

# Road To Impact



**Impact Investment  
Report 2019**

# Welcome to the Finance in Motion Impact Investment Report 2019

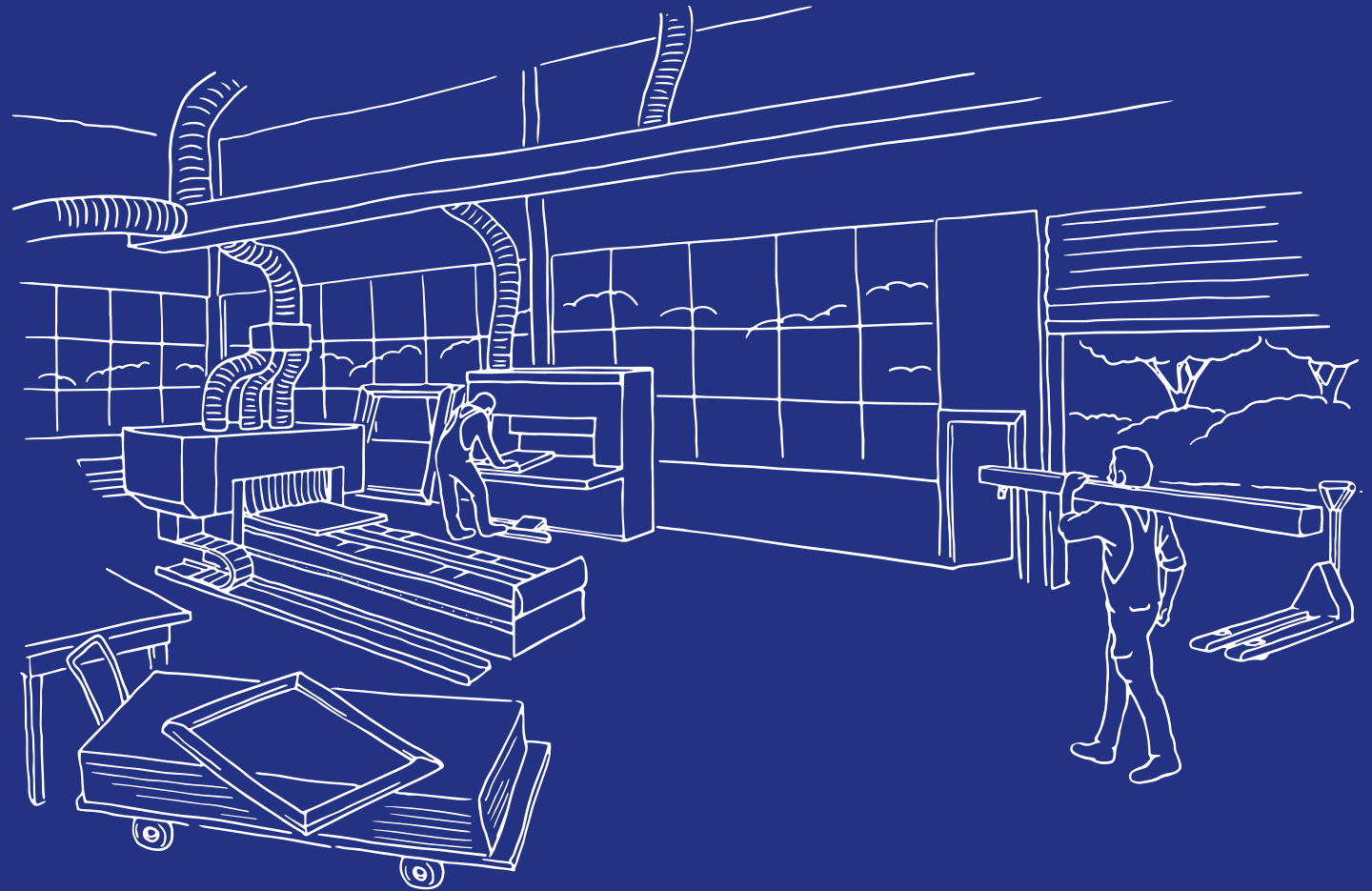
In the ten years since Finance in Motion was founded, we have generated positive social and environmental impact in more than 30 countries on five continents. This year-in-review will take a look at how we strive to make a difference – over the last decade and into the next one. Join us for a walk down the Road to Impact.

## TABLE OF CONTENTS

<b>Facts &amp; Figures</b>	P. 3
<b>Welcome</b>	P. 7
<b>About Finance in Motion</b>	P. 10
<b>10 Years of Finance in Motion</b>	P. 15
<b>The Pathway to Impact</b>	P. 20
<b>Walking the Talk</b>	P. 40
<b>Our Portfolio</b>	P. 43
<b>Regional Operations</b>	P. 45
<b>Credits</b>	P. 46



# Facts & Figures

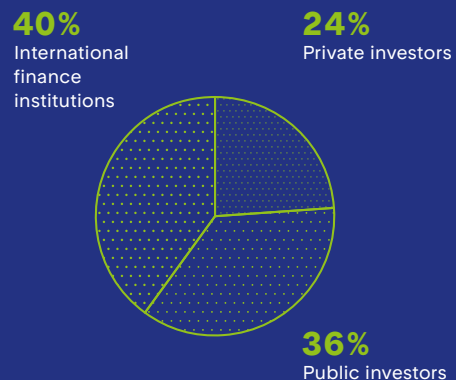


# Our Portfolio

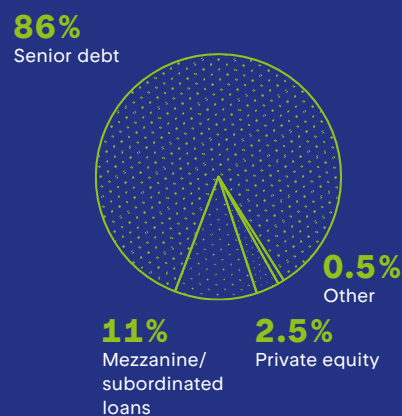
**EUR 2.5 BILLION**  
in assets under  
management  
at year-end 2019

**EUR 4.5 BILLION**  
in total investments  
made by year-end 2019

**186**  
investee companies  
at year-end 2019



Commitments by source of funding  
at year-end 2019

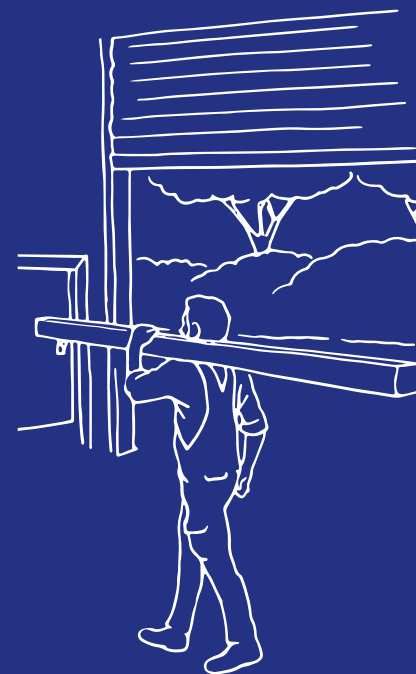


Portfolio by asset class  
at year-end 2019

# Our Technical Assistance

**EUR 29 MILLION**  
of technical assistance  
project volume under  
management in 2019

**416**  
technical assistance  
projects under  
management in 2019



# Our Impact on Markets & Systems

**100%**  
of investments in emerging markets

**>EUR 2.4 BILLION**  
in private capital mobilized by our funds by year-end 2019

**31**  
investment countries at year-end 2019

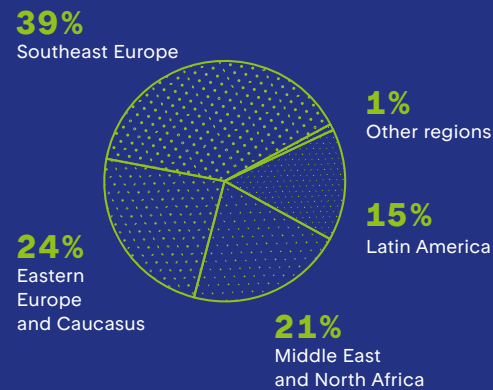
Active in **28** impact investing sector initiatives in 2019

Investments in **14** different local currencies at year-end 2019

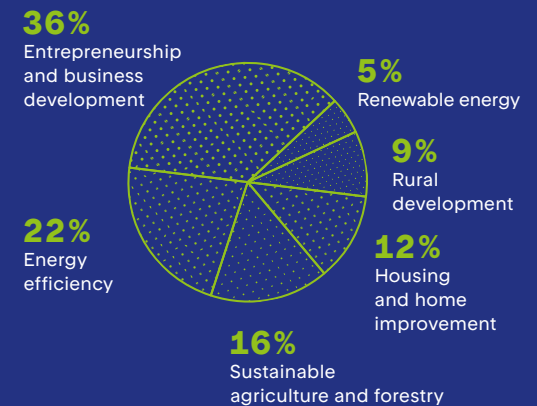
Contributed to **14** industry research projects in 2019

Capacity building benefitting **9,000** people in 2019 in finance, agriculture, and tech

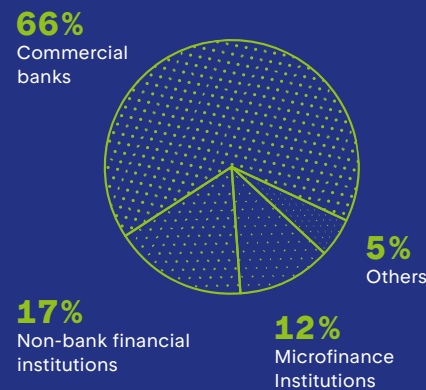
**4** own impact investments in businesses with positive social and environmental impact by year-end 2019



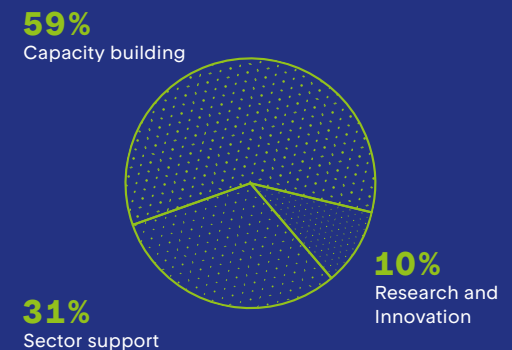
Portfolio by region at year-end 2019



Portfolio by impact sector at year-end 2019



Portfolio by type of investee company at year-end 2019



Technical assistance project type (by volume) at year-end 2019

# Our Impact on People & Planet

## Promoting Entrepreneurship and Livelihoods

**>70,000**

new loans facilitated to small businesses and households in 2019

**EUR 9,700**

average size of loans facilitated to small businesses and households in 2019

**24%**

of lending in rural areas in 2019

**>1 MILLION**

jobs supported by year-end 2019

**57%**

of loans to small businesses and households disbursed in local currency in 2019

## Promoting a Green Economy

**>285,000**

hectares under sustainable management supported by year-end 2019

**1.3 MILLION**

tons of net CO<sub>2</sub> stored in (agro-)forestry supported by year-end 2019

**870,000**

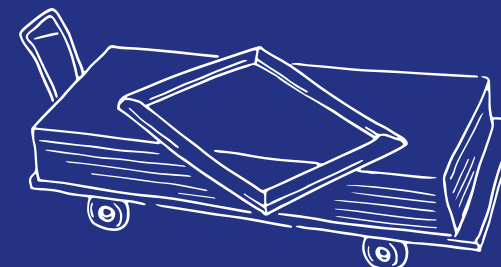
tons of CO<sub>2</sub> saved annually

**948**

MW of renewable energy capacity installed supported by year-end 2019

**3,423**

GWh of energy saved annually



# Welcome



# Letter from the Managing Directors



We were about to publish this letter when what had been “a faraway problem” for those of us outside of China suddenly grew into a big problem, a tsunami that brought the world to a standstill of most economic activity: COVID-19. Never before had our world been as interconnected and dependent on the movement of people and goods. At the time of this report’s release, societies are still trying to fathom how they will re-ignite activity while avoiding serious bottlenecks in medical treatment. How we achieve this will be a story for our great-grandchildren still to tell. One thing we can know for sure: The challenge to bridge resulting tensions and keep people fed, employed, and healthy will be even greater in the developing world. For some of us, our governments have access to capital and can draw down credibility in spending our economies out of the crisis. But this option is not available to most of the economies in which Finance in Motion is active. Fortunately, the international community is showing increasing awareness of this, and we are seeing signs that significant support is flowing to developing countries – a movement that will also boost our funds’ ability to act in this time of crisis. Because home office or not, Finance in Motion’s nearly 230 dedicated staff stand ready to lead the way to a recovery and a return to sustainable growth in our markets.

Dear Reader,

We look back on a year 2019 which was both unsettling and very gratifying.

Unsettling, because of the increased signs of disparity in social and economic developments, and of how our previous inaction in the face of climate change is now catching up with us and impacting our daily lives.

Gratifying, as we look at a much-increased awareness among the young people who are calling for climate action from their governments and leaders; as we look at the human creativity being applied toward innovative mitigation or disruptive solutions to social and environmental problems; as we look at institutions in our countries – including legal systems – taking measures to oblige policy-makers and investors to take responsibility for the future of the planet; and as we notice yet another distinct shift in investor interest towards sustainable investing and impact investing.

With this in mind, we want to dedicate this sixth Impact Investment Report to the question of accountability for impact. Really, in our world of concerned investors, there is valuable work to be done no matter what standard of positive change you strive for: whether it is avoiding defined asset classes linked to externalities, managing ESG risks, pursuing best in class, investing in themed impact funds, or investing in frontier start-up equity. But what demands a critical eye is whether your activities actually achieve

the positive change that you claimed to reach for when you made the investment. This is where clarity and credibility come in: “Impact” is not just a decorative add-on; it must be traceably ingrained into the intention and assessment of the investment.

While much is still left to do, there is a clear move toward common standards and a common language among investors. This is driven by different initiatives. Importantly, the definition of SDGs as such with the subsequent many referrals to them has brought greater focus and prioritization into our discourse. Similarly, the E.U. Taxonomy can be expected to increase transparency with regard to the “what” of sustainable investments; meanwhile, companies worldwide are being compelled – whether by regulation or recommendation – to define and measure their impact and footprint, as well as to incorporate climate risks into strategic decisions. Other initiatives address the “how” of managing impact, such as the Operating Principles for Impact Management, signed by ourselves and more than 90 other impact investors so far.

But while the commonality of language and principles will be a big step forward, investors interested in maximizing their environmental and social impact will still need to apply rigor and scrutiny to each investment, much like they would to assure the expected financial return. They should expect a coherent investment strategy, a definition of what the problem is, backed by a theory of change on how money invested supports a solution



to the problem. They should expect a definition of key performance indicators and how their fulfillment can be measured. And they should expect transparent and frequent reporting on these impact measurements.

At Finance in Motion, we have specialized in impactful investment since the very beginning. Applying our extensive expertise, we have now invested close to EUR 5 billion across many financial inclusion and green energy and resource funds. We have a dedicated team for impact management who measure results and track impact return – not only to report to our investors, but also to inform our investment strategies.

What cannot be forgotten in our world of extreme interlinkages is that active ESG risk management must go hand-in-hand with maximizing positive impact. Almost all action has both positive and negative effects, and impact investing is no different. Active impact management includes recognizing potential risks and minimizing these right from the start, by design or by avoidance. During operations, negative effects must be continually managed, as unforeseen events unfold in our permanently changing world, constantly weighing off the negative against the positive and working with affected communities or existing natural resources to remedy them. For this purpose, we have built a powerful specialized team which works from hubs in Europe, Africa, and South America to track local developments and manage the social and environmental risks of our funds' investments.

Overall, we are more than ever encouraged by the results and the resonance of our work. With our longtime supporters – among which are the European Union and the German government – having given us the mandate to expand financial inclusion and agriculture funds to sub-Saharan Africa, and with an increasing interest by large asset owners in our products, we find ourselves well on track to creating more positive impact than ever in 2020! To make it concrete, this will be the year in which, among others, we plan to:

- Save an annual 970,000 tons of CO<sub>2</sub> emissions by financing measures to improve energy efficiency.
- Sequester more than 230,000 tons of CO<sub>2</sub> by financing the expansion of sustainable forestry plantations.
- Support managing an additional 70,000 hectares of land with sustainable agricultural practices.
- Facilitate another 70,000 subloans to small businesses and low-income households, bringing the cumulative total to more than EUR 1.2 billion.
- Keep supporting the more than 4,000 jobs in institutions and companies where our funds hold significant shares.

We look forward to reporting back to you in 2021 on what we achieved!

“Impact is not just a decorative add-on; it must be traceably ingrained into the intention and assessment of the investment.”



**Elvira Lefting**  
Managing Director,  
Finance in Motion

**Christoph Freytag**  
Managing Director,  
Finance in Motion

**Sylvia Wisniwski**  
Managing Director,  
Finance in Motion

**Florian Meister**  
Managing Director,  
Finance in Motion

# About Finance in Motion



# Our Mission

We harness the power of finance to make a positive difference for people and planet. As an impact asset manager, we responsibly invest public and private capital where it is needed to address the world's social and environmental challenges.



## PARTNERSHIP IN TIMES OF CRISIS

Impact investors specialize in channeling resources where they are needed to address the world's social and environmental challenges. This role is especially important in times of crisis, when community is key to building solid footing over uncertain ground. We are more committed than ever to supporting our investees and investors alike by upholding resilient systems, protecting the vulnerable, and providing partners with guidance and resources to help navigate through this difficult time.



# Our Keys to Success

Finance in Motion is one of the world's leading impact asset managers. Driven by the belief that economic returns can go hand-in-hand with positive social and environmental results, we develop and advise impact investment funds that focus on addressing climate change, fostering the sustainable use of natural resources, strengthening biodiversity conservation, promoting economic opportunities, and improving livelihoods.



## Holistic approach

Ensuring lasting change takes more than capital alone. That is why we also manage technical assistance facilities that provide non-financial support to complement the funds' investment activities. In addition, we invest directly in companies who share our vision and values. And through thought leadership and engagement in peer associations, we build the impact investment market and are constantly seeking new opportunities to make finance a force for good.



## Investment expertise

We not only select and manage smart investments, we surround this process with skilled risk management and targeted technical assistance. We monitor and support investments throughout the project lifecycle.



## Blended finance

Our impact funds pioneered the “public-private partnership” model. This structure enables public monies to mobilize funding from private investors to increase the overall contribution to development.



## Regional presence

Finance in Motion's highly international staff operate from 17 offices around the world. Our local professionals have on-the-ground knowledge of regional market needs.



## Impact management

We manage our impact just as we manage the financial performance of our investments. This allows us to not only to ensure that our impact investments are doing their job. We use learnings and insights to continuously enhance the reach and depth of our impact. Our practices are aligned with the Operating Principles for Impact Management.



## Sector specialization

We are specialists in green finance and micro and small business finance. Our dedicated experts in energy efficiency, sustainable agriculture and forestry, microfinance, entrepreneurship, and more are constantly innovating new ways to protect the climate, preserve biodiversity, bolster economies and employment, and fill financing gaps to enable impact.

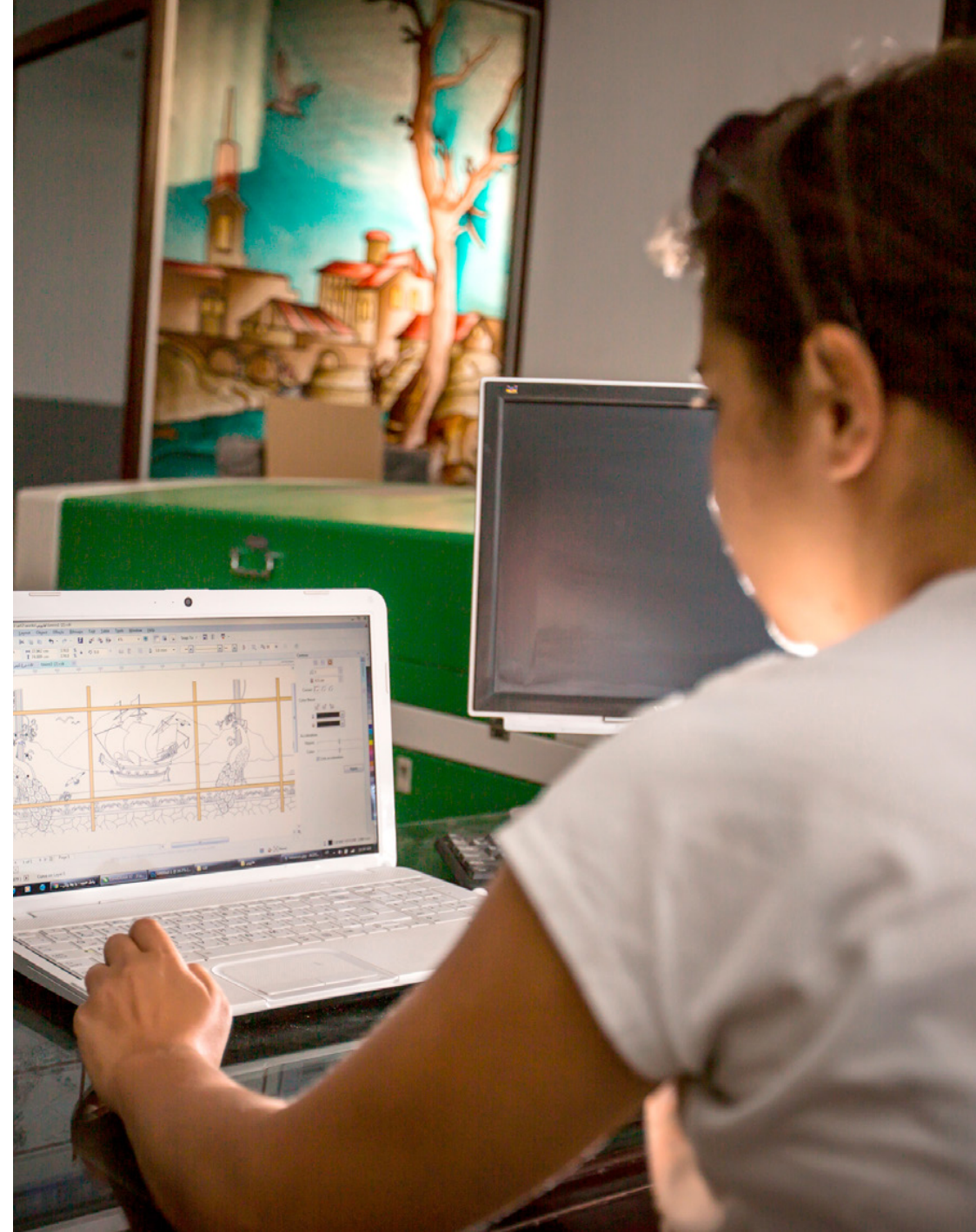
# Our Commitments

We are committed to sustainable and responsible finance, and collaborate with other key players in the field to develop the impact investing market. To this end, we are active in the following:

## Signatory of



## Member of



# Our Staff

**227**  
employees  
around the globe

**17**  
offices on four  
continents

**59**  
nationalities

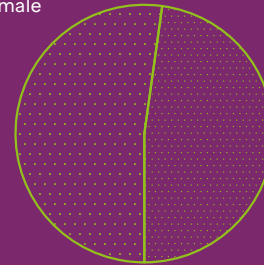
**45%**  
of staff originating  
from our investment  
countries

**81%**  
of staff participating  
in training in 2019

**70%**  
of staff speaking three  
or more languages



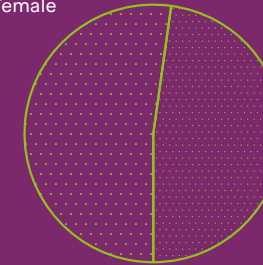
**52%**  
Female



**48%**  
Male

Total staff by gender

**52%**  
Female



**48%**  
Male

Company senior management  
by gender

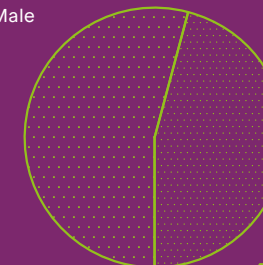
**67%**  
Frankfurt  
headquarters



**33%**  
Regional offices

Staff by location

**54%**  
Male



**46%**  
Female

Employees taking  
parental leave in 2019

All figures as of year-end 2019

# 10 Years of Finance in Motion



# 10 Years of Impact

Finance in Motion was founded in 2009 with the core belief that that financial returns can go hand-in-hand with social and environmental benefits. Today, Managing Directors Christoph Freytag, Elvira Lefting, Florian Meister, and Sylvia Wisniwski look back on ten years of impact investing: what has changed, what challenges impact investors face, and how the industry is heading into the future.



Florian Meister and Elvira Lefting

**Let's turn the clock back to ten years ago. What did the impact investing industry look like?**

**Florian** Well, it was quite a nascent and early stage industry, then mostly focused on microfinance; that's what everybody associated with "impact" at the time. I think our type of funds as layered perpetual debt funds were a complete novelty. Back then, there were maybe two or three of them, and now there are dozens; the model has been copied over and over.

**Sylvia** It's true, the blended finance model was quite innovative then. I think what we today call "impact investing" grew out of the recognition that there simply was not – and still isn't – enough public money to address urgent development topics. We needed to get private investors on board.

**Elvira** Ten years ago, it was really a niche. One had to explain so much: to public investors, we explained how you can better structure funds, and to private investors, it was about bringing them into what one now calls a new asset class ... It was a lot of pioneering work, a lot of breaking ground. But I think that has made us quite strong over the years, the fact that we were there from day one in the space.

**What have been some of the most important milestones for impact investing since then?**

**Sylvia** Well, the term "impact investing" is generally acknowledged to have been coined at the Rockefeller Meeting in 2007, and it was soon after that – in 2009, in fact, the same year that Finance in Motion was founded – that the GIIN was launched: the Global Impact Investing Network. So you really saw this momentum toward defining and organizing. You might even call that the beginning of the "industry" as such.

**Christoph** And, of course, 2015 was a landmark year, as well: the establishment of the Sustainable Development Goals and the signing of the Paris Climate Agreement. The green topics really started to pull into focus; at the beginning, impact was mostly associated with social development – such as microfinance – but in the last ten years, there has been a real recognition of the urgency of environmental protection, especially investments in climate action.

**Florian** I think the financial crisis of ten years ago also changed a lot in people's minds. Their trust in the ability of the traditional financial system to lead the world into a path of sustainable growth was heavily reduced. →

**“Every investment is associated with a range of effects, and you need to ensure that the positive outweigh the negative.”**

Florian Meister



# “There is an increasing public awareness of social and environmental issues, and an equivalent rise in demand from investors who want investments that help pursue the SDGs.”

Sylvia Wisniwski

**Elvira** We have a huge paradigm shift because now, you don't need to explain why you are focusing on impact investment or sustainable investment or green investing. Nowadays, you have the giants talk about impact investment, you have the regulators talk about impact investment – even a retail investor, meaning a “normal” saver, a “normal” depositor, is now thinking: “How can I allocate my savings in a way that they also do good?” So, I think we are in a completely different context right now and that is a wonderful thing to have happened.

## What are some of the challenges that impact investors are struggling with?

**Florian** Well, I think the asset bottleneck is obvious. If you want to invest in impact, you have a mostly illiquid and tailor-made type of asset. There is huge demand these days, and finding suitable, high-quality products can be difficult.

**Elvira** The mainstreaming of impact investing is not without its challenges. Because, let's put it this way: I think there are various degrees of sincerity. More and more, we have to deal with “green washing” or “SDG washing” – investment opportunities which claim to be greener

or more sustainable than they are. And here, benchmarks are very important, common definitions and standards, such as the EU taxonomy is working towards are very important. The fact of the matter is that there is a common denominator emerging, a common understanding that there need to be standards against which one benchmarks the level of impact that one then reports.

**Christoph** Exactly. This is also why we as a company actively align with these emerging standards. For example, we recently signed the Operating Principles for Impact Management, which is an international initiative that aims to set out a common framework, standards for managing impact. We support initiatives that regulate impact investments – or which move them into the area of regulation and supervision – because this is helpful for mainstreaming.

**Florian** We've gotten very sophisticated, with a team working on positive impact and another team working on E&S – environmental and social risks. These are risks that you need to take into account and manage. Every investment is associated with a range of effects, and you need to ensure that the positive outweigh the negative.

## Where do you see impact investing headed in the future?

**Elvira** My expectation is that in ten years' time, the term “impact investment” will not be used any longer, because we will talk about simply “investment” and “bad investment”. I think that the momentum is very strong, there is a lot of demand for impact investing, there is an increasing good understanding of what that means, who to choose to deliver it, how to invest, what does it take, what are the challenges.

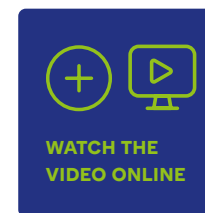
**Sylvia** I agree, there is an increasing public awareness of social and environmental issues, and an equivalent rise in demand from investors who want investments that help pursue the SDGs. Right now, the impact investing market is estimated at something like USD 500 billion in assets under management. This will undoubtedly grow exponentially.

**Christoph** I expect that regulation will become more open to allow for products that support investments that pursue the SDGs. While this is positive, because a common understanding of impact investing helps to build trust, it also puts pressure on the industry to comply with standards. Impact advisors and impact asset managers will need to strengthen their institutional capacities while improving their competitiveness at the same time.

**Elvira** If you look ten years back, everybody was doing their own thing. These days are over. It's a collective undertaking and that is very good, because that will move the needle.



Sylvia Wisniwski and Christoph Freytag



# 10 Years of Finance in Motion

2009

**SEPTEMBER**

**Foundation**

Foundation of Finance in Motion with 42 staff members and 6 regional offices. EFSE is its first fund under advisory.



**SEPTEMBER**

**Launch of the Global Impact Investing Network (GIIN)**

Former U.S. President Bill Clinton announces the launch of the GIIN, a non-profit organization dedicated to promoting more effective impact investing around the world.



**DECEMBER**

**Green for Growth Fund**

Launch of the Green for Growth Fund, with Finance in Motion as advisor. Finance in Motion expands into green investments.



2010

**JULY**

**UN-PRI**

Finance in Motion signs the United Nations' Principles for Responsible Investment.



**NOVEMBER**

**EFSE wins G20 SME Finance Challenge Award**

At the G20 summit, EFSE is presented with the G20 SME Finance Challenge Award as its public-private partnership structure presents one of the most effective models for catalyzing private capital for small businesses.



2011

**AUGUST**

**SANAD Fund for MSME**

Launch of the SANAD Fund for MSME, with Finance in Motion as advisor.



**SEPTEMBER**

**Office opening Egypt**

Finance in Motion opens a regional office in Cairo, Egypt – its first office in the Middle East and North Africa.

2012

**MARCH**

**EUR 1 billion AUM**

Finance in Motion reaches EUR 1 billion assets under management.

**NOVEMBER**

**Foundation of fimshare**

Foundation of fimshare, a charity run by Finance in Motion's employees to support projects in the non-profit sector.



**DECEMBER**

**More than 100 partner institutions**

Finance in Motion advises funds that partner with 100 local financial institutions.



2013

**OCTOBER**

**First renewable energy deal**

Finance in Motion-advised Green for Growth Fund signs first direct investment in renewable energy.

**SEPTEMBER**

**SANAD makes first equity investment**

First greenfield investment for the SANAD Equity Sub-Fund I helps establish new microfinance institution Advans Tunisie.



2014

**OCTOBER**

**IT hub in Kenya**

Finance in Motion launches its software development center in Nairobi, Kenya.



**DECEMBER**

**eco.business Fund**

Launch of the eco.business Fund, with Finance in Motion as advisor.



**JULY****Office opening Colombia**

With the new office in Bogotá, Colombia, Finance in Motion opens its regional hub in Latin America.

**SEPTEMBER/DECEMBER****International goals**

Blended finance vehicles have been identified as key contributors to raising the funds required to achieve:

SUSTAINABLE DEVELOPMENT GOALS (SDGs): The 17 SDGs are adopted by all UN Member States as part of the 2030 Agenda for Sustainable Development.



THE PARIS AGREEMENT: 196 countries sign the Paris Climate Agreement, which aims to mitigate global climate change.

**NOVEMBER****EFSE's 10th anniversary**

EFSE celebrates a decade of impact investing under the motto "Balancing the future – transform, transfer, technologize".

**MARCH****More than 150 employees**

Finance in Motion employees now surpass 150.

**JUNE****Purchase of equity stake in Aqua-Spark**

Finance in Motion makes its first direct investment by purchasing an equity stake in Aqua-Spark, a global investment fund that finances sustainable aquaculture projects.

**DECEMBER****EUR 20 million in technical assistance**

Finance in Motion surpasses EUR 20 million enabled for technical assistance projects.

**JUNE****The Green Committee**

The employee-organized volunteer group offers a platform for employees to propose ideas for making work and life even greener.

**DECEMBER****Finance In Motion joins GIIN Investors' Council**

Finance in Motion joins the Investors' Council of the Global Impact Investing Network, a forum that brings together leading impact investors.

**FEBRUARY****GGF launches clim@ initiative**

clim@ introduces a new competition for innovative businesses or projects that have the power to change current practices and demonstrate strong positive climate impact.

**JULY****Launch of Arbaro Fund**

Finance in Motion and UNIQUE partner up to establish a new impact fund for sustainable forestry: the Arbaro Fund. The fund breaks ground with its first investment in sustainable forestry in West Africa in November.

**JUNE****Finance in Motion initiates 1,000th technical assistance project**

Finance in Motion's advised funds have worked with over 300 institutions on technical assistance projects, which now number 1,000.

**JULY****SANAD launches second equity impact fund**

Equity Sub-Fund II builds on predecessor's success in channelling private and public capital to micro, small, and medium enterprises in the Middle East and North Africa, with a selected expansion to sub-Saharan Africa on the horizon.

**AUGUST****Finance in Motion signs the Operating Principles for Impact Management**

Finance in Motion signs the Principles, an industry initiative led by the International Finance Corporation (IFC) to define a common standard for managing investments toward positive social and environmental impact.



Operating Principles for Impact Management

**SEPTEMBER****Finance in Motion celebrates 10 years**

Finance in Motion looks back on a decade of progress, adventure, innovation, partnerships, achievements, and success. We are looking forward to the next 10 years!

**SEPTEMBER****eco.business Fund Africa expansion**

The eco.business Fund expands its activities to sub-Saharan Africa, adding new and exciting opportunities to support sustainable business practices.

**OCTOBER****Finance in Motion takes part in Entrepreneurs for Future**

Finance in Motion joins the "Entrepreneurs for Future" initiative, which demands faster, stronger climate action from across industries.



# The Pathway to Impact



# Finance for Good: Our Impact Strategy

We aim to harness the power of finance to make a positive difference for people and planet. As an impact asset manager, we responsibly invest public and private capital where it is needed to address the world's social and environmental challenges.

At Finance in Motion, we apply a **two-pronged focus** to our investments:

## Regional focus

We are active exclusively in low and middle-income countries across all continents.

## Thematic focus

Our funds target sectors with a high impact potential to positively contribute to social and environmental challenges. Their activities are clustered around two thematic categories:

- Promoting a green economy: channeling capital to green sectors, including sustainable agriculture and renewable energy
- Promoting entrepreneurship and livelihoods: channeling capital to businesses and low-income households

In doing so, we are working towards the following **impact goals**:

- **Addressing Climate Change**
- **Strengthening Biodiversity Conservation**
- **Fostering Sustainable Use of (Natural) Resources**
- **Improving Livelihoods**
- **Promoting Economic Opportunities**

[READ MORE ABOUT OUR IMPACT GOALS](#)

[➔ P. 32](#)



Investment Approach	Traditional	Responsible	Sustainable	Impact Investments		Philanthropy
				Thematic	Impact-first	
Impact and E&S criteria				Deliver high-impact solutions		
			Integrate ESG opportunities			
	Manage ESG risk					
Financial Targets					Low risk-adjusted returns	Partial / full capital loss
	Competitive risk-adjusted financial returns					
Impact Intentions				Contribute to solutions		
		Benefit all stakeholders				
	Does (or may) cause harm	Act to avoid harm				

At the "high end" of the **scale of capital**, impact is part of an investment's very purpose.

Source: Adapted from the Social Impact Investment Taskforce (2014), Impact Management Project (IMP, 2018)

We pursue a **holistic approach** for impact on a systemic level. This includes:

- Combining targeted investments with customized technical assistance.** In addition to our debt and equity funds, we manage technical assistance facilities to support financial institutions and sector players in strengthening their capacities and to foster enabling environments.
- Blending public and private investments.** Mobilizing both public and private resources allows us to achieve impact with scale.
- Sector expertise.** We bring specialized expertise to our work, ranging from energy and resource efficiency to sustainable agriculture and financial inclusion. This expertise is applied throughout the investment cycle and, along with the strong local knowledge of our regional presence, enables us to fine-tune strategies and provide targeted support to our partners.
- Integrating environmental and social (E&S) performance with positive impact for total impact management.** An investment can only proceed if it meets the fund's requirements for financial return and development impact as well as sound E&S management.
- Walking the talk.** At Finance in Motion, we are committed to social and environmental responsibility and reflect this in our own company policies and actions.

Our work contributes to **key international development targets:**



By providing solutions to important social and environmental challenges, we contribute to the Sustainable Development Goals.



PARIS2015  
UN CLIMATE CHANGE CONFERENCE  
COP21-CMP11

By supporting activities that promote CO<sub>2</sub> storage and sequestration and reduce energy consumption as well as CO<sub>2</sub> emissions, our funds work towards the climate goals set out by the Paris Agreement.

Our Contribution to the **Sustainable Development Goals:**



We improve access to financial services for micro, small, and medium enterprises and low-income households.



We foster sustainable and resilient agriculture practices and increase access to finance for rural producers.



We mitigate water scarcity by promoting sustainable agricultural practices that improve water quality and increase water-use efficiency.



We ensure access to sustainable energy by promoting energy savings and fostering renewable energy.



We contribute to economic development by promoting entrepreneurship and supporting micro, small, and medium enterprises.



We advance small-scale industrial enterprises and help develop sustainable forestry and the renewable energy sector.



We enable income growth among small businesses and the economic inclusion of women, youth, and refugees.



We support transport and waste management systems that reduce resource use and pollution.



We foster the sustainable management of natural resources and reduced waste generation.



We mobilize green finance and build capacity, especially in terms of greening financial sector practices.



We promote sustainable practices in fisheries and aquaculture.



We contribute to sustaining landscapes by fostering sustainable agriculture and forestry.



We develop and advise blended finance funds that bring together public and private investors, strengthen networks and knowledge exchange, and mobilize funding for the goals.

# Our Pathway to Impact

We work towards our impact goals through two interlinked impact streams:

## Through the funds we advise

We set up, manage, and advise blended finance vehicles that each pursue their own, clearly defined impact agenda. For these funds, we raise and blend capital from public and private investors to direct dedicated financing and technical assistance to where it matters most. Debt and equity financing are provided either directly or through financial institutions. Our technical assistance builds capacities and strengthens processes.

With their long-term engagement in the markets and their (cross-)regional approach, the funds provide a platform that fosters stakeholder engagement and collaboration, working towards systemic, lasting impact.

## Through our impact investment innovations

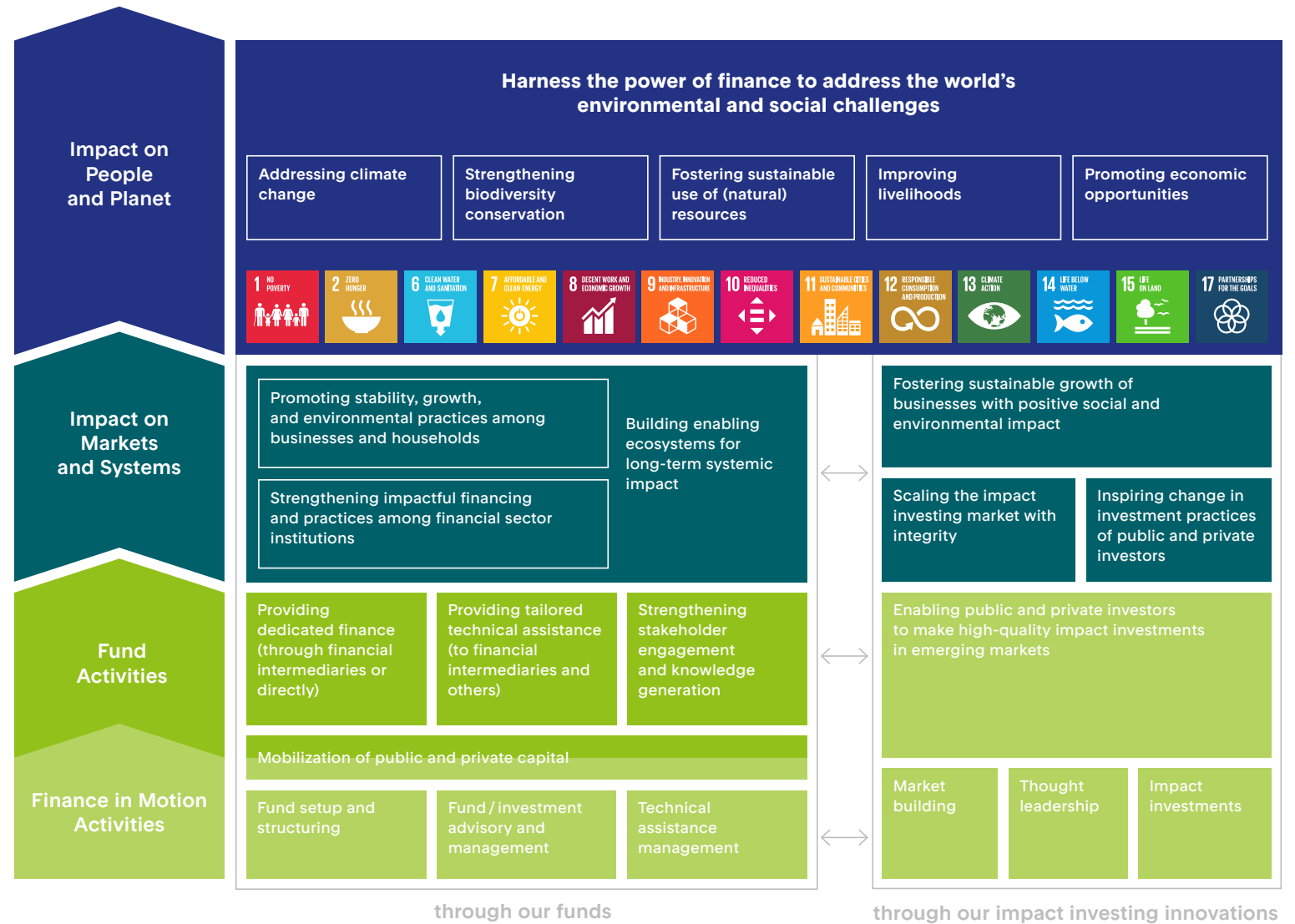
In addition to the work we do as a fund advisor and manager, we advance the impact investing market – by innovating the blended finance structures that have since been replicated in other impact funds; by introducing new tools to channel responsible financing to those who need it; by making our own investments in entities that share our vision and values; through thought leadership and participation in peer associations; by helping develop industry standards; and by opening avenues for potential investors keen on investing in impact.





## Finance in Motion's Pathway to Impact

The pathway defines how we contribute to impact on **markets and systems** as well as on **people and planet**. Read on to learn about each of these factors in detail.



Some elements along the impact pathway are directly under the control of Finance in Motion and its funds, while some are influenced by both us and external factors. This is due to the array of environments and stakeholders involved.

# Our Impact on Markets and Systems

Through our funds and our impact investing innovations, we strive to create enabling ecosystems for our investees and final target groups, working towards scale and long-lasting positive change.



## Strengthening impactful financing and practices among financial sector institutions

Investing through financial institutions allows us to achieve scale and strengthen the local financial sector. We work with a range of investees – from microfinance institutions and commercial banks to factoring and leasing companies – to ensure holistic outreach, and provide tailored technical assistance to boost and anchor impact.



### BOLSTERING INFRASTRUCTURE

Our funds' local networks and close partnerships make them particularly agile in responding to market developments. Their technical assistance facilities were able to quickly roll out COVID-19 crisis response packages in the spring of 2020 that include, for example, emergency advisory services to help local banks, microfinance institutions, and other financial service providers cope with liquidity challenges, HR management, stakeholder communications, and more. The continued ability of these institutions to serve micro, small, and medium enterprises is critical to keeping up the infrastructures that support entrepreneurs.



### IMPACT IN PRACTICE

#### Climate finance and microfinance at one table

The Green for Growth Fund is an all-rounder when it comes to protecting the environment. Active in Southeast Europe, the Caucasus, the Middle East, and North Africa, the fund channels financing toward initiatives that expand renewable energy, increase energy efficiency, and reduce the use of natural resources.

Sometimes this is done through large-scale projects that are pioneers of their kind, such as co-financing the largest wind park in Serbia or the very first solar plant in Ukraine. And sometimes it is the small changes that amass to make a huge difference – such as delivering financing for local small businesses and households to implement green solutions.

In September 2019, the Green for Growth Fund launched the “Green for All” initiative to address just this topic. Gathering representatives from financial institutions across its target regions, the roundtable

focused on how the financial sector can promote green investments, provide support services, and create appropriate green loan products for small businesses and individuals, as well as integrate green lending principles into day-to-day practices.

Well-delivered microfinance has shown to be effective not only in creating and growing businesses, generating employment, improving livelihoods, and enabling education. It can also contribute to fighting climate change: When entrepreneurs or private households can access the money they need to invest in energy or resource efficiency improvements, they are not only reducing their own energy bill; they are reducing their carbon footprint for the benefit of all.

#### Green for Growth Fund

➔ P. 44

### IMPACT IN PRACTICE

#### The right framework

For a bank to assess the impact of their operations, they need a solid impact framework.

In 2019, the development facility of the eco.business Fund worked closely together with two banks in Latin America to help develop a customized impact framework for their lending operations. Each workshop was held on-site for both Banco Lafise Bancentro in Nicaragua and Banco Hipotecario in El Salvador: Together with impact specialists, participants focused on the importance of promoting sustainable practices, and how an impact framework improves performance monitoring, strengthens relationships with stakeholders, and upholds international social and environmental standards.

During the training, bank managers, analysts, loan officers, and other employees learned how to design a theory of change, define impact indicators, and develop monitoring tools to assess their agriculture portfolio in line with their sustainability goals. They also learned how to systematically incorporate environmental and social factors into the credit analysis of their clients from several agricultural sectors.

#### eco.business Fund

➔ P. 44



## Promoting stability, growth, and social and environmental practices among businesses and households

Our activities have a wide-ranging outreach, from low-income households and micro-entrepreneurs to small and medium-sized enterprises. These groups' access to dedicated financing helps them invest in their future, whether by growing a business or improving a home. And green credit lines enable households and businesses to improve their environmental footprint by enacting measures or practices that, for example, reduce energy consumption, save water, or promote sustainable agriculture.

Targeted technical assistance – such as educational programs on the benefits of investing in energy efficiency measures, or projects that promote women entrepreneurship – further create an environment in which positive change can take hold.



### IMPACT IN PRACTICE

#### Empowering entrepreneurs in the Middle East and North Africa

Micro, small, and medium enterprises are the engine of the economy in the Middle East and North Africa. Local business owners drive growth, create jobs, and provide stability. Yet establishing or even simply running your own business can be a challenge.

That is why the SANAD Fund for MSME joined the Jordanian Action for the Development of Enterprise (JADE) program to provide Jordanian entrepreneurs with enhanced knowledge to increase their business success. Together, the partners set up an innovative, free-of-charge online platform to connect entrepreneurs with consultants offering advisory services. Over 50 enterprises benefited from tailored, professional advice on topics ranging from financial planning and reporting to modeling and valuations.

#### SANAD Fund for MSME

➔ P. 43

### IMPACT IN PRACTICE

#### An international masterclass in environmental and social risk management

The Green for Growth Fund (GGF) selects its partners carefully: As a champion of energy efficiency, renewable energy, and resource efficiency, the fund only invests in local financial institutions with proven commitment to impact through green financing. The GGF also requires its investees to report regularly on environmental and social (E&S) factors in their lending operations – a monitoring and reporting practice that led to requests for training in just this topic.

In November 2019, the GGF Green Academy hosted an on-demand “masterclass” on E&S risk management and monitoring for seven microfinance institutions across Bosnia and Herzegovina, Montenegro, and North Macedonia. The interactive course trained staff on best practices and standards for E&S risk management, and participants practiced using tools to implement these in their lending activities. Now, individual follow-up consulting is helping these institutions refine their risk management strategies and spread them throughout their operations.

#### Green for Growth Fund

➔ P. 44



## Building enabling ecosystems for long-term systemic impact

The funds also work with service providers, regulators, and other stakeholders to increase awareness, build a knowledge base, and help create an enabling environment for impact to take hold.

With this holistic approach, the funds work toward lasting impact: They focus on alleviating specific challenges – such as lack of access to finance for small businesses – as well as on boosting conditions in which businesses and individuals can thrive. This not only creates more long-term and sustainable results, it also spreads positive change to other market participants, thus scaling impact beyond the funds' own activities.



### IMPACT IN PRACTICE

#### Partnering with regulators for systemic impact

Access to sustainable finance is of utmost importance to the success of micro and small enterprises. That is why the European Fund for Southeast Europe (EFSE) has been expanding the availability of financing to this sector in Southeast Europe and the Eastern Neighborhood Region since 2005. Yet the fund does more than just provide financial resources: EFSE also aims to build a conducive environment that helps entrepreneurs to thrive. This is accomplished by working with key players across the financial sector who can implement regulations and practices that support micro and small business development.

The first Bankers' Roundtable on Sustainable Financing for Entrepreneurs was held in Yerevan, Armenia, for just this purpose. Organized together with the Central Bank of Armenia, the day-long workshop in April 2019 brought together the country's bank executives to explore how the financial sector can sustainably serve micro and small enterprises. Particular attention was devoted to local currency financing as an impactful element of responsible finance: Participants exchanged on overcoming obstacles to local currency lending and discussed effective methods to improve and deepen access to local currency loans for Armenian entrepreneurs.

**European Fund for Southeast Europe**

➔ P. 43

### IMPACT IN PRACTICE

#### On a journey to preserve natural ecosystems

The eco.business Fund was established in 2014 to promote sustainable business practices in biodiversity-rich regions. Through dedicated financing and targeted technical assistance measures, the fund aims to help beneficiaries conserve biodiversity, use natural resources sustainably, and mitigate climate change while adapting to its effects.

In 2019, Finance in Motion – one of the initiators of the eco.business Fund – organized a special conference to raise awareness of the importance of this mission. Entitled “Our Journey,” the event took participants on an exploratory tour through the fund's endeavors in Latin America and the Caribbean: Representatives from international development institutions discussed the urgency of investing in sustainable development in the region. Local financial institutions presented the challenges and successes

they have encountered in tackling climate change and deforestation through the power of finance. And the audience heard from the farmers themselves whose on-the-ground experiences attested to the impact of climate change and the need for continued resources to drive a greener economy.

By bringing together investors, beneficiaries, and financial sector players, the conference provided an international, cross-industry platform for exchanging information, experiences, and concrete measures for creating positive impact.

**eco.business Fund**

➔ P. 44



## Scaling the impact investing market with integrity

As a pioneering impact asset manager, we welcome the growing interest in investing with positive impact, and take it as a sign that our collective market-building efforts are bearing fruit. Yet as the number of impact investment opportunities grows, so too does the need to ensure their transparency and accountability. Showing credible, clear impact motivates investors and further strengthens the field as a whole.

### ADVANCING DEVELOPMENT THROUGH BLENDED FINANCE

What is “blended finance”? And how does this model of fund structuring offer a win-win scenario for private investors, public financiers, and the pursuit of the Sustainable Development Goals? Find out in Finance in Motion’s newest white paper, “Advancing Development Through Blended Finance”.



READ  
THE ONLINE  
VERSION

## IMPACT IN PRACTICE

### Time for Africa

The first ten years at Finance in Motion have been a time of vision, exploration, and growth. As we move into our second decade of operations, we are excited to expand into a new region: sub-Saharan Africa.

The economies of sub-Saharan Africa are marked by innovation and an entrepreneurial spirit, and there exists immense potential in the region to improve the environmental footprint of business practices and to expand financial inclusion for its people.

A decade of experience in effectively deploying impact financing in a range of emerging markets has allowed us to design investment strategies and products that are well-suited to achieving our impact goals in the local context. Tailoring our existing funds’ approaches for the region has involved extensive market research, including multi-country stakeholder feedback – from not only potential investment clients and technical assistance partners, but also key sector initiatives, other impact lenders, active investors, and governments, among others. This input has allowed us to shape our eligibility criteria, investment product design, and outreach strategy to ensure a better match with the realities of the regional operating environment.

Following investments of the Arbaro Fund in Ghana and Sierra Leone, our funds are now poised to serve markets in sub-Saharan Africa: The SANAD Fund for MSME, which helps build a financial ecosystem committed to supporting the crucial but underserved MSME sector, is preparing to scale its impact by strengthening its core region and partners in the Middle East and North Africa and extending its outreach to selected countries in sub-Saharan Africa. And the new eco.business Sub-Fund

for Sub-Saharan Africa is carrying the momentum of its Latin American counterpart to promote sustainable practices in agriculture, fishery, tourism, and forestry specifically in the region.

Expanding our presence to sub-Saharan Africa will also enable us to pilot innovations across different settings, which will ultimately be helpful in scaling solutions that have proven impactful based on the learnings from our impact management system. One such learning that has already shown its value time and time again has been the importance of our physical proximity to investees on-location. That is why we are expanding our Finance in Motion office in Nairobi, Kenya, to support these developments and strengthen the feedback loop.

We did not start this journey on our own, and we will continue walking the path

in close partnership with a large range of partners: our investors, investees, ecosystem players, and other impact investing innovators. By building on a successful track record of pioneering impact investing in frontier markets, we aim to help expand the reach of impact investing to provide capital where it is needed for sustainable development. We will continue sharing our learnings and experience to further the industry and ultimately work together towards generating environmental and social impact at scale.

**SANAD Fund for MSME**

➔ P. 43

**eco.business Fund**

➔ P. 44

**Arbaro Fund**

➔ P. 44



**Inspiring change in investment practices**

We believe in the power of finance. To unleash this power, we raise awareness among public and private investors for sustainable and impactful investment approaches: for example, by speaking at conferences and engaging in expert groups, such as the GIIN Investors' Council for leading impact investors. We also actively contribute to industry working groups to define good investment practices.



Finance in Motion's External Relations Director Milena Bertram explores the benefits and challenges of blended finance at the GIIN Investors' Council in October, 2019.

In 2019, Finance in Motion staff shared their perspectives and experiences at **85** industry events and conferences

**Fostering the sustainable growth of businesses with a positive social and environmental impact**

We ourselves act as an impact investor and ecosystem builder for businesses with a positive social or environmental impact agenda. We place a growing portion of our balance sheet toward entering selected new areas and geographies.

**IMPACT IN PRACTICE**

**Boosting impactful businesses**

Finance in Motion not only advises impact funds. We also invest our own money in impactful businesses and vehicles that share our values and vision. These investments include:



# Our Impact on People and Planet

Through our impact on markets and systems, we contribute to a positive impact on people and planet. With our investment focus on promoting a green economy, entrepreneurship, and livelihoods, our core contributions center around the impact goals described on the following pages.





## Addressing climate change

We are committed to climate action. We provide dedicated financing for reducing CO<sub>2</sub> emissions – through energy efficiency measures and the production of renewable energies – and for storing and sequestering existing CO<sub>2</sub>. And by investing in technologies to reduce the use of natural resources, we are helping people cope with the effects of a changing climate.

### IMPACT IN PRACTICE

#### Milestones in advancing renewable energy

The Green for Growth Fund (GGF) provides financing for energy efficiency and resource efficiency measures as well as renewable energy projects in Southeast Europe and the Eastern Neighbourhood Region. This region's transition from conventional to renewable power is not only a story of significantly reducing carbon emissions, but of a total shift in strategy and mindset about the need for clean power. In many countries, the very first commercial-scale renewable energy projects are being built, and the Green for Growth Fund is part of facilitating this effort, providing senior debt on a project finance basis. These projects serve as models for future renewable energy developments and a launching pad for the further expansion of the energy transition beyond Europe's borders.

The Green for Growth Fund celebrated a series of milestones in renewable energy project finance 2019.

#### Inauguration of the Serbian wind farm

**Cibuk 1:** Cibuk 1 is the largest utility-scale wind farm in Serbia and the Western Balkans. With a capacity of 158 MW – which translates into 40,335 tons of carbon emissions saved each year – the facility was launched in October 2019 at a ceremony attended by senior Serbian officials, investors, lenders, and others in the Serbian renewable energy community. GGF invested EUR 18.4 million into the project.

#### First PV panels installed for solar plant in Ukraine:

Construction has been completed for the Boguslav solar park. The facility is set to produce 58,500 MWh worth of renewable energy per year, saving more than 5,200 tons of CO<sub>2</sub> emissions annually. GGF's investment in the project amounts to EUR 9 million.



**Benban Solar Park, Egypt:** The world's largest solar park is now operational and supplying renewable energy to hundreds of thousands of homes and businesses in Egypt. GGF invested USD 20 million into the Arc and Phoenix projects under the Nubian Suns Photovoltaic Program; these projects are now producing around 280,000 MWh per year and reducing carbon emissions by nearly 24,400 tons annually.

#### First turbine at wind park in Ukraine:

In November 2019, the first wind turbine was erected at the Syvash wind park. Once operational, Syvash will be one of the largest wind energy projects in Ukraine, with a capacity of 246 MW; this will mean 33,616 tons of CO<sub>2</sub> emissions saved every year. GGF invested EUR 25 million into the project.

#### Green for Growth Fund

➔ P. 44

## Strengthening biodiversity conservation

We channel financing toward certified sustainable farming and business practices to help preserve or restore biodiversity-rich ecosystems. These include natural forests, mangroves, and other pristine ecosystems.

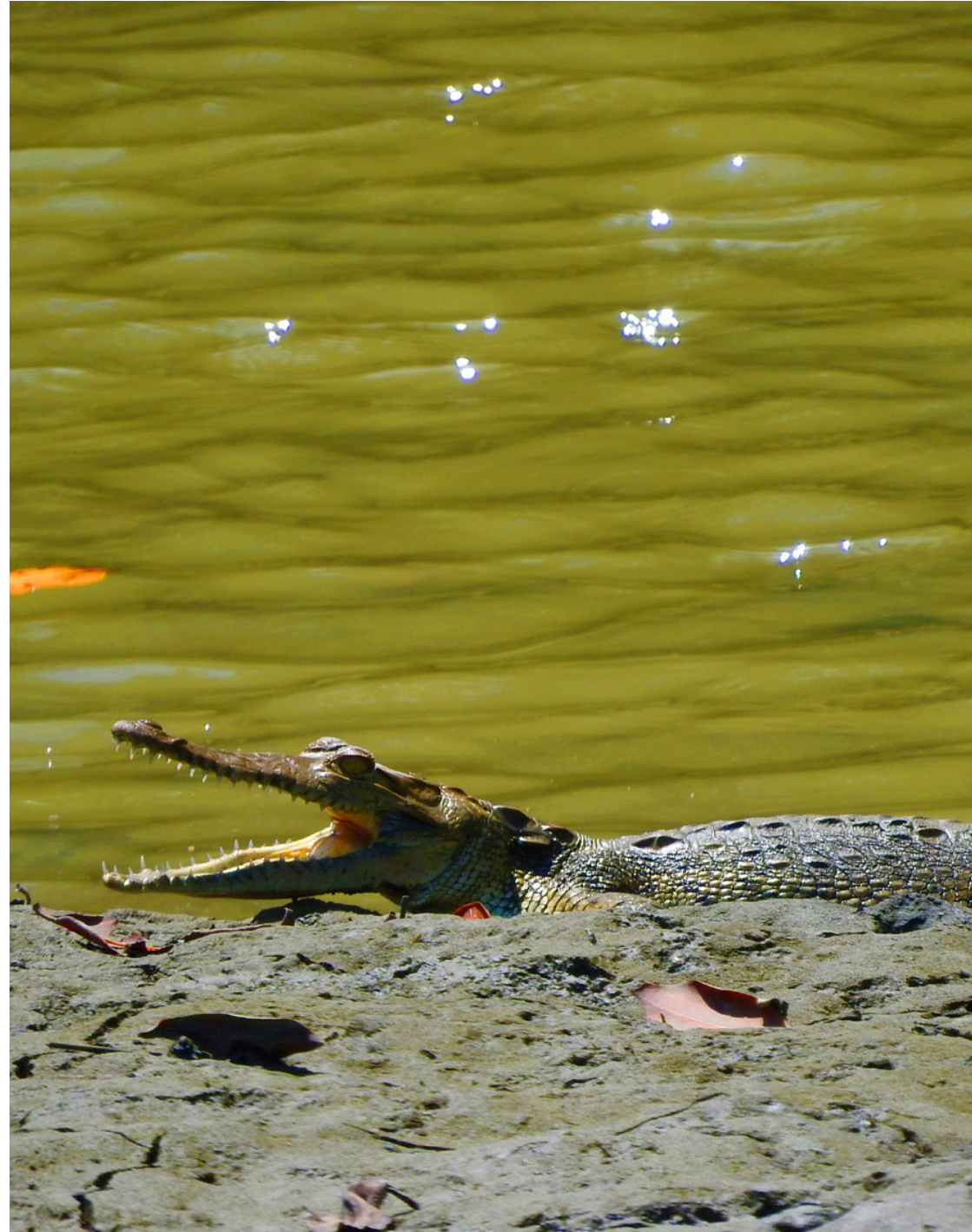
### IMPACT IN PRACTICE

#### Using technology to protect natural habitats:

Thanks to drones, the eco.business Fund can map farms to ensure that surrounding mangrove forests are being protected as required. Animals such as this American crocodile are free to move between the farm and the mangrove swamps, which provide habitat and food.

**eco.business Fund**

➔ P. 44



## Fostering the sustainable use of natural resources

We promote the sustainable use of resources, such as water, energy, and land, with dedicated funding. This reduces pressure on our planet and at the same time supports green economic growth.

### IMPACT IN PRACTICE

#### Growing impact with sustainable forestry

The Arbaro Fund is a unique impact vehicle. Through equity investments in sustainable forestry, the fund is planting thousands of hectares of CO<sub>2</sub>-absorbing trees. But that is not all: Sustainably managed plantations combat deforestation by relieving pressure on natural forests; they provide jobs in rural areas; and they reward investors with long-term value as the trees grow. Arbaro particularly focuses on regions that can gain the most from these benefits, investing in sustainable forestry projects in Latin America and sub-Saharan Africa.

In 2019, Arbaro established a new forestry company in Paraguay: Forestal Apepú SA. The company will be technically managed by local silviculture expert Unique Wood, whose long experience will bring to the table an intimate knowledge of the region's silvicultural requirements and market conditions. Apepú acquired a total of 2,100 hectares, where 1,400 will be used as a plantation area, 400 will remain natural forest under conservation, and 300 will be set aside for local cattle farmers as pasture land using a silvo-pastoral system. The forest to be planted by Apepú is expected to sequester around 350,000 tons of CO<sub>2</sub> and support more than 100 full-time jobs along the entire value chain – from producing plant material to harvest.

#### Arbaro Fund

👉 P. 44



## Improving livelihoods

We direct capital to financially under-served groups, such as low-income and underbanked households and businesses. Ensuring their financial inclusion enables them take up or expand income-generating activities, strengthen their economic resilience, and/or improve their housing situation.

### IMPACT IN PRACTICE

#### Making an impact in the Middle East and North Africa

Amina Lahsinia used part a loan from SANAD's partner institution Al Amana in Morocco to build an additional floor in the house she shares with her family. She then used the remaining amount to start her own business, buying clothing from wholesalers in order to sell to neighbors out of her newly expanded home. "My financial situation is more stable now," says Lahsinia. "We can afford books, toys, and school supplies for the children. I am proud to be contributing to household expenses, and we are no longer solely reliant on my husband's income. He even borrows money from me sometimes!"

#### SANAD Fund for MSME

➔ P. 43

Since it was established in 2011, the SANAD Fund for MSME has facilitated over **215,000** loans to entrepreneurs in the Middle East and North Africa



## Promoting economic opportunities

We expand the availability of financial services to micro, small, and medium enterprises. By helping local businesses grow, we promote economic development and employment opportunities from the ground up.

### IMPACT IN PRACTICE

#### Tapping “The Power of Local Currency”

Entrepreneurs and households both need financing to invest in their prosperity. But when they take out a loan in a foreign currency, they are exposed to exchange rate risk that may weigh heavily on their ability to thrive.

The European Fund for Southeast Europe (EFSE) regards local currency lending as a key element of sustainable finance to support economic development in the fund’s target regions. That is why the fund launched an international campaign in 2019 to spread awareness of the importance of local currency financing in the Eastern Neighbourhood Region and advance the prevalence of this responsible practice.

The fund kicked off the campaign with a high-profile launch event in 2019 in Chişinău, Moldova: On a bright October day, seventy representatives of central banks, financial institutions, policy makers, and entrepreneurship organizations came together to discuss “The Power of Local Currency”. Experiences and best practices were exchanged, challenges addressed, and even new local currency investments were signed between EFSE and partner institutions in Georgia, Ukraine, and Armenia.

Today, the Power of Local Currency campaign is leading discussions and educational initiatives throughout the region to inform and inspire borrowers and lenders alike on this critical tool for sustainable financing.

**European Fund for Southeast Europe**

📍 P. 43



In 2019, **78%** of EFSE-facilitated loans to micro and small enterprises and households were made in local currency

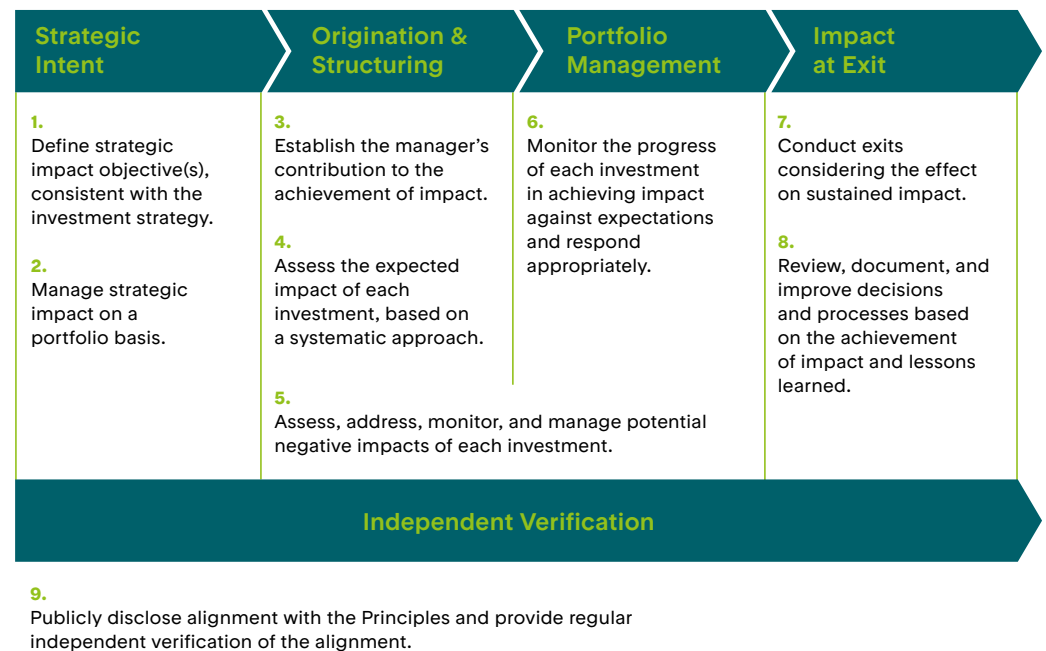
# Our Impact Management Practices

Impactful investing takes intentionality, strategic focus, and continuous management. For us, managing our impact is just as important as managing the financial performance of the funds we advise.

This allows us to track progress towards our impact goals and provides us with learnings and insights, ultimately enabling us to fine-tune our strategy. That is why impact management is integrated into every step of our investment and technical assistance cycle. Our impact management is closely aligned with emerging industry standards as expressed through the Operating Principles for Impact Management, which Finance in Motion signed in 2019.



## Investing for Impact: Operating Principles for Impact Management



Source: IFC (2019), Investing for Impact

# Our Impact Management Practices in Detail

## Strategic Intent

It starts with good groundwork. The “why, what, and how” of achieving impact – in other words, the funds’ impact objectives and their pursuit through dedicated financing and technical assistance – are defined right in the funds’ strategy documents. We then operationalize these strategic goals through, for example, key performance indicators that consider the fund’s specific impact pathway.

## Origination & Structuring

Each investment decision considers how a potential investment aligns with the fund’s strategic impact orientation. An investment will only proceed if it meets the requirements for financial return and development impact as well as sound environmental and social (E&S) standards. Pre-investment assessments also enable us to identify opportunities to further enhance our impact, such as through technical assistance or other forms of support to our investees.

## Portfolio Management

We require all investees to report on a set of specific impact indicators, usually on a quarterly basis, that allow us to understand how our funds are being used and who they are reaching. We furthermore conduct periodic, in-depth impact studies in addition to collaborating on external evaluations and assessments. Our close partnership with our investees, facilitated through our local presence

across the regions where we are active, enables us to regularly undertake on-site visits and maintain a continuous dialogue. The quantitative and qualitative information we collect thus gives us a deeper understanding of how the funds achieve impact as well as the scale of their final impact on people and planet.

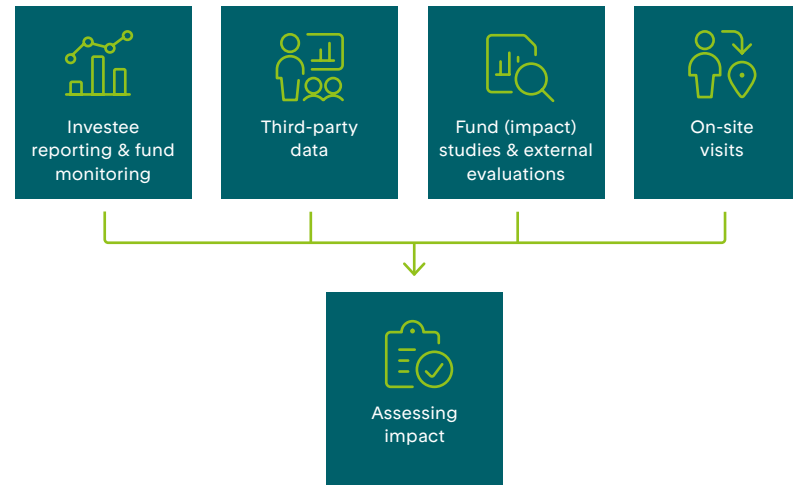
## Impact at Exit

Our funds largely provide debt capital to support our investees in expanding their impactful lending portfolio. As such, our exit is already built into the investment decision. In many cases, however, we renew and increase our financing once an investment has matured; this is done in step with the growth of our investee and its portfolio. If investments are not renewed, this is often because our investees have reached a stage where they can sustain impactful (lending) operations on their own or access different funding for these.

## Independent Verification

We are committed to managing our impact in line with the standards set out by the Operating Principles for Impact Management and to striving for accountability and transparency in the industry and our own reporting. As a signatory of the Principles, we will issue our first disclosure statement in 2020 and will soon undergo an independent verification.

## Our impact assessment approach



We obtain data through multiple means to gauge how our work is achieving impact targets.

# Walking the Talk





# Walking the Talk

At Finance in Motion, we believe in what we do. Our commitment to social and environmental responsibility permeates our company culture of inclusion, awareness, and action.



- The employee-led Green Committee implements grassroots ideas for making the workplace even more environmentally friendly.
- Company travel policy mandates the use of long-distance fast trains for destinations in Western or Central Europe where available.
- Staff are encouraged to commute by bike or public transport, and Finance in Motion sponsors a public transport ticket, provides bicycles on loan, and offers safe storage for bikes in Frankfurt.
- Office supplies are procured where possible from sustainable suppliers, and the company continuously integrates further sustainable practices into its policies and sourcing.
- Finance in Motion itself invests in impactful businesses and funds. Our investments include the sustainable aquaculture fund Aqua-Spark, “fintech for financial inclusion” firm Oradian, alternative feed producer Protix, and African startup investor GreenTec Capital Partners.
- “fimshare” is a staff-run charity that supports projects in education, infrastructure development, and poverty alleviation, in addition to emergency aid projects in low and middle-income countries.

## Commitment

We signed the **Entrepreneurs for Future** initiative and participated in global climate strikes across all regions.



We signed the **German Charter of Diversity** to confirm the company's commitment to a prejudice-free workplace.



### Approaches applied in headquarters

**100%**  
electricity used from renewable sources

**100%**  
recycled paper used in printers

**80%**  
sustainably sourced office supplies

**100%**  
fair trade coffee provided in offices

### Most-applied approaches by global staff to improve their own environmental footprint

**70%**  
reduce purchase and use of plastic

**50%**  
actively reduce consumption

**50%**  
buy mainly regional and/or organic products

**85%**  
commute to work by bike, public transport, or foot



### Employee-run charity

Over **300,000**  
fimshare donations to social projects since inception

**7**  
fimshare projects implemented in 2019

**45**  
fimshare projects in 25 countries implemented since inception

# Our Portfolio

Finance in Motion develops and advises impact funds that address a whole range of topics: from micro-finance and small business development to energy and resource efficiency, conservation of biodiversity, and climate action.

## MSME Finance

Micro, small, and medium enterprise finance promotes improved livelihoods and economic opportunities. These funds facilitate access to responsible financing for micro, small, and medium enterprises as well as low-income households by investing in entrepreneurship and business development, housing and home improvement, and rural development.

All figures as of 31 December 2019

### European Fund for Southeast Europe

Initiated by KfW in December 2005

**Purpose**  
MSE and housing finance via financial intermediaries

**Target Regions**  
Southeast Europe, Eastern Europe, Caucasus

**Sustainable Development Goals**

**Fund**

Assets under management	EUR 1.09 billion
Investment portfolio committed	EUR 948 million
Investee companies to date	133
Investment volume to date	EUR 2.9 billion

**Technical Assistance**

Technical assistance volume under management	EUR 12.1 million
Institutions supported to date	136
Technical assistance projects initiated to date	473
Direct beneficiaries of technical assistance to date	24,700

**Impact**

Average size of loans on-lent to MSEs and households	EUR 9,006
Number of loans to MSEs and households to date	1,008,699
Volume of loans to MSEs and households to date	EUR 7.6 billion
Number of investment countries to date	16

### SANAD Fund for MSME

Initiated by KfW in August 2011

**Purpose**  
MSME and housing finance via financial intermediaries and equity investments into financial sector enterprises

**Target Regions**  
Middle East, North Africa

**Sub-Funds**  
Debt Sub-Fund, Equity Sub-Fund I, Equity Sub-Fund II

**Sustainable Development Goals**

**Fund**

Assets under management	USD 404 million
Debt investment portfolio committed	USD 272 million
Equity Sub-Fund I portfolio (approved investments)	USD 25.4 million
Investee companies to date	45
Investment volume to date	USD 404 million

**Technical Assistance**

Technical assistance volume under management	USD 9 million
Financial institutions supported to date	129
Technical assistance projects initiated to date	222
Direct beneficiaries of technical assistance to date	8,000

**Impact**

Average size of loans on-lent to MSEs and households	USD 6,460
Number of loans to MSMEs and households to date	215,044
Volume of loans to MSMEs and households to date	USD 677 million
Number of investment countries to date	7

## Green Finance

Green finance promotes a green economy and the health of our planet. These are investments which address climate change, strengthen biodiversity conservation, and foster the sustainable use of (natural) resources. They do so by investing in sustainable agriculture, sustainable forestry, energy and resource efficiency measures, and renewable energy.

### Green for Growth Fund

Initiated by KfW and EIB in December 2009

#### Purpose

Energy and resource efficiency finance via financial intermediaries and via direct investments in renewable energy projects

#### Target Regions

Southeast Europe, Eastern Europe, Caucasus, Middle East, North Africa

#### Sustainable Development Goals



#### Fund

Assets under management	EUR 662 million
Investment portfolio committed	EUR 582 million
Investee companies to date	77
Investment volume to date	EUR 931 million

#### Technical Assistance

Technical assistance volume under management	EUR 6.8 million
Financial Institutions supported to date	89
Technical assistance projects initiated to date	332
Direct beneficiaries of technical assistance to date	4,600

#### Impact

CO <sub>2</sub> savings	870,674 tons/year
Energy savings	3,423 GWh/year
Renewable Energy Capacity installed supported	947.8 MW
Number of investment countries to date	18

### eco.business Fund

Initiated by KfW, Conservation International, and Finance in Motion in December 2014

#### Purpose

Biodiversity conservation and climate finance via financial intermediaries and direct investments

#### Target Regions

Latin America, Caribbean, sub-Saharan Africa

#### Sub-Funds

Latin America & Caribbean, sub-Saharan Africa

#### Sustainable Development Goals



#### Fund

Assets under management	USD 382 million
Investment portfolio committed	USD 363 million
Investee companies to date	19
Cumulative investment volume since inception	USD 397 million

#### Technical Assistance

Technical assistance volume under management	USD 2.35 million
Financial Institutions supported to date	13
Technical assistance projects initiated to date	61
Direct beneficiaries of technical assistance to date	650

#### Impact

Net CO <sub>2</sub> storage	1,000,000 tons
Hectares under sustainable management supported	261,000
Farmland under soil conservation practices supported	103,000 hectares
Number of investment countries to date	7

### Arbaro Fund

Initiated by Finance in Motion and UNIQUE in July 2018

#### Purpose

Equity investments in sustainable forestry projects

#### Target Regions

Latin America, the Caribbean, and sub-Saharan Africa

#### Sustainable Development Goals



#### Fund

Investor commitments	USD 60.2 million
Targeted investor commitments	USD 200 million
Total commitments	USD 31 million
Investment portfolio	USD 24 million
Portfolio companies	2
Investment volume to date	USD 24 million

#### Impact

CO <sub>2</sub> sequestration	324,500 tons
Jobs supported	1,662
Hectares under sustainable management	24,779
Number of investment countries to date	3

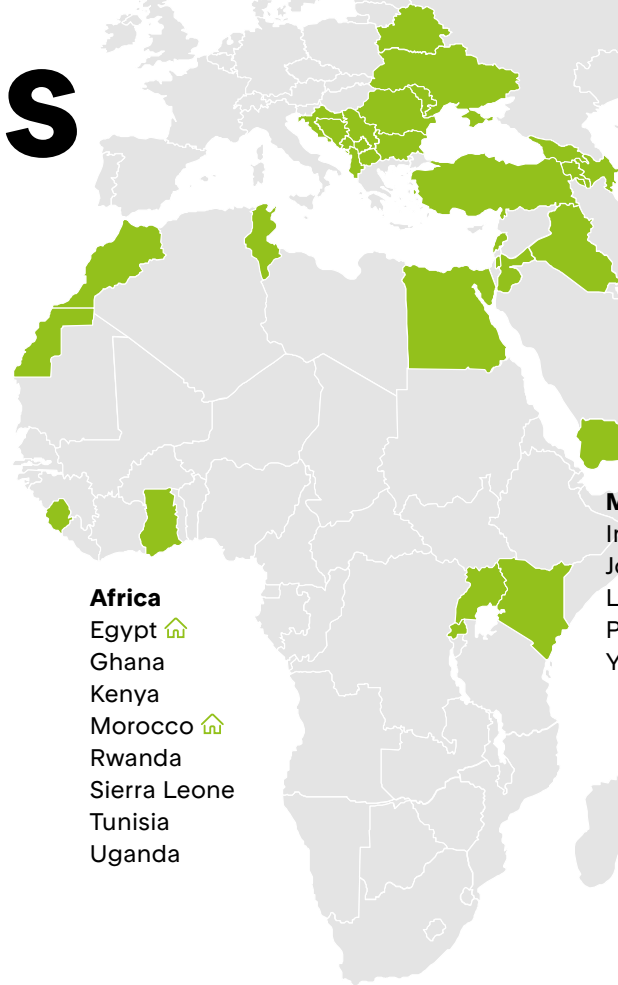
# Regional Operations

Countries where Finance in Motion and its funds have been active through investments or technical assistance



## Central / South America

- Colombia
- Costa Rica
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- Panama
- Paraguay



## Africa

- Egypt
- Ghana
- Kenya
- Morocco
- Rwanda
- Sierra Leone
- Tunisia
- Uganda

## Eastern Europe / Caucasus

- Albania
- Armenia
- Azerbaijan
- Belarus
- Bosnia and Herzegovina
- Bulgaria
- Croatia
- Georgia
- Germany
- Kosovo
- Luxembourg
- North Macedonia
- Moldova
- Montenegro
- Romania
- Serbia
- Turkey
- Ukraine

## Middle East

- Iraq
- Jordan
- Lebanon
- Palestinian Territories
- Yemen

Finance in Motion offices



Visit us

[www.finance-in-motion.com](http://www.finance-in-motion.com)

#### **Publisher**

Finance in Motion GmbH  
[www.finance-in-motion.com](http://www.finance-in-motion.com)

#### **Layout**

hauser lacour kommunikationsgestaltung GmbH  
[www.hauserlacour.de](http://www.hauserlacour.de)

#### **Picture credits**

Illustrations by Stefan Bachmann, Wiesbaden  
Page 2 Peter Großlaub;  
Page 9 Anna Meuer;  
Page 11 Samuel Becker, Pulsis Media GmbH;  
Page 13 Aladdin Qattouri;  
Page 16 ANQER GmbH;  
Page 17: Photo of Sylvia Wisniwski: Denys Goltvenko,  
Photo of Christoph Freytag: Dirk Beichert;  
Page 18 Peter Großlaub;  
Page 19 Rafael Ortiz;  
Page 21 Petkoglo Sergey;  
Page 24 Surreal S.A., Pedro Samper;  
Page 26 Dinu Bubulici;  
Page 27 People at the roundtable: Seid Teftedarija,  
Participants at the training: Lucia Gaitan;  
Page 28 Entrepreneur Egypt: Mmpro, Lamya Amin,  
Participants at Green Academy: Imrana Kapetanovic;  
Page 29 Participants at the Armenian forum: Zaven  
Khachikyan, eco.business conference: Dirk Beichert;  
Page 30 Nicolas K. Wang'ondou;  
Page 32 Aleksandar Letic;  
Page 33 Gaëtan Chekaiban;  
Page 34 Lucia Gaitan;  
Page 35 Rafael Ortiz;  
Page 36 Fouad Maazouz;  
Page 37 Dinu Bubulici;  
Page 41 Harry Liedtke

#### **Disclaimer**

Finance in Motion nor any of its shareholders, directors, officers, employees, service providers, advisors or agents makes any representation or warranty or gives any undertaking of any kind, express or implied, or, to the extent permitted by applicable law, assumes any liability of any kind whatsoever, as to the timeliness, adequacy, correctness, completeness or suitability for any investor of any opinions, forecasts, projections, assumptions and any other information contained in, or otherwise in relation to, this document or assumes any undertaking to supplement any such information as further information becomes available or in light of changing circumstances. The content of this information is subject to change without prior notice. These materials do not constitute an offer to sell or an offer to purchase any securities. Any such offer regarding the securities described herein will only be made by means of a confidential private offering memorandum. These materials are not for distribution in the United States or to US Persons, except pursuant to available exemptions under the Securities Act of 1933 and the Securities Exchange Act of 1934. If these materials are distributed in the United States or to US Persons by Finance in Motion, such distribution will be in compliance with applicable US federal and state securities laws and regulations including without limitation SEC Rule 15a-6. Offers and sales to US Institutional Investors and US Major Institutional Investors, as these terms are defined in the SEC Rule 15a-6 and related interpretive guidance, are chaperoned by Global Alliance Securities, LLC ("GAS"), an SEC-registered broker-dealer and FINRA member (web: [www.globalalliancesecurities.com](http://www.globalalliancesecurities.com)) in accordance with the requirements of SEC Rule 15a-6.

Not for distribution in or into Canada, Japan or Australia or to any person or in any other jurisdiction in which such distribution would be prohibited by applicable law. This document does not necessarily deal with every important topic or cover every aspect of the topics it deals with. The information in this document does not constitute investment, legal, tax or any other advice. It has been prepared without regard to the individual financial and other circumstances of persons who receive it.

© Finance in Motion 2020. All rights reserved