

INNOVATIVE FINANCING MECHANISMS AND BUSINESS MODELS FOR INCLUSIVE DIGITAL CONNECTIVITY

ITU-D STUDY GROUP 1 ANNUAL MEETING

MONDAY, 17 FEBRUARY 2020
14:30 to 17:30, Popov Room

www.itu.int/ITU-D/study-groups/



ITU 17.02.20

Impact Investing & Blended Finance Session

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Agenda

1. Setting the Stage - what is impact?
2. Impact Investing & Blended Finance theory - quick review
3. Challenges of Impact Investing
4. Case Study: Challenges of SDG500

*If you want to change the world, start with
yourself.*

MG

2. Theory on Impact Investing & Blended Finance

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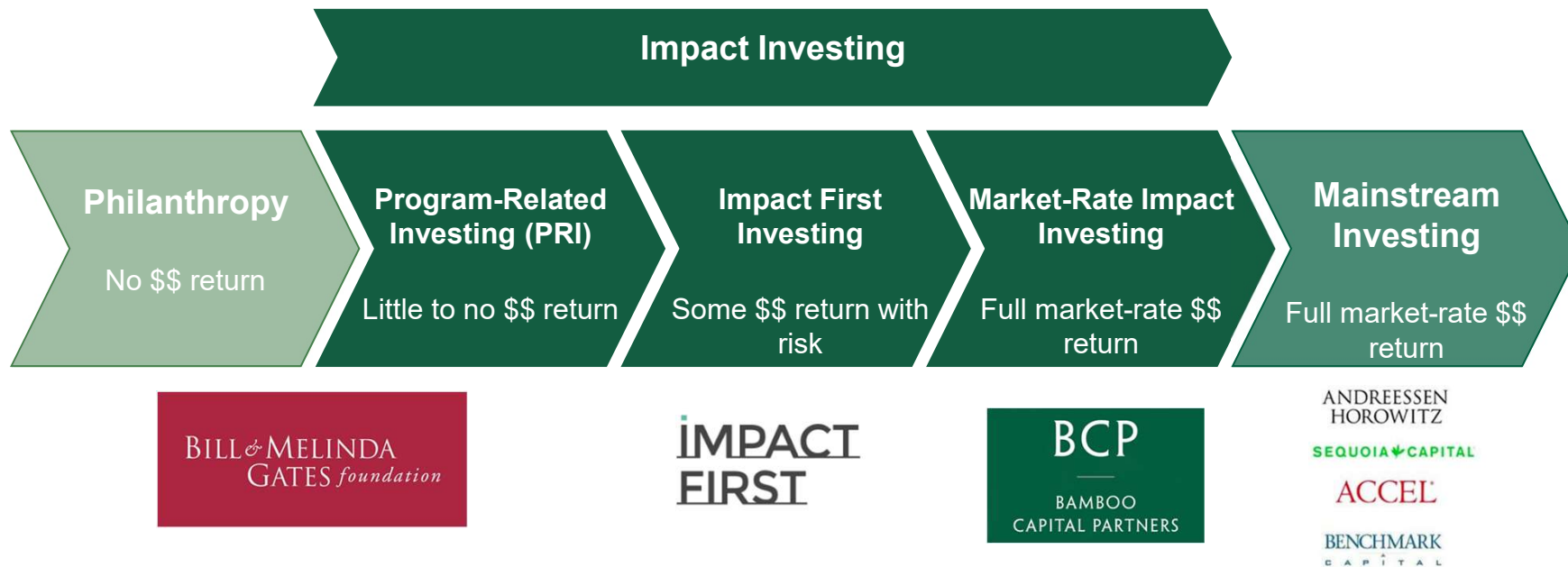
3 Things about Impact Investing

“Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.”

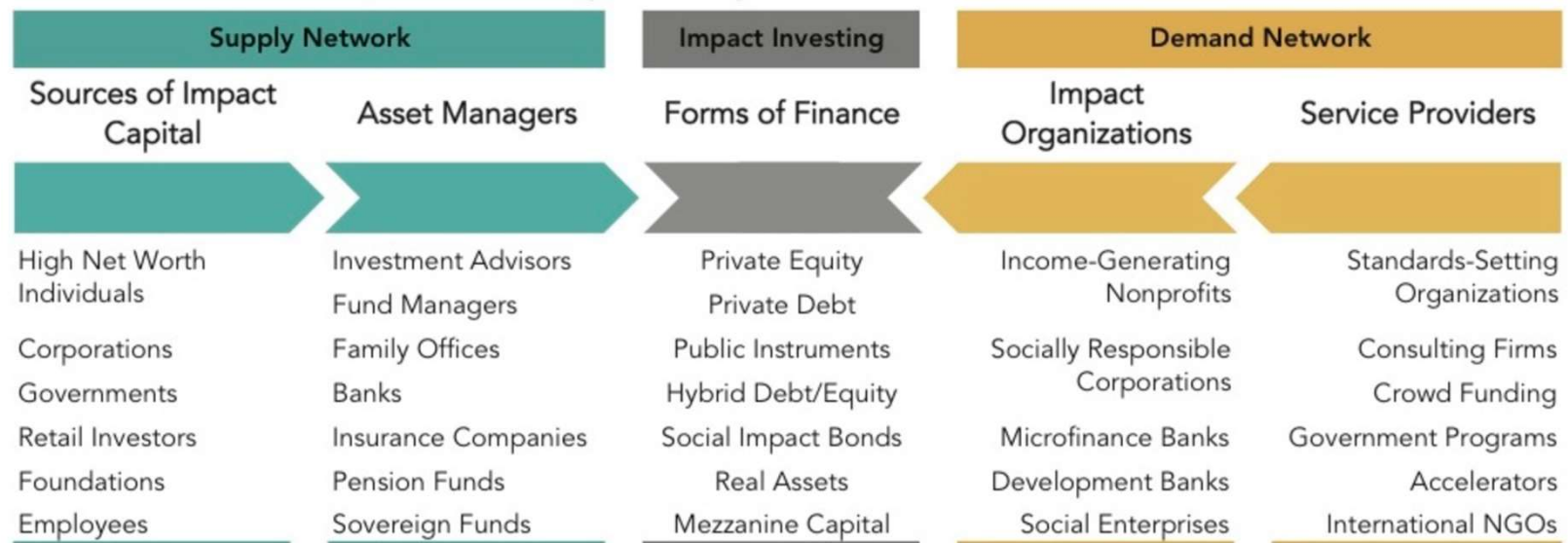
- Impact Investing is not Philanthropy or Charity
- Not every social inclined investment is an impact investment
- Financial returns are expected



Spectrum - Impact Investing



Who is involved in Impact Investing?



Source: Rockefeller Foundation and the UK's Social Impact Investment Taskforce

Why Impact Investing?

Why is Impact Investing growing fast?

Opportunity: Millennials! Increasing millennial interest in social/environmental values. Over the next 40 years, baby boomers will transfer \$41 Trillion of assets to millennials.

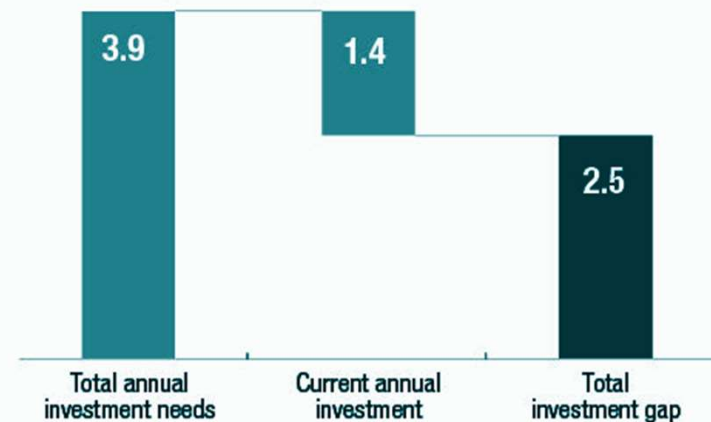
67% of MILLENNIALS
believe their investment decisions
are a way to express their 
social, political, or
environmental values.

SOURCE: U.S. TRUST INSIGHTS ON WEALTH AND WORTH

Financing the SDGs

- Investment in sustainable, climate resilient infrastructure is arguably the single best way to achieve the SDGs
- The lion's share of this is needed in developing countries.
- We are currently only meeting around half of the SDG funding requirements. There is a multi-trillion-dollar gap every year which the public sector cannot fill by itself.
- **\$12 trillion economic opportunity** for the private sector over the next 10 to 15 years.

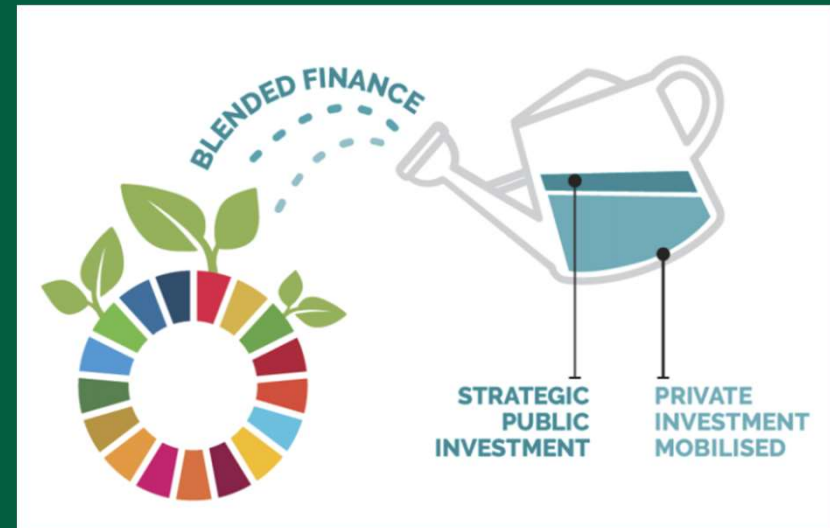
Estimated investment gap in key SDG sectors, 2015-30
Trillions of USD, annual average



Closing the gap

Blended Finance

“Blended finance is the use of development capital to mobilise additional private finance for SDG related investments.”

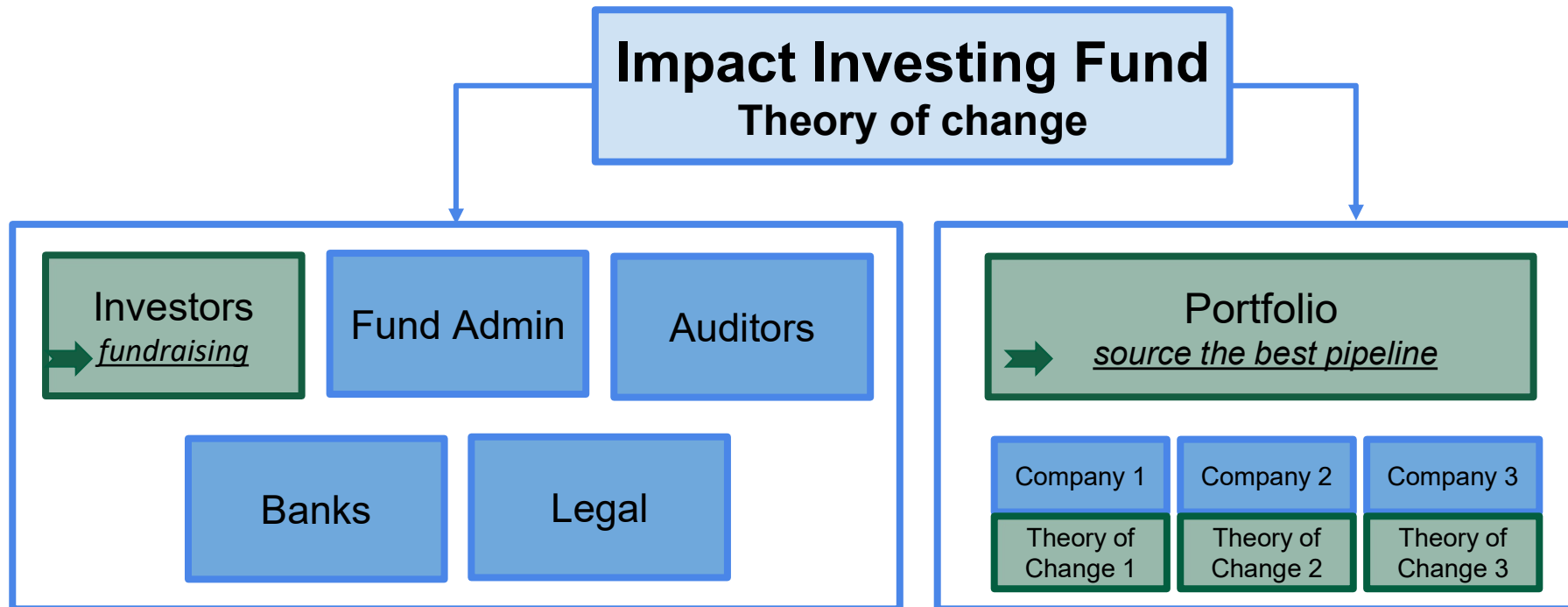


3. Challenges of Impact Investing

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How it works



Value Chain - Challenges



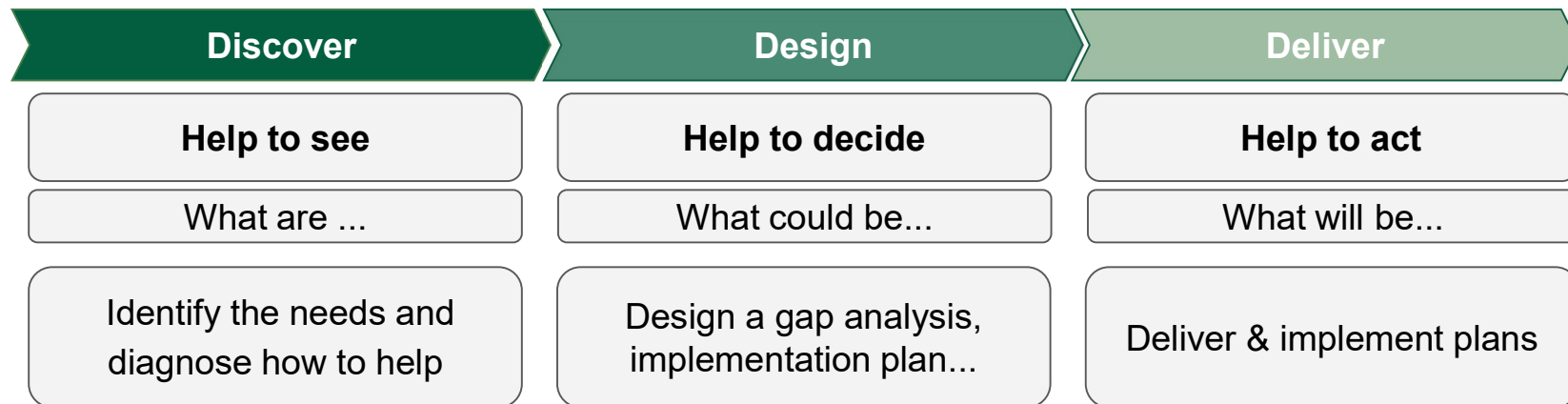
- **Funding** - discover, design and deliver
- **Sourcing** - Limited Investment Options
- **Impact measurement**
- Limited Demonstrated Results
- Startup Risk
- Institutional Reluctance
- Objectives and knowledge sharing
- Scaling & exit

Fundraising a fund

Fundraising a fund

Funding

- There is no clear theory or roadmap to a successful fundraising



Sourcing an interesting pipeline

Sourcing an interesting pipeline

Sourcing

- Limited investment options

Outbound: Network!

- Connect
 - Other VC firms, Angels, Incubators, advisors, etc
- Events
- Network Building: CRM, communication & nurturing

Inbound: Story Telling

- Content Creation
 - Blog, podcasts, reports, etc.
- Publishing/Distribution
 - Website, Social Media, etc.
- Brand Building
 - Staff, Reputation, company branding

Knowledge Sharing: opportunities are not always there you need to build them

Impact Measurement

Impact Measurement - Sources

WHAT is being measure?



“Impact management is the ongoing practice of measuring our risk of negative impacts (the focus of much ESG data) *and* our positive impacts, so that we can reduce the negative and increase the positive.”

Theory of Change

A Theory of Change is like making a roadmap that outlines the steps by which you plan to achieve your goal.

Activities > Output (what we produce) > Outcome (the societal benefit we create) > Impact

Activities

Venture Capital investments in Tech4Impact companies based and/or operating in Africa

> Output

Capital disbursed to companies

Individuals provided with affordable products & services

> Outcome

Jobs supported & new jobs created

Increased access to substantial products & services

Access to financial services

Access to affordable healthcare and to essential high-quality medical services, products and information

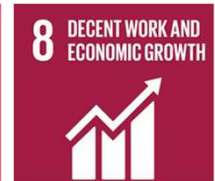
Access to inclusive and quality education

Access to solutions for increased farm productivity and farmer income, as well as sustainable production

Access to clean energy

Access to basic infrastructure and community services, like transportation and connectivity

> Impact



4. Case Study: Challenges of SDG500

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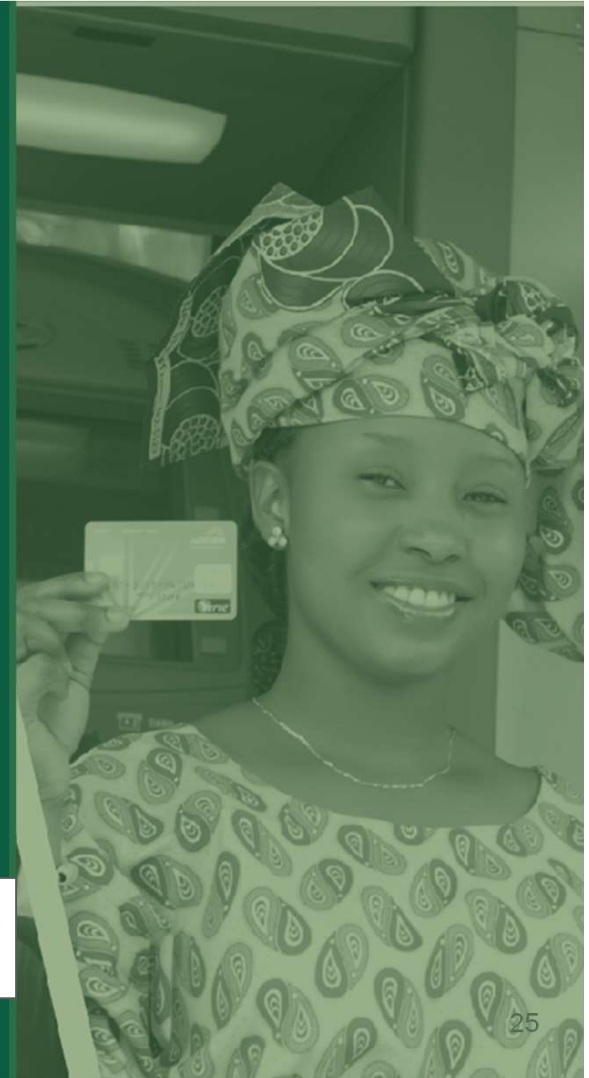
About Bamboo

Bamboo Capital Partners provides **innovative financing** solutions and **partnerships** to catalyse lasting impact

- ❖ Founded in **2007**
- ❖ **Pioneering impact investing platform**
- ❖ **6 funds, around \$400m raised since inception**
- ❖ **30 members** (Europe, Latin America, Africa and Asia)
- ❖ Offices in Luxembourg, Geneva, Bogota, Nairobi and Singapore



THE WORLD BANK



Passionate about delivering Impact

Delivering on Purpose



152 million
Lives impacted



40,000
Jobs supported



14,000
Female jobs

We track, manage & report on our Impact and we are a **top-rated** Impact Investor



Impact Report 2018

Bamboo · Funding Impact

Success Stories of African Champions



211,318
products sold
in 35 countries



4,186 MWh
of solar electricity
generated



Over 1 million
persons having access
to clean, reliable energy



700 staff
across nine offices

SDG 500



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Financing Businesses to achieve the Sustainable Development Goals



- \$500 Million impact capital investing in +500 companies on 17 SDGs in frontier markets
- Impact management platform with blended finance structures
- Multilaterals, governments & NGOs catalysing funds and protecting investors
- Financial, sovereign, institutional & private investors to scale Funding

SDG 500 - Six funds



Fund	ABC	BUILD	CARE SheTrades	BLOC SmartAfrica	HEAL	BLOC LatinAmerica
Target/Size	\$100m	\$75m	\$75m	\$100m	\$75m	\$75m
Asset Class	Fixed Income	Fixed Income	Debt & Equity	Venture Capital	Venture Capital	Venture Capital
Sector	Small Holder Farmers	Early stage SMEs	Gender Justice	Tech for Impact	Health Tech	Tech for Impact
Geography	Africa	Least Developed Countries	Asia	Africa	Frontier Markets	Latam
Impact (SDGs)						
Partners (SDG 17)	 Investing in rural people	 Unlocking Public and Private Finance for the Poor	 International Trade Centre	 2018-2021. INNOVATE. TRANSFORM.		 Innovation for Inclusion



Investment Opportunities

Examples from a Diversified Pipeline



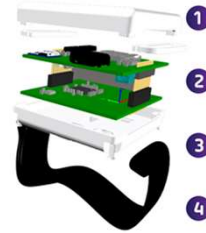
Transport
Technology
Platform



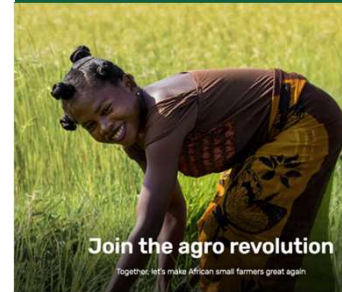
Working capital
solutions to
SMEs



AI for Epilepsy
Detection



Participatory
Financing
Platform



Mobile Tax
Collection





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