



2021 Annual Report

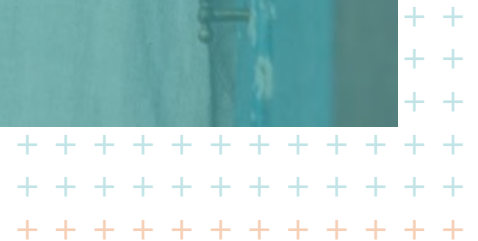


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Resilience

noun

the capacity to recover quickly from difficulties; toughness.



To Our Friends and Supporters

It's an understatement to say that the events of the last two years have forever transformed the way we live, work, and connect with each other. Digitalization has made the world more connected than ever, while a public health crisis, climate change, and conflict have exacerbated poverty. Despite these challenges, small businesses continue to prove to be resilient and important drivers of progress in markets around the world.

Building Markets was founded on the idea that small businesses, when given visibility, training, and bolstered with market connections can transform lives. Over the past 16 years, we have helped small businesses win over \$1.36 billion in new contracts and create over 73,500 jobs in markets like Jordan, Turkey, Myanmar, Afghanistan, and Liberia.

Building Markets has been funded primarily through focused grants from valued government, multilateral institution, and private foundation partners. Looking ahead, we will be building on that vital support by also developing unrestricted funding programs and sources – both philanthropic and earned income - that will lay the groundwork to expand our work into new markets and develop a sustained presence in countries where programs currently exist.

Thank you for your partnership and generous support of Building Markets, which makes this work possible. And if you too share our resilient spirit and believe that small businesses can make big impact, we invite you to continue to stand with us.



With gratitude,



F. BENNETT CUSHMAN II, BOARD CHAIR

The world's most pressing challenges cannot be solved without the involvement of the private sector. While the scale of need is great, we believe Building Markets is ready to meet these challenges with a proven, data-driven model and track record of results. The time to leverage our approach is now.



SMALL BUSINESSES
**CHANGE
THE WORLD**



The Challenge

Today there are 700 million people living in extreme poverty, left behind by the economies of the developed world, and over 75 million people have been driven from their homes and homelands by violence, climate change, and poverty.

High unemployment rates threaten stability around the world, as joblessness deepens poverty, migration, exploitation, and conflict. Forecasts project that over the next 10 to 15 years, 600 million jobs will be needed just to accommodate new entrants to the labor market. Developing and crisis-affected countries host a disproportionate number of workers who are at risk.

Small businesses are one of the greatest drivers of job creation. They account for 90% of companies in any market and generate over 80% of employment in developing economies (50% worldwide). However, they are often bypassed by buyers, banks, and investors due to a lack of infrastructure and information, and this is particularly the case in crisis-affected countries. As a result, poverty and instability persist, markets are left dependent on aid, and the opportunity to generate employment, stability, and self-sustaining growth is lost. Building Markets exists to solve this problem.



Small businesses are powerful drivers of job creation, but in crisis-affected countries they are often bypassed by buyers, banks, and investors.



700M +

people living in extreme poverty

75M +

People driven from their
homelands by violence, climate
change, and poverty



Our Mission

When small businesses have access to opportunity, they create sustainable change by driving job creation and inclusive growth, particularly for the economically vulnerable.

Building Markets creates jobs and stability by finding, building, and connecting local small businesses to supply chains and investment. We do this by verifying competitive local businesses through in-person surveys, which allows us to assess their capabilities and growth constraints so we can then equip them with the practical knowledge and skills to bid on, win, and execute contracts.

With a deep understanding of demand drivers, unique data, and trusted relationships, we are able to connect verified businesses to capital and supply chains, which creates profits, jobs, and growth. We measure impact, and we advocate for aid reform that supports a local approach.

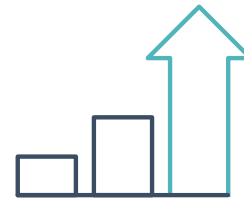


Building Markets unleashes the transformational power of small businesses by finding, building, and connecting entrepreneurs to new customers and capital.



EXPERT

Experience launching and implementing successful market-based programs around the world.



DATA-DRIVEN

Comprehensive, unique information on local SMEs, generating a reliable dataset of local businesses that provide unique market insights.



LOCALIZED

Proximate, targeted, efficient, immediate programming through local talent, deep on the ground knowledge, and extensive networks.



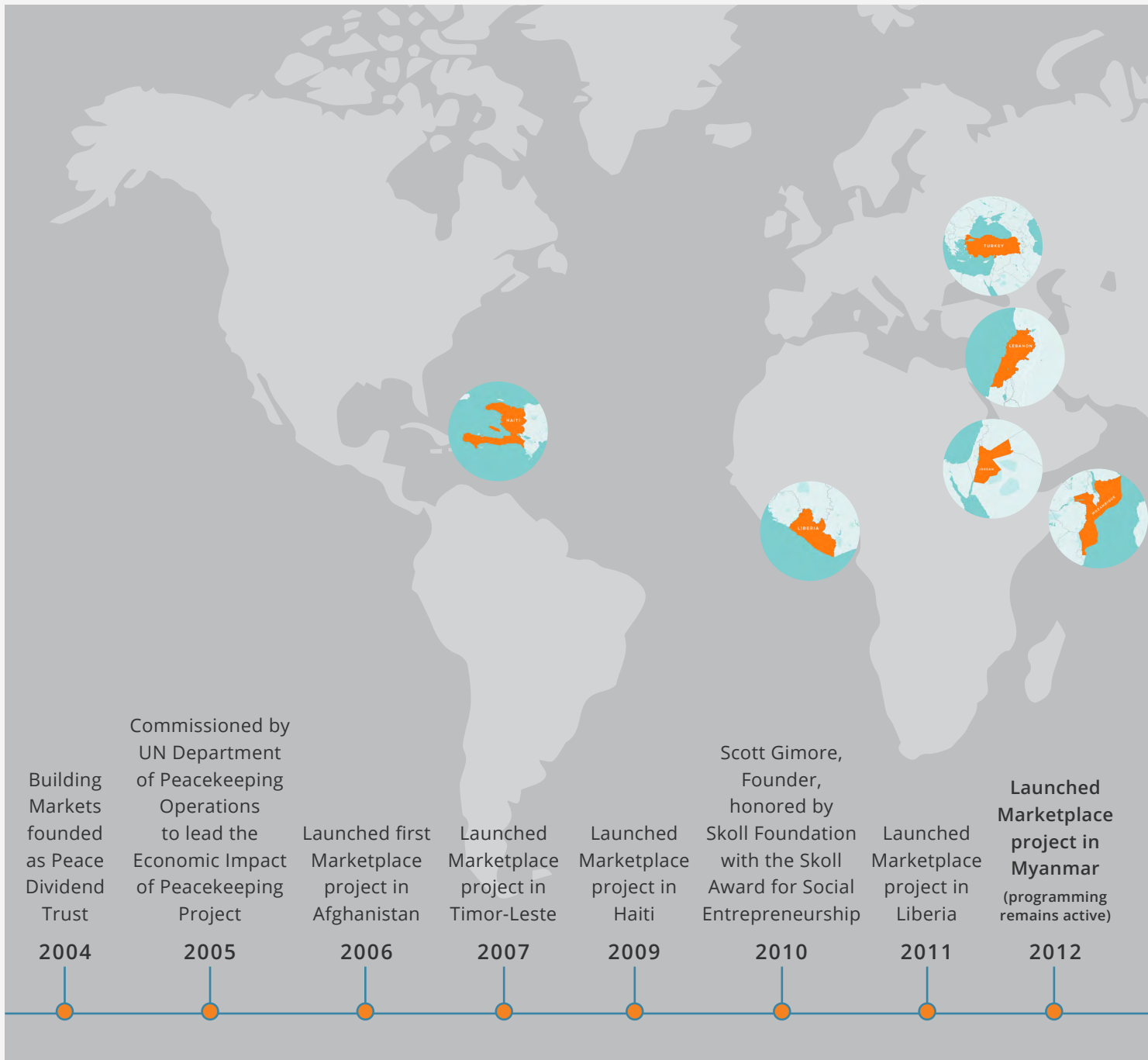
RESULTS-FOCUSED

A proven model and track record of success facilitating contracts, capital, and creating full-time equivalent jobs.



TRUSTED

15+ years of demonstrated results yielding trust from buyers and suppliers.



Global Reach and Impact

Since 2006, Building Markets has operated in Afghanistan, Haiti, Jordan, Liberia, Myanmar, Mozambique, Timor-Leste, and Turkey. In that time, we have supported more than 26,700 SMEs, assisted them in winning \$1.36 billion in new contracts, \$21 million in capital, and helped create over 73,500 full-time equivalent jobs.

26.7K

Small and medium-sized enterprises

\$1.36B

In new contracts

73.5K

Full-time equivalent jobs





2021 in Review

AFGHANISTAN CRISIS RESPONSE

While Building Markets ceased active programming in Afghanistan in 2013, its local network – and its duty of care - have remained strong. As coalition forces exited the country in 2021, and with the advent of a new Taliban regime, many who worked on local development efforts were left exposed. Building Markets, in partnership with other organizations that had been active in-country, worked to provide new horizons for such individuals. Leveraging its successful use of digital learning strategies, Building Markets offered training to Afghan individuals preparing for new lives elsewhere. This training supported their understanding of, and future contributions to, civic participation and human rights, and provided them with guidance on protecting their personal data online.

2,866
JOBS CREATED
IN TURKEY

> \$15.4M
IN CONTRACTS
WON GLOBALLY

522
BUSINESSES
TRAINED

2,096
BUSINESSES VERIFIED AND
RE-VERIFIED GLOBALLY

23
COURSES OFFERED DIGITALLY
THROUGH THE ONLINE
LEARNING PLATFORM

PANDEMIC RESPONSE

From early March 2020, and through the ongoing arc of the COVID-19 pandemic, Building Markets has focused on keeping its global team and the small businesses it serves safe and healthy, while adapting work methods to continue to deliver on our mission.

Building Markets was an early adopter of remote work methods for our global team. As the pandemic has ebbed, we have adjusted by bringing staff back to our offices in small teams, following best public health practices. In Turkey, our largest program market, we successfully opened a number of satellite offices in specific regional markets. These allow us to deploy small numbers of staff and maintain in-person connections with local small businesses.

We have also adjusted our programing to best serve small businesses throughout the pandemic, and many of our adapted approaches will be maintained moving forward based on demand.



IMPACT IN ACTION

Find: Verification in Myanmar

Rapid industrialization and urbanization, resulting from economic growth in Myanmar, have led to increased consumption and increasing volumes of waste. In an effort to support Myanmar's transition towards zero-waste consumption, Building Markets empowers micro, small and medium-sized enterprises across the waste and recycling value chain.

This work is crucial because it identifies actors in the recycling sector and collects data from these businesses to better understand how to boost waste collection. These insights would otherwise be unavailable and will be instrumental in transforming waste management in Myanmar. Through our mapping and verification process, we are able to highlight businesses as significant contributors to the reduction of pollution and carbon emissions in the country. **To date, Building Markets has mapped and verified 350 recycling SMEs in Myanmar.**

An entrepreneur in the Myanmar network who owns a large junk shop in Mandalay participated in Building Markets' training. Following the training, he implemented a recordkeeping system for his business and noticed that he was unintentionally losing a significant amount of revenue because he did not have a proper cash flow tracking and monitoring system. "There were financial records in the business and I thought that I was making a profit. After I met with Building Markets, I started to keep financial records and realized that the business didn't make any profit. Now, I can capture the profit and loss of my business and am able to make the business more effective and efficient," he said.

Participating in Building Markets' activities has also given this entrepreneur the opportunity to connect with other business owners, allowing him to expand the scope of his work and further his business development.



Building Markets has mapped and verified over 350 recycling SMEs in Myanmar.

IMPACT IN ACTION

Build: SMM Stoneworks Story

Before escaping ongoing violence and conflict in Syria, Saad Al-Nassife worked as a traditional stonemason in his hometown of Ar-Raqqah. Upon arriving in Turkey, he found that the industry was diminishing in his new country and decided to start his own stonemasonry company, SMM Stoneworks in 2018.

Through participation in Building Markets' services, such as business development, mentorship, and training, SMM has expanded its product mix, allowing for faster order fulfillment and sustainable growth. The company has also established a board of directors to engage in more meaningful business planning and appointed a managing director to liaise with the local business community to expand the business.

As a quickly growing company, building brand awareness is a key priority. Building Markets has connected SMM with partners from the construction sector, helping them expand their network and participate in larger projects. Today, a business plan is

being developed with advisory services from Building Markets to help the company access finance from commercial banks to fill funding gaps.

Although SMM, like many businesses, faced challenges due to the economic crisis in Turkey in 2021, the steps it has taken have allowed the company to take on new, larger contracts, resulting in the creation of more jobs for local workers. **By September 2021, SMM had created 200 jobs—many of them for refugees from Syria living in Gaziantep, like Zakaria Abdulrahim.**

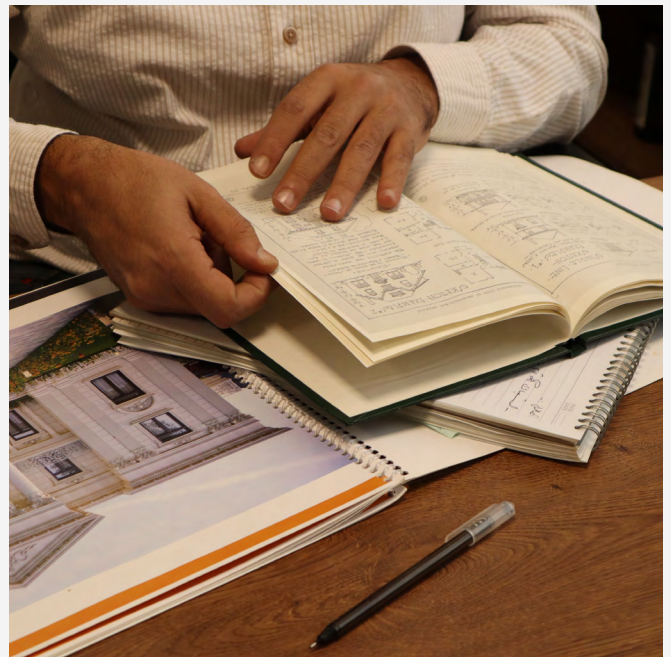
For Zakaria and his family, this job has been life-changing.

In 2021, Zakaria officially joined the team at SMM in a permanent position, allowing him to support his family, after two years of temporary employment with Turkish construction companies. After training,

Zakaria started working as a technician in the company's new stone-making factory and is responsible for maintaining the machinery and advising operators on best practices in stone production and the safe and efficient use of equipment.

For Zakaria and his family, this job has been life-changing. Not only has it empowered his family financially, but it has also given him a sense of belonging. "I was lucky to come across SMM and to start working on different projects with them," he says, "SMM has become my larger family."

Looking ahead, the company will provide on-the-job training to Syrian and Turkish workers interested in SMM's unique style of stonework, which is not common in Turkey. SMM's work can be seen throughout the southern region of Turkey, including in Shehit Kamil Municipality Park where the intricate clock towers are a lasting testament to the contribution of the Syrian community in Turkey.



IMPACT IN ACTION

Connect: Supplier Diversity at Work

Supplier diversity strategies, such as expanding local vendor pools to include companies owned by entrepreneurs from underrepresented communities, including women, minorities and refugees, have the potential to make economic development dividends more equitable. By becoming more diverse and inclusive, companies stand to increase their quality of recruitment and retention, while strengthening their brand equity with consumers, as well enhancing innovation and community impact. Such diversity and inclusion efforts can go well beyond the workforce, and include companies' supply chain and procurement practices.

The small business networks created by Building Markets offer critical resources for national and international buyers looking to implement supplier diversity strategies. Tender distribution services, targeted matchmaking, and events connect buyers with a diverse range of small businesses. Additionally, Building Markets' training and advisory services support small businesses to meet buyers' criteria and successfully fulfill their contracts. Building

Markets also serves as a partner to buyers in measuring their economic development and job creation impact for targeted communities.

Natural Care Pro is a Syrian-owned company based in Istanbul that manufactures a range of nutritional supplements and cosmetics from natural ingredients. Initially, the business focused only on Turkey's domestic market, however, payment methods in Turkey, such as credit and long-term payments, made it difficult for the company to grow. These challenges did not stop the tenacious entrepreneurs. In 2021, Natural Care Pro decided to pivot toward exporting their products. By working with Building Markets, they found their first international buyer during the COVID-19 pandemic.

With Building Markets' support, Natural Care Pro has secured contracts valued at \$441K USD and hired 15 new employees. Now, with business and travel opening up, the company is positive about its potential for growth and expansion.



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Message of Thanks

We would not be able to do this important work without the support of generous partners.

FEATURED PARTNERS

The Coca-Cola Foundation

Funding from The Coca-Cola Foundation for Building Market's in Myanmar has bolstered the recycling sector and promoted recycling among the general population in two key cities: Yangon and Mandalay. Through this program, Building Markets is leading the way to create the first-ever circular economy toolkit to empower SMEs in the recycling sector in Myanmar to become powerful actors in the fight against waste.

We are grateful to The Coca-Cola Foundation for its continued support of this work throughout 2021 despite the need to pivot programs in response to political upheaval in the country.

Bureau of Population, Refugees, and Migration

The Bureau of Population, Refugees, and Migration (PRM) within the United States Department of State has supported our Sustainable Marketplace Initiative in Turkey program since 2018. With this funding, Building Markets provides a suite of services to refugee and host communities, including a detailed online business directory, targeted training, mentorship, and technical advisory and business matchmaking services to connect small businesses to market opportunities. We also publish research insights on Syrian and Turkish market trends, challenges, and emerging opportunities for small businesses. With PRM's support, Building Markets has helped small businesses in Turkey win over \$16.5 million in contracts, which has helped create over 3,000 full-time equivalent jobs.

We are grateful to PRM for its sustained partnership and commitment to serving refugee and host community entrepreneurs.

Governance & Leadership

BOARD OF DIRECTORS

F. BENNETT CUSHMAN II

Chairperson, Board of Directors; Member, Nominating and Governance Committee

JENNIFER HOLT

Chief Executive Officer

MICHAEL DIDOVIC

Chairperson, Audit Committee; Member, Compensation Committee

WAMBUI KINYA

Member, Finance Committee

JOHN MACKIE

Chairperson, Finance Committee; Member, Audit Committee

CAROLYN MAKINSON

Chairperson, Nominating and Governance Committee; Member, Compensation Committee,

W. GYUDE MOORE

Member, Audit Committee; Member, Compensation Committee

TERRY PEIGH

Member, Finance Committee

RADHA RAJKOTIA

Member, Compensation Committee; Member, Finance Committee

DR. A. KIM SAAL, M.D.,

Chairperson, Compensation Committee; Member Nominating and Governance Committee

STAFF LEADERSHIP

JENNIFER HOLT

Chief Executive Officer

TRENT HOOLE

Chief Operating Officer

AINSLEY BUTLER

Global Head of Programs

ELIZABETH BROWN

Head of Partnerships



Financials

	2021	2020
Total Revenue	\$3,205,693	\$3,320,542
Total Expenses	\$3,139,372	\$3,181,614
Net Assets, End of Year	\$96,730	\$30,409

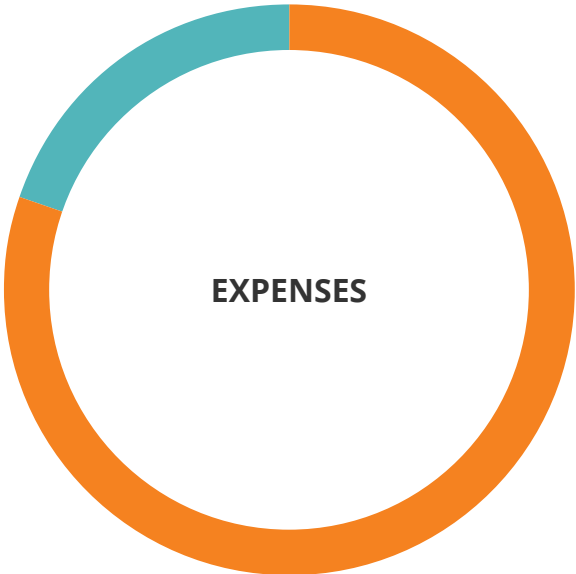
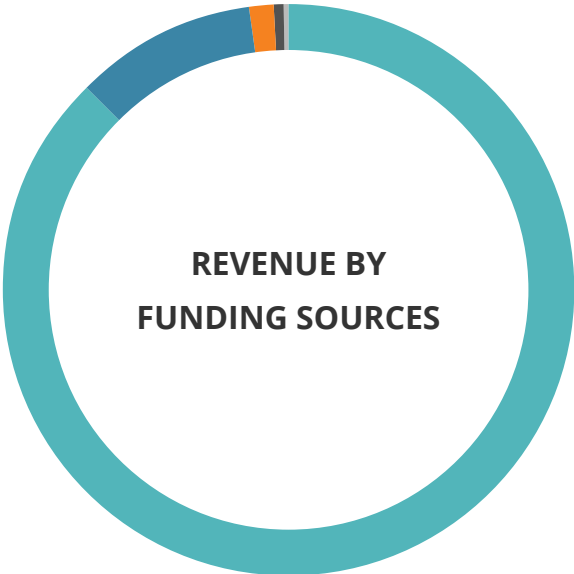
REVENUE BY FUNDING SOURCES

U.S. government grants	\$2,813,768	\$2,621,941
Foundation grants	\$333,307	\$518,385
Other grants and contributions	\$38,985	\$93,256
In-kind contributions	\$21,981	\$72,576
Interest and other income (loss)	(\$2,348)	\$14,384
Total	\$3,205,693	\$3,320,542

EXPENSES

Programs expenses	\$2,521,535	\$2,588,810
Supporting expenses	\$617,837	\$592,804
Total	\$3,139,372	\$3,181,614

YEAR 2021



- U.S. GOVERNMENT GRANTS
- FOUNDATION GRANTS
- OTHER GRANTS AND CONTRIBUTIONS
- IN-KIND CONTRIBUTIONS
- INTEREST AND OTHER INCOME (LOSS)

- SUPPORTING EXPENSES
- PROGRAMS EXPENSES

Join Our Community

SMALL BUSINESSES

Enhance your future success today by joining Building Markets' network of businesses that have won more than \$1.36 billion in new contracts.

INVESTORS AND LENDERS

Building Markets can leverage its network of small businesses, trusted relationships, and extensive market expertise to produce detailed load and investee profiles that meet your economic and social impact criteria and make direct introductions to SMEs of interest.

BUYERS AND SUPPLIERS

When you buy locally, you build markets, create jobs, and maximize the economic impact of your operations.

COMPANIES OR BRANDS

When working with Building Markets, we will discuss ways to engage your company and employees in ways that meet business, sustainability, and social impact goals.

FOUNDATIONS OR GOVERNMENTS

When you give to Building Markets, you are investing in a data-driven approach to change that is evidence-based and scalable.



Donate



GIVE ONLINE

Visit www.buildingmarkets.org/donate to make an online donation.



GIVE BY MAIL

39 Broadway #1940
New York, NY 10006



GIVE STOCK

Building Markets accepts gifts in the form of securities. For more information, email giving@buildingmarkets.org.



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