



INVESTING IN PEOPLE AND PLANET

Impact Investment Report 2018



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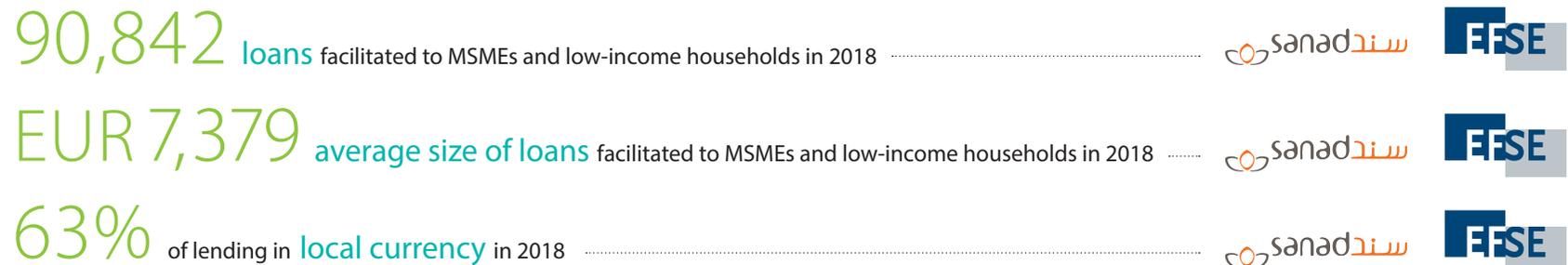
55 REGIONAL OPERATIONS



FACTS & FIGURES

IMPACT

OUR MICRO, SMALL, AND MEDIUM ENTERPRISE (MSME) FUNDS



OUR GREEN FUNDS





FACTS & FIGURES

PORTFOLIO

EUR 2.0 billion

in **assets under management** at year-end 2018

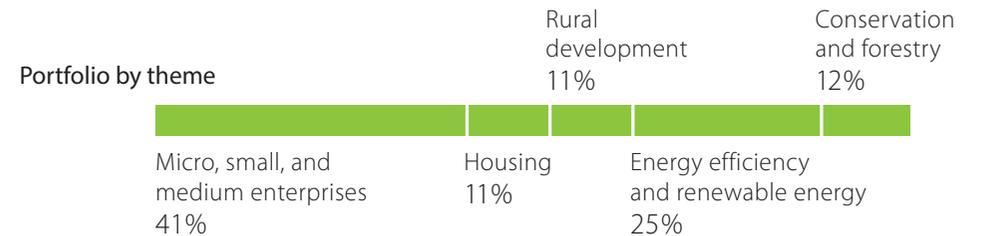
EUR 4.1 billion

in total **investments** made by year-end 2018

137 **investee companies** in 2018

30 **investment countries**

100% of investments in emerging markets





FACTS & FIGURES

TECHNICAL ASSISTANCE

EUR 54.8 million

of technical assistance project volume approved by year-end 2018

EUR 26.1 million

of technical assistance project volume under management in 2018

371

technical assistance projects under management in 2018

Technical assistance project volume by type



Capacity building directly benefitting **6,474** people in 2018 in the financial, agriculture, and tech sectors



LETTER FROM THE MANAGING DIRECTORS

As we close 2018 and look back on a very successful past year, tens of thousands of young students remind us every Friday that we are not doing enough to protect people and planet from the effects of climate change, currently the most significant risk for humanity in terms of potential damage and likelihood of occurrence. This sense of urgency is also felt in the impact investing space, where the discrepancy between expectations and the financial sector's achievements is becoming ever more painfully felt. Many new multi-billion vehicles have been funded, often initiated by mainstream asset managers promising high returns. But once raised, they struggle to find qualified assets addressing the impact agenda that simultaneously fit the size and return expectations of investors. At the same time, specialists like Finance in Motion work hard to create impact assets, screening thoroughly with on-the-ground



FLORIAN MEISTER

SYLVIA WISNIWSKI

CHRISTOPH FREYTAG

ELVIRA LEFTING

resources, pooling assets carefully in structured vehicles to reduce risks. Because between available funding and successful investment stands a critical step: that of identifying assets which are aligned with impact goals.

Impact is not an automatic component of existing investment opportunities – it takes intentionality to be created. This is what we do at Finance in Motion: We carefully craft funds whose central aim is to deliver returns to society and the environment as well as



“Impact is not an automatic component of existing investment opportunities – it takes intentionality to be created.”

to investors. Our activities benefit **people** and **planet** not only directly – such as by giving people better access to financial support or saving natural resources – but also indirectly by, for example, bringing together key financial sector players to exchange on best **practices** for enabling responsible finance. Funding renewable energy and sustainable energy supply in Ukraine bordering Crimea, advancing self-reliant entrepreneurship among refugee businesses in Jordan, promoting startup businesses in the Balkans, supporting eco-friendly beef production in Panama – these are the type of tangible projects that we strive for: projects where we do not count the days and weeks, where we manage risks and focus on lasting impact. Our activities also focus on making available financial **products** suited to the needs of both investors and borrowers alike – whether these are in the form of a new

private equity impact fund or a credit line specially customized for certified coffee farmers in El Salvador.

2018 has been a very busy year for us. We simultaneously tackled many opportunities: We kept our existing debt funds growing against the backdrop of about EUR 380 million in assets maturing, financed by new funding of about EUR 400 million – including a record EUR 210 million from private investors. We have conducted nearly one thousand technical assistance projects to either complement or prepare investments and markets. We had the first closing of our sustainable forestry equity fund, Arbaro, which also made its first investment. And we prepared to kick off the launch of our successor equity fund for the Middle East and North Africa: the SANAD Equity Sub-Fund II.

Market-enabling and awareness-building are essential to creating an environment where impact can thrive. In this regard, “entrepreneurship” and “climate action” were our central themes of 2018. Our funds held competitions that touched over 450 startups from across our countries of operation, and we organized the first Sustainable Future Forum in Frankfurt, attended by 250 green finance leaders. Finance in Motion itself worked together with an established startup accelerator to inaugurate the GreenTech Hub right here at our own Frankfurt headquarters, where we have now welcomed the first community members keen on expanding the green innovation space.

As for 2019, the pace of change is carrying on unabated. We are further developing and diversifying our activities in Sub-Saharan Africa. Our funds are being expanded by a



“We carefully craft funds whose central aim is to deliver returns to society and the environment as well as to investors.”

special financing layer for internal hedging, which provides them with a robust and flexible instrument for facilitating local currency lending. And we are preparing for the launch of an additional growth equity fund to hone in on impact, innovation, and employment.

Our staff of nearly 200 works from 17 offices backed by a strong risk, legal, planning, and general support body in Frankfurt. We are guided by a strengthened Managing Directors’ team of four, as well as an empowered extended management team and a growing second management layer. Together, we look back on a cumulative EUR 4 billion placed successfully in developing and emerging markets. We now look forward to taking this momentum into our tenth

year of operations channeling resources for the benefit of people and planet.

And we wish to close these remarks with a heartfelt “thank you” to all the supporters of what we are able to do: our funds’ investors; the public sector at the foundation of our blended-finance vehicles; the experienced experts involved in our funds’ governance; and all the stakeholders who join forces with us to make impact happen. A special and warm thank you goes to our staff that has worked with dedication, commitment, and professionalism for the success of our business and for a better world around us. Together, we generate those assets to satisfy more of the investors’ “billion-to-trillion-dollar” impact appetite!



Elvira Lefting and Sylvia Wisniwski discuss Finance in Motion, impact investing, and this report in a special podcast.

[Listen now!](#)

SYLVIA WISNIWSKI
Managing Director,
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"Market-enabling and awareness-building are essential to creating an environment where impact can thrive. In this regard, **entrepreneurship** and **climate action** were our central themes of 2018."

THE MANAGING DIRECTORS
Finance in Motion



ABOUT FINANCE IN MOTION

Finance in Motion is one of the world's leading impact asset managers. Driven by the belief that economic returns can indeed go hand-in-hand with positive social and environmental results, we develop and advise impact investment funds that focus on small business development, entrepreneurship, housing, energy and resource efficiency, conservation of biodiversity, and climate mitigation and adaptation.

Our mission

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

Our Keys to Success

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

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

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

Impact across

30 countries

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

Impact management: We implement strict monitoring to ensure that our impact investments are doing their job. We regularly analyze our investments' development performance, commission independent impact studies, and use the findings to hone our own impact strategies.

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



Our Commitments

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

SIGNATORY OF



MEMBER OF





OUR SPHERES OF IMPACT

At Finance in Motion, our mission is to harness the power of finance to make a positive difference for people and planet. That means everything we do is geared toward creating additionality. And thanks to our comprehensive approach to impact investing, we generate impact through a variety of interrelated spheres.

Two of our funds focus on providing sustainable financing for micro, small, and medium enterprises (MSMEs), empowering **people** to achieve their potential for success and well-being. That means, for example, opening paths to financial services for those who may otherwise have difficulty accessing the resources they need to thrive. Responsible financing that is customized to the needs of local businesses and individuals helps people improve their living conditions, or allows them to establish, sustain, and expand their income-generating businesses and provide employment to others.

Our three green funds promote the health of our **planet**. They reduce carbon emissions and save energy and natural resources by, for example, financing renewable energy projects and supporting energy and resource efficiency measures for households and businesses. Or they sequester CO₂,

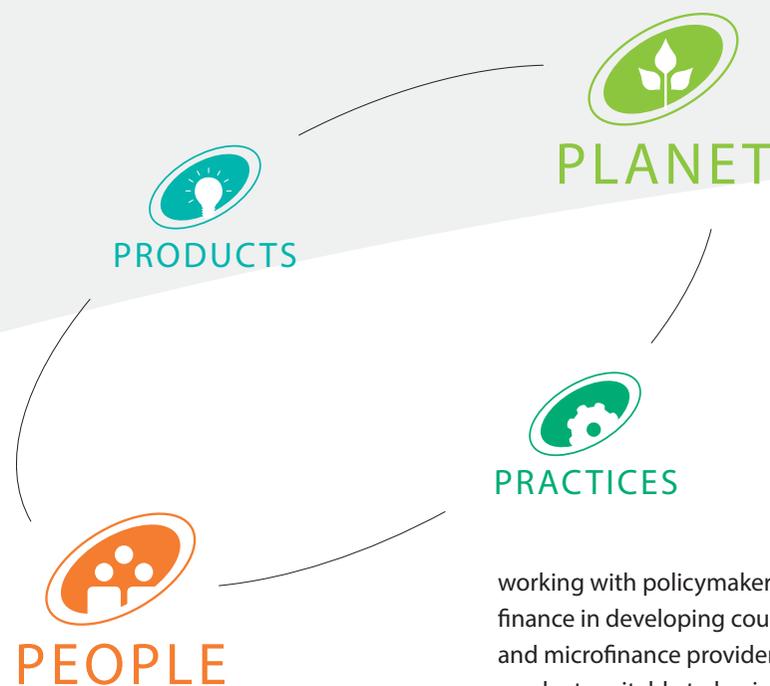
combat deforestation, and preserve biodiversity through such activities as promoting sustainable agriculture and investing in sustainable forestry.

But it takes more than specific, targeted measures to ensure long-term impact. Our activities also promote the **practices** and develop the **products** that equip people and systems to spread positive change. One way we do so is by building the impact investing market through, for example, participation in working groups and contribution to awareness-raising, and by creating attractive investment opportunities to draw more funding into the impact investing space. We also strengthen the financial sector in our target regions through such measures as implementing capacity-building projects for MSME and green financing, or by

working with policymakers to promote responsible finance in developing countries. We also help banks and microfinance providers make better lending products suitable to business owners, or enhance their financing portfolio for sustainable agricultural production practices and energy-saving home improvements. In addition, we combine investments with technical assistance that provides targeted, customized support to ensure the right conditions for maximum impact.

The stories in this report aim to illustrate the multi-dimensional impact delivered by our activities. Whether helping refugees become financially independent, supporting local institutions in combating deforestation, or establishing funds that venture into new impact territory, Finance in Motion strives to unleash the resources for positive change.

For more on how Finance in Motion generates impact, visit www.finance-in-motion.com/our-impact





OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS



No poverty

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



Zero hunger

We foster sustainable and resilient agricultural practices.



Clean water and sanitation

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



Affordable and clean energy

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



Decent work and economic growth

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



Industry, innovation, and infrastructure

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



Reduced inequalities

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



Sustainable cities and communities

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



Responsible consumption and production

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



Climate action

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



Life below water

We promote sustainable practices in fisheries and aquaculture.



Life on land

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



Partnerships for sustainable development

We develop and advise public-private partnership funds that bring together public and private investors.



IMPACT STORIES

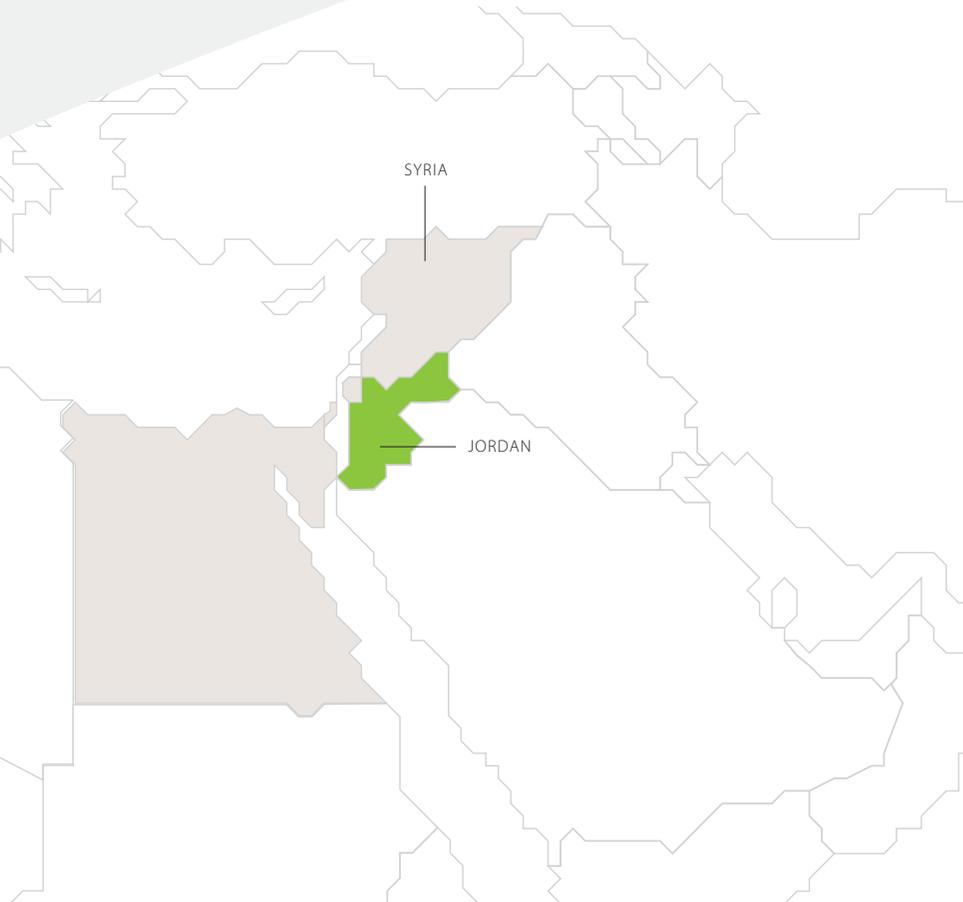
PEOPLE





PEOPLE

REFUGEE ENTREPRENEURS: MAKING A NEW LIFE IN JORDAN



The United Nations estimate that over six million people have fled Syria since the outbreak of civil war in 2011. The neighboring country of Jordan alone currently shelters 1.2 million refugees. Despite daunting circumstances, many are determined to establish a better quality of life and integrate into their host community. Many are women. And many of these women have a business idea.

In 2018, the SANAD Entrepreneurship Academy, managed by Finance in Motion, and international mentoring organization Mowgli Mentoring launched a program designed to reach out to this target group. By matching local Jordanian mentors with refugee entrepreneurs, the program aimed not only to help these women turn their inspiration into success, but also to create lasting networks to establish a foundation for sustainable collaboration between the refugee and host communities.

The partners were well equipped to pursue this goal. The SANAD Entrepreneurship Academy specializes in providing targeted support to local business owners in the Middle East and North



Africa. Mowgli Mentoring is a nonprofit with a decade of experience driving inclusive economic and social change in the region. Between the two of them, the organizations conceived a six-month mentorship initiative to empower microentrepreneurs to earn a sustainable income and contribute to Jordan's economic growth. The Austrian Development Bank (OeEB) pledged additional funding, and a call was sent out for participants in the spring of 2018.

“We gained a lifetime of knowledge.”

Thirteen Jordanian professionals stepped up to mentor thirteen aspiring Syrian entrepreneurs. All but one of the refugees were women. For six



To learn more about the SANAD Fund for MSME, visit www.sanad.lu

Meet the participants and learn about the program in a special video:



months, participants met in intensive one-on-one sessions to develop and grow their enterprises, punctuated by regular group meetings to provide guidance and peer support. Finally, a graduation ceremony celebrated the accomplishments of these motivated entrepreneurs.

And accomplish they did. At the start of the program, seven of the thirteen Syrians had

operational businesses, while six were still at the ideation stage. By the end, the existing businesses had achieved increased sales and a broader customer base, while four of the six ideas had developed into revenue-generating microenterprises.

Entrepreneur Hala Tamer describes how the combination of professional skills and personal relationships was integral to her success: “The experience was absolutely amazing. My mentor helped me market my products and opened opportunities. Now, with my fellow mentee Mrs. Badia, we have constituted a group of nine ladies from the refugee community and opened a fully equipped catering kitchen.”

Crucially, 100% of entrepreneurs reported a gain in confidence as the most important personal change resulting from the experience – no trivial matter for people coping with their challenging environment. In addition, all mentees said that the program had increased their ability to build and develop trusting relationships. “I felt we were the

same family,” said Yousra Masri, who over the course of the program moved from crafting bedding to becoming a trained home maintenance specialist.

Impact that multiplies

But growth was not limited to the entrepreneur side of the exchange. The mentors, too, are carrying the positive impact of the program beyond the graduation ceremony. Many are more committed than ever to providing mentoring on a long-term basis.

Mentor Hawazin Mohammad Khataybeh reflects: “I gained a lot practical information that has helped me with both my personal and professional life, as I work as a trainer and mentor for other Syrian and Jordanian entrepreneurs around Jordan. I found myself being able to understand their cases more quickly, and have the ability to help them move forward more than I did before.”



100% of entrepreneurs reported a gain in confidence as the most important personal change resulting from the experience.



PEOPLE

OPENING DOORS FOR SUSTAINABLE FINANCING



“When opportunity knocks, open the door.” For Tbilisi-based shop owner Giorgi Jandieri, these words ring especially true. He sells doors. Lots of them. When the Georgian entrepreneur first established his company Albico Caucasus in 2015, the staff consisted of just himself and a partner. But business took off quickly, and now only a few short years later, Albico Caucasus has opened shops in several towns and employs a permanent staff of 16, plus contractors for door installation and repairs.

This kind of growth takes capital. Yet in Georgia, less than 14% of lending to small businesses nationwide takes place in the local currency¹. This can expose a small business to considerable risk. When companies make their income in one



“We hedge against exchange risk so that micro and small enterprises don’t have to.”

MAJA GIZDIĆ
Director, Finance in Motion

currency but finance their operations in another, they are directly affected by ups and downs in the exchange rate. The risk is not negligible, either: Between April 2017 and November 2018, the lari lost one-fifth of its value against the euro. And self-starting entrepreneurs generally do not have large reserves of capital available to absorb such shocks.

Fortunately for Jandieri, TBC Bank had just the right financing options available for small enterprises. Moreover, the bank is a partner of the European Fund for Southeast Europe (EFSE), an impact investment fund advised by Finance in Motion which places high priority on local currency lending. As a result, Jandieri was able to invest in his company’s growth using loans provided directly in Georgian lari.

¹ EU4Business, “Investing in SMEs in the Eastern Partnership: Georgia Country Report June 2018”



Tbilisi-based shop owner Giorgi Jandieri sells doors.
Through local currency financing, EFSE opens doors for entrepreneurs.



New instruments to support local entrepreneurs

EFSE regards local currency lending as an essential part of its mission, which is to promote prosperity in Southeast Europe and the Eastern Neighborhood by providing sustainable financing to the region's

entrepreneurs. Part of making financing sustainable is ensuring that local business owners like Jandieri are protected from the vagaries of exchange rate fluctuations – the tremors of political and macroeconomic developments that are beyond their control.

“Thanks to its international network and financial strength, EFSE can use its expertise and honed risk management strategies to hedge against exchange risk so that micro and small enterprises don't have to,” explains Maja Gizdic, Director at EFSE advisor Finance in Motion. “We work with on-the-ground financial partners like TBC Bank to channel local currency financing right to the entrepreneurs that need it.”

Now, the fund is poised to advance local currency lending even further. Backed by funding from the European Union and the German Federal Ministry of Economic Cooperation and Development (BMZ), two major EFSE donors, a new share class was developed by Finance in Motion as a specially dedicated instrument for absorbing exchange

rate risk. The new tranche embeds this aspect of responsible finance right into the fund's structure, supporting EFSE in anchoring and spreading the practice of local currency lending among the particularly vulnerable countries of the European Eastern Neighborhood Region.

As for Jandieri, he looks to the future with confidence. “We have just opened a brand-new location and are now expanding our wholesales,” he says. “Thanks to EFSE and TBC Bank, all doors are open to us!”

Our funds have so far provided financing denominated in

15 different local currencies



PEOPLE

THE EFSE ENTREPRENEURSHIP TOURNAMENT 2018: BOOSTING LOCAL BUSINESSES



It was a crisp late-autumn morning in Sarajevo as two hundred visitors filed into the stately City Hall. The atmosphere was charged, excited. Banners hung at the entrances, announcing the day's event. Among the guests were Mr. Senad Softić, Governor of the Central Bank of Bosnia and Herzegovina, and Mr. Amir Zukić, Federal Minister for Development, Entrepreneurship and Crafts – along with twenty-two hopeful startups.

The Entrepreneurship Tournament of the European Fund for Southeast Europe – or “EFSE” – was ready to begin.

The goals of the tournament were multifarious. By showcasing a diverse set of the country's most promising emerging businesses, the event



organizers – namely, the EFSE Entrepreneurship Academy managed by Finance in Motion, together with local startup accelerator organizations Mozaik Foundation and Sarajevo Regional Development Agency (SERDA) – aimed to fuel entrepreneurial spirit in a region where micro and small enterprises form the backbone of the local economy. The awards themselves would provide concrete opportunities for startups to receive crucial support in the form of cash grants and targeted mentoring. And the high-profile exposure to potential investors and partners would create a foundation for sustainable success.

“The EFSE Entrepreneurship Tournament is a chance for me to accelerate my business,” said local woodworker Damir Bajraktarević. “I could really use a new woodworking machine. It would allow me to introduce a new product line, and even hire some staff.”

Bajraktarević was one of twenty-two contestants selected from applicants all across the country in the three-month run-up to the competition. Their business models ranged from traditional crafts



2,000 startups
received capacity-building support
from EFSE in 2018

Watch the EFSE Entrepreneurship Tournament video to gain a glimpse into the atmosphere of the competition:



and organic herbs to green energy renovations, educational platforms, and social enterprises. These young companies had already graduated from prior acceleration programs, and were now ready to convince a panel of corporate and financial sector representatives of the value of investing in their future.

Catalyzing the entrepreneurship ecosystem

EFSE is an impact investment fund advised by Finance in Motion. It fosters economic development and employment in Southeast Europe and the European Eastern Neighborhood Region by nourishing the roots of the region's economy: micro and small enterprises. But EFSE goes beyond financing. Ensuring long-term positive impact means strengthening the entire ecosystem that enables local businesses to thrive. That is why the EFSE Entrepreneurship Academy holds events like the Entrepreneurship Tournament: to not only identify promising new businesses, but even more importantly, to tackle common hurdles to their success, such as access to finance and know-how.

Gathered in Sarajevo City Hall were representatives from all corners of this entrepreneurship ecosystem. Banks, microfinance institutions,

“High-visibility competitions like these represent an important opportunity to celebrate local businesses and create direct impact for promising enterprises.”

MEJRA JUZBAŠIĆ-BAJGORIĆ
Regional Director, Finance in Motion

industry leaders, startup incubators, media channels, and inspired students with startup ideas of their own would meet and gain insight into the budding businesses of Bosnia and Herzegovina. The audience was engaged with panels and talks – and the chance to grant an “Audience Award” to the candidates by voting for the business they found the most convincing. For the main event, a jury of experts would analyze the strengths of each competitor’s business model and award prizes accordingly.



Prizes for pitches

Fourteen cash prizes were awarded in four categories. Winners of the Business Acceleration Award received EUR 6,000 or EUR 10,000 based on their potential to increase production, income,

number of employees, or geographic outreach. The Woman Entrepreneur Award of EUR 3,000 went to Super Žena, a cleaning company that focuses on providing employment to undereducated women over forty. Two Innovation Awards were granted for EUR 3,000 a piece, as were the two Social Impact Awards for businesses that made an especially positive difference in their communities. The Audience Award of EUR 1,000 went to Igraj, Uci, Rasti, a business focused on producing educational tools for children.

Finally, twelve candidates won 500 hours of mentorship to accelerate their fledgling enterprises with free business consulting, training, research, and analysis.

Mejra Juzbašić-Bajgorić, Regional Director at EFSE advisor Finance in Motion, reflected on the success of the event. "High-visibility competitions like these

not only represent an important opportunity to celebrate entrepreneurship in a region where local businesses are essential to economic development and prosperity, they also create direct impact for promising individual enterprises."

And Damir Bajraktarević? His company won the cash to buy his woodworking machine.

Startups receiving capacity-building support from EFSE grew their income by an average of

181%

by the end of 2018

To learn more about the European Fund for Southeast Europe, visit www.efse.lu



The awards provided concrete opportunities for startups to receive crucial support.



PEOPLE

ADVANCING FINANCIAL INCLUSION WITH ADVANS TUNISIE



If you live and work in Tunisia, chances are high that your employer is a micro or very small enterprise. In fact, you may very well be the entrepreneur yourself: Such microbusinesses account for over half of employment in Tunisia, and well over 90% of them consist of just one or two people.

And yet only around a quarter of micro and very small enterprises in Tunisia currently have reliable access to financing. This leaves a great many entrepreneurs – some estimates put the number at around 1 million – without adequate funding to invest in their businesses. The lack of financial services can make long-term planning, stability, and growth quite difficult.

It was against this background that the SANAD Fund for MSME, an impact investment fund advised by Finance in Motion, helped establish a new microfinance provider in Tunis in 2013: Advans Tunisie. The Tunisian Ministry of Finance had just opened the door for new microfinance activities as a tool to alleviate poverty and drive financial and social inclusion, and SANAD saw a unique window of opportunity for the development of a new, sustainable, greenfield microfinance institution. In addition to the original equity investment, SANAD has since been supporting Advans Tunisie with debt financing and technical assistance to become an important nationwide financial service provider for entrepreneurs.

In 2018, Advans Tunisie had an opportunity to expand its outreach to micro and small enterprises. New government regulations increasing the maximum allowable loan size for microfinance institutions enabled Advans Tunisie to extend financial inclusion to a sorely neglected segment: entrepreneurs who had outgrown the previous credit limit, but whose businesses were still too small to obtain financing from traditional banks – otherwise known as the “missing middle.”

TUNISIA



SANAD invested over USD

25 million

in rural entrepreneurs in 2018



It also meant significant changes for the company. To help Advans Tunisie scale up its portfolio in a sustainable manner and optimally meet the needs of this undersupplied group, the SANAD Technical Assistance Facility implemented two strategic projects with the institution in 2018.

The first project focused on expanding Advans Tunisie's operations to effectively realize social and financial impact. SANAD experts took a multifaceted approach. They began by analyzing market potential for the new loan size. The project team then used the findings to adapt the

institution's strategy, create a five-year action plan, and adapt processes. Advans Tunisie's staff received thorough training on the new lending methodology. A comprehensive assessment was conducted to identify new hires and expand the institution's workforce, and an HR strategy was developed to increase staff cohesion and secure jobs. Finally, new product lines were rolled out and institutionalized, including new branches in rural areas to meet the needs of agricultural clients.

"Although Advans Tunisie had already built up a network of ten fully fledged branches across the main cities of Tunisia, we were particularly keen on helping them reach out to secondary cities and rural areas, which are still largely underserved by banks and microfinance institutions," explained Uwe Schober, Director at Finance in Motion and mandate manager for SANAD.

But that was not all. To increase Advans Tunisie's capacity to extend nonfinancial services, SANAD conducted a second strategic project in 2018

with the institution's staff. Together, they provided Advans Tunisie's microenterprise clients with ten months of customized financial literacy training to enhance customers' credit worthiness and ability to use the loans for their business development. The project complemented SANAD's institutional capacity-building efforts and pursued its twofold goal of financial sector development and responsible finance in Tunisia.

"Advans Tunisie is an example of SANAD's comprehensive approach to sectorial support in our target countries," said Uwe Schober. "We don't just come in, drop money, and move on to the next project. We go for long-term impact by investing in financial infrastructure. By bolstering the ability of the local financial sector to enable financial inclusion, we empower both institutions and entrepreneurs alike."



“We go for long-term
impact by investing
in financial infrastructure.”

UWE SCHOBER
Director, Finance in Motion



IMPACT STORIES

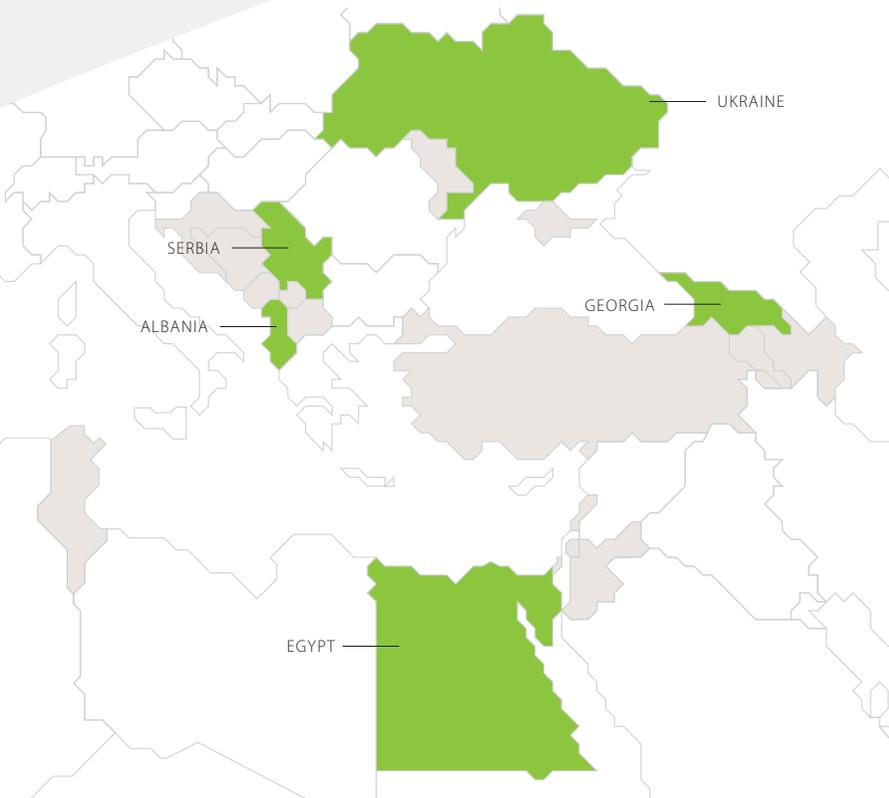
PLANET





PLANET

TRAILBLAZING GREEN ENERGY FINANCE



The Green for Growth Fund (GGF) is a green energy pioneer in many respects. Established in 2009, it was one of the first specialized funds advancing energy efficiency, renewable energy, and resource efficiency in its target regions. By investing in measures to reduce energy consumption and carbon emissions, the fund is driving climate action in Southeast Europe, the European Eastern Neighborhood Region, the Middle East, and North Africa.

Moreover, the new renewable energy plants supported by the fund are more often than not themselves lighthouse projects – such as the first wind park in the Caucasus, or the world’s largest solar park in Egypt.

Finance in Motion’s Carrie Walczak leads project finance activity on behalf of the Green for Growth Fund. “These are challenging undertakings, because a lot of new groundwork needs to be laid to get these ‘firsts’ launched,” she explains. “Many of these projects represent the first internationally-financed commercial ventures of their kind within that country or region. That means clarifying a whole host of questions, such as new regulations, account and security arrangements, and so on.”

688 MW

of renewable energy production capacity supported to date



It’s not just a matter of financing: For many countries, it’s also a change in mindset as they shift from a centrally planned infrastructure to opening up to international investment and bringing in renewable energy. But by overcoming these challenges, the GGF helps pave the way for other investors to enter those markets, multiplying its impact beyond just the project at hand.

Carrie Walczak adds: “We see a great transformation coming to the region where the fund is active – renewable energy is starting to become the norm rather than the exception, and we will have helped bring that about.”



RENEWABLE ENERGY PROJECTS CURRENTLY SUPPORTED BY THE GREEN FOR GROWTH FUND

SERBIA

Čibuk Wind Project and Alibunar Wind Project

Čibuk is the largest commercial wind project in the country.

GGF investments including Alibunar have supported around 40% of Serbia's initial planned wind capacity.

- GGF investment – Čibuk: EUR 18.4 million
- GGF investment – Alibunar: EUR 13.5 million
- Renewable energy capacity (together): 200 MW

EGYPT

Nubian Suns Solar PV Program – ARC and PHOENIX Projects

World's largest solar park

- GGF investment: USD 20 million
- Renewable energy capacity (ARC and PHOENIX together): 100 MW

UKRAINE

Syvash Wind Project

Largest wind park in the country

- GGF investment: EUR 25 million
- Renewable energy capacity: 250 MW

GEORGIA

Dariali Hydropower Project

One of the first privately financed large-scale renewable energy projects

- GGF investment: USD 10 million
- Renewable energy capacity: 108 MW

Qartli (Gori) Wind Project

First wind project in the Caucasus

- GGF investment: USD 4 million
- Renewable energy capacity: 20.7 MW

The **Green for Growth Fund** supports renewable energy, energy efficiency, and resource efficiency mainly by providing financing for these purposes to local partners who on-lend to enterprises and private households. The fund also invests directly in renewable energy projects.



“We see a great transformation coming to the region where the fund is active – renewable energy is starting to become the norm rather than the exception, and we will have helped bring that about.”

CARRIE WALCZAK
Director, Finance in Motion





PLANET

“MOOVING” THE NEEDLE ON CONSERVATION FINANCE



Can cattle and forest coexist?

This was the central question posed by experts in a pilot project conducted by the eco.business Fund in 2018.

Initiated by KfW Development Bank and Conservation International together with Finance in Motion, the eco.business Fund was established to foster business and consumption practices that conserve biodiversity, use natural resources efficiently, mitigate climate change, and adapt to its effects. That means not only providing funding to encourage and spread these practices, but also exploring innovative ways to identify, promote, and measure sustainable activities themselves.

Cattle ranching is one of these business practices. In fact, it is among the key economic activities in Latin America, representing 46% of the region's total agricultural GDP. But to make room for livestock, farmers often clear away precious natural forest – and with it, valuable ecosystem services. Forest loss threatens the habitat of native species, disrupts water systems, exposes the ground to degradation, and shrinks carbon storage capacity.



Fortunately, awareness is increasing in the Latin American financial sector of the urgent need to transform production methods and halt environmental damage. Two banks in particular are addressing forest loss: With the help of the eco.business Fund, Multibank in Panama and Lafise Bancentro in Nicaragua have implemented special technology to analyze forest cover in and around their clients' cattle farms, ensuring that their financing is not being used to degrade protected areas. In 2018, the fund further supported these banks in not only refining their equipment to better gauge environmental impact, but also in exploring the responsible practices that cattle producers can adopt to protect natural forests.

NICARAGUA

PANAMA



“There is a real need to be able to accurately keep track of forest cover to better understand and ensure its protection,” explains Sandra Abella, Director at eco.business Fund adviser Finance in Motion. “We approached this study from the air and from the ground: We combined remote sensing techniques like satellite imagery with on-site visits to the banks’ clients in order to create a comprehensive view of cattle ranching across the two countries.”

The pilot was a success. In the end, a geospatial database was built encompassing 148 farmers, providing the fund and the banks with a single platform to track more than 22,000 hectares of land. The platform provides information on protected areas, forest protection compliance, tree canopy cover, elevation, and major water bodies. Changes can be quickly visualized by entering before-and-after dates. And the whole methodology is enormously efficient: Thanks to the project, costly and time-consuming site visits can now be reduced as environmental impact data is available right at the experts’ fingertips.

Ultimately, the study aimed to validate an approach that guarantees three safeguards: keeping cattle activities outside of protected areas; compliance with forest protection thresholds; and monitoring changes in forest cover. Based on these findings, the eco.business Fund could then establish conditions for financing cattle ranching that works in harmony with natural forest.

The eco.business Fund had contributed to the sustainable management of

140,000
hectares of land
by the end of 2018

The researchers also developed and conducted a survey to document the best practices that successful cattle producers use to mitigate forest loss. For example, native plant species are used to create “live fencing” that serves both the ecosystem and the farmers. Trees disbursed throughout pastures simultaneously combat deforestation, act as a windbreak, and provide shade for cattle. The preparation of self-grown, quality silage for the dry season not only relieves stress on the landscape but also reduces methane emissions and results in high-quality manure to replace chemical fertilizers. And efficient, isolated watering systems keep cattle away from natural water bodies, allowing those delicate systems to remain undisturbed.



“It is important for us not just to finance existing green activities,” says Sandra Abella. “We need to expand the playing field for impact investing. That means cultivating the whole financial and productive environment that will allow conservation finance to take anchor in our target regions. By identifying new areas to instill sustainable practices and helping local financial institutions increase their capacity to support the green transformation, we are ensuring impact that is long-term and self-sustaining.”

To learn more about the eco.business Fund, visit

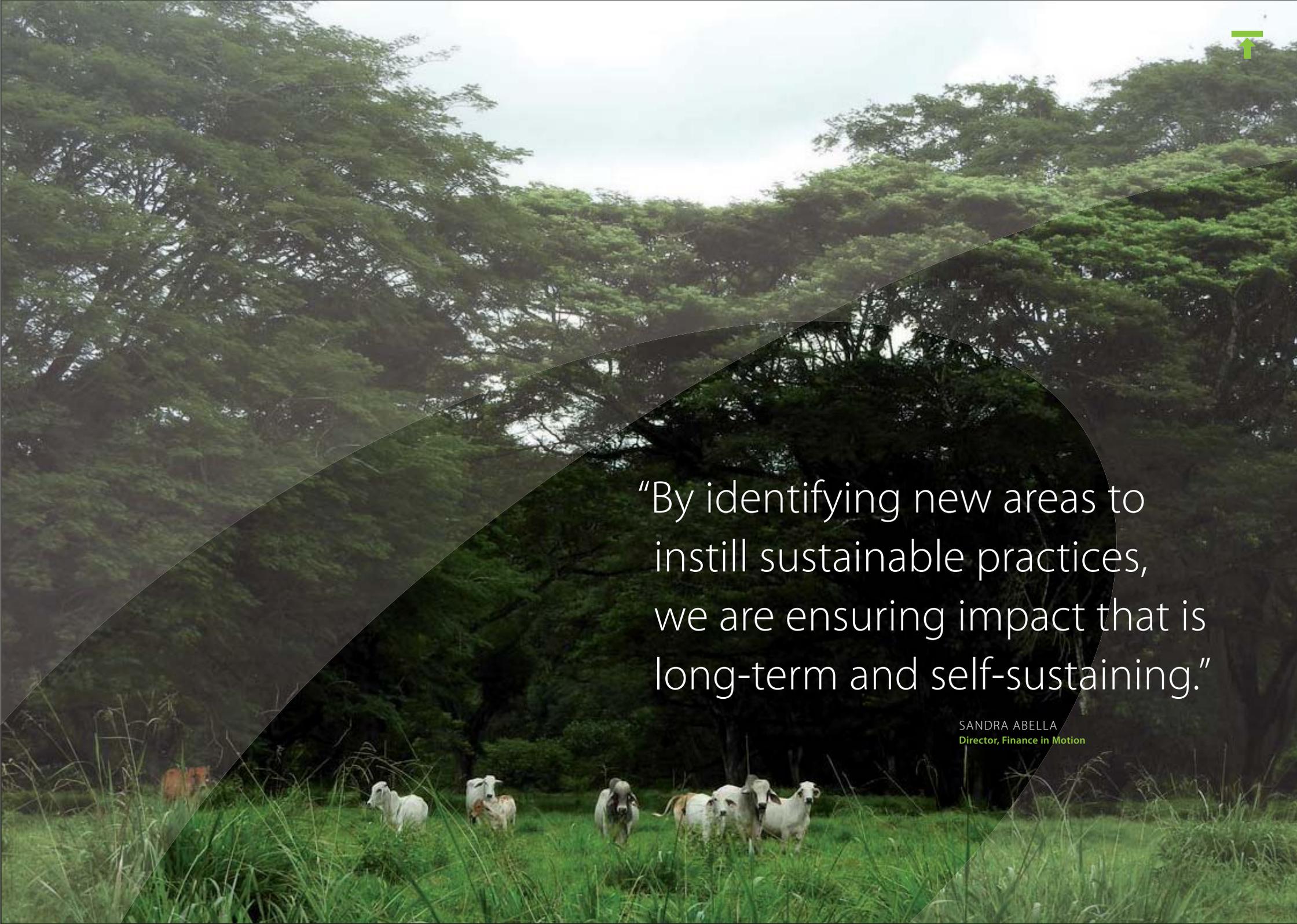
www.ecobusiness.fund





“By identifying new areas to instill sustainable practices, we are ensuring impact that is long-term and self-sustaining.”

SANDRA ABELLA
Director, Finance in Motion





PLANET

THE ARBARO FUND: SUSTAINABLE FORESTRY IN DEVELOPING MARKETS



The Arbaro Fund for sustainable forestry held its first closing in summer 2018. With a planned volume of USD 200 million, the fund aims to generate considerable, measurable impact both environmentally and socially.

The fund is managed by Arbaro Advisors, a team that combines Finance in Motion's impact investing expertise with the forestry knowledge of Arbaro co-initiator Unique forestry and land use GmbH. Arbaro Advisor Managing Directors Hanna Skelly and Marco Kaiser talk about the fund's past, present, and exciting future.

What sparked the idea to create this sustainable forestry fund?

MARCO KAISER: Finance in Motion is always looking for possibilities to invest in impactful areas. It was 2015; the eco.business Fund had just been established, and we were looking into creating a new fund focused specifically on sustainable forestry. Planting forests not only sequesters a lot of CO₂ and combats deforestation, it also provides jobs and a solid, long-term financial return.



At the time, though, sustainable forestry investments in developing markets were not a mainstream product. They're still not. You can compare it to the status of renewable energy 20 years ago: Today, renewable energy investment opportunities are widespread and standardized, but it took first movers to start this momentum. With the Paris Agreement in 2016 and climate change investing gaining visibility, the importance of forests have moved up on investors' priorities.

What happened between 2015 and the first closing in 2018?

MARCO: Three years sounds like a long time, but concept refinement based on investor appetite is an interactive process that takes its



“Trees grow. It’s what they do.
That means a constant
increase in value.”

HANNA SKELLY

Managing Director, Arbaro Advisors



time. Sustainable forestry investments in emerging markets represent a new frontier – any previous projects in that field had not ripened yet, as it takes 10 to 20 years for trees to be ready to harvest. But the European Investment Bank supported us right away, because they believed in the impact we could make. Then the Paris Agreement was signed and investor interest in projects with significant climate impact really picked up. Impact investing itself has grown tremendously since then. And when it comes to impact – there, forestry is an asset class that can combine environmental, social, and economic impact.

Such as?

HANNA SKELLY: The Arbaro Fund invests in sustainable forestry projects in Latin America, the Caribbean, and Sub-Saharan Africa. We chose these regions because of their potential to generate significant impact. First of all, the biophysical growth conditions for forests there are ideal. Sustainably managed, FSC-certified forest plantations relieve stress on natural forests by providing a secure supply of timber from renewable resources. All those new trees capture a considerable amount of CO₂ from the air, too: Over its lifetime, Arbaro aims to sequester 20 million metric tons of CO₂. Furthermore, we are set to create around 5,000 new jobs and contribute to knowledge and skill development in the rural areas in which we operate. And finally, an investment in forests is a smart financial decision. Trees grow. It’s what they do. That means a constant increase in value. An investment in forestry is also relatively well protected from short-term market shocks thanks to its flexibility when it comes to harvest time.



MARCO KAISER

Managing Director, Arbaro Advisors

“Today, renewable energy investment opportunities are widespread and standardized, but it took first movers to start this momentum.”

What makes Arbaro special?

HANNA: We offer a truly unique blend of expertise in both impact investing and forestry. The fund was established by Finance in Motion together with Unique forestry and land use GmbH. This meant



pooling Finance in Motion's experience, skill, and network in impact investing with Unique's long track record of advising on forestry projects in developing countries.

About the Arbaro Fund

The Arbaro Fund is a private equity fund managed by FiM Asset Management S.à r.l. and advised by Arbaro Advisors GmbH.

The Frankfurt-based Arbaro Advisors combines the strengths of Finance in Motion and Unique forestry and land use GmbH to make smart, impactful investments in sustainable forestry projects in Latin America, the Caribbean, and Sub-Saharan Africa.

The Luxembourg-based FiM Asset Management S.à r.l. acts as Alternative Investment Fund Manager for the Arbaro Fund.

Arbaro makes private equity investments in forestry companies, both in minority and majority stakes. Many other investments in forestry are through debt financing. With equity, we can finance companies from an early stage and help them develop until they are cash-flow positive. This helps expand the number of trees planted.

What has the fund achieved so far? What are you especially proud of?

MARCO: When we achieved our first closing in summer 2018, the majority of our investors were from the private sector. That is a big deal in impact investing and attests to our investors' trust in us. Just a couple months later, we made our first investment. We provided USD 20 million equity in Miro Forestry, a West African company developing FSC-certified forestry plantations in Ghana and Sierra Leone. The investment will help Miro ramp up to a commercial scale, planting several thousand hectares.

Arbaro aims to sequester

20 million metric tons of CO₂ over its lifetime

What does "Arbaro" mean, anyway?

MARCO: It means "tree" in Esperanto. Esperanto is an auxiliary language developed in the 19th century that was conceptualized as a sort of "universal language" to facilitate communication between people from all over the globe. And since we at Arbaro Advisors believe that forests are a global treasure we all share and cherish, no matter where we live on the globe, the name was both unique and poignant.



“Planting forests not only sequesters a lot of CO₂ and combats deforestation, it also provides jobs and a solid, long-term financial return.”

MARCO KAISER
Managing Director, Arbaro Advisors



PLANET

COMPETING FOR A SUSTAINABLE FUTURE



FRANKFURT

Innovation, collaboration, technology, inspiration. Throughout history, humans have excelled at adapting their environment to meet their needs – at learning and exploring to dream up advancements that have taken them, literally, beyond the boundaries of this planet.

The destructive side of this drive, however, is one we are all familiar with: climate change.

Never before has society needed so urgently to redirect its energies toward reigning in the detrimental effects of our own activities. We urgently require solutions that reduce energy consumption, lower hazardous emissions, and improve the way we manage water, waste and raw materials.

Fortunately, people all over the world are innovative, collaborative, technologically inventive, and inspired. This is why Finance in Motion organized the first international clim@ competition in the summer of 2018 on behalf of the Green for Growth Fund (GGF). The GGF has almost a decade



of experience in financing measures to reduce energy consumption, carbon emissions, and resource use. With clim@, the fund wanted to cast the net even wider to identify and accelerate promising ideas that could open new avenues for climate protection.

Over 250 applicants from 80 countries answered the call to “green” the way we produce and consume. Submissions came from longstanding businesses, energetic startups, and other organizations with the potential to scale up



market-ready concepts. Topics ranged from improving energy efficiency in buildings and advancing renewables in remote areas to saving water in agriculture, creating products based on a circular economy, and promoting sustainable

mobility. Ideas went beyond technology and production, too: New approaches to green financing were also presented, as well as novel concepts for raising awareness and mobilizing untapped target groups to take climate action.

“We were looking for businesses that were especially strong in innovation, impact, and scalability.”

ELVIRA LEFTING
Managing Director, Finance in Motion

Each submission was carefully analyzed for its ability to deliver on the solutions proposed. Over the course of three months, a rigorous selection process narrowed down fifteen top candidates to join in the first round of the clim@ pitching competition in June 2018.

At the pitching event, teams from twelve countries presented their projects to a jury of experts in the fields of sustainable finance, entrepreneurship, and green technologies. “We were looking for businesses that were especially strong in terms of innovation, impact, and scalability,” explains Elvira Lefting, Managing Director at Finance in Motion. “We originally meant to choose three finalists to move on to the last round of the competition. In the end, the pitches were so impressive that five teams were selected to present at the grand finale.



Watch the clim@ video for more impressions of the competition:



Suspense was high for the final event. The competitors were now ready to showcase their innovations at the Sustainable Future Forum in Frankfurt, a GGF-hosted gathering of 250 international leaders in the climate and sustainable finance communities. Investors and potential partners would watch the competition, and cash prizes would be awarded.

Finally, the three winners of the clim@ competition were announced, with the final rankings decided by a combination of expert jury and live audience voting.

Inspidere was awarded first place, receiving EUR 15,000 to advance their innovative method to transform cow manure into biomaterials for producing clothes and other products.

Biomyc won EUR 10,000 for their novel approach in developing sustainable packaging solutions out of agricultural waste and mushroom mycelium.

Nüwiel received EUR 5,000 for their solution to urban freight mobility issues using electric bike trailers.

The remaining two companies received honorable mention: effa was recognized for developing a sustainable, paper-based disposable toothbrush to reduce plastic waste, and TRC was applauded for

More than

260 green companies

participated in the clim@ competition

its initiative in recovering fiber-reinforced composites from wind mills to provide a recycling and waste management solution.

"I have to mention that everyone here is a winner already, because they are now in the network of the green leaders we work with," Elvira Lefting pointed out.

Jalila Essaidi, Director of first-place winner Inspidere, remarked: "Competitions like this, which focus on the environment and climate, are very important for us as a company – especially the knowledge that we live in a world where it is more and more embraced to work on environmental problems."



Teams from twelve countries presented their projects to a jury of experts in sustainable finance, entrepreneurship, and green technology.





FIMSHARE
GREEN COMMITTEE
OUR OWN INVESTMENTS AND COOPERATIONS

WALKING THE TALK AT FINANCE IN MOTION





WALKING THE TALK

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

Total staff

194



Total staff by location

35%
regional offices



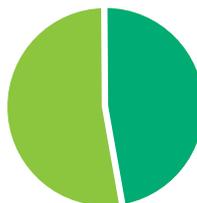
65%
Frankfurt headquarters

Total staff nationalities



Total staff by gender

53% female
47% male

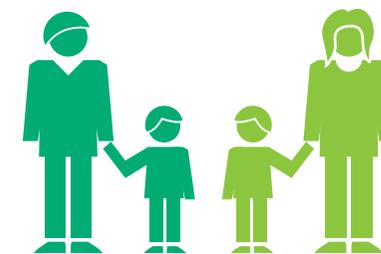


Company management by gender

42% female
58% male

Employees on parental leave

76% female
24% male



Staff participating in training
in 2018

84%

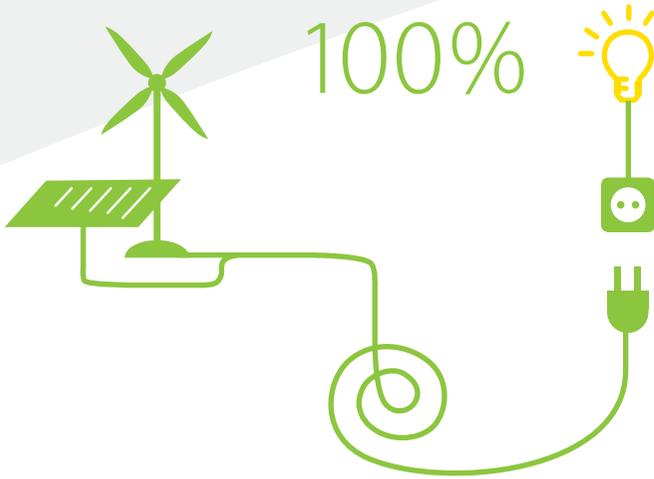




FIMSHARE
GREEN COMMITTEE
OUR OWN INVESTMENTS AND COOPERATIONS

Frankfurt office electricity used from
renewable sources

100%



Fair-trade coffee
provided in Frankfurt offices

100%

Staff commuting by
bike, foot, or public transportation
(all locations)

88%



Finance in Motion's
own impact investments

4

fimshare donations to charity
since inception in 2013

over
EUR 250,000

Recycled paper
used in printers (Frankfurt)

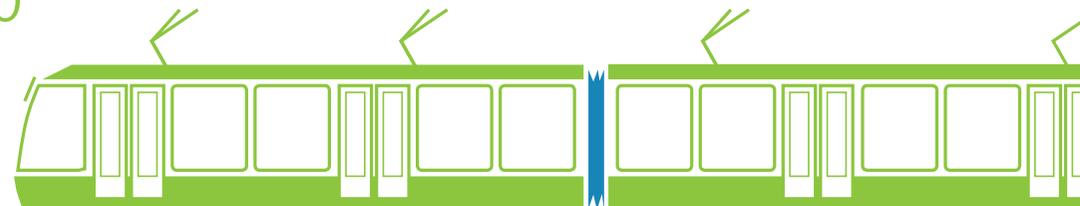
100%

Staff using company-supported
public transportation pass
(Frankfurt)

87%

fimshare charity projects implemented
in 2018

4





WALKING THE TALK

FIMSHARE CHARITY PROJECTS IN 2018

fimshare is Finance in Motion's employee-run charity organization. It was established in 2013 after the company's staff recognized an opportunity to create impact beyond their professional work and contribute directly to charitable causes.

Since its inception, fimshare has implemented 39 projects across 4 continents. These projects range from supporting education and schools to reducing poverty, battling hunger, providing access to sustainable energy and health care, integrating disabled communities, supporting refugees, and more.

Finance in Motion supports and contributes to the charity, especially through its donation-matching scheme. Since 2013, over EUR 250,000 has been donated to charitable projects through fimshare.



Providing school equipment for children with disabilities

EUR 3,000
Negotin, Serbia

12 Septembar is a primary school for children with disabilities in Serbia. Its two campuses in the small towns of Negotin and Kladovo cater to 34 students with mental and physical disabilities. At the beginning of 2018, the school's dedicated team of teachers and support staff lacked many basic tools necessary to effectively teach in the modern classroom. Through its grant, fimshare supplied both campuses with computers, white boards, projectors, and other technical equipment to help students get the most out of their education and ease the work of teachers in creating an environment conducive to their students' needs.



Breaking the cycle of poverty

EUR 10,000
Antigua Guatemala, Guatemala

Supported by fimshare, CasaSito Association is a small grassroots organization whose mission is to transform the future of Guatemalan youth. Through their Youth Development Program, CasaSito works to expand opportunities for academic, professional, and personal growth, helping young people become successful change-makers within their communities. In addition to partial scholarships, CasaSito provides psychological and social support to help youth cope with poverty, stay in school, and overcome the challenges of securing their future. fimshare has supported students through matching grants worth EUR 10,000 to fund 20 scholarships at CasaSito. Half of the students supported have now graduated from high school or university, with the second half well on their way, thanks to this important support.



Keeping children in school in Serbia

EUR 19,800

Pančevo, Serbia

In Serbia, around 14% of children drop out of school each year due to difficult home conditions. 23 May is a public secondary school in Pančevo educating over 800 children, which has been active in developing individual prevention plans to keep students in school. These measures include free lunch packages, support in learning, and collections for clothes, books and tools. fimshare provided funds to support and expand these endeavors to 44 students and their families. In return, caretakers and students have signed pledges to graduate from school.



Educating children and adults for a better future

EUR 19,900

San Juan Alotenango, Guatemala

Asociación Bendición de Dios is a nonprofit organization in San Juan Alotenango, Guatemala, equipping youth and parents with the power to change and shape their own lives. Thanks to the support of volunteers and a group of 15 Guatemalan teachers, the organization provides education, medical care, nutritious meals, housing improvement, and workshops on topics such as hygiene to 500 children and their families. Recognizing the impact that Asociación Bendición de Dios has on its community, fimshare helped finance a two-story school building that serves 1,200 children and parents, enabling them to continue their education, access better jobs and improve their quality of life.

Over EUR

250,000

fimshare donations to charity
since 2013



WALKING THE TALK

PERSONAL AND PROFESSIONAL INSPIRATION: THE GREEN COMMITTEE

Finance in Motion strives to generate impact through investments and activities around the globe. But what about right here “at home” – in our own offices?

The employee-led Green Committee provides staff with a platform for gathering, developing, and inspiring their own ideas for “greening up” both personal and professional life, not just in a one-off but continuously throughout the year.

From awareness-raising campaigns on water usage to helping make commutes more bicycle-friendly, the Green Committee helps Finance in Motion continuously find new ways to walk the talk.

The recent “Impact Pledges” are one example. Here, many employees answered the Committee’s call to commit to a change to their own habits that could reduce their carbon footprint, for example, or make their consumption practices more sustainable. Here is what colleagues achieved:



“One of my pledges was to use fewer bags – paper or plastic. Now when I do my shopping, I bring my own reusable bag. My advice: Buy a great backpack and enjoy your eco-friendly shopping!”

SERGII BAKLAZHENKO
Risk Management



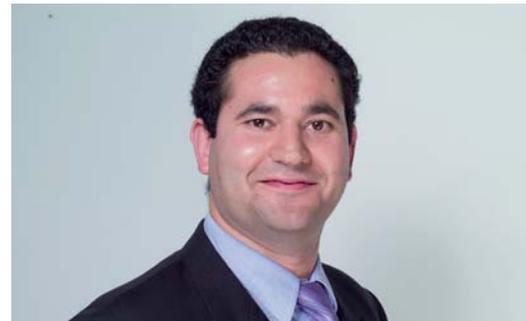
“I pledged to bike or run to the office throughout the year. We have a shower at the office that makes it easy to start the day actively. Cycling and running can even be more efficient than fighting traffic in a car. So it’s not only good for the environment and your health, it can even save precious time.”

TOBIAS BAUMERT
Investment Management



"My pledge was to reduce waste as much as possible and attempt a 'waste-fasting' for at least four weeks. It was challenging! Especially considering the whole supply chain of products one consumes. Now, I can take what I have learned to implement a zero-waste day or two each week."

LIISA ANDERSSON
Energy & Resource Efficiency Finance



"I wanted to make a small but significant change to my daily routine. Instead of activating the elevator all day long, I switched to using the stairs. This not only saves energy, it has also improved my own fitness – strengthening the link between green and healthy."

BABAK YEGANEGY-BRUCKHOFF
IT

88% of Finance in Motion staff worldwide commute to work by bike, foot, or public transportation



WALKING THE TALK

OUR OWN IMPACT INVESTMENTS AND COOPERATIONS



Finance in Motion is invested in GreenTec Capital Partners, a company that helps African startups accelerate into viable enterprises. CEO and founder Erick Yong provides insight into GreenTec Capital Partners' venture building strategies and goals.

Tell us a bit about the company.

What impact do you aim to achieve?

GreenTec Capital Partners invests in African startups. Our innovative model represents a collaboration between investor and investee:

First, we are heavily engaged in company building. We allocate operational resources to startups based on an agreed deliverable with a specific timeline. The resulting success triggers an equity transfer that corresponds to our contribution to the company's success.

This combination of capacity building, knowledge transfer, and financing allows us to apply a concrete solution to the problem of the disappearance

of many good African companies in the "valley of death" stage between acceleration and market traction.

What are your biggest challenges in this environment?

Equity investment is quite new in Africa. Despite the continent's impressive growth, many investors are only willing to invest in more mature companies – yet companies require most of their financial support in their early stage. We therefore had to create a new investment approach that more appropriately addresses entrepreneurs' needs.

We were one of the first to identify and examine the "valley of death" that threatens African entrepreneurs: This is the precarious period when a startup is leaving the acceleration phase but before it has become truly profitable. Most companies simply run out of cash. We investigated what works and what doesn't at that stage, and gained valuable experience and insights. Today, our biggest challenge is to convince more investors of the urgency and simultaneous potential of this investment opportunity. You can find more details at <https://greentec-capital.com>.



What are your greatest successes so far?

Our greatest success has been the number of startups developed through GreenTec venture building. In just three years of existence, we have made 18 investments in 10 African countries. This has created both jobs and economic value. We have also built up partnerships and a reputation: There are now larger institutions that want to see us expand this company-building success in Africa.

Where to from here?

With the financing we have received from private investors like Finance in Motion, we have structured and built processes to hone the support that we provide to startups. This process improvement has enabled us to increase the number of companies we can invest in, as well as to share these methods with local partners who multiply our impact. Our vision is to support a maximum number of African startups with our transformative company building process. This de-risks them and improves their survival ratio while building a larger pipeline for Africa-focused funds.



Finance in Motion is invested in Aqua-Spark, a company driving sustainable aquaculture. Stephanie Rakels, Development & Investor Relations Director for Aqua-Spark, talks about the company's approach to promoting a responsible source of healthy protein while protecting animal welfare and the environment.

Why is it so important to invest in sustainable aquaculture?

The world's appetite for fish is growing. We're now eating twice as much fish as we did just 50 years ago! Our oceans are tapped out – the only way to meet the demand is through aquaculture, the fastest growing food sector. Projections show that to meet demand, we need to triple today's aquaculture production by 2050. This means we urgently need to tighten up practices and make aquaculture more efficient. If done right, aquaculture can be the most resource efficient form of animal protein and an incredible healthy solution for feeding the world.

How does Aqua-Spark create impact – what is your strategy?

Our mission is transforming the aquaculture industry to one that is healthier, more accessible

and more sustainable. We do this by building a portfolio ecosystem of 60-80 companies globally across the value chain and by creating synergies between these companies.

Besides investing in farming operations, offering sustainable and natural feed is a top priority, and we are exploring an antibiotic-free and chemical-free way to battle disease. In addition, we are committed to developing transparency in the aquaculture industry, and are investing in innovative technologies that track farming procedures and brand solutions that communicate that information. This is an evolving ecosystem with a long-term view.

Can you tell us about some of your investments so far?

A real showcase is Norwegian halibut farm Sogn Aqua, the first sustainable land-based halibut farm in the world. Sogn Aqua recreates the fishes' natural environment, pumping water from a nearby fjord into a land-based pen where they can control the water conditions. The farm is constructed with all recyclable materials, they don't use chemicals or antibiotics, and animal welfare is a major priority. The system is hydro powered and has smart, driven entrepreneurs!



Another example is a company named Proteon, a Polish company that produces bacteriophages, the natural enemy to bacteria – which can replace antibiotics. Proteon is one of the very first companies globally that has succeeded in producing phages effectively, low cost, at scale.

For a full overview of our portfolio you can take a look at our website: <http://www.aqua-spark.nl/portfolio>.

What lies ahead for Aqua-Spark this year?

2019 is a big year for us and we will continue to grow the fund and our team. We are planning to expand our portfolio ecosystem with 8 new investments and have some big transactions coming up in several of our cornerstone portfolio companies. Last but not least, we are celebrating our 5th anniversary this year at our annual Investor Gathering!



GreenTech Hub

TechQuartier Finance in Motion

Accelerating green innovation

As millions around the world are starting to feel the effects of climate change, companies are recognizing that “sustainability” is more than a market-savvy buzzword. Indeed, many are viewing the endeavor to reduce humanity’s carbon footprint as not only an additional business consideration – around a quarter of new startups in Germany alone base their very business model on bringing about a green transformation.

In 2018, Finance in Motion and startup accelerator TechQuartier combined their respective expertise in impact investing and venture development to help these emerging companies gain traction.

Their joint initiative, the GreenTech Hub, is Frankfurt’s dedicated platform for startups in the green innovation space. The Hub leverages the knowledge and resources of Finance in Motion and TechQuartier to provide training and networking to accelerate the Hub’s startup members while connecting investors to

impactful opportunities. Forums, dialogue events, and workshops on topics like investment readiness and corporate governance aim to help the Hub’s community members make the most of their potential to drive a more sustainable economy. Moreover, it offers modern offices within the Finance in Motion headquarters on the banks of the River Main.

Some of the innovative ideas have already gained significant traction. One example is *node.energy*: The first startup to take up residence on the GreenTech Hub premises, the young enterprise is already serving large-scale corporate customers with its software solutions for integrating self-produced renewable energy into companies’ operations. Others of the now more than 50 GreenTech Hub community members include *right.based on science*, whose multidisciplinary tool offers a reliable metric for gauging the carbon footprint of company operations, and *Kraft Block*, the inventor of eco-friendly, modular, highly scalable energy storage solutions that outperform lithium ion systems at a portion of the cost.



“Green startups require financial impetus, certainly,” said Finance in Motion Managing Director Elvira Lefting at the GreenTech Hub’s launch event. “But they also require more than just money. We need to create an enabling ecosystem of innovation.” By creating a community of likeminded companies, forward-thinking investors, business support organizations, and green innovators from across industries, the GreenTech Hub aims to advance the ability of Germany’s financial center to meet the challenges of the future.

Interested in learning more?
Visit techquartier.com/greentechhub



OUR PORTFOLIO



Initiated by KfW in December 2005

PURPOSE	MSE and housing finance via financial intermediaries
TARGET REGIONS	Southeast Europe, Eastern Europe, Caucasus
FUNDING	
Assets under management	EUR 979 million
PORTFOLIO INVESTED	
Investment portfolio committed	EUR 968 million
Investee companies	69
Investment volume to date	EUR 2.7 billion

DEVELOPMENT PERFORMANCE

Portfolio outstanding on-lent to end-borrowers	EUR 867 million
Number of active end-borrowers	133,913
Average size of loans on-lent to end-borrowers	EUR 6,477
Number of loans to MSEs and households to date	960,949
Volume of loans to MSEs and households to date	EUR 7 billion
Number of target countries	16

As of 31 December 2018



Initiated by KfW in August 2011

PURPOSE	MSME and housing finance via financial intermediaries and equity investments into financial sector enterprises
TARGET REGIONS	Middle East, North Africa
FUNDING	
Assets under management	USD 343 million
PORTFOLIO INVESTED	
Debt investment portfolio committed	USD 269 million
Equity portfolio (approved investments)	USD 24.7 million
Investee companies	35
Investment volume to date	USD 433 million

DEVELOPMENT PERFORMANCE

Portfolio outstanding on-lent to end-borrowers	USD 183.1 million
Number of active end-borrowers	34,600
Average size of loans on-lent to end-borrowers	USD 5,291
Number of loans to MSMEs to date	186,460
Volume of loans to MSMEs to date	USD 569 million
Number of target countries	8



Initiated by KfW and EIB in December 2009

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

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

FUNDING

Assets under management EUR 506 million

PORTFOLIO INVESTED

Investment portfolio committed EUR 483 million

Portfolio companies 54

Investment volume to date EUR 781 million

DEVELOPMENT PERFORMANCE

CO₂ savings 692,183 metric tons/year

Energy savings 2,751 GWh/year

Number of target countries 19



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

PURPOSE Conservation and climate finance via financial intermediaries and direct investments

TARGET REGIONS Latin America, Caribbean

FUNDING

Assets under management USD 266 million

PORTFOLIO INVESTED

Investment portfolio committed USD 242 million

Portfolio companies 13

Investment volume to date USD 292 million

DEVELOPMENT PERFORMANCE

Number of sub-loans facilitated 5,888

Hectares under sustainable management 140,000

Number of target countries 8



Initiated by Finance in Motion and UNIQUE in July 2018

PURPOSE Equity investments in sustainable forestry projects

TARGET REGIONS Latin America, the Caribbean, and Sub-Saharan Africa

FUNDING

Investor commitments USD 60.2 million

Targeted investor commitments USD 200 million

INVESTMENTS TO DATE

Total commitments USD 20 million

Investment portfolio USD 9 million

Portfolio companies 1

Investment volume to date USD 9 million

DEVELOPMENT PERFORMANCE TARGETED

CO₂ sequestration 20 million metric tons

Jobs supported 5,000



REGIONAL OPERATIONS

ALL INVESTMENTS AND TECHNICAL ASSISTANCE PROJECTS

Since inception

CENTRAL/SOUTH AMERICA

- 🏠 Bogotá | COLOMBIA
- COSTA RICA
- ECUADOR
- 🏠 San Salvador | EL SALVADOR
- GUATEMALA
- HONDURAS
- NICARAGUA
- PANAMA

EUROPE

- ALBANIA
- 🏠 Yerevan | ARMENIA
- AZERBAIJAN
- BELARUS
- 🏠 Sarajevo | BOSNIA AND HERZEGOVINA
- BULGARIA
- CROATIA
- 🏠 Tbilisi | GEORGIA
- 🏠 Frankfurt am Main (headquarters) | GERMANY
- 🏠 Prishtina | KOSOVO
- 🏠 Luxembourg | LUXEMBOURG
- 🏠 Skopje | NORTH MACEDONIA
- 🏠 Chişinău | MOLDOVA
- 🏠 Podgorica | MONTENEGRO
- ROMANIA
- 🏠 Belgrade | SERBIA
- 🏠 Istanbul | TURKEY
- 🏠 Kyiv | UKRAINE

MIDDLE EAST

- IRAQ
- JORDAN
- LEBANON
- PALESTINIAN TERRITORIES
- YEMEN

AFRICA

- EGYPT | Cairo 🏠
- GHANA
- KENYA | Nairobi 🏠
- MOROCCO | Casablanca 🏠
- SIERRA LEONE
- TUNISIA



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