

Investing in Resilience



Welcome to the Finance in Motion Impact Report 2020



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Facts & Figures



Portfolio



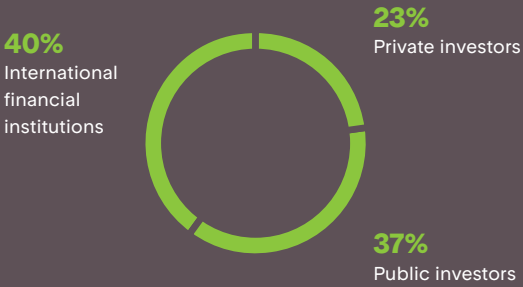
EUR 2.6 billion
in assets under
advisory/management
by year-end 2020

EUR 5.4 billion
cumulative investments
made by year-end 2020

230
investee companies
by year-end 2020

7
different local
currencies provided
in loans to investee
companies in 2020

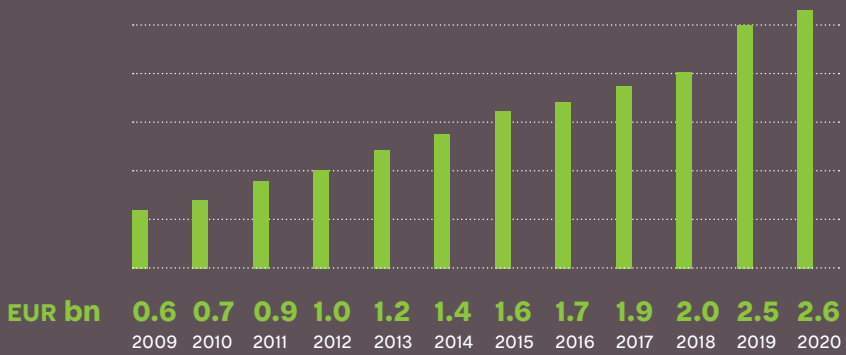
Commitments by **source of funding**
by year-end 2020



Portfolio by **asset class** by year-end 2020



Development of **assets under advisory/management**



Technical Assistance

EUR 33.6 million
in technical assistance
project volume under
management in 2020

446
technical assistance
projects under
management in 2020



Impact on Markets & Systems

100%
of investments in emerging markets

796
investments facilitated by year-end 2020

36
investment countries in 2020

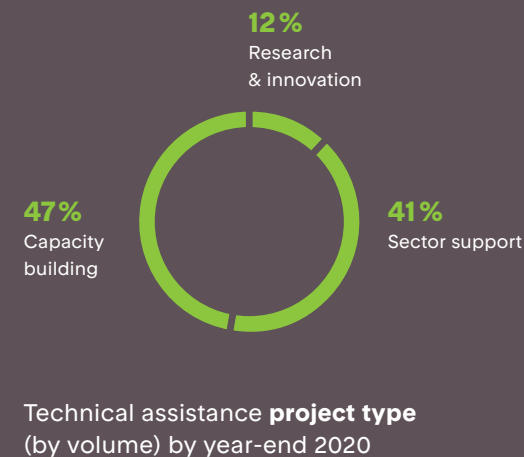
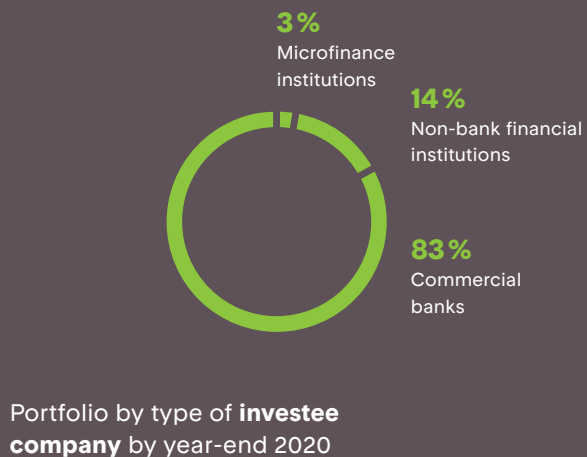
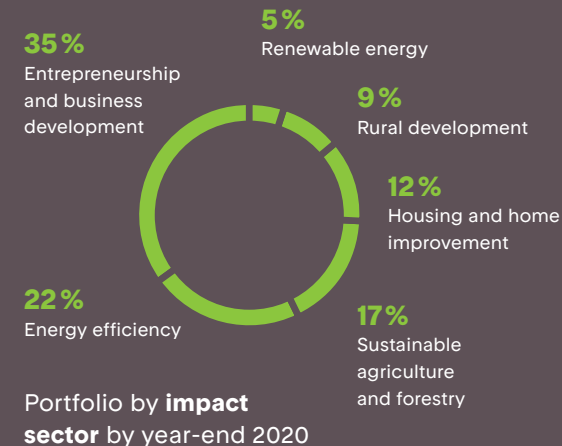
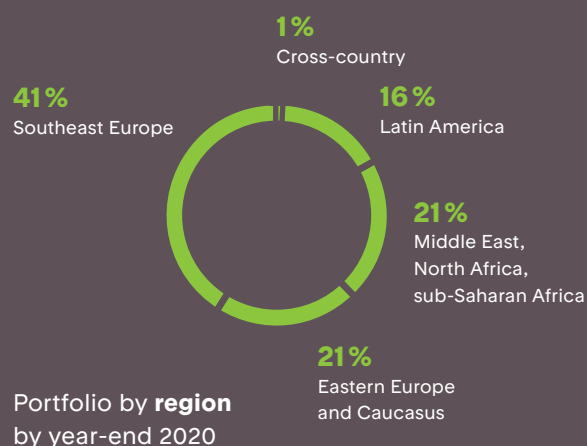
>EUR 1 billion in private capital mobilized by our funds by year-end 2020

Capacity building benefitting **27,500** people (47% female) in 2020 in finance, agriculture, and tech

Active in **21** impact investing sector initiatives in 2020

Contributed to **25** industry research projects in 2020

4 own impact investments in businesses with positive social and environmental impact by year-end 2020



Impact on People & Planet

Promoting Entrepreneurship and Livelihoods

66,000

loans facilitated to MSMEs and households in 2020

EUR 9,000

average size of loans facilitated to MSMEs and households in 2020

22%

of lending in rural areas in 2020

5,000

jobs supported in investee companies receiving equity financing in 2020

114,000

jobs supported in MSMEs receiving financing in 2020

53%

of loans facilitated to MSMEs and households provided in local currency in 2020

Promoting a Green Economy

457,000

hectares under sustainable management supported by year-end 2020

1.6 million

tons of net CO₂ stored in (agro-) forestry supported by year-end 2020

971,000

tons of CO₂ saved annually

4.5 million

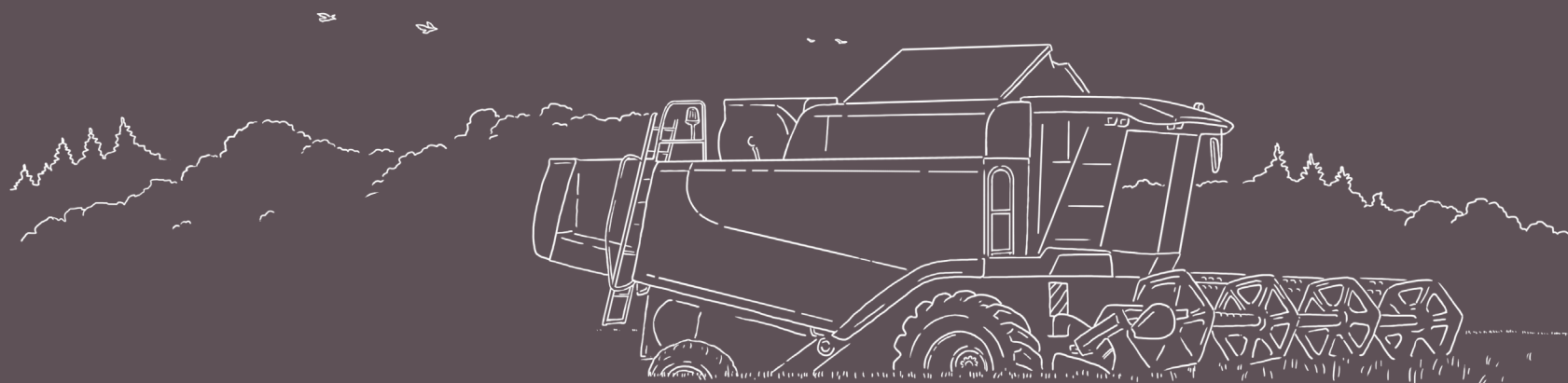
m³ of irrigation water saved by year-end 2020

3.8 million

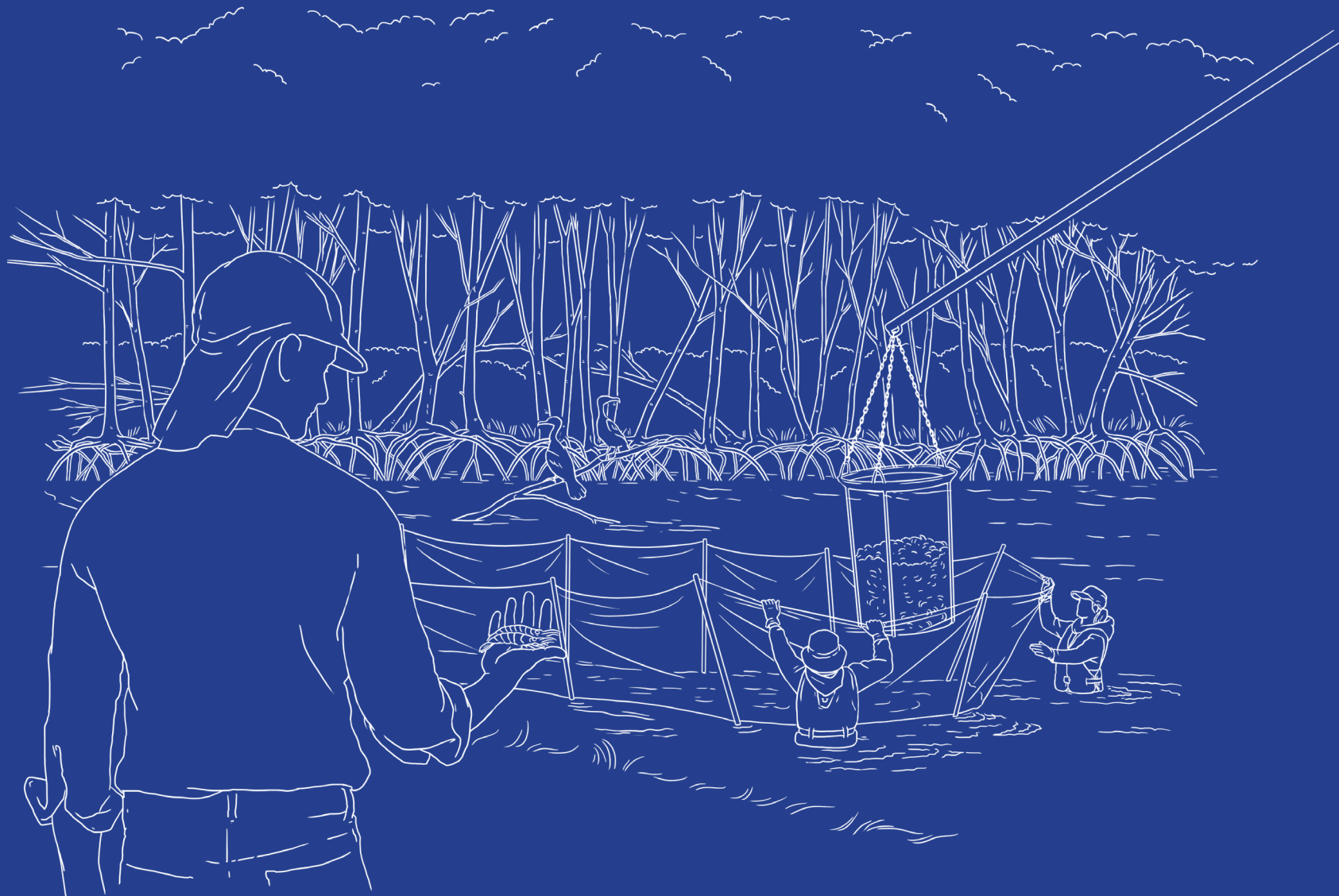
MWh of energy saved annually

1,000

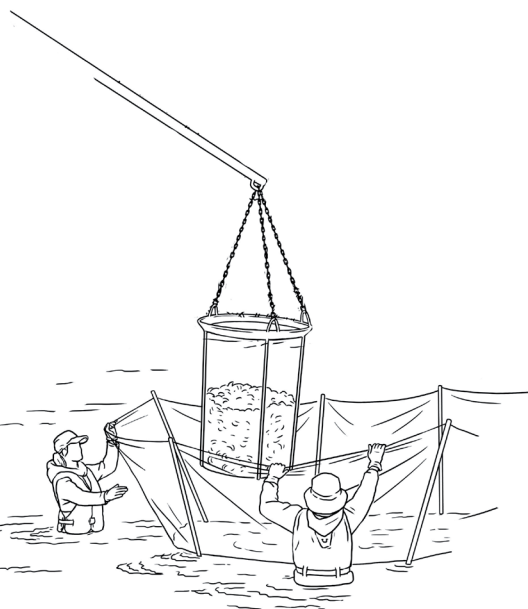
MW of renewable energy capacity installed supported by year-end 2020



Welcome



Letter from the Managing Directors



Dear Reader,

Welcome to the Finance in Motion Impact Report 2020.

This annual publication traditionally brings with it a sense of satisfaction. This is when we stop to reflect on the developments of the last year and how we have contributed to directing resources toward social and environmental progress. This time, we look back on a year that unfolded as few could have predicted. The pandemic disrupted systems, structures, and lives, and in some places, was even further complicated by disaster and conflict. It has exposed vulnerabilities and revealed our interconnectedness in ways we could not have anticipated.

Yet interconnectedness has also been one of our greatest assets in tackling the challenges of the last year. In both a technical and interpersonal sense: The pandemic made undeniably clear the importance of good digital infrastructure in keeping communications and processes running. This was certainly

true for us at Finance in Motion. We were able to smoothly pivot to entirely digital operations in the spring of 2020 thanks to robust, agile IT systems – systems that had already been seasoned to enable our staff to perform their work from around the world. We have always placed high value on geographical proximity to our funds' investees. And it was this presence in 17 local offices on five continents that was, in turn, key to allowing us to maintain close connections with our partners and markets despite travel restrictions and uncertain circumstances.

With the funds we advise, we are active exclusively in emerging markets: parts of the world that have been disproportionately affected by the year's events. In our role as impact investors, however, we have also witnessed the impressive resilience shown by the people and institutions we work with.

What do we mean by this? Certainly the world will be dealing with the aftermath of the crisis for quite some time. But impact investing has always meant being in it for the long run. Sustainable development does not happen through quick fixes; it is the result of building solid foundations upon which positive impact can take hold and gain traction. And robust structures are resilient ones.

Take financial institutions: An institution that can absorb shocks is one that has, for example, a good capital base, strong management, a diversified business model, sound risk management, and reliable shareholders. At Finance in Motion, our approach to impact investing seeks to curate precisely this.

The funds we advise provide funding to financial institutions, but are also accompanied by technical support that additionally builds capacities and hones expertise. So when the crisis hit, we had already been working closely with local financial institutions on upgrading their systems and stress-testing. This local connection and acute understanding of individual and market needs enabled us to jointly take quick action to mitigate disruption.

Indeed, the funds advised by Finance in Motion approved a record EUR 760 million in new loans in 2020 to support financial institutions in continuing to serve the small businesses and sustainable producers which rely on them. In addition to this, we provided emergency consultation on matters like risk and liquidity management, digitalization, human resources, and other important strategies to help partners adapt to unexpected developments and keep their operations running. The results show the value of this comprehensive approach: The combined actions of our funds facilitated financing to more than 76,000 borrowers and technical assistance to 67,000 recipients across 56 countries in 2020, contributing for example to saving 971,000 tons of CO₂ emissions and supporting around 114,000 jobs.

This ability of our funds to provide strong crisis intervention was accelerated by the trust of our investors. Public investors were swift in dedicating further resources to fuel crisis mitigation efforts. Private investors continued to support the social and environmental causes they had

signed up to. In total, the funds we advise attracted additional capital totaling nearly EUR 600 million from investors in 2020. For this dedication, we offer our thanks. It is a clear signal that impact investing is recognized as a highly effective instrument for addressing urgent problems.

After all, impact investing is, at its core, about turning a negative situation into a positive one. Even crises are not new for most of us. EFSE, for example, one of the entrepreneurship funds advised by Finance in Motion, was quick to provide liquidity support while markets were drying up back in the financial upset of 2008-2009. Today, many of these partners are now robust conduits for channeling EFSE funding to micro and small enterprises in Southeast Europe and the Caucasus. It seems that cyclical ups and downs are no match for commitment and a long-term view.

These long-term, on-the-ground collaborations with our partners – including the financial institutions themselves but also central banks and business support organizations – certainly continue to play a key role in effectively navigating the current environment. A global crisis of this scale and complexity can only be successfully faced by combining skills, strengths, and means. Through open communication of needs. Through the sharing of expertise. Through quick action. All of this has been essential in enabling us to join forces with our partners to address the hurdles of the last year and unblock the resources needed to solve and mitigate

crisis-related challenges. We would like to take this opportunity to thank them for their dedication in pushing for social and environmental advancement despite ongoing headwinds.

Yet resilience is not just about survival; it is also about adapting, growing, and coming out even stronger than before. We have seen that the most resilient institutions are those which were already constantly evolving: those which have been constantly challenging themselves to improve and progress.

That is why our focus for 2021, particularly the second half, is on recovery, certainly, but on a different level than before. We want to take the lessons from the last year to help our investees future-proof their operations. That means, for example, taking advantage of the benefits of tech and digital solutions to increase the scope, efficiency, and efficacy of activities. Or, in the case of our direct investments, supporting efforts to diversify value chains, such as expanding to new markets or suppliers, or engaging in value-added production.

And, importantly, we believe the pandemic has shone a spotlight on the urgent need to collaborate to make a real change. No one government or investor can solve a problem facing the whole world. That holds true not only for the current pandemic but also for environmental crises. Climate change is a global issue: A few more wind parks in already-developed economies will not be enough to reduce worldwide emissions unless we mobilize the

resources for everyone to green their economy. Experts agree that the pandemic itself is unlikely to be the last of its kind if we continue to ignore the connection between collapsing ecosystems, biodiversity loss, and zoonotic spillover events such as that which triggered the outbreak of COVID-19. We observe this leitmotif of interconnectedness once again: The health of our society is inextricably bound to the health of our planet. And the well-being of each community is only as robust as that of its neighbor.

That is why we at Finance in Motion pursue a global approach that relies on strong international networks, leverages blended finance structures, and prioritizes impact investing in emerging markets.

Collaborating. Learning. Innovating. Diversifying. These are the keys to resilience. And this is how we, as a worldwide community, can mobilize to make the future a safer, greener place for us all to live.



Sylvia Wisniwsky

Sylvia Wisniwsky
Managing Director



Elvira Lefting

Elvira Lefting
Managing Director



Christoph Freytag

Christoph Freytag
Managing Director



About Finance in Motion



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.



Keys to Success

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



Holistic approach:

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



Investment expertise:

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



Blended finance:

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



Regional presence:

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



Impact management:

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



READ

our Disclosure Statement
for the Operating Principles
for Impact Management



Sector specialization:

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

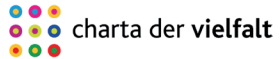
Commitments

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



Operating Principles for
Impact Management



Member & Supporter of



Staff

229

employees
around the globe

17

offices on four
continents

58

nationalities

45%

of staff originating
from our investment
countries

94%

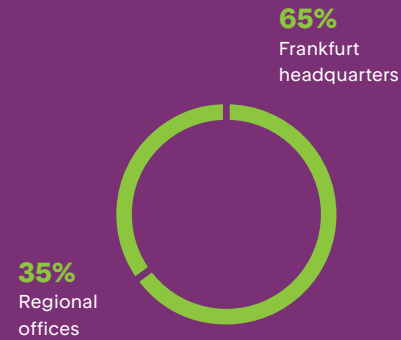
of staff participating
in training in 2020

74%

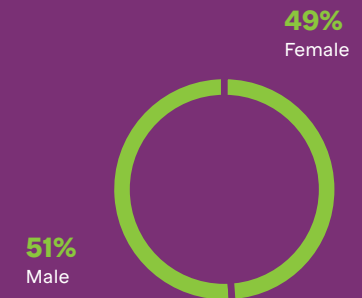
of staff donate to
civil society
organisations,
environmental
movements,
or similar

37

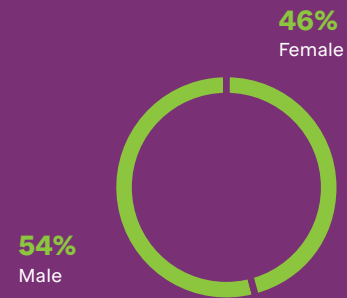
average age
of our staff



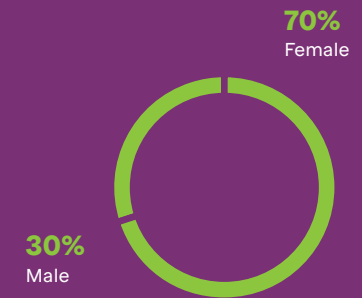
Staff by location



Staff by gender



Company senior
management by gender



Employees taking
parental leave in 2020

all figures as of year-end 2020

Approach to Impact & Sustainability



Working Toward Impact and Sustainability

At Finance in Motion, our mission is to harness the power of finance to make a positive difference for people and planet. We responsibly invest public and private capital where it is needed to address the world's social and environmental challenges.

For our investments, we apply a two-pronged focus:

Regional focus

We are active exclusively in emerging markets across five continents.

Thematic focus

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

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

All our work is geared towards one or several final **impact goals**:

• Addressing climate change

We are committed to climate action. We provide dedicated financing for reducing CO₂ emissions – through energy efficiency measures and the production of renewable energies – and for storing and sequestering existing CO₂. And by investing in technologies to reduce the use of natural resources, we are also helping people cope with the effects of a changing climate.

• Strengthening biodiversity conservation

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



• Fostering sustainable use of (natural) resources

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

• Improving livelihoods

We direct capital to financially underserved groups, such as low-income and underbanked households. Ensuring their financial inclusion enables them to cover basic needs, strengthen their economic resilience, and take up or expand income-generating activities.

• Promoting economic opportunities

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

In doing so, our work contributes to **key international development targets**, including the Sustainable Development Goals.



**READ MORE ABOUT
HOW WE MANAGE
IMPACT AND SUSTAINABILITY**

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Our Contribution to the Sustainable Development Goals

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

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

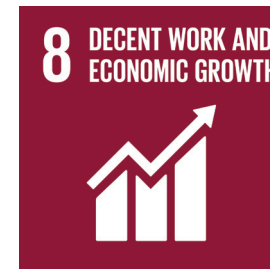
We mitigate water scarcity by promoting sustainable agricultural practices that improve water quality and increase water-use efficiency.

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

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

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

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



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

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

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

We promote sustainable practices in fisheries and aquaculture.

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

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

Facilitating Systemic Impact

We apply a comprehensive approach to facilitate systemic impact and lasting change. This includes:

- **Blending public and private investments**

Blended finance structures allow to leverage public capital as a risk cushion to mobilize private investments in emerging and frontier markets. This increases resources to invest for important and underfinanced impact targets, such as those defined by the Sustainable Development Goals, channels much needed investments into emerging markets and allows us to achieve impact with scale.

- **Combining targeted investments with customized technical assistance**

Our funds provide debt and equity targeted at impactful sectors and investees. In addition, we manage technical assistance facilities to support financial institutions and sector players in strengthening their capacities and to foster enabling environments.

- **Engaging actively**

We consider ourselves a long-term partner to our investees. Once invested, we therefore engage continuously, including through (but not necessarily limited to) the provision of tailored technical assistance and the funds' networking and platform-building efforts. When it comes to equity investments, we usually serve on an investee's board to guide decisions and activities in line with the fund's impact goal. As a company, we engage in industry initiatives to develop standards and raise awareness among public and private investors for sustainable and impactful investment approaches.

- **Sectoral and regional expertise**

We bring specialized expertise to our work, ranging from energy and resource efficiency to sustainable agriculture and financial inclusion. This expertise is applied throughout the



investment cycle and, along with the strong local knowledge of our regional presence, enables us to fine-tune strategies and provide targeted support to our partners.

- **Walking the talk**

At Finance in Motion, we are committed to social and environmental responsibility and reflect this in our own company policies and actions.

Managing Impact and Sustainability

Our approach to managing impact and sustainability builds on a system that combines managing and mitigating potential negative outcomes with enhancing positive impact.

These considerations are integrated into the entire investment cycle – from setting out impact objectives in core strategy and policy documents and thorough screening of potential investees to continuous monitoring and management once capital has been deployed. We align with international standards and good practices, including the Operating Principles for Impact Management, the IFC Performance Standards, and key responsible and sustainable finance initiatives and regulation including Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).



All funds under our advisory work towards a sustainable investment objective and therefore fall within the scope of Article 9 of the Sustainable Finance Disclosure Regulation (SFDR).

Managing positive impact

Impactful investing takes intentionality, strategic focus, and continuous management. Measuring and managing our impact allows us to track progress towards our impact goals and provides us with learnings and insights – ultimately enabling us to fine-tune our strategy.

Assessing both the expected and realized impact is crucial for effectively managing positive impact. This work is guided by each fund's impact objective and specific impact pathway, which have informed a specific set of industry-aligned key performance indicators.

For our funds under advisory and/or management, these impact pathways consider both the direct impact on the investee (for example, by improving a financial institution's capacity to serve the micro, small, and medium enterprise sector) and the indirect impacts on or through the investee's end-clients

(such as biodiversity conservation through implementation of sustainable business practices).

We combine a range of internal and external data sources to track the funds' progress toward their impact goals, including reporting by the investees on their financing activities, our own monitoring, and third-party data for impact estimations where appropriate and in accordance with best practices. Finally, our geographical proximity to investees and stakeholders through our network of local offices supports regular on-site visits and continuous dialogue, contributing both qualitative and quantitative impact information.

Managing environmental and social risks

As part of its holistic approach to facilitating systemic impact, Finance in Motion is committed to integrating E&S criteria into each phase of the investment cycle. We prioritize supporting each of our funds in effectively managing – i.e. avoiding, minimizing, and mitigating – the potential environmental and social (E&S) risks and impacts associated with their investments. Due to the different investment focus of each fund, such impacts and risks can be substantially different. To that end, Finance in Motion maintains,



Our impact management practices are closely aligned with industry standards, particularly the Operating Principles for Impact Management, which Finance in Motion signed in 2019. As a signatory, we issued our first disclosure statement in 2020 and will undergo an independent verification in 2021.

implements, and continuously hones E&S management, and tailors it to the respective investment focus and approach of each fund. It is also aligned with international best practice and recognized frameworks, such as IFC Performance Standards and the ILO Core Labour Standards.

As part of the investment process, a thorough E&S due diligence is undertaken for each investment to identify potentially significant adverse sustainability impacts and assess the investee's capacity and commitment to addressing and mitigating these impacts. Once capital is deployed, investees' E&S performance is regularly monitored.



READ MORE ABOUT OUR APPROACH TO IMPACT & SUSTAINABILITY, INCLUDING OUR SUSTAINABILITY-RELATED DISCLOSURES IN LINE WITH REQUIREMENTS OF THE SFDR, AT:

<https://www.finance-in-motion.com/our-impact>

Investing in Resilience



Combining Resources with Action

The economic ramifications of the COVID-19 pandemic have presented a problem for businesses across regions and industries. Shutdowns, closed borders, and travel restrictions dampened cash flow and income especially for micro, small, and medium enterprises (MSMEs), with consequences reverberating throughout the financial system.



A study conducted by the Development Facility of the **European Fund for Southeast Europe (EFSE)** revealed that the vast majority of entrepreneurs in Southeast Europe and the Caucasus, for example, experienced severely negative effects of the coronavirus outbreak on their businesses that included suspension of operations and drastic declines in revenue. For the local institutions that finance these MSMEs, payment moratoria and emergency funding put a strain on financial planning and liquidity management.

In 2020, the funds advised by Finance in Motion were able to move quickly to provide much-needed liquidity to the institutions upon which MSMEs rely. Taken together, the funds approved a record amount of loans to 80 institutions over the course of the year, supporting them in channeling financing to 76,250 entrepreneurs and households across 33 countries by December 2020.

But navigating sudden — and complex — challenges requires more than money alone. The pandemic disrupted entire systems. Day-to-day operations needed to pivot to accommodate changing circumstances; IT structures needed sudden and considerable expansion; the risk environment needed rapid new assessment; and smart plans needed to be made to overcome current obstacles while laying a path to recovery ahead.

It is for precisely such matters that each of the funds is supplemented by a designated technical assistance facility. These technical assistance facilities deliver targeted expertise to investees and their clients as well as to relevant associations and regulatory bodies that goes beyond financial support alone.

Empowering institutions and businesses to steer through the crisis was a key focus of the technical assistance facilities (TAF) in 2020. As early as April, the Technical Assistance Facility of the **SANAD Fund for MSME** and the

EFSE Development Facility each released a COVID-19 crisis response program to help financial service providers continue supporting entrepreneurs in their target regions. The **Green for Growth Fund** and the **eco.business Fund** likewise launched comprehensive technical consultation packages to assist their investees' green lending operations.

These programs offered expert consultation aimed to boost the resilience of local financial infrastructure in the face of the pandemic. Technical assistance was provided in critical areas such as risk and liquidity management, stakeholder communication, human resource management, loan restructuring, and more. Sector-wide knowledge exchange was also facilitated through international initiatives, such as the EFSE-hosted **Regional Impact Forum webinar** for entrepreneurship organizations in Southeast Europe on supporting small businesses in times of crisis.

Meanwhile, business owners themselves received direct support in the form of one-on-one mentoring and helplines in addition to online coaching. The eco.business Development Facility, for example, hosted an **online course on biosafety during the pandemic** for 140 agricultural and aquaculture producers in Ecuador and Panama.



"EFSE is more like a strategic partner than just a lender. The fund reacted in a swift way at the very beginning of the COVID crisis by providing both financial support and technical assistance."

ANA KENTERA, CEO OF ALTER MODUS, MONTENEGRO'S LEADING MICROFINANCE INSTITUTION



"It is important to carry out this type of training in different countries to improve the implementation of good practices and avoid the loss and degradation of natural resources in rural areas."

PARTICIPANT IN WEBINAR SERIES FOR LATIN AMERICAN FARMERS HOSTED BY THE ECO.BUSINESS FUND

In total, technical assistance activities reached 66,757 individual beneficiaries on five continents in 2020.

The crisis did not end, however, with the start of a new year. The funds' combination of systemic and individual intervention is ongoing in 2021 with, for example, the Green for Growth Fund's **green recovery plan** and SANAD's **targeted grant program** to accelerate digitalization among MSMEs in the Middle East and North Africa.

Impact investing is a long-term endeavor. Ensuring lasting results means not only providing the means for positive development, but also strengthening the resilience of people and structures to withstand adversity through a comprehensive approach to impact.



Learn about SANAD's comprehensive support to microfinance institution Advans Tunisie in tackling the crisis

Relying on Proven Models in Times of Crisis

“Harnessing the power of finance to make a positive difference for people and planet.” This is part of Finance in Motion’s very mission statement. And it is especially in times of crisis that we see with stark clarity the urgency to direct resources where they are needed to grapple with global challenges. In an interconnected world, the coronavirus pandemic has extended beyond the realm of health.



Finance in Motion was named “Large Asset Manager of the Year” by leading sustainable investment magazine Environmental Finance for the IMPACT Awards 2020. This was in recognition of the company’s significant contributions to people and planet while advancing the impact investing market, particularly through the use of the blended finance model to combine public and private investments for amplified impact. [Read more.](#)



Fundamentally disrupted systems have led to setbacks in the fight against poverty, hunger, and inequality, and exposed the fragility of the systems on which we depend, including climate and natural ecosystems. According to the United Nations, the pandemic has hindered or even reversed progress toward 13 of the 17 Sustainable Development Goals (SDGs).

The global scale of these issues makes collaborative efforts across borders and industries crucial for addressing them. No one government, organization, or investor alone can solve a crisis faced by the worldwide community.

Combining resources is, in fact, the very concept behind the **blended finance model** underlying the funds advised by Finance in Motion: to pool not only money, but also expertise, for amplified impact.

In other words, the funds’ layered structure leverages public capital as a catalyst to mobilize participation from private investors. This not only unleashes more total funding overall, but also joins valuable perspectives and networks from both development finance actors and private investors. The result is a sophisticated impact vehicle that is equipped to bring solutions to emerging markets – regions where the crisis has particularly hampered progress toward the SDGs.

Indeed, the search for solutions in 2020 has substantially increased awareness of the key role impact investing can play in fueling sustainable recovery. The first half of 2020 drew more investments into impact funds than in the entire year 2019¹, and the momentum has only accelerated since then.

“Investments into our funds definitely grew in 2020,” pointed out Managing Director Sylvia Wisniwski. “After all, impact investing is, at its core, about

¹ New York Times, 20 August 2020

fixing problems. And in a crisis situation, those with the means to contribute to a solution – investors – are seeking proven vehicles to make a positive difference. Moreover, the funds we advise are guided by a deep understanding of risk management, and already have in some cases more than a decade of experience in maneuvering through uncertain environments. This makes them a natural tool for navigating the current environment to deliver results.”

The results can already be seen. By the end of 2020, over EUR 530 million in new loans had been unleashed to micro, small, and medium enterprises in emerging markets through the activities of the EFSE and SANAD funds, providing local businesses with crucial liquidity lifelines during periods of economic standstill. The Green for Growth Fund, eco.business Fund, and Arbaro Fund also ramped up efforts to support a “green recovery” by investing in measures that mitigate the effects of climate change and promote biodiversity conservation in emerging markets: In 2020, their activities had resulted in reducing CO₂ emissions by 971,000 tons and placing 459,000 hectares of land under sustainable management.



The eco.business Fund was selected as “Private Debt Fund of the Year” in the IMPACT Awards 2020 for its ability to channel public and private investments toward measures that contribute to biodiversity conservation and the sustainable use of natural resources, as well as to mitigating climate change and adapting to its impacts. [Read more.](#)



The Green for Growth Fund was named winner of the PRI Award 2020 in the category “Real-world impact initiative of the year” by the U.N.-initiated Principles for Responsible Investment. By the end of 2020, the fund’s investments were annually saving over 3.82 million MWh of energy and reducing emissions by over 971,000 tons of CO₂.

[Read more.](#)



Managing Director Elvira Lefting highlighted the importance of geographical proximity in the funds’ ability to react quickly to local partners’ needs. “To tackle systemic challenges and deliver impact at scale, we have built on-the-ground investment teams within the regions where we operate who understand the local context and can originate assets that provide tangible, impactful solutions,” she said.

Measuring these results is no simple task. It requires clearly defined methods for targeting, tracking, and demonstrating impact. “You can’t talk about proven models without, well, proving them,” said Milena Bertram, Impact & Sustainability Director. “And that is particularly important in a market environment where investing for positive impact is so quickly gaining importance and visibility. This is of course a very desirable development. Yet we also need to make sure that impact funds really are delivering on their promises. At Finance in Motion, we have finely tuned tools and systems for monitoring and managing the funds’ impact performance **in line with the latest industry standards.**”

The crisis is not over yet. But we rely on a tried-and-true approach for making sure that money can make a difference. Impact investing is the future, and we are already seeing that right now.

Keeping Operations Running

When the World Health Organization declared a pandemic in March 2020, Finance in Motion, like many companies, was obliged to transform its operations seemingly overnight. Work needed to go completely online – requiring an unprecedented reimagining of activities that had always taken place directly in the field, such as on-site due diligences, in-person meetings with investees, and participation in conferences and events. Additional complexity was added by the company's distribution across 17 separate offices on five continents: Each region had different restrictions in response to the pandemic. Moreover, not every partner and investee had the same ability to accommodate the new working modes.

“The ability to adapt to changing circumstances is at the root of resilience.”

Thomas Zahay,
Human Resources Director



The situation required swift action. “The rapid spread of the coronavirus did not offer lengthy preparation time,” says Human Resources Director Thomas Zahay. “We had to keep people safe while also preventing business disruption. After all, systems and structures in emerging markets can be especially vulnerable during times of uncertainty. It was very important that we continue to serve as a reliable ally to our partners, and not let the circumstances keep us from delivering on our impact mission.”

Finance in Motion's approach was therefore simultaneously centralized and flexible. All staff were instructed to work remotely where possible; the company even provided a stipend for employees to equip their home offices as needed. In cases where physical presence could not be avoided, strict hygiene measures were enforced. “It was a combination of adhering to guidance from public officials and health ministries and interpreting what that meant from an operational and business continuity perspective,” says Zahay. “Communication played a key role. Every department and local office was dealing with special challenges. Collaboration and up-to-date knowledge sharing were crucial.”

Fortunately, the company's IT environment was up to the task of empowering teams to keep projects and investments running. Cloud-based infrastructure allowed colleagues to access information from anywhere, and robust IT tools enabled work with investee companies, including due diligences, to be conducted within a digital space. Finance in Motion IT Director Matteo Snidero remarks: “One might say that our systems had already been designed to support agile working modes. From the beginning, a hands-on approach and geographical proximity to our partners have informed our ability to respond to

market needs. So even before the crisis, we had designed our systems to enable, for example, an investment manager to work from any corner of the world at any time. This proved enormously valuable when everything went entirely online in 2020.”

Finance in Motion's own operations were just one side of the equation, however. Supporting partners in adapting to the situation was also key. In spring of 2020, each of the technical assistance facilities of the European Fund for Southeast Europe, the Green for Growth Fund, the SANAD Fund for MSME, and the eco. business Fund released a designated crisis response package. These consultation offerings aimed to help local financial institutions continue serving the entrepreneurs and sustainable producers which rely on them by addressing such topics as digital infrastructure, risk management, staff training, and more.

Pivoting Finance in Motion's operations and helping investees respond to the changing circumstances with agility and effectiveness resulted in a record level of investments mobilized for impact. Together, the funds approved EUR 750 million in total investments, whether into microfinance institutions to help keep jobs afloat or for green energy finance to keep projects going that combat climate change. “It felt like we didn't miss a beat,” says Zahay. “This is also thanks to a staff that already takes a positive approach to going into uncharted waters: They tend to focus on finding solutions. And the results of last year show it.”

Snidero adds, “The situation has some implications for the future, too. The switch to digital has been a unique opportunity to obtain data on experiments that we had only run in our heads in the past. For example, we now know for sure where we can reduce travel without sacrificing operational excellence. That opens up

“From the beginning, a hands-on approach and geographical proximity to our partners have informed our ability to respond to market needs.”

Matteo Snidero,
IT Director



more possibilities for avoiding carbon emissions and making our own operations even greener.”

“And more flexible,” agrees Zahay. “The ability to adapt to changing circumstances is at the root of resilience, and I think this experience has made us an even stronger, more agile partner in overcoming obstacles to reach our target markets. The world is changing, but Finance in Motion views change as opportunity.”



In addition to investments, Finance in Motion also provided direct support to communities struggling to cope with the pandemic. Find some examples of these charitable projects [here](#).

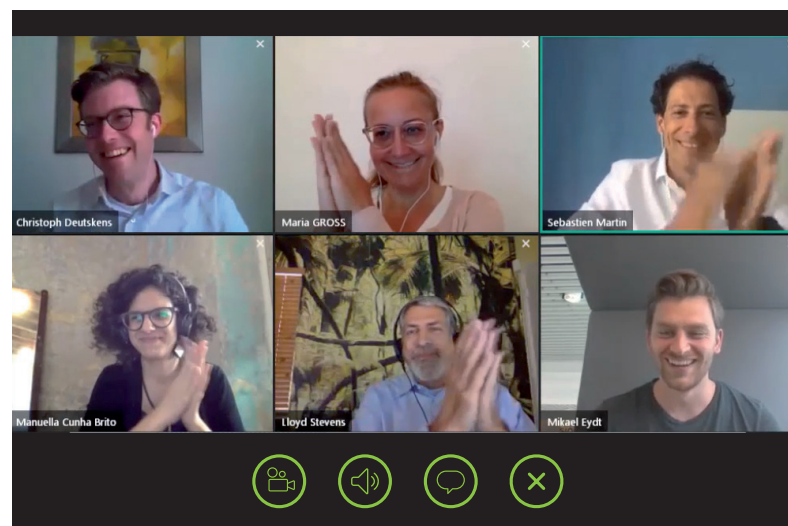
A Climate-Neutral Competition for a Sustainable Future

As the world grappled with the COVID-19 outbreak, another urgent threat to society and the environment had not abated: the climate crisis.

Just as the pandemic required new ways of doing business, so too does climate action. This is what the team behind the clim@ competition had in mind when calling for business ideas that contribute to a sustainable future. The competition seeks to identify, promote, and accelerate innovators with promising solutions for sustainable production or consumption practices. The reward: funding to develop the business, exposure to potential investors and the green business community, mentoring and ongoing nonfinancial support, and more. By March 2020, more than 200 applicants from 60 countries had responded with proposals on new approaches to protect the climate and environment. Themes ranged from clean energy and energy efficiency to circular economy solutions and the responsible use of resources.

“If we truly want to build a resilient society and environment, we need to open paths to success for those businesses passionate about creating sustainable solutions.”

Lachlan Cameron,
Energy and Resource Efficiency Finance
Director



Organised by Finance in Motion on behalf of the Green for Growth Fund, this was the second clim@ competition after the success of the pilot event in 2018. And just as in the first clim@, applications were carefully reviewed according to their feasibility, innovativeness, and impact potential.

The selection of finalists was not easy. Ideas included a sustainable leather alternative made from fruit waste, organic plastic substitutes made from tea to replace plastic parts in the automotive industry, and a digital platform that connects households and businesses in emerging markets with affiliated recyclers.

This time, the organization team also had an extra task on their hands: going

virtual. With lockdowns and travel restrictions in place, the final pitching and judging event would need to take place online. “This was our first major digital event, and we were determined to provide a platform where both entrepreneurs and the wider climate finance community could connect,” said Lachlan Cameron, Director in charge of conducting the clim@ competition. “Interest was high, and we were expecting lots of people to tune in – including leaders in the banking sector, experts in climate finance, potential investors, and startup community players.”

The right planning and tools made the online event a success. Over 300 attendees watched the presentations while the five jury members, experts in

climate finance and technology, probed each finalist on details of their concept and future strategies. “It turns out that a digital approach not only worked perfectly for the competition itself, but was also in line with our goal for clim@: Going digital made it a very low-carbon event,” adds Cameron.

Finally the winners were selected. The top prize of EUR 15,000 went to **Beyond Leather Materials** from Denmark for their novel approach to producing a vegan and eco-friendly leather alternative made from apple waste.

In second place was **ColdHubs** from Nigeria, awarded EUR 10,000 to grow their business that designs, installs, and operates 100% solar-powered walk-in cold rooms for outdoor markets and farm clusters to preserve perishable food.

Whole Surplus from Turkey, coming in third place, was awarded EUR 5,000 for their technology-based solutions to recover the best possible value out of surplus food.

Manyfolds from Germany, designer of a size-optimized, environmentally friendly packaging solution, and **Biodiesel Misr** from Egypt, which produce biodiesel from used cooking oil, came in fourth and fifth place respectively and were awarded EUR 2,500 each.

“The success of this competition made it abundantly clear that there is much to be gained from bringing green entrepreneurs to the fore,” says Cameron. “If we truly want to build a resilient society and environment, we need to open paths to success for those businesses passionate about creating sustainable solutions.”

The Green for Growth Fund

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**DISCOVER
MORE**

examples of how the Green for Growth Fund is promoting a green economy at:
www.ggf.lu/stories



Healthy Systems for a Healthy Planet

Bordered by two oceans, covered in mountains and forests under a neotropical sun with plentiful rainfall: The rich landscapes of Costa Rica represent just 0.03% of the world's landmass but are home to over half a million species, making the country one of the most biodiversity-dense on the planet.

Costa Rica also takes climate and natural resource protection seriously. It aims to become the first carbon-neutral country in Latin America in 2050. And it is the first country in Central America to have reached positive net deforestation rates. In fact, the world's first scheme directly linking economic advantages to conservation practices was pioneered by Costa Rica's Forest Law over a quarter century ago, giving legal and monetary shape to the concept of "ecosystem services": the benefits provided to humans by a thriving natural environment.



LEARN MORE ABOUT

the impact of the eco.business Fund and its partners on the environment and the economy at: www.ecobusiness.fund/en/impact



This synergy between environmental and economic assets is a key focus of the eco.business Fund, an impact investment fund advised by Finance in Motion. The eco.business Fund aims to expand financing for sustainable business practices in Latin America, the Caribbean, and sub-Saharan Africa, mainly by working through local financial institutions. In so doing, the fund aims to contribute to biodiversity conservation and the sustainable use of natural resources, as well as to mitigating climate change and adapting to its impacts.

This is a goal shared by one of the eco.business Fund's strategic partners in Costa Rica: Banco Promérica. The Promérica Group is a leading provider of green finance in the region, particularly to small and medium businesses. It is firmly committed to mobilizing capital toward environmentally and socially responsible activities; indeed, sustainability forms a central part of Banco Promérica's strategy.

This is why the eco.business Fund and Promérica have joined forces to expand green financing to agribusinesses, a sector that is a significant provider of income generation, external revenues, and employment in rural areas of Costa Rica. Supplying dedicated financing to support sustainable agricultural practices – for example, by enabling farmers to install low-water irrigation systems or incentivizing the use of sustainable production methods – has a considerable role to play in underpinning the country's efforts to green its economy.

By the end of 2020, financing provided to Banco Promérica by the eco.business Fund had unleashed over USD 14 million in loans to green producers, contributing to the sustainable management of 12,500 hectares of land cultivated for crops such as banana. Banana cultivation typically requires heavy applications of agrochemicals, especially herbicides. However, due to the certification of all clients by Rainforest Alliance, one of the

eligible voluntary sustainability standards promoted by the fund, and its rigorous requirements on the control of agrochemicals, to date the application of more than 3,000 liters of herbicides could be avoided. In addition, the financing has contributed to supporting 2,500 jobs.

In addition to generating positive impact, the eco.business Fund also keeps a close eye on potentially adverse impacts of the activities funded through its partners. Technical assistance provided to Banco Promérica by the eco.business Development Facility has been instrumental in enhancing the bank's environmental and social management system, honing Banco Promérica's ability to assess and react to potential risks of its clients' activities. This included, for instance, the integration of the IFC's Environmental and Social Performance Standards into the bank's environmental and social risk management framework.

When the coronavirus pandemic brought public activity to a halt in 2020, closed borders and travel restrictions weighed heavily on another pillar of the Costa Rican economy: tourism. Like agribusiness, tourism tends to be highly consumptive of natural resources if measures are not taken to reduce the sector's environmental footprint. And as such, increasing the sustainability of tourism is also a focus of the eco.business Fund and Banco Promérica.

That is why the partners went to work in 2020 to support the tourism sector's sustainability management, thus also bolstering these clients' ability to tackle the challenges of the pandemic. Together, the eco.business Development Facility and Banco Promérica developed a targeted toolkit for this purpose: Measures included assisting hotels, for example, in implementing requirements to qualify for sustainable certifications and thereby also expanding to new business opportunities.

“Managing resources responsibly, whether these are economic or natural, is essential to creating a strong, healthy system that is more resilient to temporary setbacks, even crises.”

Sandra Abella, eco.business Fund Director at Finance in Motion, remarks: “We are in it for the long run. Through likeminded partners such as Banco Promérica, the eco.business Sub-Fund for Latin America and the Caribbean, follows a ‘future-forward’ strategy that combines financing and technical assistance to most effectively support a green transformation. Managing resources responsibly, whether these are economic or natural, is essential to creating a strong, healthy system that is more resilient to temporary setbacks, even crises.”



Sandra Abella,
eco.business Fund
Director at
Finance in Motion

“This crisis was a surprise,” points out Michelle Espinach, Sustainable Banking Manager at Banco Promérica. “But the climate crisis is not. We are in a position to do something about that right now, offering our clients financing and tools to help mitigate and adapt to climate change and prepare for the next twenty, thirty years. At Banco Promérica, we already track indicators from our clients ranging from water and energy consumption to gender equality and working conditions. We are currently enhancing our ability to precisely identify their carbon emissions, too.”

Abella continues: “We can no longer ignore the fact that the systems on which we rely are all deeply interconnected. Whether human health, economic success, or an intact environment and stable climate: disrupt one, and the others are affected. That is why we take an approach that prioritizes both people and planet.”

The eco.business Fund ➞ P. 31

The Arbaro Fund for Both People and Planet

Despite a slowdown in global deforestation since 1990, the world's forests are nevertheless still disappearing at alarming rates. Global forest area shrunk by some 5 million hectares every year between 2010 and 2020 – an area roughly the size of Costa Rica. Predominantly the result of human activity, including agriculture, logging, and harvesting for fuel production, forest degradation is further exacerbated by climate change-related declines in the length and intensity of rainy seasons.



The Arbaro Fund aims to combat these developments by investing in sustainable forestry in Latin America and sub-Saharan Africa – regions that are home to more than two-thirds of the deforestation hotspots identified by the World Wildlife Federation. By offering a sustainable source of timber, Arbaro is tackling head-on one of the main drivers of deforestation while creating reliable employment opportunities in rural communities.

“An increasing demand for wood is putting natural forests at risk,” says Hanna

Skelly, Managing Director of Arbaro Advisors GmbH. “When developed and managed in a responsible manner, sustainable forest plantations provide an efficient, renewable, and long-term source of raw material for local markets. What is more, by creating socially responsible jobs in rural areas, our projects also aim to generate socioeconomic benefits in areas where people are frequently driven to move to urban centers to find an income.”

Arbaro was established in 2018 as a collaboration between Finance in Motion and the forestry experts at UNIQUE Forestry and Land Use. By the end of 2020, the fund had already invested in plantations in Paraguay, Ghana, and Sierra Leone.

2020 also saw another milestone. In November, Arbaro announced its second closing: Investors had committed a total of USD 110 million to accelerate the activities of the sustainable forestry fund.



Marco Kaiser,
Managing
Director,
Arbaro Advisors

“We were so pleased at this confirmation of our investors’ commitment to long-term environmental health, especially in a time of such widespread uncertainty,” says Arbaro Advisors Managing Director Marco Kaiser. “The COVID-19 crisis poses all kinds of challenges across industries and geographies, but we nevertheless remain committed to our mission.”

“And that included retaining a safe working environment,” continues Kaiser. “In fact, Finance in Motion contributed by donating EUR 20,000 to our investee in West Africa, Miro Forestry, for equipment to protect workers, their families, and local health service providers from the coronavirus. Miro also provided financial support to those unable to come to work – for example, someone with a condition that put them in a high-risk group or those staying home due to quarantine.”

Hanna Skelly adds: “Now, with this second closing, the fund is poised to really amplify our impact. We recently signed a letter of intent with the government of Ecuador to facilitate investments in commercial sustainable forestry projects. Ecuador’s forests are some of the most biodiverse areas of the world and need protecting. We are looking forward to helping develop the local timber industry in a sustainable manner while retaining and expanding job opportunities.”

“Arbaro is about more than growing trees,” says Marco Kaiser. “It is about taking a long-term view for healthy people and a healthy planet.”

The Arbaro Fund
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**LEARN MORE
ABOUT**

the Arbaro Fund at:
www.arbaro-advisors.com/

Accelerating Digitalization in Response to the Crisis

When the world was rocked by the first waves of the coronavirus pandemic in 2020, businesses and institutions faced sudden challenges that went beyond financial concerns. As borders closed and streets emptied, many companies and employees found themselves reliant on digital infrastructure that in some cases was not up to the task of going completely online.

“The range of financial technology is huge. All of these tools provide financial resources and skills that help local businesses succeed.”



Iveta Tancheva-Nikolova,
SANAD Fund for MSME Director
at Finance in Motion

The SANAD Fund for MSME, an impact fund advised by Finance in Motion, has long valued technology as a key tool in advancing its impact agenda. Even before the COVID-19 outbreak, the fund has been promoting digital innovations to expand financial inclusion and business knowledge to underserved groups in the Middle East and North Africa (MENA) region as well as selected countries of sub-Saharan Africa. By the end of 2020, the SANAD Technical Assistance Facility had conducted several projects to advance digitalization and fintech in these regions' financial sector.

“When it comes to financial technology, we automatically think of online banking,” says Iveta Tancheva-Nikolova, SANAD Fund for MSME Director at Finance in Motion. “And of course that is very important in opening up access to finance for, for example, rural entrepreneurs. But the range is huge: peer-to-peer lending platforms, digital payments, creating digital entities for unserved clients, online business modeling and training courses – all of these tools provide financial resources and skills that help local businesses succeed.”

Technological advancement is also crucial on the lender side of the equation. A robust tech strategy allows financial institutions to, for example, create precisely tailored lending products, connect with new markets, make smart decisions, and share information. And, as the events of 2020 made clear, digital solutions are crucial for responding effectively to unpredictable developments.

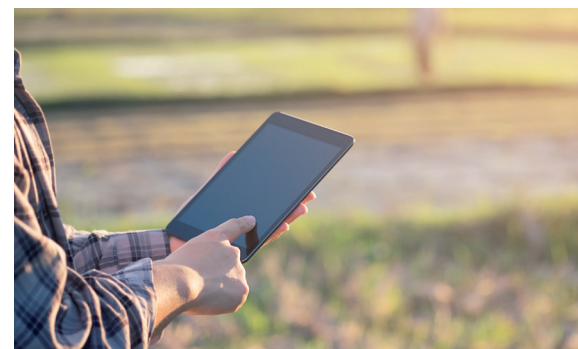
SANAD reacted quickly to the economic shocks caused by the COVID-19 pandemic in MENA. Not only did the fund disburse a record total of USD 109 million in loans to financial institutions in 2020 to boost their ability

to continue serving micro, small, and medium enterprises (MSMEs) in MENA and sub-Saharan Africa; the SANAD Technical Assistance Facility also went to work supporting businesses and institutions in adapting to the operational challenges of the crisis, promoting further digitalization at both an institutional and end-borrower level to facilitate business continuity.

One example is the large-scale digitalization project being conducted with SANAD's long-standing partner, the Vitas Group. Comprised of five microfinance institutions in countries across the MENA region, Vitas is committed to providing financial services tailored to clients' needs for long-term development. Over the years, SANAD and Vitas have collaborated to channel USD 54 million in funding to entrepreneurs in Jordan, Lebanon, the Palestinian Territories, and Egypt, resulting in 16,000 loans to support local businesses. Now, the partners are revamping the central IT infrastructure of Vitas Group for both efficiency and effectiveness in serving these clients, including the ability to collaborate with local financial technology providers to expand financial inclusion.

Tancheva-Nikolova explains: “Vitas is an important player in the microfinance ecosystem of the Middle East and North Africa. With the ‘Agile Transformation’ project, we want to enable Vitas to serve MSMEs even better and yield greater impact. There are two main aspects here:

“One, we aim to bring internal processes into one harmonized digital architecture to raise productivity and lower costs. The resulting increase in efficiency and flexibility will boost the institution's ability to continue supporting micro, small, and medium enterprises in a volatile environment and respond to their needs in a targeted, agile manner.



“And two, we want to help Vitas expand its outreach by going beyond traditional lending. An infrastructure that enables the company to collaborate with third-party tech innovators will expand the availability of new digital tools to Vitas' clients. That makes it easier and faster for MSMEs to access financial services, that meet their specific needs.”

Vitas Group CEO Elissa McCarter LaBorde commented, “We had already recognized the rapid tech evolution of the financial sector prior to the crisis; that is what led us to create a new digital transformation strategy. When the pandemic hit in 2020, the SANAD Technical Assistance Facility lent considerable support to helping us implement, hone, and accelerate the transformation. And not a moment too soon: The events of last year have underscored the urgency of digital solutions for resilient, agile operations. And this will further enable us to continue delivering responsible financing to our client base of hardworking entrepreneurs.”

The SANAD Fund for MSME

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DISCOVER MORE ABOUT

SANAD's efforts to boost resilience and agility in the region's financial ecosystem at www.sanad.lu.

Timely Support for Microenterprises

Of the roughly half a million micro and small enterprises in Romania, the overwhelming majority are on the micro end, with nine employees or less. Taken together, these businesses provide two-thirds of jobs held in the country and contribute significantly to economic activity and income generation. Yet limited access to commercial business loans, especially in rural areas, can hinder a smaller operation's ability to invest in its stability and future growth.



Jasminka Begert,
European Fund for
Southeast Europe Director
at Finance in Motion

“The restrictions on movement and slowdown in commercial activity translated into a severe liquidity crunch for a substantial number of entrepreneurs.”



It was to fuel this sector with the financial resources it needs to prosper that Romania's largest bank, Banca Transilvania, established a specialized microfinance provider, BT Microfinantare, in 2016. Known as “BT Mic,” the new institution aimed to complement its parent company's SME portfolio with financial products uniquely tailored to the needs of microenterprises. By 2018, BT Mic had grown into the leading provider of microfinance in Romania.

That was also the year that EFSE – an impact investment fund advised by Finance in Motion – expanded its already longstanding partnership with Banca Transilvania to include BT Mic, with the shared goal of expanding access to finance for thousands of entrepreneurs. With success: By the end of 2020, EFSE

funding to BT Mic had enabled the institution to issue the local currency equivalent of EUR 14.6 million in new loans to microenterprises.

Then came the pandemic. In the spring of 2020, lockdown measures to contain the outbreak had a particularly severe effect on micro enterprises. “Businesses of this size do not tend to have large stocks of working capital set aside for extended periods of low income,” points out Jasminka Begert, EFSE Director at Finance in Motion. “The restrictions on movement and slowdown in commercial activity translated into a severe liquidity crunch for a substantial number of entrepreneurs.”

To help, governments around the world mandated financial institutions to offer payment moratoria. BT Mic, like many other microfinance providers, was standing ready to comply. The institution was swift in approaching its borrowers to inquire about their needs in overcoming the crisis, including proactively offering payment rescheduling.

But nothing similar had ever happened before on such an enormous scale. The staff at BT Mic needed not only to quickly adapt their own operations – working from home, trying to communicate with clients who were doing the same – they also needed to reassess the implications of the new regulations on their own portfolio. How do you suddenly account for an entirely new operating environment, virtually overnight?

It was for situations like this that the EFSE Development Facility (EFSE DF), managed by Finance in Motion, released its COVID-19 crisis response package for local financial institutions in Southeast Europe and the EU Eastern Neighbourhood Region. The program offered expert consulting on topics to help partners cope with the challenges associated with the crisis: risk and

liquidity management, stakeholder communication, digital infrastructure, and more. BT Mic took up this offer for support.

Together, EFSE DF and BT Mic engaged a consultant to perform a thorough analysis of the institution's portfolio and implement a new loan classification system considering the volatile environment as well as all related requirements and guidelines. “We had a very tight timeline, too,” recalls BT Microfinantare CEO Cristina Sindile. “The rapidly changing circumstances and the urgent needs of our clients meant that we had to act fast. Fortunately, with the help of EFSE DF, we were able to set up a brand-new system in just a matter of weeks.” The results were put into place right away. By the end of December 2020, around 30% of BT Mic's loan portfolio had been successfully granted crisis-related payment moratoria.

The next step was to hone risk management to account for the ongoing situation. EFSE DF and BT Mic set to work in July 2020 adjusting the institution's risk rating model to better capture the impact of the pandemic on clients' businesses from both an individual and systemic perspective. Cristina Sindile remarks: “For us, it is absolutely crucial to understand our clients' situations and the challenges they are facing. Not only to help us as an institution to navigate through choppy waters but also to apply this expertise to help guide our clients through a tricky financial situation.”

Sindile continues: “These hardworking business owners are the backbone of Romania's economy. And at BT Mic, we aim at building a solid financial infrastructure for existing and aspiring entrepreneurs to lean on.”

The EFSE Fund
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DISCOVER MORE ABOUT

how EFSE is helping entrepreneurs combat the crisis: www.efse.lu

Walking the Talk

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

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

At headquarters

50%

paper saved by 100% switch to digital operations

>85%

reduced office waste through 100% switch to digital operations

100%

electricity used from renewable sources

80%

sustainably sourced office supplies

100%

fair trade coffee provided

Company-sponsored crisis relief

EUR 79,000

donated by Finance in Motion for COVID-19 relief projects in 2020

8

COVID-19 relief projects sponsored by Finance in Motion in 2020

Employee-run charity “fimshare”

Over **EUR 355,000**

fimshare donations to social projects since inception of charity

5

fimshare projects implemented in 2020

58

fimshare projects in 28 countries implemented since inception



Portfolio

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

MSME Finance

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



European Fund for Southeast Europe

Initiated by KfW in December 2005

Purpose

MSE and housing finance via financial intermediaries

Target Regions

Southeast Europe, Eastern Europe, Caucasus

Sustainable Development Goals



Fund

Assets under advisory	EUR 993.4 million
Investment portfolio committed	EUR 917.2 million
Investee companies to date	135
Investment volume to date	EUR 3.2 billion

Technical Assistance

Technical assistance volume under management	EUR 14.3 million
Local institutions supported to date	148
Technical assistance projects approved to date	523
Direct beneficiaries of technical assistance to date	28,516

Impact

Number of jobs supported in MSEs receiving financing through an EFSE partner lending institution	1.8 million
Average size of loans on-lent to MSEs and households	EUR 9,147
Number of loans to MSEs and households to date	1,047,834
Number of investment countries to date	16



SANAD Fund for MSME

Initiated by KfW in August 2011

Purpose

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

Target Regions

Middle East, North Africa, selected countries in sub-Saharan Africa

Subfunds

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

Sustainable Development Goals



Funds

Assets under advisory	USD 479.3 million
Debt investment portfolio committed	USD 360.6 million
Equity Sub-Fund I portfolio (committed capital)	USD 35.2 million
Equity Sub-Fund II portfolio (committed capital)	USD 34.2 million
Investee companies to date DSF	43
Investee companies to date ESF I	5
Investee companies to date ESF II	2
DSF Investment volume to date	USD 630.1 million

Technical Assistance

Technical assistance volume under management	USD 11.6 million
Local institutions supported to date	197
Technical assistance projects approved to date	270
Direct beneficiaries of technical assistance to date	28,711

Impact

Number of jobs supported in MSMEs receiving financing through a SANAD partner institution	229,000
Average size of loans on-lent to MSMEs and households (DSF)	USD 9,416
Number of loans enabled to MSMEs and households to date (DSF)	241,550
Number of investment countries to date	9

All figures as of 31 December 2020

Green Finance

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



Green for Growth Fund

Initiated by KfW and EIB in December 2009

Purpose

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

Target Regions

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

Sustainable Development Goals



Fund

Assets under advisory	EUR 660.5 million
Investment portfolio committed	EUR 572.5 million
Investee companies to date	79
Investment volume to date	EUR 1.1 billion

Technical Assistance

Technical assistance volume under management	EUR 7.4 million
Local institutions supported to date	84
Technical assistance projects approved to date	385
Direct beneficiaries of technical assistance to date	6,861

Impact

CO ₂ savings	970,802 metric tons/year
Energy savings	3,824 GWh/year
Renewable energy capacity installed supported	1,095 MW
Number of investment countries to date	18



eco.business Fund

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

Purpose

Biodiversity conservation and climate finance via financial intermediaries and direct investments

Target Regions

Latin America & Caribbean (LAC), sub-Saharan Africa (SSA)

Sustainable Development Goals



Fund

Assets under advisory	USD 536.7 million
Investment portfolio committed (LAC)	USD 412.5 million
Investment portfolio committed (SSA)	USD 24.0 million
Investee companies to date (LAC)	22
Investee companies to date (SSA)	2
Cumulative investment volume since inception (LAC)	USD 584.0 million
Cumulative investment volume since inception (SSA)	USD 24.0 million

Technical Assistance

Technical assistance volume under management	USD 2.6 million
Local institutions supported to date	19
Technical assistance projects approved to date	81
Direct beneficiaries of technical assistance to date	2,669

Impact

Net CO ₂ storage	1 million tons
Hectares under sustainable management supported	430,000
Farmland under soil conservation practices supported	193,000 hectares
Number of investment countries to date	8



Arbaro Fund

Initiated by Finance in Motion and UNIQUE in July 2018

Purpose

Equity investments in sustainable forestry projects

Target Regions

Latin America, the Caribbean, and sub-Saharan Africa

Sustainable Development Goals



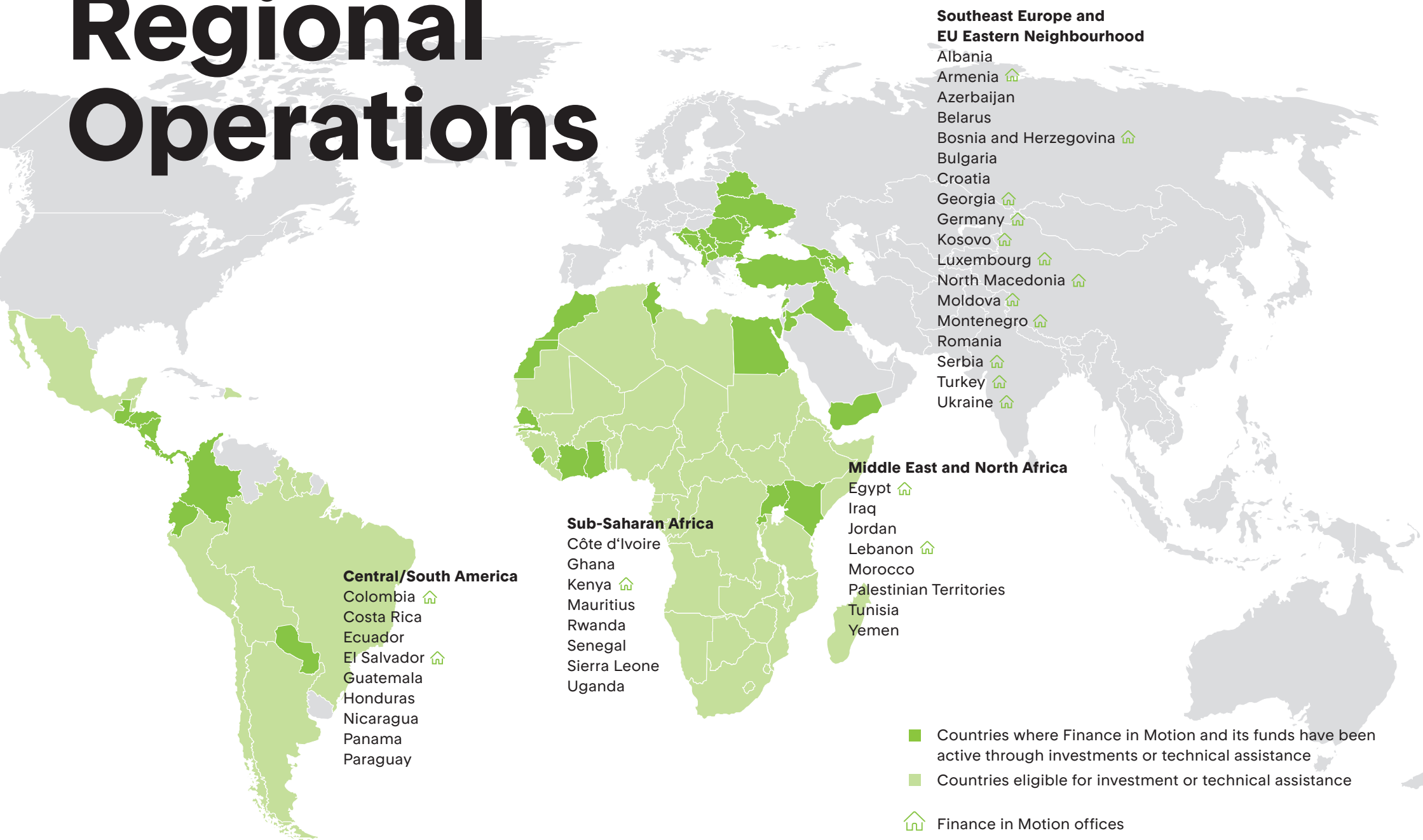
Fund

Investor commitments	USD 111.2 million
Portfolio company commitments	USD 42.2 million
Investment portfolio	USD 24.0 million
Portfolio companies	2

Impact

CO ₂ sequestration	683,404 tons
Jobs supported	2,158
Hectares under sustainable management	27,919
Number of investment countries to date	3

Regional Operations





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