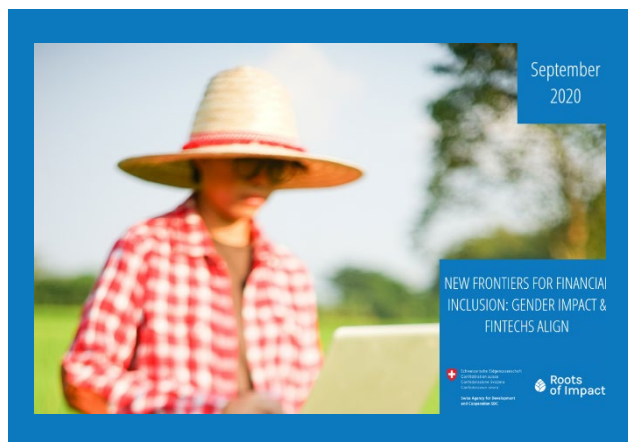


PUBLICATIONS ABOUT AND BY ROOTS OF IMPACT



Roots
of Impact

2020



REPORT

“NEW FRONTIERS FOR FINANCIAL INCLUSION: GENDER IMPACT & FINTECHS ALIGN”

BY ROOTS OF IMPACT

Currently, there are 1.7 billion unbanked adults, with women making up 1 billion. There are not only disparities in bank account ownership, but very visible gender gaps. On top, supportive outcomes of accessing money, saving, borrowing and having safety nets for crises are everything but a given for people in poorer economies and geographies. This synthesis report of an extensive, in-depth feasibility study, undertaken in partnership with SDC, explores the idea of using a **gender-inclusive FinTech outcomes fund** with **Impact-Linked Finance** as an element to achieve transformative impact for women.

Read the [entire report here](#)

ARTICLE

“IMPACT INVESTING WON'T SAVE CAPITALISM”

ON HARVARD BUSINESS REVIEW

This provocative article builds on the belief that impact investing alone won't trigger a revolution towards impact unless the rules that govern how our economy works are deeply reformed. One point made is that each dollar invested has to have more impact – the exact argument Roots of Impact and SDC made when creating SIINC. Quote: “This [SIINC] is impact investing as smarter and more efficient philanthropy.”

Dive into the [details here](#)



ARTICLE

“MAKING SUBSIDIES SMARTER: HOW TO CREATE ‘MORE BANG FOR THE BUCK’ IN BLENDED FINANCE”

ON NEXTBILLION

In this second piece of a short series challenging myths in **Blended Finance**, we discuss the need for evidence rather than assumption and the importance of subsidies that are not eaten up by the cost of maintaining complex blended finance structures. In addition, **Impact-Linked Finance** is introduced as a means to create ‘more bang for the subsidy buck’.

[Read the entire piece](#) on NextBillion



ARTICLE

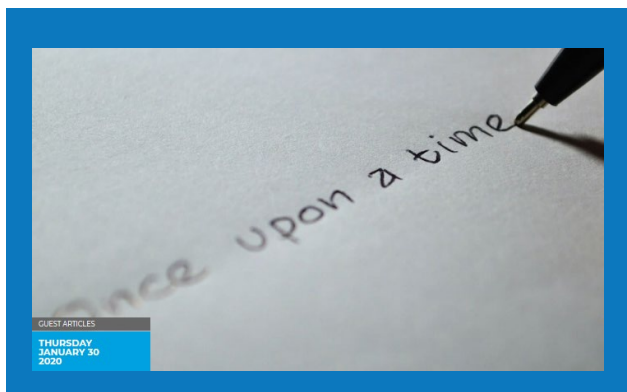
“MEXICAN CLINIC BOOSTS LOW-INCOME PATIENTS BY MONETISING QUALITY”

ON HEALTHCARE BUSINESS INTERNATIONAL (HBI)

The healthcare sector is taking note of high-impact solutions. For this article on HBI, Clínicas del Azúcar founder Javier Lozano and our Bjoern Struwer were interviewed to illustrate how Mexico’s largest specialised diabetes provider Clínicas del Azúcar has doubled its number of patients from the poorest segments of society with the help of innovative results-based finance – namely **Social Impact Incentives**.

The entire article can be found [here](#)





ARTICLE

“IT’S NOT ABOUT SUBSIDIES’ – AND FIVE OTHER MYTHS ABOUT BLENDED FINANCE”

ON NEXTBILLION

The excitement is growing, but this momentum has led to a number of unrealistic expectations about what **Blended Finance** is, and what it can do. In this first article of a small series on NextBillion, we highlight the main myths and misconceptions and provide a first reality check.

Find the full article [here](#)

2019



PRESS RELEASE

“INITIATIVE FOR BLENDED FINANCE LAUNCHES TO MAKE SUSTAINABLE DEVELOPMENT MORE EFFECTIVE”

ON NEXTBILLION

The chances to create impactful collaborations with **Blended Finance** have never been better. A missing piece, however, are meaningful research, data and practice-driven education. The Initiative for Blended Finance (IBF) was launched to focus on this growing approach with a particular emphasis on enterprise development and scaling innovations for positive impact. Hosted under the academic roof of the University of Zurich Center for Sustainable Finance and Private Wealth (CSP), Roots of Impact and the Social Finance Academy are practice and knowledge partners.

Read the entire press release [here](#)





ARTICLE

“SOCIAL IMPACT INCENTIVES? A NEW TOOL FOR SUPPORTING IMPACT”

BY ADVA SALDINGER, DEVEX

“Development impact bonds and blended finance may need to give up some of the spotlight as the latest innovative finance mechanisms gaining attention”, says Adva Saldinger and makes the case for **Social Impact Incentives**. Based on our latest SIINC project with Root Capital, the article explores how pay-for-impact can effectively reach businesses that otherwise can’t access funds and thus close the funding gap sometimes referred to as the valley of death.

The entire article is available [here](#)



REPORT

“ACCELERATING IMPACT-LINKED FINANCE”

BY ROOTS OF IMPACT AND THE BOSTON CONSULTING GROUP

Numerous enterprises are creating substantial positive impact yet their outcomes are often not fully compensated. By linking financial rewards to outcomes achieved, the nudge to create even more impact and the ability to crowd-in investment are growing. This is the idea behind **Impact-Linked Finance (ILF)**. ILF intersects with blended finance, impact investing and results-based finance and offers a compelling opportunity to directly support market-based enterprises with a broad scope of instruments.

To learn more, please find the full report [here](#)





ARTICLE

“DARING TO THINK BIG: WHY IT’S TIME TO SCALE IMPACT-LINKED FINANCE”

BY ROOTS OF IMPACT

It has been more than three years since Roots of Impact dared to think big and add an important twist to the pay-for-success model with Social Impact Incentives (SIINC). Now it’s time for the bigger vision: Building rewards for positive impact into financing instruments across the board. In other words: **Impact-Linked Finance**. How this vision can become reality is briefly sketched in our article on Next Billion.

To read the entire piece please go [here](#)



RELEASE

“ROOT CAPITAL LAUNCHES ITS FIRST PAY-FOR-IMPACT PARTNERSHIP”

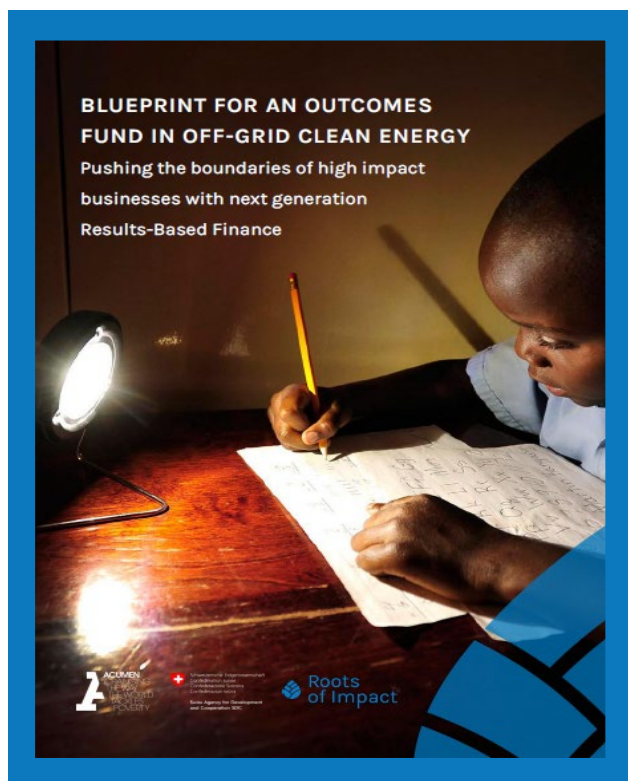
BY ROOT CAPITAL

It is official: Root Capital, the pioneering lender to small agribusinesses is partnering with Roots of Impact, IDB Lab and the Swiss Agency for Development and Cooperation (SDC) to launch an innovative “pay-for-impact” funding mechanism focused on early-stage agricultural enterprises in Latin America. This is the first time that our **Social Impact Incentives (SIINC)** mechanism is applied on a fund level.

To learn more, please find the full release [here](#)



2018



REPORT

“BLUEPRINT FOR AN OUTCOMES FUND IN OFF-GRID CLEAN ENERGY”

BY ROOTS OF IMPACT

How can we push off-grid clean energy solutions to the poorest & hardest-to-reach beneficiaries? Supported by the Swiss Agency for Development and Cooperation (SDC) and Acumen's Lean Data and Energy teams, we dared to think big and create a blueprint for a simple and powerful solution: an **outcomes fund** that tracks social outcomes (not outputs) for the end-customers and provides **Social Impact Incentives (SIINC)** to the companies serving them. Get inspired by our next generation solution for results-based finance.

The full report is available [here](#)



Article

“IMPACT-LINKED FINANCIAL REWARDS HELP HIGH-IMPACT COMPANIES ATTRACT GROWTH CAPITAL”

BY DENNIS PRICE, IMPACTALPHA

The article summarizes the latest approaches enabling companies that hit impact milestones to reap a range of rewards aimed at making them more investable. These **Impact-Linked Finance** schemes - as laid out in the Report by Roots of Impact and The Boston Consulting group, - are illustrated with a number of short examples including SIINC project enterprises Clínicas del Azúcar, Village Infrastructure Angels and Inka Moss.

Go [here](#) for the entire article





REPORT

“SOCIAL IMPACT INVESTMENT 2019”

BY THE OECD

This sequel to the well-known 2015 OECD report on social impact investment (SII) - “Building the Evidence Base” -, explains again the role of Social Impact Investment in financing sustainable development. It depicts the state-of-play of SII approaches globally, comparing regional trends, and assesses its prospects, with a special focus on data issues and recent policy developments. Starting on page 84, the report highlights innovative pay-for-success models such as **Social Impact Incentives**, including a short SIINC case study of Clínicas del Azúcar (page 84 ff).

The full report is available [here](#) and a short highlight version [here](#)



ARTICLE

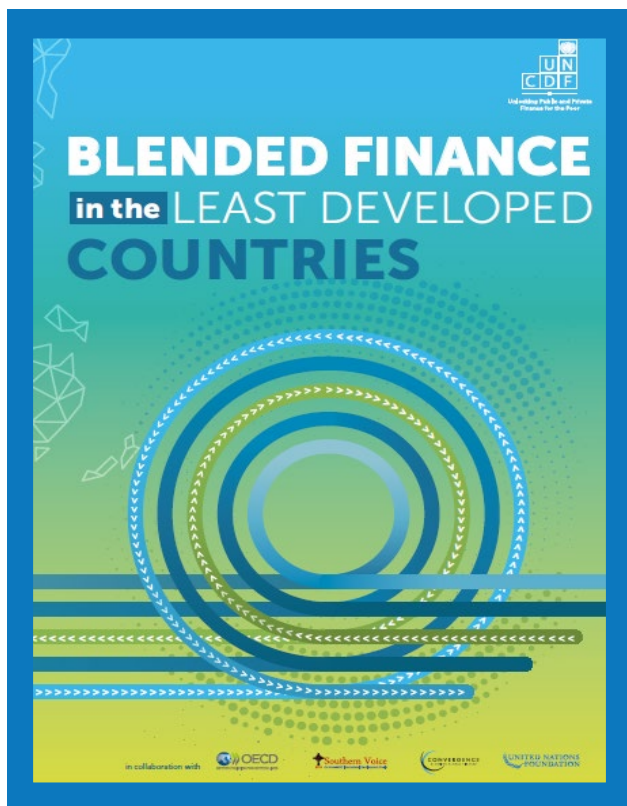
“A RECIPE FOR CHANGE: CAN BLENDED FINANCE HELP TRIGGER AN ‘IMPACT REVOLUTION’?”

BY CHRISTINA MOEHRLE (ROOTS OF IMPACT)

This article discusses the main obstacles and mindset hurdles to mobilizing private sector capital for the SDGs. How to nudge all stakeholders involved to align around impact? What is the ideal role of public funders? How to migrate from the obsession with leverage ratios to an enthusiasm for additionality? Understanding and using **Blended Finance** seems to be one important ingredient to an ‘impact revolution’.

Read [here](#) to understand why





REPORT

“BLENDED FINANCE IN THE LEAST DEVELOPED COUNTRIES”

BY SAMUEL CHORITZ, GIANNI LORENZATO AND SIMONA SANTORO (UNCDF)

This full-scale report by UNCDF - prepared in collaboration with the OECD, Southern Voice on Post-MDG International Development Goals, Convergence and the United Nations Foundation - spans **Blended Finance** basics, case studies, guest pieces and an action agenda for the benefit of Least Developed Countries. The use of **Social Impact Incentives** (SIINC) as a bottom-up solution to empower early-stage impact enterprises to scale is featured in a guest piece by Bjoern Struwer and Christina Moehrl.

Find the full report [here](#) with the SIINC piece on page 99



RESULTS RELEASE

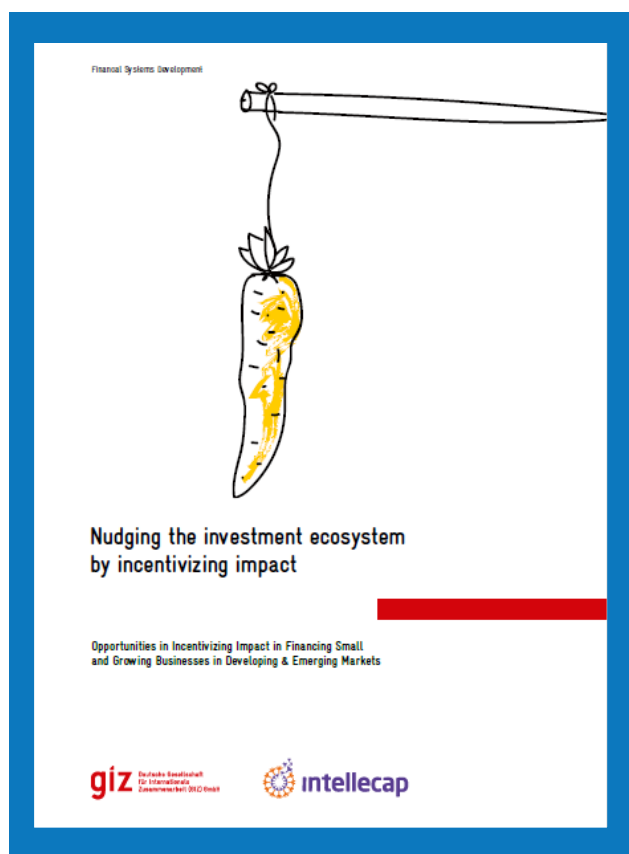
“CLÍNICAS DEL AZÚCAR – PIONEERING EFFECTIVE DIABETES TREATMENT FOR THE BOP IN MEXICO”

BY DR. RORY TEWS AND BEN WEST (ROOTS OF IMPACT)

This short release shares the results of period one within the **Social Impact Incentives** (SIINC) project with Clínicas del Azúcar (CDA). Was SIINC able to support CDA in establishing its diabetes healthcare model at BoP customers?

The encouraging answers can be found [here](#) and [here](#).





DISCUSSION PAPER

“NUDGING THE INVESTMENT ECOSYSTEM BY INCENTIVIZING IMPACT”

BY STEFANIE BAUER (INTELLEGAP) AND DIANA HOLLMANN (GIZ)

This discussion paper builds on the results of the Conference “Financing Global Development–Leveraging Impact Investing” for the SDGs hosted by the German Federal Ministry for Economic Cooperation and Development (BMZ) in Berlin in November 2017. As part of the conference, GIZ, Intellegap, and the Swiss Agency for Development and Cooperation (SDC) facilitated a design lab on incentivizing impact in investment management. Among other pioneers, Roots of Impact shared good practices in incentivizing and monetizing impact, e.g. with innovative instruments such as **Social Impact Incentives** (SIINC).

The entire paper is available [here](#), with a case study about SIINC on page 13.



ARTICLE

“EARLY DATA SIGNALS SUCCESS OF SOCIAL IMPACT INCENTIVES”

BY DENNIS PRICE (IMPACT ALPHA)

Clínicas del Azúcar, one of the first live cases of **Social Impact Incentives** (SIINC), successfully increased the penetration of its services to low-income populations over a six-month period. Blood sugar levels improved. For hitting those six-month impact targets, Clínicas earned a \$64,000 payment on top of its top-line revenues from the Swiss development agency. Bjoern Struwer of Roots of Impact, which is monitoring the clinics’ impact, touted the payment as an early proof point for SIINC.

The entire article (registration required) is available on [ImpactAlpha](#)





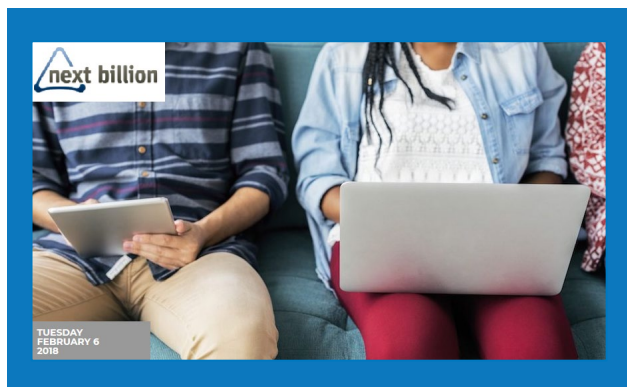
ARTICLE

“THE MARKET IS IMPERFECT: LET’S DEAL WITH IT”

BY BJOERN STRUEWER AND DR. RORY TEWS (ROOTS OF IMPACT)

Market-based solutions can be powerful in tackling social challenges. There are, however, limitations. Many of the "innovative business solutions to society's most pressing social problems" simply do not make enough money to attract investment to scale. Others manage to attract commercial sources of capital, but risk leaving behind the ones who need their offerings most. This article looks at new solutions such as **SIINC** that deal with the realities of market imperfections and go one step beyond.

Details can be studied [here](#)



ARTICLE

“DO YOU SPEAK SOCIAL FINANCE? HELPING ENTREPRENEURS AND IMPACT INVESTORS OVERCOME THEIR LANGUAGE BARRIER”

BY CHRISTINA MOEHRLE AND MAXIME CHENG (ROOTS OF IMPACT)

One of the reasons why social entrepreneurs and investors have a hard time finding common ground is the lack of a common language: Social Finance. This article highlights how the **Social Finance Academy** strives to overcome the Babylonian confusion and help the ecosystem to evolve.

The insights are available [here](#)



2017



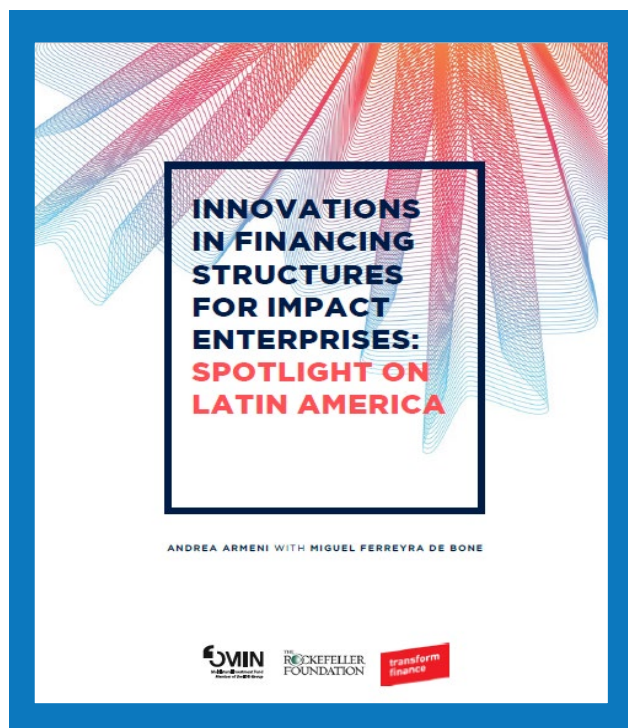
ARTICLE

“ROOT CAPITAL AND ACUMEN TO TEST SOCIAL IMPACT INCENTIVES”

BY DENNIS PRICE (IMPACT ALPHA)

More **Social Impact Incentives** (SIINC) in practice: This article highlights Roots of Impact's new partnership with impact investing pioneers Root Capital and Acumen to apply SIINC on a portfolio level and design sector-specific SIINC funds.

Initial details are available [here](#)



REPORT

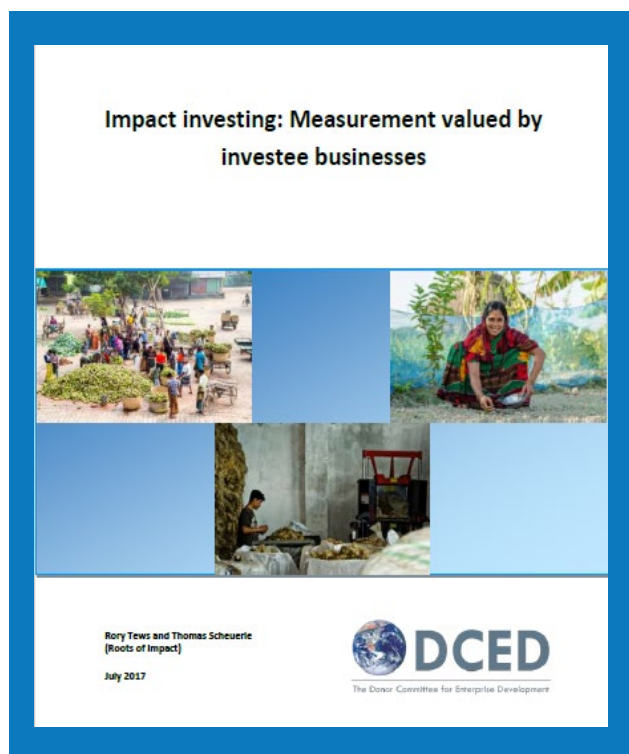
“INNOVATIONS IN FINANCING STRUCTURES FOR IMPACT ENTERPRISES: SPOTLIGHT ON LATIN AMERICA”

BY ANDREA ARMENI (TRANSFORM FINANCE)

A rising number of social enterprises in Latin America struggle to obtain capital aligned with their needs and characteristics – especially in early and growth stages. This financing gap calls for alternative structures to emerge. How can impact entrepreneurs and investors overcome “the valley of death”? The research report by Transform Finance – commissioned by the IDB/MIF – details investor challenges and best practice examples including **Social Impact Incentives** (SIINC) (-> page 40).

For the full report, please [click this link](#)





REPORT

“IMPACT INVESTING: MEASUREMENT VALUED BY INVESTEE BUSINESSES”

BY DR. RORY TEWS AND THOMAS SCHEUERLE (ROOTS OF IMPACT)

For this report commissioned by the Results Measurement Working Group of the Donor Committee on Enterprise Development (DCED), Roots of Impact interviewed 24 agricultural and energy enterprises of varying maturity from Latin America, South East Asia and East Africa on the subject of **impact measurement**. What information do social and environmental impact businesses value most and least, and why? What are the key incentives for social and environmental impact businesses to collect, analyze and use information?

The results can be found [here](#)



ARTICLE

“SOCIAL IMPACT INCENTIVES: A NEW SOLUTION FOR BLENDED FINANCE”

BY BJOERN STRUEWER AND CHRISTINA MOEHRLE (ROOTS OF IMPACT)

This article introduces the first two live cases from the **Social Impact Incentives** (SIINC) pilot in Latin America: Clínicas del Azúcar (CDA) and Village Infrastructure Angels (VIA). How exactly does SIINC empower these social enterprises to attract investment, improve profitability and create impact at scale? How can it help to address access to energy and diabetes care for all more effectively?

The answers are available [here](#)





CASE STUDY

“SOCIAL IMPACT INCENTIVES GOING LIVE IN LATIN AMERICA: EMPOWERING CLÍNICAS DEL AZÚCAR TO ATTRACT INVESTMENT AND CREATE IMPACT AT SCALE”

BY BJOERN STRUEWER, DR. RORY TEWS AND CHRISTINA MOEHRLE (ROOTS OF IMPACT)

This case study highlights the journey of **Clínicas del Azúcar** co-founder Javier Lozano, the massive problem with diabetes care in Mexico and the challenges to scale while reaching deeper levels of the BoP. How exactly does **SIINC** support the social enterprise in reaching its mission? Which outcome metrics and financing solutions will empower CDA to create impact at scale and align all stakeholders?

Details can be studied [here](#)



CASE STUDY

“SOCIAL IMPACT INCENTIVES GOING LIVE IN LATIN AMERICA: EMPOWERING VILLAGE INFRASTRUCTURE ANGELS TO ATTRACT INVESTMENT AND CREATE IMPACT AT SCALE”

BY BJOERN STRUEWER, DR. RORY TEWS AND CHRISTINA MOEHRLE (ROOTS OF IMPACT)

This second case study explains how **Village Infrastructure Angels** founder Stewart Craine redefined the approach to access to energy for all and developed VIA's business model, empowering women with solar-powered agro-mills, pay-as-you-go and other innovative features. How exactly does **SIINC** support the social enterprise in attracting investors in this risky, pioneering space? Which outcome metrics will work best to align the enterprise with the outcome funder and investors?

The answers are available [here](#)





ARTICLE

“DO YOU WANT TO SOLVE SOCIAL PROBLEMS WITH BUSINESS TOOLS?”

BY KATARÍNA ŠUJANOVÁ (FORBES SLOVAKIA)

This article (in Slovak language) highlights the mindset behind **Roots of Impact**'s activities. Examples such as Discovering Hands and Clínicas del Azúcar illustrate how social problems can be successfully addressed with business approaches and how impact investors come into play.

The details are available [here](#)



BLOG

“NEW MOOCS TEACH THE LANGUAGE OF SOCIAL FINANCE”

BY DENNIS PRICE (IMPACT ALPHA)

Social finance skills are critical for social entrepreneurs and would-be impact investors alike. This blogpost briefly introduces these online education offers, including **Social Finance Academy**'s MOOC co-created with VIVA Idea: “Access to Impact Investment for Social Enterprises”.

For more information, please click [here](#)



BLOG

“A GERMAN INNOVATION I HOPE WE DON'T OVERLOOK”

BY RODNEY SCHWARTZ (CLEARLYSO)

The blogpost covers the problems to capture the benefits of positive externalities. Are there more direct ways to reward social enterprises for impact? To Rodney Schwartz, **Social Impact Incentives** is the next logical step: “The brilliance of this model is that it facilitates payments by those who care about positive externalities directly to the enterprise, changing their business model”.

Read the entire blogpost (free) on [this link](#)



2016



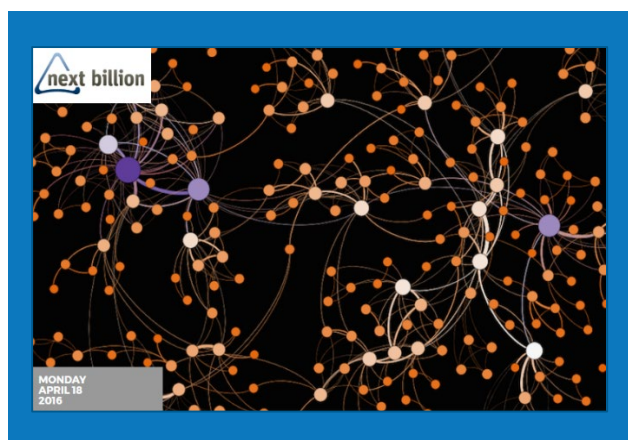
ARTICLE

“FULL SPECTRUM FINANCE: HOW PHILANTHROPY DISCOVERS IMPACT BEYOND DONATION AND INVESTMENTS”

BY BJOERN STRUEWER (ROOTS OF IMPACT) AND FELIX OLDENBURG (ASHOKA GERMANY)

There is a significant mismatch between the available financing volume, investors' expectations and the actual needs of social entrepreneurs. Yet how to overcome this gap? The article outlines that **philanthropists** can play a vital role: rather than emulating the restrictive investment models of most impact investors, they could for example think of investing as recycling of donations.

More ideas can be found [here](#)



ARTICLE

“IMPACT AND THE SCIENCE OF SOCIAL NETWORKS: MORE BANG FOR YOUR BUCK”

BY DR. ANDRÉS CARDONA (INTERNODES CONSULTING) AND DR. RORY TEWS (ROOTS OF IMPACT)

In this article, Roots of Impact highlights the relevance of social networks for the social sector and the importance of the shift from a mindset of generating impact alone to generating impact more efficiently. The main idea: When impact generation gives way to **impact optimization**, then understanding and activating the power of social relationships can become an invaluable tool for those committed to promoting, financing and managing social impact.

More details are available [here](#)





WHITE PAPER

“SOCIAL IMPACT INCENTIVES: ENABLING HIGH-IMPACT SOCIAL ENTERPRISES TO IMPROVE PROFITABILITY AND REACH SCALE”

BY BJOERN STRUEWER, DR. RORY TEWS AND CHRISTINA MOEHRLE (ROOTS OF IMPACT)

In this white paper, Roots of Impact explains the mission, concept, benefits and targets for its new blended finance mechanism, **Social Impact Incentives** (SIINC), co-created with the Swiss Agency for Development and Cooperation (SDC). How is a SIINC roadmap designed? How can real additionality be achieved? What makes SIINC effective when it comes to empowering market-based social enterprises?

The full picture on SIINC is available [in this white paper](#)



ARTICLE

“SOCIAL IMPACT INCENTIVES AIM TO TILT BUSINESSES TOWARD THE NEEDS OF THE POOR”

BY DENNIS PRICE (IMPACT ALPHA)

How do results-based financing solutions help businesses to achieve more impact for low-income population groups? This article introduces the Latin American pilot project of **Social Impact Incentives** (SIINC) and explains the basic mechanisms behind this innovation.

Details can be studied [here](#)





BLOG

“PAY FOR SUCCESS...WITH AN IMPORTANT TWIST”

BY BJOERN STRUEWER AND CHRISTINA MOEHRLE
(ROOTS OF IMPACT)

In this blogpost, Roots of Impact illustrates the journey to create a market-based blended finance solution that harnesses the pay-for-success approach: **Social Impact Incentives** (SIINC). How to monetize the value that social enterprises create for society without the need for a complicated structure? How to convince philanthropic funders that they have much greater leverage with their monies when they pay premiums for measurable, positive impact?

The answers can be found [here](#)



ARTICLE

“IMPACT INVESTING: FINANCIAL RETURNS ARE ONLY HALF THE STORY”

BY BJOERN STRUEWER AND DR. RORY TEWS (ROOTS OF IMPACT)

In this article, Roots of Impact takes the stance that good intentions are not enough when it comes to making impact investments. Financial metrics alone – especially when being the exclusive factor used for creating an **impact investing benchmark** – lead to a distorted picture. The danger is to attract purely financially motivated investors, who would normally steer clear of the sector.

More on this (still) hot debate [here](#)





ARTICLE

“COUNTERPOINT: ‘MARKET-RATE’ FUNDS SHOULD BE BENCHMARKED TO IMPACT, TOO”

BY BJOERN STRUEWER AND DR. RORY TEWS (ROOTS OF IMPACT)

More food for thought on the issue of **impact investing benchmark**. In this article, Roots of Impact presents a counterpoint: While developing guiding principles for the impact investing sector is an important first step in an iterative process, it should be in the right direction. Including an explicit measure of social impact is as vital to a benchmark as to include impact funds that target less-than-market-rate financial returns.

Read more about this discussion [here](#)

As of January 2021

