

# IMPACT REPORT

2015-2020



Roots  
of Impact



## A NOTE FROM OUR FOUNDER & CEO

We believe there is a compelling answer for how to fix the mismatch between the needs of high-impact enterprises and the realities of the capital markets: [providing financial rewards for positive impact directly to the entrepreneurs on the ground.](#)

This is how we came to the [Social Impact Incentives \(SIINC\)](#) model, which has since further evolved into the broader concept of [Impact-Linked Finance](#). We are excited to see this approach establishing itself. Moreover, we are actively promoting the adoption of Impact-Linked Finance by the market and are heavily engaged in capacity building. We know that progress in this space cannot be championed by one actor alone. Nor can the demand for such solutions be met by just one provider. [The name of the game is collaboration and we have only just started!](#)



Bjoern Struwer



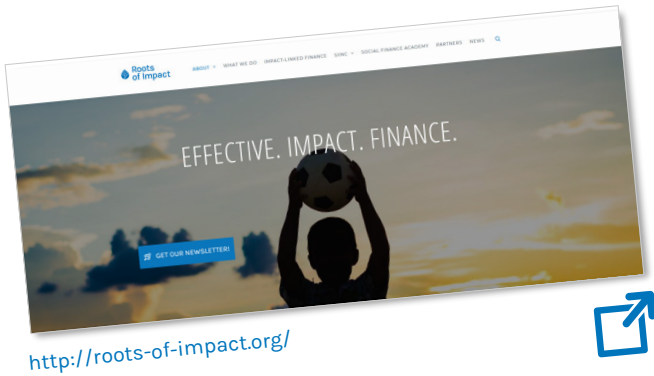
# 1

## I. IMPACT-LINKED FINANCE: FROM PILOTING TO SYSTEMS-LEVEL IMPACT

HIGHLIGHTS FROM OUR JOURNEY OVER THE PAST 5+ YEARS



2015-17



Development of the first Social Impact Incentives (SIINC) program for high-impact enterprises raising investment<sup>1</sup>

Roots of Impact is founded in 2015 and starts to design innovative financing models with impact at the core



Pilot SIINC transaction with Clínicas del Azúcar offers evidence for significant additional impact<sup>2</sup> and investment<sup>3</sup>

1ST PROOF THAT SIINC WORKS

1 Public Private Partnership with the Swiss Agency for Development & Cooperation (SDC) and the Inter-American Development Bank (IDB)

2 See independent SIINC data analysis report  from Ari Bronsoler, M.I.T. researcher, 2019

Main conclusions:

- There is a causal effect of the SIINC on the Bottom of the Pyramid (BOP) proportion of patients in CDA. The effect is estimated to be 0.02, which represents an increase of 6% relative to the 0.34 baseline levels.
- SIINC seems to improve the clinics' ability to attract BOP patients without impairing its ability to attract non-BOP members.
- Patients that continue treatment at Clínicas del Azúcar improve their health a lot. On average, they reduce their HbA1c by 2 points and the effect does not disappear even after 24 months of treatment.

3 Clínicas del Azúcar raised USD 1.5M equity in 2017 and USD 6M debt in 2018



2018-19

# SIINC TAKES TO THE NEXT LEVEL(S)

First application of  
**SIINC at the portfolio level**  
for 40 high-additionality loans to agricultural  
SMEs provided by **Root Capital**

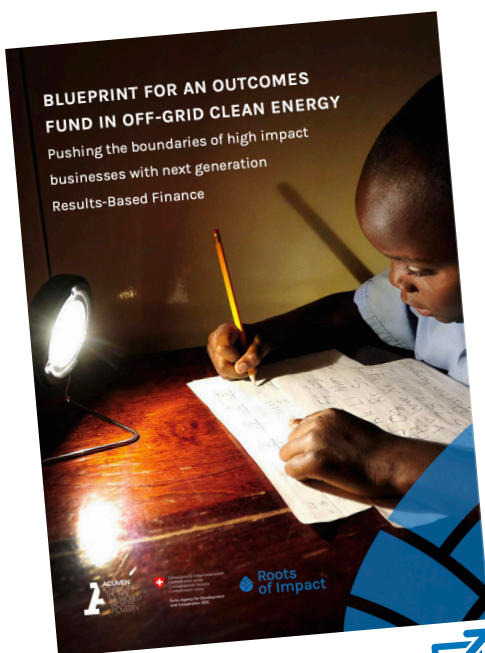
“  
The SIINC model is a game-changer. It will enable Root Capital —and ultimately many other financial institutions— to lend to the enterprises that need it most.

— *Willy Foote, CEO Root Capital*

”



Root Capital, February 20, 2019

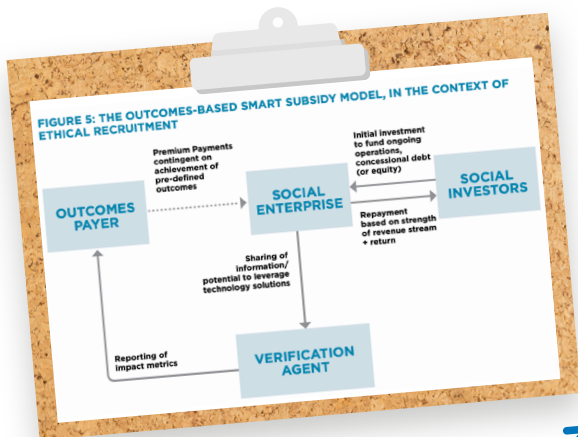
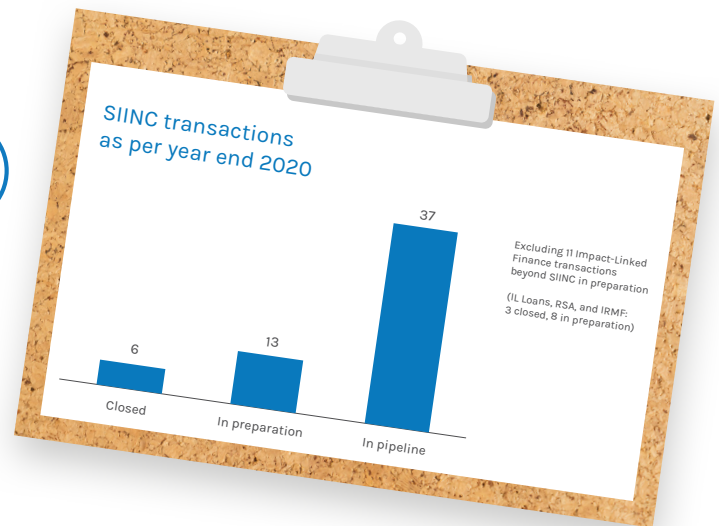


Definition of how to use  
**SIINC at the sector level via an outcomes fund** for off-grid clean energy  
(fund entering inception phase soon)

# SIINC AT SCALE

2019-20

Establishment of SIINC as an effective blended finance solution:  
6 SIINC transactions closed,  
13 SIINC in preparation,  
37 SIINC in pipeline<sup>4</sup>



Social Finance UK suggests a SIINC-type structure to address bonded labor in supply chains

Increasing adoption of the SIINC model by the market<sup>5</sup>

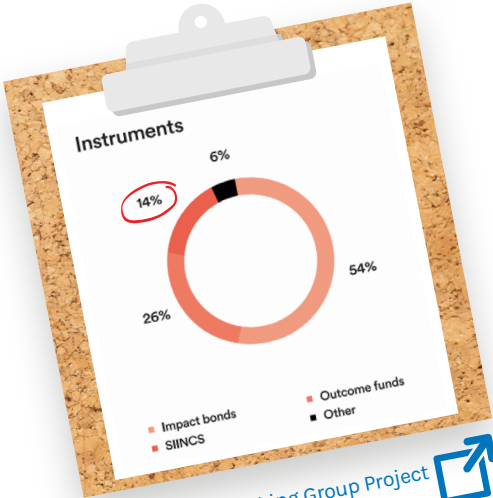
4 — 6 SIINC transactions closed: Clínicas del Azúcar (2016), Village Infrastructure Angels (2017), Inka Moss (2018), Root Capital (2018), Novulis (2020), Programa Valentina (2020)  
— 13 SIINC transactions in preparation (enterprises selected): 4 impact enterprises in Latin America (vocational skills development, agriculture and financial inclusion), 5 impact enterprises in Bangladesh (inclusive fintech, health care, agriculture, retail, off-grid energy), 4 WASH innovations globally  
— 37 SIINC transactions in pipeline: 3 off-grid energy Kenya, 2 impact enterprises in Bangladesh, 5 impact enterprises in South- and East Africa, 1 vocational skills development MENA, 1 agriculture Sub-Saharan Africa, SIINC outcomes fund for off-grid clean energy (25 transactions expected)

5 Outcomes funders for SIINC programs beyond pioneer SDC: IDB Lab, EnDev (through GIZ), Aqua for All and KfW DEG; programs without involvement of Roots of Impact include Aceli Africa providing incentives to 25 financial institutions in Sub-Saharan Africa



# SIINC GETS BROAD & GLOBAL

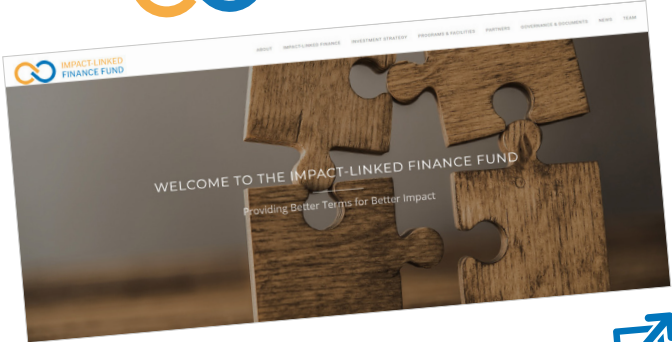
2019-20



Impact Bonds Working Group Project Pipeline, 2020

Further establishment of SIINC: 14% of outcomes-based funding programs globally in preparation [are SIINC programs](#)

From SIINC to Impact-Linked Finance  
Joining forces with BCG, defining the practice of Impact-Linked Finance and how to accelerate it



www.ilf-fund.org

Launch of the Impact-Linked Finance Fund in partnership with iGravity for implementing scalable Impact-Linked Finance programs and facilities





# SIINC gaining traction in media & expert publications



**next billion**

TUESDAY  
JULY 25  
2017

ROBERT STRUEVER / CHRISTINA MOEHRLE

**Social Impact Incentives: A New Solution for Blended Finance**

## IMPACT ALPHA

INVESTMENT NEWS FOR A SUSTAINABLE EDGE



Beats The Brief The Call Podcasts Opinion Agents of Impact

April 24, 2018 | Latin America

**Early data signals success of Social Impact Incentives**

“  
*A German innovation I hope we don't overlook.*  
 Rodney Schwartz, ClearlySo,  
 in Third Sector  
 ”




DEVELOPMENT | DEVELOPMENT FINANCE

**Social impact incentives? A new tool for supporting impact**

By *Atva Saldinger* // 31 May 2019

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# SIINC GOES POLICY

2019-20

Recommendation of impact-based incentives in guidance note for OECD DAC Blended Finance Principles



“

This could include linking the financial returns to the achievement of specific development impact objectives, encouraging fund managers to have a personal stake and buy shares in the fund, or allowing co-investment of managers in funds to ensure optimum performance.

— *Guidance for Principle 1, page 12*

”



## Integration of SIINC in OECD Policy Framework for Social Impact Investment

Table 1.2. Analytical dimensions of the OECD Policy Framework for Social Impact Investment

Policy dimensions	
1. Market target	Demand, supply, intermediaries, enabling environment
2. Government role	Market regulator, market participant, market facilitator
3. Policy type	4. Policy instrument
Employing or reforming government structure and capacities (STEER)	<ul style="list-style-type: none"> <li>• Definition of a national strategy for impact investing</li> <li>• Identification of a formalised function</li> <li>• Internal government consultation</li> <li>• Stakeholder partnerships</li> <li>• Other</li> </ul>
Setting and enforcing rules (RULE)	<ul style="list-style-type: none"> <li>• Certification</li> <li>• Fiscal incentives: tax and investment relief</li> <li>• Legislation: fiduciary responsibility, social enterprises, unclaimed assets</li> <li>• Regulation: pension, public procurement, reporting standards</li> <li>• Social stock exchange</li> <li>• Other</li> </ul>
Levying and granting financial resources (FINANCE)	<ul style="list-style-type: none"> <li>• Awards, challenges</li> <li>• Funds: investment readiness fund, outcome fund, venture capital fund</li> <li>• Pay-for-success: social, development or humanitarian impact bond (social impact incentives)</li> <li>• Outcome commissioning</li> <li>• Technical assistance, capacity building</li> <li>• Wholesaler, incubator, accelerator, fund of funds</li> <li>• Other (grants, debt, equity, mezzanine, guarantees)</li> </ul>
Providing and sharing information (INFORM)	<ul style="list-style-type: none"> <li>• Communication campaign</li> <li>• Consultation with external stakeholders</li> <li>• Research, studies, data publication</li> <li>• Other</li> </ul>

“

SIINCs allow for straightforward monetisation of predefined impact performance and provide a mechanism to incentivise social enterprises to deepen impact without sacrificing profitability and attractiveness for investors.”

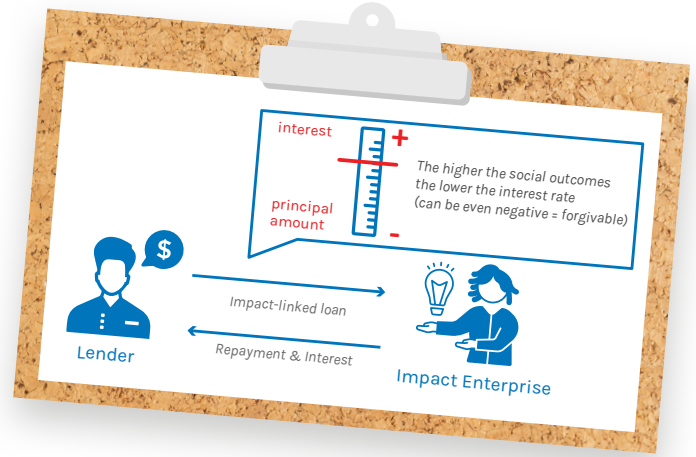
— *OECD, Social Impact Investment 2019, Page 89*

”

# IMPACT-LINKED FINANCE IN ACTION

2020+

Launch of the first  
**Impact-Linked Loan program**  
 for impact enterprises in Latin America<sup>6</sup>



ES2 Latam, December 8, 2020

Various sector-specific  
**Impact-Linked Finance facilities**  
 in preparation – more to come!

	Concept Note	Feasibility Study	Public Report	Final Design Phase	Seed Funding	Launch
1 Access to Off-Grid Clean Energy	✓	✓	✓	✓	✓	Inception starting soon
2 Gender-Inclusive FinTech	✓	✓	✓			
3 Innovations for WASH	Pilot ongoing					

6 Provision of up to 10 loans with partial loan forgiveness (by achieving and demonstrating impact performance) within the scope of PES Latam Covid-19 emergency response program in partnership with Open Road Impact Fund, VIWALA, Kaya Impacto and SDC.







2017-18

# FIRST “ACCESS TO FINANCE” ONLINE COURSE FOR SOCIAL ENTREPRENEURS



Co-creation and launch of the **first online course** on “Access to Impact Investment for Social Enterprises” (MOOC) with 1,500 participants<sup>7</sup>



Launch of the **Social Finance Academy (SFA)** providing practice-driven knowledge and tools that combine open and free online education with personal on-site trainings and acceleration programs run by our partners<sup>8</sup>



<https://social-finance-academy.org/>



Online course available **in Spanish**<sup>9</sup>



<sup>7</sup> The online course “Access to Impact Investment for Social Enterprises” was launched in May 2017 in partnership with VIVA Idea, INCAE Business School and Ashoka

<sup>8</sup> The Social Finance Academy was launched in 2017 with support from the Swiss Agency for Development and Cooperation (SDC)

<sup>9</sup> The Spanish version currently runs on the ES2 Latam platform, with previous runs on Udemy and VIVA Idea. English course content is also included in the “Finance4Social Change” project’s AirMOOC.

# Train-the-Trainer Programs & Resources

2019-20

Creating dedicated **Investment Readiness and Impact Management Programs** that we deliver in a train-the-trainer format to incubators, accelerators, and other service providers.



...first time implemented for Biniyog Briddhi, a market and capacity building program in Bangladesh



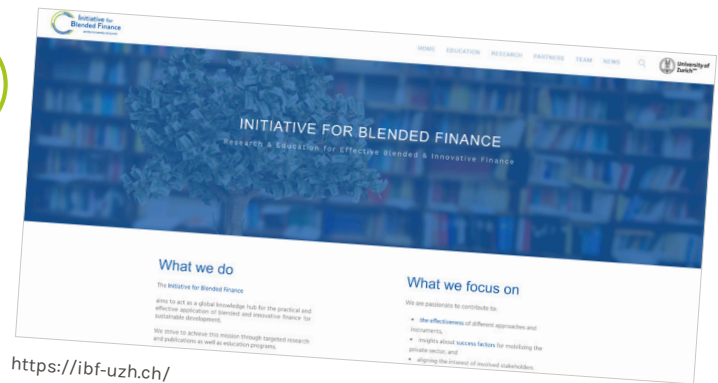
<http://sie-b.org/>



2017-20+

AND MORE EDUCATION,  
RESEARCH & ADVICE  
FOR IMPACT ACTORS

Launching the  
**Initiative for Blended Finance at  
the University of Zurich,**  
bringing together leading academic,  
knowledge, and practice partners<sup>10</sup>



Launch of the first-ever  
**Executive Program on Impact  
Investment and Blended Finance**  
specifically targeted at development  
agencies and foundations<sup>11</sup>

**26 in-house trainings  
and workshops**  
to a variety of public funders and  
catalytic investors

<sup>10</sup> The Initiative for Blended Finance, initiated by Roots of Impact in 2019 and led by Björn Struwer, became the host for the successfully established Executive Program on Impact Investment and Blended Finance for Development Agencies and Foundations

<sup>11</sup> Launch in 2018 in collaboration with the Center for Sustainable Finance and Private Wealth (CSP) at the University of Zurich and Convergence.







# 2

EFFECTIVE. IMPACT. FINANCE.

OUR IMPACT IN DETAIL





## WHAT IMPACT ENTREPRENEURS NEED TO GROW AND SCALE – KEY FINDINGS

Our entire work circles around one question: how can we make finance work for positive impact on people and planet? High-impact enterprises around the world are the true value creators on the ground. They have come up with innovative solutions to social and environmental challenges and care deeply for vulnerable communities and their marginalized customers. But they constantly run into a major challenge: How to attract the right kind of capital to scale their unique solutions?

To address the strong mismatch between impact finance supply and demand, we had to dive deeply into the worlds of impact investing and social entrepreneurship, development, blended and results-based finance. Our goal: to find out what works and what doesn't and why.

Our answers: We pioneered the practice of Impact-Linked Finance and came up with entire market and capacity building programs for emerging impact ecosystems and their actors – from investors to enterprises to support organisations to public and philanthropic funders to infrastructure enablers. **What we learned: That we have to focus on areas where we can add significant value. That we should carefully listen to the entrepreneurs before we come up with solutions. That it is key to have partners who are fully aligned with how we define success when implementing our programs and solutions.**

But there are many more insights from the past 6 years of creating impact in multiple projects with impact-driven, thought-leading and like-minded partners, peers and entrepreneurs:

### EFFECTIVE FINANCE SOLUTIONS - LEARNINGS


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- ① To prepare enterprises for Impact-Linked Finance, a good impact measurement and management practice is THE key.
- ① Co-creating incentive schemes together with entrepreneurs is a very powerful approach, for both, the enterprises AND the outcome funders.
- ① Technology will play a big role in enabling better impact measurement and management: It will accelerate the practice of linking finance to impact.
- ① Our first solution, SIINC, is only one tool of the vast Impact-Linked Finance toolbox: Impact rewards can be integrated in any financial instrument.
- ① It is key in any Impact-Linked Finance transaction to understand exactly where additionality lies - it can take different forms, depending on the enterprise's concrete context and needs.
- ① Sector-specific programs allow to better compare individual Impact-Linked Finance transactions and to create substantial efficiencies in the structuring process.
- ① A gender-smart approach to Impact-Linked Finance is the new frontier: It allows to laser focus on gender transformative outcomes and enables capital to be deployed for financial inclusion beyond outputs.



## EDUCATION, RESEARCH & ADVICE - LEARNINGS

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- 
- ④ Providing targeted education offers for catalytic capital providers is an important enabler towards more effective blended finance.
  - ④ There is a huge gap between academic research and effective practice in the catalytic and blended finance space.
  - ④ The entire field of impact finance will benefit strongly from more academic rigor.
  - ④ The systems and processes to gather relevant impact data points need a major technological upgrade to inform more effective approaches to capital allocation.
  - ④ Procurement and regulations in the development sector are often too complicated and inflexible: This hinders innovative projects to take off and harness their potential.
  - ④ Developing a gender-smart strategy plus related programs and advisory opens up new doors to creating opportunities and partner up.

## ACCESS TO FINANCE FOR IMPACT ENTERPRISES - LEARNINGS

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Impact measurement and management remains an essential and yet sorely underdeveloped capacity among impact entrepreneurs across the different regions we work in. ④

You can't think investment readiness for impact entrepreneurs without the appropriate impact measurement and management skills. ④

Every ecosystem is different: Hearing the voices from all stakeholders and merging international know-how with local context is the secret sauce to capacity building. ④

Our early experiences show that comprehensive programs with capacity building and catalytic finance pillars are more effective than standalone projects. ④

Blended learning with well-structured online content AND targeted onsite training does the trick. ④







Root Capital invests in the growth of agricultural enterprises that support smallholder farmers.

“

The SIINC model is a game-changer. It will enable Root Capital—and ultimately many other financial institutions—to lend to the enterprises that need it the most.”

”

Willy Foote, Founder & CEO





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## THEORY OF CHANGE

Roots of Impact focuses on two interdependent, mutually-reinforcing levels of impact.

First, there is the **impact our activities directly have on impact enterprises** and enterprises with high potential for creating positive impact for people and planet. This type of impact comes through designing and implementing effective financing solutions in cooperation with public funders and private investors as well as through capacity building services provided to ecosystem actors working to support these enterprises on their journey to investment readiness and more robust impact management.

Second, **there is the impact our activities have on the impact finance ecosystem comprising of actors in impact investing, development finance, philanthropy, public finance and finally on the overall financial system.** Through research, advisory, education and advocacy, Roots of Impact seeks to transform how actors conceptualize and approach effective solutions

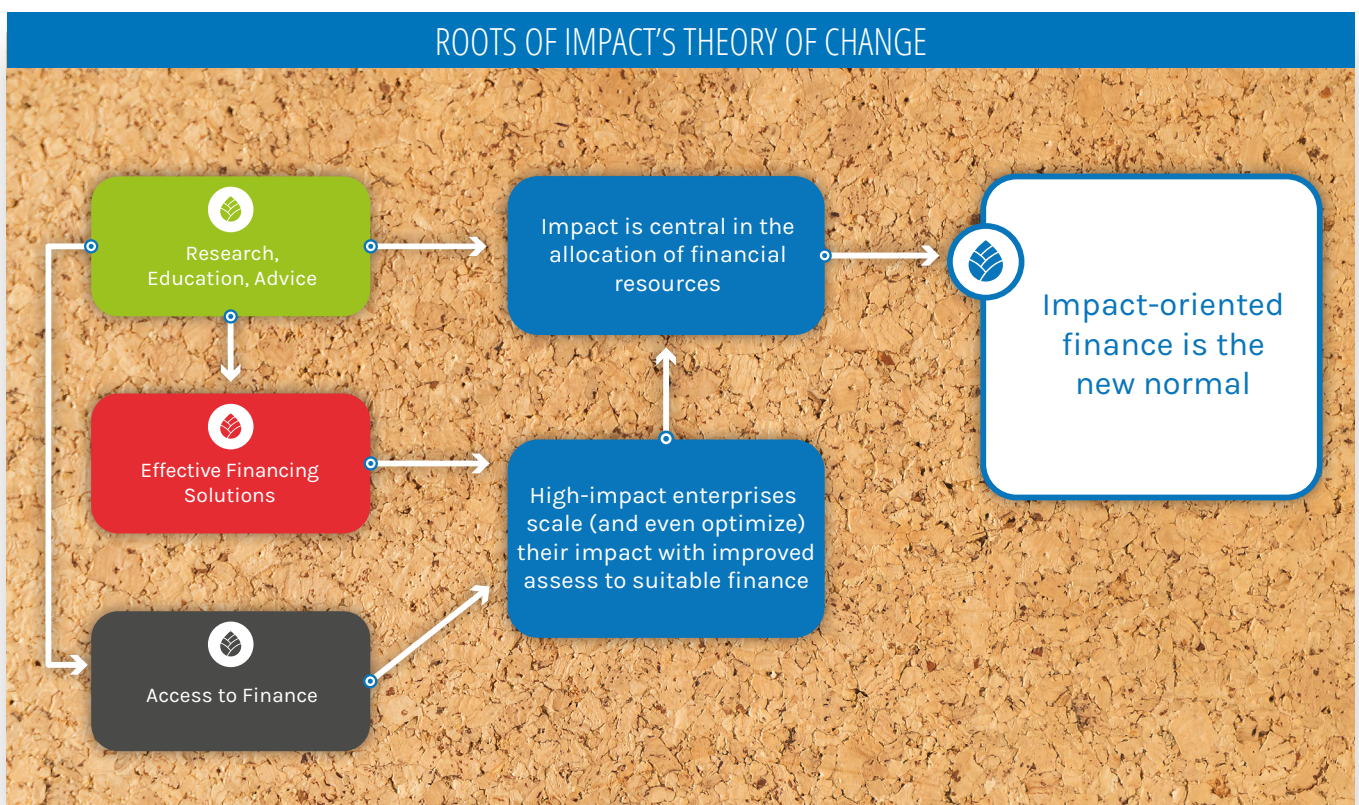
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We seek to transform how actors conceptualize and approach effective solutions for financing impact at scale.

”

for financing impact. Research, advisory, education and advocacy are, in turn, crystallized into concrete plans of actions and long-term programs. The success of these models serves as proof of concept and aims to inspire other actors to replicate our methods. The process of hands-on program implementation allows us to generate practical knowledge that serves as the basis for refining our theories and assumptions and, in so doing, leads to further avenues of research and opportunities for advisory, education and advocacy.

Below is a diagram that visualizes our Theory of Change.



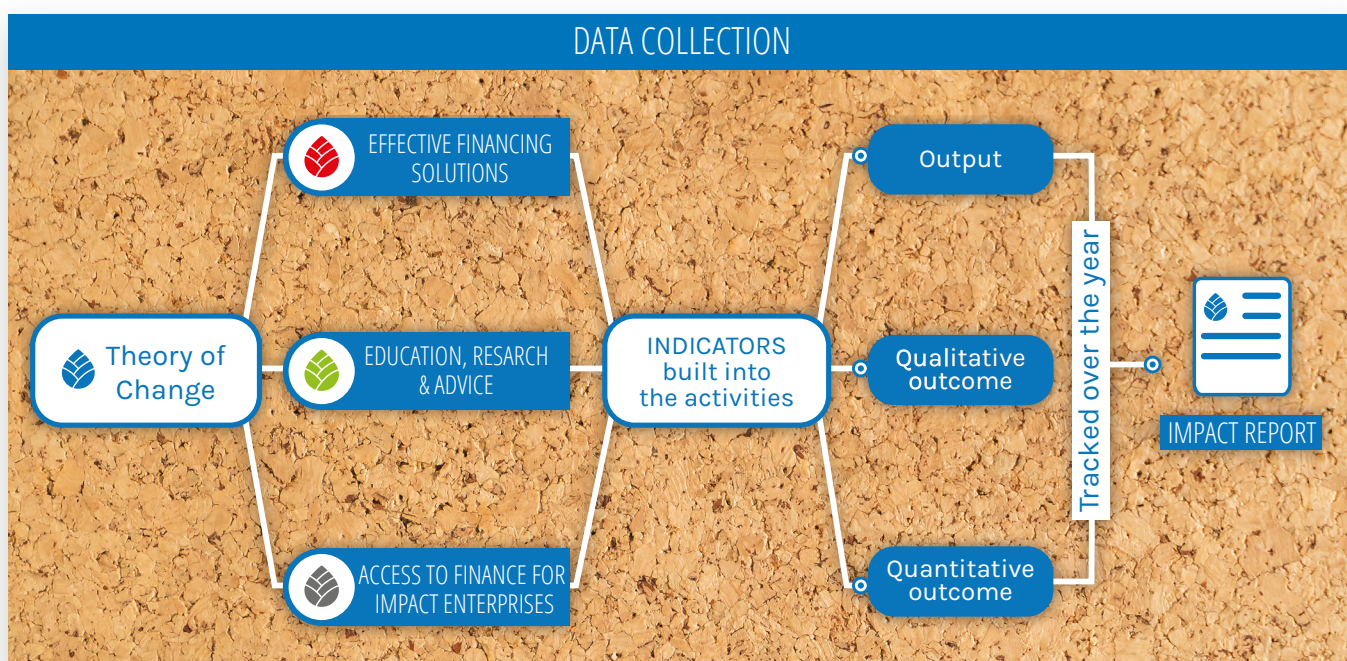
## METHODOLOGY

The methodology for collecting the information used in this report is straightforward. Based on the Theory of Change described above, we divided our activities into three broad areas of impact: (1) effective financing solutions, (2) education, research & advice, and (3) access to finance for impact enterprises. To each activity area, we assigned three types of indicators:

- ❖ **OUTPUT INDICATORS**, which are useful as a basis both for understanding the scope of our work and which serve as the foundation of calculations of outcomes.
- ❖ **QUALITATIVE OUTCOME INDICATORS**, which directed our efforts to collect information from our partners about the perceived effects of our activities on the way they conceive of or pursue their own impact objectives.
- ❖ **QUANTITATIVE OUTCOME INDICATORS**, which directed our efforts to collect relevant information on whether or not the proximate effects of our activities aligned with our Theory of Change.

Information on these indicators is collected through operational processes built into the activities, through conversations with our partners, and through third-party verification of the impact that the activities generate. The information is collected in a tracker over the year and referenced as necessary in the report. For this specific report, the process of collecting the data and entering it into the tracker was done retroactively so that the report could serve as a retrospective on Roots of Impact's first five years in operation.

“ ...the work that Roots of Impact does is highly qualitative in nature. Research, advisory, education and advocacy often work through many channels simultaneously and in concert. ”





## HOW TO UNDERSTAND THIS REPORT

While the nature of the outcomes that we seek to catalyze through our work with enterprises lends itself to the application of methods and tools that have been developed over the last several decades of work in development (and in particular those, like Lean Data, that have been developed in the last five or so years), the nature of the ultimate impact we wish to see in the world is diffuse and difficult to measure precisely and quantitatively. In both cases, it is necessary to acknowledge certain limitations that come with this report.

First and foremost, Roots of Impact is a young company. The types of change that we seek to effect play out on the scale of years and decades. Since beginning in 2015, most of the work that we have done up until very recently was conceptualizing new methods of effective financing solutions for impact, convincing larger actors of the potential benefit of these methods, and piloting and refining them. Our accomplishments must therefore be viewed in light of the level of effort required to do something novel. The work that Roots of Impact has done was accomplished without mobilizing resources prior to its foundation – it takes time to build the relationships necessary with key individuals who must, in turn, advocate within their organizations for the new partnerships necessary to carry out the work we were proposing at the beginning.

Second, Roots of Impact has worked with meaningful resource constraints. We do not have the same types of budgets other actors working in the sector have had for monitoring, evaluation, and learning. Because we commit to reporting only those results we have been able to measure and verify – and not those results that we speculate have happened, or that are still anecdotal in nature – the report may paint a less vivid portrait of our impact than similar reports.

### CONTEXT



*Roots of Impact is a young company. The types of change that we seek to effect play out in the scale of years and decades.*



*We have worked with meaningful resource constraints and commit to reporting only those results we have been able to measure and verify.*

Third and finally, a lot of the work that Roots of Impact does is highly qualitative in nature. Research, advisory, education and advocacy often work through many channels simultaneously and in concert.

For the purposes of this report, we deliberately do not try to ascertain (if it were even possible to do so) a precise value for contribution or attribution. Our philosophy is that the work that we do is, in a sense, all or nothing: without a single one of the partners, it would not be possible to implement our projects in the same way, to the same degree, with the same actors, and in the same places.

The nature of our work is holistic rather than modular and therefore not conducive to measures of contribution or attribution (with some exceptions of direct impact on enterprises) that might be asked for in a rigorous assessment. That being said, future reports will look more deeply into the process by which Roots of Impact changes the opinions of key decision makers to establish new approaches at the institutional level. Methodologies to do this exist; however, in light of the time and resource limitations mentioned above, they have not been used here.



*A lot of the work we do is highly qualitative in nature.*



*Future reports will look more deeply into the process by which we change opinions of key decision makers.*



“

The nature of our work is holistic rather than modular and therefore not conducive to measures of contribution or attribution (with some exceptions of direct impact on enterprises) that might be asked for in a rigorous assessment.

”











# EFFECTIVE FINANCING SOLUTIONS

As pioneers of Impact-Linked Finance, we are passionate about the most effective use of public funds and catalytic capital. Our mission is maximize ‘value for money’ by mobilizing private investment for high-impact opportunities and shaping innovative public-private investment partnerships. In the same way, we strive to be conscientious in the way we report our impact:

WHAT OTHERS TYPICALLY REPORT	WHAT WE REPORT	HOW WE VALIDATE THIS
All impact from investee enterprises, e.g. 60,000 clients have access to diabetes treatment	The additional, verifiable impact associated with our effective financing solutions: 10,000 new, additional Bottom of the Pyramid clients by 2025	Quantitative evaluation of the impact of SIINC on Bottom of the Pyramid proportion by a researcher at the Massachusetts Institute of Technology.
..... The value of an investment or loan made to an enterprise: for example, loans of 12M USD mobilized for agricultural SMEs	..... The additional, verifiable impact associated with our effective financing solutions: more than USD 3 million in extra income for smallholder farmers.	..... An academic study on how loans and incentives translate into income for enterprises.

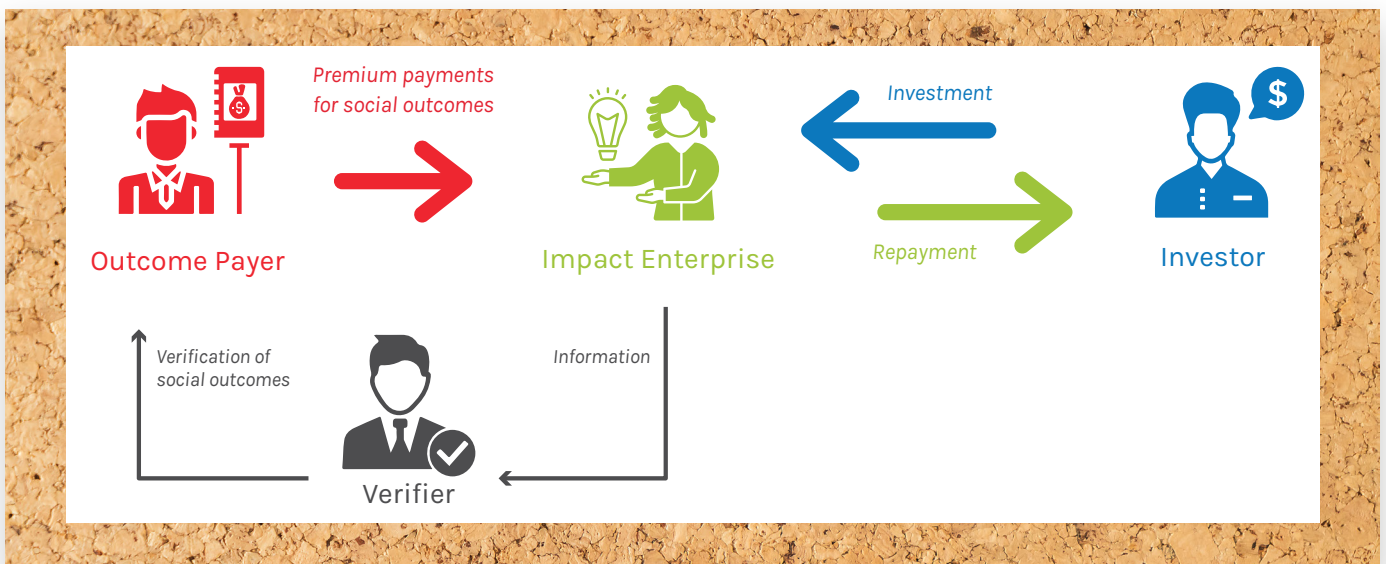
*The above table should be interpreted illustratively, though based on real world cases.*







## SIINC'S ENTERPRISE IMPACT


Social Impact Incentives (SIINC) is a funding instrument that rewards high-impact enterprises with time-limited premium payments for achieving social impact. The additional revenues enable them to improve


profitability and attract investment to scale. Thus SIINC can effectively leverage public or philanthropic funds to catalyze private investment in underserved markets with high potential for positive impact.





The following tables show the outcomes and impact of initial SIINC projects on the target enterprises and their beneficiaries:

PROGRAM		Social Impact Incentives for Scaling High-Impact Social Enterprises in Latin America and the Caribbean (SIINC LAC), Phase 1	
TRANSACTION	OUTCOMES	IMPACT	
	<ol style="list-style-type: none"> <li>6% increase in proportion of Bottom of the Pyramid clients</li> <li>2 point reduction in HbA1c levels – comparable to non- Bottom of the Pyramid clients and sustainable &gt; 24 months</li> </ol>	~10,000 new Bottom of the Pyramid clients by 2025	
	<ol style="list-style-type: none"> <li>20 communities graduate to higher levels of production</li> <li>175 new harvester communities</li> </ol>	USD 110,000 in extra income for moss-gathering communities in 2019	
	First results forthcoming in 2021.		
	First results forthcoming in 2021.		

PROGRAM		Social Impact Incentives (SIINC) for agricultural lending in Latin America (SIINC LAC – Phase 2)	
TRANSACTION	OUTCOMES	IMPACT	
	<ol style="list-style-type: none"> <li>30 high-additionality loans</li> <li>9 medium-additionality loans</li> <li>12 loans to gender-inclusive businesses</li> </ol>	> USD 3 million in additional income for smallholder farmers between 2018 and 2020	

PROGRAM		Social Impact Incentives for Vocational Skills Development in LATAM (SIINC LAC - Phase 3)	
TRANSACTION	OUTCOMES	IMPACT	
	First results forthcoming in 2021.		



PROGRAM		PES LATAM COVID-19 Emergency Response Program	
TRANSACTION	OUTCOMES	IMPACT	
	First results forthcoming in 2021.		
	First results forthcoming in 2021.		

SIINC PROGRAMS LAUNCHED IN 2020, NO TRANSACTIONS CLOSED YET			
	SIINC for WASH		
	B-Bridddhi - Scaling Impact Enterprises of Bangladesh (catalytic funding window)		
	Pilot SIINC with DEG focused on gender-related outcomes		

“...SIINC can effectively leverage public or philanthropic funds to catalyze private investment in underserved markets with high potential for positive impact.”





CLÍNICAS DEL AZÚCAR



One-stop shops for affordable diabetes care in Mexico

“ I was very excited by the results, and definitely by some unexpected outcomes because of SIINC, like the aligning of the executive team that produces results even beyond the scope of the project. ”

Javier Lozano, Co-Founder & CEO





## DETAILS ON EFFECTIVE FINANCING SOLUTIONS

### NEED

The genesis of Roots of Impact lies in the identification of a need for financial solutions that are adapted to the specificities of impact enterprises while simultaneously addressing the concerns of (potential) financiers. Against the backdrop of a rise in the prominence of blended finance, it became possible to imagine new models of finance that allow for the achievement of development impact with the Sustainable Development Goals (SDG) while addressing unmet needs in new ways.

We recognize that many impact enterprises evolve at points along the risk/return spectrum not yet covered by mainstream capital markets. Numerous high impact enterprises fail to achieve the level of profit necessary to reach scale, attract investment, and grow. On the other hand, commercially attractive impact enterprises don't have access to a type of capital that would allow them to optimize for impact.

Public funders and philanthropists play a vital role in unlocking the potential of these business models and they can do so in ways traditional investors cannot. However, they face strict constraints on their scarce resources and so must prioritize the most effective solutions in order to have the greatest impact.

Social Impact Incentives (SIINC) was thus developed as the first in a line of Impact-Linked Finance (ILF) tools that address the root causes of these challenges

by rewarding impact enterprises for the achievement of impact, close the commercial viability gap and allow for the effective financing of these without compromising their business acumen.

### ACTIONS

Our activities in this area have continued to evolve since 2016. They are categorized here:

🌐 **SIINC Pilots:** Starting in 2016, Roots of Impact co-created the SIINC model with the [Swiss Agency for Development and Cooperation \(SDC\)](#) and implemented a pilot in cooperation with the [Inter-American Development Bank \(IDB\)](#), the [IDB Lab](#), [New Ventures](#), [Ashoka](#) and the [SDC](#). In the first round of the pilot, Roots of Impact worked with four businesses. Each of these transactions is based on impact metrics, [aligning additional impact with the profitability of these enterprises to allow them to attract investment to scale and simultaneously expand and deepen their impact beyond what would have happened otherwise](#). A field researcher working with a modified version of the [Donor Committee for Enterprise Development \(DCED\)](#) framework for enterprise impact has conducted ongoing verification to trigger payments. An independent researcher, this one from the [Massachusetts Institute of Technology \(MIT\)](#), performed a study to quantitatively estimate the impact of the SIINC transaction on [Clínicas del Azúcar](#) and the three metrics used as the basis of payments.


“

The genesis of Roots of Impact lies in the identification of a need for financial solutions that are adapted to the specificities of impact enterprises while simultaneously addressing the concerns of (potential) financiers.

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🌱 **SIINC for Agricultural Lending:** With our partners [SDC](#) and [IDB Lab](#), we formed a partnership with [Root Capital](#) in 2018, a social lender for early-stage agricultural businesses that has the potential to transform farmer livelihoods, strengthen food security, build resilience to climate change, and boost economic development. This was the first sector-specific SIINC and successfully leveraged Root Capital's pioneering [impact efficiency frontier](#) . SIINC offered the opportunity to them to put this model into practice. As Root Capital's founder and CEO, Willy Foote said: "The SIINC model is a game-changer. It will enable Root Capital—and ultimately many other financial institutions—to lend to the enterprises that need it most. These are businesses that we otherwise might not reach, but that demonstrate substantial promise for growth and impact in the future."

🌱 **SIINC for Vocational Skills Development:** The second sector-specific SIINC began in 2019 and leveraged the same partners of Phase 1 to support high-impact enterprises working on vocational skills development (VSD) in Latin America. One transaction has been closed with a business in Guatemala, Programa Valentina.

🌱 **SIINC for Off-grid Clean Energy:** Based on the findings of a report published by Roots of Impact and Acumen and the strength of the initial SIINC results, Roots of Impact has now been mandated to prepare a concept for a funding facility for off-grid clean energy enterprises. In parallel, we are gathering proof of concept for such transactions through our work with [Energising Development \(EnDev\)](#), with whom we are piloting SIINC transactions in sub-Saharan Africa.

🌱 **SIINC for WASH:** With our partner [Aqua for All](#), Roots of Impact is rolling out yet another sector-specific SIINC program focusing on innovations for WASH worldwide. The first transactions are already in the process of preparation and will launch in 2021.

🌱 **PES LATAM COVID-19 Emergency Response Program:** Roots of Impact along with partners began to implement Impact-Linked Loans with a program that sought to alleviate the effects of the COVID-19 emergency for impact entrepreneurs in Latin America. Two transactions were closed and several are in the preparation process and will launch in 2021.

## EARLY SIGNALS OF SIINC'S IMPACT ON SYSTEMS LEVEL

SIINC has gained a lot of early traction with major players in the field, including being listed in the OECD Policy Framework for Impact Investment. In addition, it has received coverage as one of the four core instruments for outcomes-based financing by the Global Impact Bonds Working Group, which also featured 6 SIINC transactions in a dealbook of 36 transactions in total – in addition to significant media coverage in industry outlets.

## IMPACT

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The proximate impact for enterprises is relatively clear and much of it is illustrated in the above figures. As of this writing, we have provided USD 1,581,200 in incentive payments, which has been used to leverage a further USD 12,355,000 in investment in the health, VSD, off-grid energy, and agriculture sectors. Many more transactions will demonstrate their impact in the time to come.

The results of our initial transactions have provided strong evidence that we are effectively shifting business models to align with higher and/or deeper

impact achievements. Two examples in particular demonstrate this. With Clínicas del Azúcar, it helped push them towards a 6% increase in the proportion of Bottom of the Pyramid clients – these patients saw a persistent reduction in a key health marker at a level comparable with patients from more affluent backgrounds in other clinics.

Through our partnership with Root Capital, we have incentivized 39 loans, 30 of which are rated as high additionality, counterfactually impossible loans. These loans, in turn, have generated more than USD 3 million in extra income for smallholder farmers.

“

The results of our initial transactions have provided strong evidence that we are effectively shifting business models to align with higher and/or deeper impact achievements.

”







## PROGRAMA VALENTINA



Solving unemployment with data and analytics to train, certify and place at-risk populations in formal jobs.

“ SIINC is about having the opportunity to create impact without compromising on revenues and sustainability. It ensured that we did not forget about creating impact for our most vulnerable clients when we had to adapt our model as a consequence of the pandemic. ”

[Read more of this interview](#)

**Katia Cerwin, Co-Founder**

PROGRAMA VALENTINA





## NEXT STEPS

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Preparing and launching sector-specific Impact-Linked Finance programs



Creating the Open Platform for Impact-Linked Finance



Embedding SIINC and other Impact-Linked Finance solutions in ecosystem building programs

In the upcoming year, Roots of Impact will focus on two strands of work: first, expanding SIINC and other Impact-Linked Finance (ILF) approaches and, second, working on increasing the replicability of SIINC and ILF by other actors. This will build on our work with [Boston Consulting Group \(BCG\)](#), which resulted in a roadmap for accelerating ILF and design principles for effective implementation.

To achieve the first goal, Roots of Impact is currently working on preparing three sector-specific ILF programs that shall lead to larger, generalized funding facilities. They include facilities for gender-inclusive FinTech as well as programs for off-grid energy in Sub-Saharan Africa (with [EnDev](#)) and WASH innovations (with [Aqua for All](#)). The latter are ongoing and will bring important insights as to how to scale these approaches. We also launched, in partnership with [iGravity](#), the Impact-Linked Finance Fund in 2020, which will allow for the implementation and scaling of specific ILF programs and facilities like the ones mentioned in this report.

In addition, we are proud that we launched the first-ever comprehensive program using Impact-Linked Loans in Latin America in partnership with SDC, Kaya Impacto, ViWALA and the Open Road Impact Fund. A number of transactions are underway and further are expected to launch in 2021.

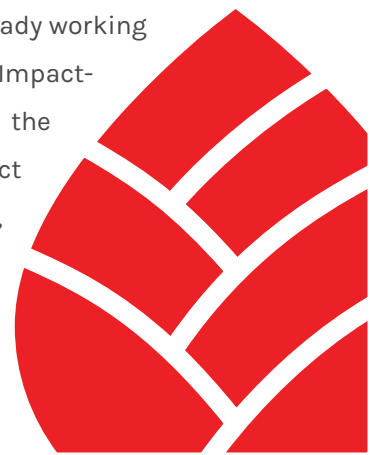
Second, we are in the middle of developing our concept of an [Open Platform for Impact-Linked Finance](#). The open platform will serve as a knowledge repository with learnings and best practices derived from the implementation of current and upcoming projects.

Furthermore, we will host a practitioner community and run co-creation bootcamps where we will share valuable insights of designing ILF transactions with intermediaries and other practitioners.

Finally, 2020 saw the launch of our [Scaling Impact Enterprises of Bangladesh \(SIE-B\) program](#) - a 4-year, USD 5 million program that will address the entire impact ecosystem in Bangladesh. The scope of this program allows us to support the impact ecosystem in such a way as to maximize the potential benefit of Impact-Linked Finance approaches. 5 SIINC transactions are in preparation with impact enterprises in Bangladesh, as well as 4 transactions using another innovative instrument, a matching fund for earlier-stage enterprises preparing them for access to Impact-Linked Finance. Other work on capacity development is mentioned in later sections.

As with all our engagements, there is another level of impact at play: this program will serve as a blueprint for holistically addressing nascent impact ecosystems in countries similar to Bangladesh, allowing us to pioneer a model of comprehensive engagement.

Overall, we are proud that, after more than 5 years into this work, we are already working on a variety of ways of using Impact-Linked Finance to support the much-needed work of impact enterprises at a global scale, and excited to test these at scale in the coming years.











## EDUCATION, RESEARCH, AND ADVICE

To move the needle towards better access to (suitable) finance for high-impact enterprises, projects and organisations, we knew that targeted education, research and advice for important market actors are key. This is why we launched several initiatives, education programs and research projects and entered into advisory mandates to achieve this ambitious goal. The strongest focus of our activities is on public and philanthropic funders, who are in a unique position to provide catalytic capital to mobilize investments from the private sector and make smarter and more effective use of their resources. For us, this target group of impact actors is central to mobilizing more capital to bridge the SDG financing gap and empower high-impact organisations - the value creators on the ground - to scale their solutions.

Here is a snapshot of our education activities around "Impact Investment & Blended Finance" in the form of executive training programs as well as in-house workshops (including virtual trainings).





## DETAILS ON EDUCATION

### NEED

Public and catalytic funders seeking to maximize the impact of their grants or investments often require insight on strategies and instruments that will allow them to leverage their own resources by blending them with private investment for small and growing businesses in their focus countries and regions. There is a strong recognition that such businesses have a huge potential to contribute to international development. However, current practice in this area is either at such a nascent stage as to be negligible or suffers from carrying over ineffective practices from prior experiences. There is thus a strong need for practical knowledge around how to use blended finance and new kinds of funding mechanisms to scale high-impact enterprises in a way that overcomes the market failures and structural challenges that normally stymie efforts to promote such growth.

### ACTIONS

To address this need, Roots of Impact has worked with numerous partners over the years to deliver tailored executive education on a range of relevant topics, from the role of the private sector in achieving the SDGs, impact investing and blended finance, approaches to attracting private capital, choosing the right instruments to catalyze investment, pay-for-

success instruments, impact management, and other topics that dispel misconceptions and promote best practices in the sector. In this effort, Roots of Impact has been able to reach dozens of high-level staff at outfits like the [Donor Committee for Enterprise Development \(DCED\)](#), the [United Nations Development Programme \(UNDP\)](#), the [United States Agency for International Development \(USAID\)](#), the [European Commission](#), the [Swiss Agency for Development and Cooperation \(SDC\)](#), and others.

We also began, in 2016, to form a partnership with the the Center for Sustainable Finance and Private Wealth at the University of Zurich and Convergence to create a recurring program. Launched in 2018, our Executive Program on "Impact Investment and Blended Finance for Development Agencies and Foundations" has now taken place twice in Switzerland and once each in regionally-adapted formats in Egypt (May 2019) and Jordan (November 2019). Initially a part of the Social Finance Academy, the program moved in 2019 to the Initiative for Blended Finance (IBF) (described further below in Education). As of the writing of this report, there are 163 pending requests for information on a formal training by the IBF from executives in the development sector.

## SELECTED FEEDBACK FROM IIBF TRAINING EVALUATIONS



## IMPACT

It would be misleading to claim that the training, in and of itself, has had an impact on the decisions made by participants on behalf of the organizations they represent. Indeed, given the complex process by which decisions are made and the long time-frames and strategic considerations taken into account during these processes, it would be almost impossible to track how a particular workshop contributed (or not) to a certain decision. We have, however, received strong positive feedback, visualized above, with a further explanation of why this information matters following.

The peer recommendation score in particular is important as it is the most direct way to link participation in the training with follow-on actions that indicate that the relationships formed through these trainings and the evidence presented therein

catalyze or accelerate the adoption of effective blended finance approaches. The strongest testament to this is the fact that each workshop has resulted at least in one participant deciding to organize a similar workshop either in the participant's country of origin or a tailor-made training for their respective organization. These led, for example, to the trainings in Egypt and Jordan, hosted by UNDP (and, indeed, the one held in Jordan resulted in a similar interest from a representative of an organization in yet another country).

## NEXT STEPS

Given the success of the University of Zurich-hosted Impact Investment and Blended Finance (IIBF) executive workshops and the launch of the IBF in 2019, the coming years will see the continuation of IIBF workshops in an annualized three-day format as well as many individual executive trainings.

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The strongest testament to this is the fact that each workshop has resulted at least in one participant deciding to organize a similar workshop either in the participant's country of origin or a tailor-made training for their respective organization.

”







INITIATIVE FOR BLENDED FINANCE

Executive program “Impact Investment  
& Blended Finance for Development  
Agencies & Foundations (IIBF)




“

Almost our whole team participated in the last editions of the IIBF Program and we recommend it to all our colleagues working on a) inclusive economic development, b) private sector engagement and c) with interest in innovative finance. I personally learned a lot, was impressed by the quality of the lecturers and liked very much the possibility of networking with other participants.

”

**Dr. Peter Beez, Senior Policy Advisor,  
Engagement with the Private Sector**



 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC



## DETAILS ON RESEARCH

### NEED

Blended finance is still at a nascent stage of development. Despite the best efforts of a growing community of blended finance pioneers, the concept and associated capacities are still reaching maturity. Many open areas for research remain, from the spectrum of blending instruments possible to how to effectively target specific development outcomes to deciding on appropriate instruments. Indeed, one of the only areas that has thus far received significant attention has been on risk reducing mechanisms. Further research in these areas is necessary to realize the potential of blended finance to help meet the funding gap facing the Sustainable Development Goals. Sustained investments of time and effort by knowledgeable actors are required to address this outstanding need.

### ACTIONS

Since its foundation, Roots of Impact has been engaged in sector-specific research in partnership with a wide range of actors. Over two years, we worked with the [Donor Committee for Enterprise Development \(DCED\)](#) on research projects that helped them strategize

their approach to private sector engagement in light of current trends in impact measurement and management. With support from [Porticus](#), Roots of Impact, through its Social Finance Academy arm, is currently engaged with the [University of Zurich](#) in a research project to increase the involvement of faith-based investors in asset allocations that directly contribute to the achievement of the SDGs.

In cooperation with a range of academic and practice partners, we also decided to establish the [Initiative for Blended Finance at the University of Zurich](#). Going forward, the Initiative for Blended Finance will provide excellent, practice-driven research and education on its namesake topic, and indeed we will next year be publishing a report in partnership with the [UBS Optimus Foundation](#), compiled in cooperation with the [Bertha Centre for Social Entrepreneurship](#) and the [University of Zurich](#), on which blended finance instruments are most appropriate in a given context.

Future research will look into the investor perspective on Impact-Linked Finance instruments as well as



their effectiveness with an eye to further refining their design and deployment, explore the differences in development of businesses that do and do not receive Impact-Linked Finance support, and look at the effect of our capacity building on ecosystems. We are currently in talks with academic researchers on three continents that will independently carry out research on the work we have done to develop and roll out Impact-Linked Finance instruments. The research will help us evaluate what we have done so far, how well we have done it, and how we can improve it in the future. Current research ideas include comparing enterprises that applied and got SIINC with those that applied but were not, evaluating investor perceptions of enterprises that receive Impact-Linked Finance support, and better understanding how enterprises benefit from the work that we do. Future research will look into these and further topics using a range of quantitative and qualitative methodologies.

## IMPACT

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As with education, the impact of research is diffuse

and hard to measure. Perhaps more important than the impact of our research on partners and stakeholders is its impact on the way we approach the work we do. The research that we conduct directly informs our understanding of the state of a rapidly-changing ecosystem. By better understanding the landscape of blended finance and innovative finance, we can design better, more effective solutions that incorporate a broader range of ideas and innovative approaches. In addition, this work allows us to maintain our authority on the topics at hand in general. Finally, the relationships formed as part of this work must not be undervalued – even if they do not result in concrete projects or programs in the immediate aftermath of the conclusion of an assignment, they lay the groundwork for future cooperation and collaboration.

Where possible, we hope to also use the research agenda engagements as an opportunity to prove some of the more high-level, long-term systems changes that we are trying to effectuate.

“  
By better understanding the landscape of blended finance and innovative finance, we can design better, more effective solutions that incorporate a broader range of ideas and innovative approaches.”







“ With the research projects, we aim to bring the best of both academia and practice to come to actionable findings based on scientific rigour. We are not making our lives easier by trying to marry those two, but if you want to have true impact as a researcher, working so closely with practice partners is very exciting and rewarding. ”

**Taun Kwon, Research Lead, Initiative for Blended Finance at the University of Zurich**



## DETAILS ON ADVICE

### NEED

Given the state of the sector described above, it should come as no surprise that there is a strong demand for knowledgeable support for public and private actors seeking to engage in effective impact finance. The paucity of widely-available evidence and the lack of established approaches present a dangerous potential for ineffective (or, worse, harmful) approaches by actors seeking to shift their activities towards impact. It is therefore important to provide a guiding hand to such actors as they enter the sector or as they deepen their current engagements.

### ACTIONS

Roots of Impact has provided a wide range of services to a diverse array of actors since its foundation. Today, we focus on institutions and organizations that either have a clear institutional mandate or strategy for using catalytic funding for creating development impact or a unambiguous commitment for creating maximum additionality. While there are many great organizations in the growing field of

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The paucity of widely-available evidence and the lack of established approaches present a dangerous potential for ineffective (or, worse, harmful) approaches by actors seeking to shift their activities towards impact.

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We see our impact not at the level of individual decisions; rather, it is the establishing of an overall practice of impact financing that is aligned with our implementation principles...

”

impact finance that are focusing on attracting and guiding newcomers, we focus our energy on the most sophisticated and committed actors that have the potential to make a difference.

One of these actors is the [Swiss Agency for Development and Cooperation \(SDC\)](#) that has provided us with an opportunity to give advisory opinions on a number of initiatives over the years. In 2019, the strength of our work in this area allowed us to write a winning proposal to provide ongoing operational and strategic support as a trusted advisor for Blended and Innovative Finance (financing formats) over 5 years (from 2020 to 2024).


### IMPACT

While it is more difficult to trace the impact of our engagements in education and research, it is certainly possible in this domain to see a direct link between the actions we recommend and the decisions that our partners make (or not). In this case, our engagement with the SDC over the years has resulted in a number of occasions where they have



followed our advice and chosen to take approaches aligned with our interpretation of effective impact finance. Decisions we advised SDC on included engagement (or non-engagement) in guarantee programs, impact bonds and outcomes funds as well as structuring of financing instruments for impact enterprises. Moreover, SDC has become a co-creator, trusted partner and strong advocate for

Impact-Linked Finance. Without SDC's pioneering role it would not have been possible to establish this new financing practice as successfully.

We see our impact not at the level of individual decisions; rather, it is the establishing of an overall practice of impact financing that is aligned with our implementation principles listed [here](#). 

## NEXT STEPS

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(Continue to) focus on the most sophisticated and committed actors that have the potential to make a difference



Give advice to practitioners that are starting to use Impact-Linked Finance



Provide assessments and data-driven services to the growing community of practice working with Impact-Linked Finance

Over the next 5 years, we will continue in our close advisory capacity to the SDC and other pioneers. Our current and future engagements with others will provide us with opportunities to leverage our current momentum to become better and more embedded advocates for effective impact finance amongst

other actors in the sector. In addition, we will seek out other opportunities to work with influential actors in the sector. We will offer critical support and services to the growing field of Impact-Linked Finance. Our assessment services will ensure the integrity and effectiveness of Impact-Linked Finance.

“

Our current and future engagements with others will provide us with opportunities to leverage our current momentum to become better and more embedded advocates for effective impact finance amongst other actors in the sector.

”









## ACCESS TO FINANCE FOR IMPACT ENTERPRISES

### NEED

Impact enterprises, even those with the best ideas and the most promising approaches, often struggle to meet the requirements of investors and funders. The skills and knowledge that make entrepreneurs successful at identifying and addressing intractable problems in their communities are not always perfectly collinear with those required to scale a business by attracting investment from institutional sources.

An ecosystem of providers of support services often springs up to meet this need; however, in many emerging or developing markets, even these service providers can require support to fully bridge the gap between the state of the entrepreneurial ecosystem and the requirements of investors and funders. There is a pressing need to address these two groups with targeted programs and, in so doing, foster a vibrant ecosystem of investment-ready enterprises that are also working to achieve positive impact.

### ACTIONS

Roots of Impact created the Social Finance Academy (SFA) in 2017. Currently, the SFA focuses on the incubators, accelerators, and other service providers that work with the entrepreneurs we are ultimately seeking to support. We deliver training on investment readiness and impact measurement and management in three ways



Dedicated investment readiness programs that we provide in a train-the-trainer format to incubators, accelerators, and other service providers



Dedicated impact management programs that we deliver in partnership with incubators and accelerators



An open and free knowledge resource that impact enterprises and other interested parties can consult with, based on proprietary and curated materials on investment readiness and impact management

# SOCIAL FINANCE ACADEMY

Where impact entrepreneurs learn the language of investors

LEARN HOW TO ACCESS IMPACT INVESTMENT  
WITH OUR FREE ONLINE COURSE!

TEST YOUR KNOWLEDGE AND READINESS WITH  
OUR FREE CHECK TOOLS!

## IMPACT

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In the best of circumstances, it is difficult to measure the impact of training beyond gathering highly proximate and potentially misleading measures of actual impact. While we do collect such information as a way of evaluating the quality of our training from participants' perspectives, this is more important for measuring our performance as an organization than it is proof of our success in changing the system.

Beyond the direct impact of our capacity building

on the participating actors, it is great to see that our resources are adopted by other actors and platforms. We actively promote these partnerships.

From an adoption perspective, what we have to report so far is the incorporation of some of our training resources into Nexus for Development's in-house program and the inclusion of our free online course "Access to Impact Investment for Social Enterprises" on the platform of the Inclusive Business Action Network as well as on VC for Latam (Spanish version).

## NEXT STEPS

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Roll out the comprehensive ecosystem building program that we piloted in Bangladesh with B-Bridddhi to other regions or countries



Expand our Social Finance Academy platform reach and content through targeted partnerships



Deepen the impact of our offering by incorporating lessons learned from training various accelerators, incubators and other service providers.

In the next phase of Roots of Impact's growth, we expect to see a much larger contribution from this line of work to our overall impact. Since launching the "Scaling Impact Enterprises of Bangladesh" (SIE-B) program (mentioned above in Effective Financing Solutions), we have already begun the roll-out of a significantly expanded and far more comprehensive program of support to service providers in Bangladesh. This includes capacity building vouchers for investment readiness and impact management for 11 different enterprises in Bangladesh. Additionally, we were able

to embed 31 licenses for a first-of-its-kind online incubation program in Bangladesh. By addressing a much larger proportion of the ecosystem, we hope to have a more consistent and evenly-distributed impact on impact enterprises. We will also, in the future, be better positioned to measure and manage the impact of our work. In addition to the work we will do in Bangladesh, we will continue to develop the offerings of the Social Finance Academy and work on an individual basis with incubators, accelerators, and service providers.

“

We will continue to develop the offerings of the Social Finance Academy and work on an individual basis with incubators, accelerators, and service providers.

”







Biniyog Briddhi -  
Scaling Impact Enterprises  
of Bangladesh

“

I believe that the early support that entrepreneurs and incubators are receiving through B-Briddhi is very important and I hope that eventually, this becomes an independent product line for all partner organisations. What we have been able to achieve together will be written in the history of start-up ecosystem building in Bangladesh and we are very proud to be part of this journey.

”

**Minhaz Anwar, Founder and Chief  
StoryTeller, BetterStories**

**BETTER  
STORIES®**











## LESSONS LEARNED AND PATH AHEAD

The last 5+ years have provided a wealth of lessons. Foremost among these lessons is the importance of flexibility and adaptability. The field of impact finance is growing and changing rapidly - ideas that were cutting-edge in 2015 have already changed drastically. Similarly, as we have learned more about how the ecosystem works, we have had to change our approach.

Some of the lessons we have learned have led us to adopt unorthodox positions. For instance, at the beginning of our existence, we focused heavily on conference attendance and speaking engagements as a way of expanding the reach of our message. Over time, however, we have come to realize that the time and effort spent on such events can be better allocated elsewhere. We have thus significantly scaled back on event attendance in favor of spreading our ideas and influence through major industry publications - which has received significant attention.

Maintaining a strong alignment between effort and outcome also led us, as described above, to be much more selective in terms of advisory services to individual family offices, foundations, and other investors. Ultimately, it was difficult to ensure an alignment between the actions they took and our vision and advice. Given their relatively small capacity to set the agenda in the global impact ecosystem, it made more sense for us to turn our efforts to advising actors that can strongly "move the needle" towards effective impact finance.

As for what lays ahead: we will remain laser-focused on our overall mission. Currently, we are working on further developing the Impact-Linked Finance concept with an eye to releasing an open platform for Impact-Linked Finance in 2021. In addition, we will try to systematize



*Flexibility and adaptability are important: The field of impact finance is growing and changing rapidly and it is vital to understand how ecosystems work.*



*To spread our ideas and inspire change, it is more effective to be part of major industry publications and discussions.*



*Focusing on a sector approach with Impact-Linked Finance facilities creates efficiencies and deeper insights into the drivers for lasting impact.*



catalytic transactions through ILF facilities – including those mentioned in this report. The goal of all these activities is to make more efficient transactions by specializing in certain high-impact sectors.

We will also work to increase the size of our evidence base. This will mean looking into using more and better quantitative and qualitative methods to trace our processes, identify the effects of our program, and manage our impact in general. Indeed, we are just now in the process of launching a research agenda and securing partnerships with academic researchers precisely for this purpose. This will help us focus our efforts to scale impact enterprises in a systematic way based on evidence, not anecdotes. The coming years will see us replicate the success we have had with SIINC and further build the growing field of Impact-Linked Finance. We will do our very best to ensure its integrity and effectiveness and actively support the actors entering and growing this practice.

All of this is to say that we will continue to forge forward on our journey to make finance work for positive impact on people and planet.



*Replicating our successes with SIINC and Impact-Linked Finance while closely working with the relevant stakeholders in the impact ecosystem is our way forward.*



*Launching a research agenda will increase our evidence base and help us to be more systematic in our mission to make finance work for positive impact on people and planet.*





## ACKNOWLEDGEMENTS

We highly recognize the work of pioneering organizations that created innovations in results-based finance, impact investing and blended finance. We were inspired by their work and build on their achievements. Also, knowing that progress in this space cannot be championed by one actor alone nor can the demand for such solutions be met by any one organization, we believe in collaboration and partnerships.

The [Swiss Agency for Development & Cooperation \(SDC\)](#) was instrumental in piloting and establishing Social Impact Incentives (SIINC) and the practice of Impact-Linked Finance. Further outstanding partners are supporting us, our programs and the broader mission of creating solutions for more effective impact finance. The work that we do is, in a sense, all or nothing: [Without a single one of the partners, it would not be possible to implement our projects in the same way, to the same degree and with the same positive impact on people and planet.](#)

## OUR TEAM

*Our multicultural team combines passion for impact with expertise in venture capital, corporate finance, development and innovative finance, public policy, social entrepreneurship and impact management.*



*Bjoern Struwer  
Founder & CEO*



*Dr. Rory Tews  
Lead Research &  
Development*



*Maxime Cheng  
Lead Market & Capacity  
Building Programs*



*Patrizia Baffioni  
Lead Impact-Linked  
Finance Programs*



*Sana Kapadia  
Lead Gender-related  
Programs & Advisory*



*Christina Moehrle  
Lead Communications,  
Advisor Market & Capacity  
Building Programs*



*Ramona Liberoff  
Lead Strategic Initiatives*



*Ben West  
Senior Associate Market &  
Capacity Building Programs*



*Leonessa Crisci  
Senior Associate Impact-Linked  
Finance Programs*



*Melanie Siow  
Senior Associate Market &  
Capacity Building Programs*



*Eren Foerster  
Office Manager*



*Annelene Tonn  
Operations Manager*



*Vilma Manjani  
Analyst*



*Wiktor Gralewski  
Analyst*



*Nadia Schneider  
Associate Gender-Related  
Programs & Advisory*







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[www.roots-of-impact.org](http://www.roots-of-impact.org)

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