-SME finance. SAFIN offers members a dynamic space for knowledge sharing, advocacy, and co-creation around initiatives that move more capital toward agricultural SMEs.

What GAWA brings: GAWA contributes practical investment experience in agri-SME finance across Latin America, Africa, and Asia, and participates in co-creation initiatives aimed at improving financial access for smallholder farmers and rural entrepreneurs.



CLIMATE CLIC — CLIMATESHOT INVESTOR COALITION

A global coalition working to accelerate and scale finance for low-carbon, climate-resilient, nature-positive agriculture and food systems. CLIC runs programmes like the Agrifood Investment Connector, which helps agri-SMEs in Sub-Saharan Africa and Latin America & the Caribbean measure impact and access investment.

What GAWA brings: GAWA contributes investment expertise in climate-smart agriculture and participates in coalition initiatives that connect agri-SMEs with impact investors, an area directly aligned with the Kuali Fund's mandate.



EUROPEAN MICROFINANCE PLATFORM (E-MFP)Z

E-MFP is the meeting place for people and organisations working to make finance more inclusive. E-MFP connects investors, MFIs, TA providers, researchers, and NGOs to share what works, set better standards, and move solutions from pilot to scale. Best known for convening the community at European Microfinance Week and highlighting innovation through the European Microfinance Award.

What GAWA brings: GAWA participates in e-MFP working groups and practitioner exchanges focused on agricultural lending, climate resilience, and rural client protection, contributing field experience from its portfolio of microfinance and agri-SME investees across three continents.

ANNEX

Impact Performance Reporting Norms “What to Report”

GAWA Impact Report 2025 Section(s)

1.1 Entity Description	About Us; Our Funds
1.2 Impact Thesis	Impact Objectives
2.1 Process, Standards & Frameworks	Impact Creation Approach; Our Network – Strategic & Knowledge Partners
2.2 Identification of Stakeholders, Outcomes & Impact	Outcomes & Outputs; Impact – Listening to Beneficiaries
2.3 Usage of Data	Impact – Listening to Beneficiaries; Outcomes & Outputs; Activities & Inputs
3.1 Management Commentary	Foreword
3.2 Impact Performance	Impact – Impact – Listening to Beneficiaries; Outcomes & Outputs; Activities & Inputs
3.3 Unintended and/or Negative Impacts	Technical Assistance Insights; partially addressed through the Risk dimension in Outcomes & Outputs
4.1 Entity Governance	Not included
4.2 Diversity, Equity & Inclusion	Not included
5. Case Studies	Microserfin – Panama; Sindhuja Microcredit – India
6. Independent Review	Impact – Listening to Beneficiaries: Dalberg and 60 Decibels mid-term evaluation

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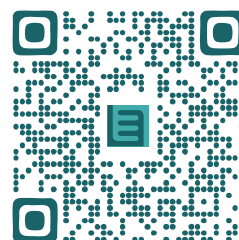
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