Appendix – Funds Interviewed

Name	Region	Sector Focus	Year	Size (USD)	Type of Capital	Type of Inv	Avg Inv Size	ROI / IRR	TA	M&E
SEAF	Central & Eastern Europe, Latin America, Asia.	SMEs, some funds have more specific focus	1989 (CARE); 1995 as independent Institution	$8.5<30 million per fund. $180 million AUM in 17 funds (Sept 2007). 400m AUM since 1989.	Development Financial Institutions (DFI), local SME support organizations; Socially Responsible Investors (SRI); local institutional investors; development agencies; foundations,	Risk capital fund (typically equity; also mezzanine and debt financing)	$1-2 million in earlier funds; Now up to $5 million.	Net Internal Rate of Return (IRR) to the investors is in high teens.	Technical Assistance (TA) as part of fund management/investment relationship; some via dedicated TA facilities. Includes strategic/operations assistance, BDS; market research; networking; education & training	Ongoing monitoring; Comprehensive development impact case study reports in 2004 and 2007 (economic return per $ invested). Portfolio-wide development impact survey on annual basis. Ongoing monitoring.
E+Co (incl. E+Co Capital Latin America "CAREC")	Africa, Asia, Latin America	Clean energy production and use	1994	$45 AUM ($30 million 'ever-green' facility CAREC -$15 million)	DFIs, SRI, Private Investors, Foundations, government agencies, religious groups	Mostly debt, with some equity investments	$50K<1 million; $150K average (seed capital focus). CAREC – $1.5 million	Return after write-offs (excluding TA & services) 8.3% (Debt: 8.6% Equity: 6.4%). CAREC – 10% (Equity); 7.5% (Debt)	Wide range of basic management and financial skills, strategy and clean energy markets. Carbon monetization	Comprehensive Triple Bottom Line (TBL) scorecard including access to energy; efficiency gains; dirty fuel replaced; 3rd party money leveraged
Photovoltaic Market Transformation Initiative (Impax and IT Power)	India, Kenya and Morocco	Photovoltaic retail and market development	1998	$35m	DFI	loans, equity, guarantee funds	$1-1.75 million (varies from country to country)		TA varies across countries; services include technical capability, management, and business plan development.	Technical indicators developed in conjunction with the International Finance Corporation (IFC) and additional impact research by IFC
Root Capital (formerly EcoLogic Finance)	Latin America, Africa and Asia	SMEs working in sustainable agriculture, wild-harvested products, handcrafts, certified fisheries, eco- tourism	1999	$18 m	Debt & grant capital from SRIs, DFIs, individuals, foundations (PRIs), corporations, religious groups	Short term debt secured against purchase agreements; long term debt secured against fixed assets.	$25,000-750,000; average 180,000	Covering 80% of operating cost	Financial education (grant funded)	Not systematically
Verde Ventures (Conservation International)	High biodiversity risk regions. Current: Latin America, Africa, Asia.	Biodiversity impact.: biodiversity hot spots; high biodiversity wilderness areas; & marine priority areas	1999	$6.75m	Loans from corporation, DFIs, foundations; donors.	Primarily debt (with quasi-equity structure), consider partial equity. Security vs. future cash flows	$30,000 - 500,000	Target 8% IRR including all operating costs. Investors receive 2.5-5% interest on loans.	Directly and through others (Technoserve) Build industries around investment. Grant funded Technical Assistance (TA) for early stage SMEs.	Triple Bottom Line impact. Environmental - (Hectares/species preserved); financial & social (total beneficiaries). IFC grant for monitoring program.
EcoEnterprises Fund (The Nature Conservancy)	Latin America & Caribbean	Conservation. impact. Sustainable Agriculture, aquaculture, forestry, ecotourism, non-timber forestry,	2000 2009 (EcoEII)	$6.4m risk capital + $3.5m TA facility. Eco EII total $30m	DFIs, SRI, The Nature Conservancy (TNC): Grants from DFIs, foundations, TNC donors.	80% debt; 20% equity; 19% debt & equity 14% equity as interest exp. EcoEII: mezzanine financing and equity	$325,000	Projected IRR 1% (net of operating costs); Gross IRR 11%	Separate TA facility. Fund pays 3% fee for BDS.	Since inception using fact sheet, scorecard, compare specific follow-ups, local TNC staff verify reports

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Name	Region	Sector Focus	Year	Size (USD)	Type of Capital	Type of Inv	Avg Inv Size	ROI / IRR	TA	M&E
Triodos Ren. Energy for Development Fund (IT Power India)	South East Asia	Broad renewable energy focus	2000	$3.5m	Solar Development Corporation, Triodos Bank	Loans and pre-ferred stocks	$100,000		Technical assistance covered by management fee	
Acumen Fund	South Asia and Africa	Businesses serv-ing BoP across 4 sectors: water, healthcare, hous-ing and energy.	2001	$20m	Donations from corporations; foundations; individuals.	Primarily debt, but moving towards more equity.	$500,000-750,000	Revolving fund. For debt, the aim is 10%; For equity aim is debt like returns.	TA in design, marketing, pricing, distribution.	Monthly reporting 4 key criteria: financial sus-tainability, social impact (BoP customers served), scale, cost effectiveness
Axial Par	Brazil	Health food, for-estry, biomateri-als, renewable energy, environ-mental. services	2001	$30m	Private individu-als	60% equity; 40% debt	$5m	Expected IRR 25%	Intensive involvement in management, strategy and sustainability	Environmental / Social benchmarks for each investment monitoring achievement; indepen-dent verification
China Environment Fund (Tsing Capital)	China	Renewables, energy efficiency, recycling, new materials, waste	2002 (CEF1); 2005 (CEF2)	CEF1: 13m; CEF2: 30m; CEF3:250m (rais-ing)	Family office, mutual funds, corporations, DFIs	Equity	$1-3m, now $5 - 20m	Expected IRR: 25%	In the sense of Venture Capital (VC) involvement in company strategy and management	Environmental and social review with com-pany once a year
GroFin	SA, East Africa, Oman, Nigeria.	SMEs: Start-up and growing enterprises All sectors.	2003 (RAPS est. '99)	8 funds 5-30.6m;Total $102m; raising new $130m Africa fund	Banks; DFIs; Local currency investors; Corporations; Foundations.	Prefer debt/self-liquidating instruments, some equity.	$50,000-1m per transaction avg 400,000	Target 10% net in USD terms to investors after all costs, write-offs and fees.	Tailor made business development assistance to clients for duration of investment term	Financial monitoring ongoing for duration of transaction as part of business development. Quarterly KPI reporting to investors
Econergy / Clean Tech Fund	Latin America	Small scale renewable energy projects and alternative tech-nologies	2004	$25.2m	DFIs, local gov-ernment banks, parent company	Primarily equity	$ 3m	Target IRR above 18%	Grant funded TA prior to inv. To get the project investment-ready	monitor environmental/ social performance of the company and report back to shareholders
EIP II (Environmental Investment Partners)	EU countries in Central Europe	Environmental products and ser-vices relating to infrastructure	2005	$5m	Private individu-als, or their foun-dations and funds	Equity and excep-tionally quasi-equity	$1m	Expected 12%	Ongoing in the sense of VC involvement in com-pany strategy and man-agement	Not in a formal way
Stratus VC III (The Stratus Group)	Brazil	Applied Technology, Cleantech/ Biotech, Environmental Technologies	started investing in 2007	$28m	Local institution-al investors, DFIs	Equity, long-term & mezzanine debt, carbon financing	$1.2m - 2.8m	30% annual ROI	In the sense of VC involvement in company strategy and manage-ment	Requires reports on environmental / social. management and per-formance
Continental Wind Partners (Env. Investment Partners)	EU countries in Central Europe	Wind power infra-structure	2007	$27m	Private individu-als, their founda-tions and funds	Equity and excep-tionally quasi-equity	$2m	Expected 25%	In the sense of VC involvement in strategy& management	Not in a formal way

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Fundraising Stage										
Gestão Sustentável FIP (Tripod Investimentos)	Brazil	Economically attractive enterprises exerting positive impact on the environment, society or both	2007	$100m (target)	Local and intern. Institutional investors, DFIs	quasi-equity with conversion; Common and preferred equity.	$ 10m (target)	Target ROI: 25%	In the sense of VC involvement in company strategy and management	Establishing environmental /social performance indicators to be achieved during the year
Evolution One Fund (Inspired Evolution Investment Management)	Southern Africa	Clean tech and Environmental goods and services sectors and sub-sectors	2007	$140m	Parent company, corporations, local and international institutions and DFIs	Long-term & quasi-equity; Combinations of senior debt, mezzanine debt & equity carbon financing	$1.4 - 28.3m	Expected Gross IRR >= 30%	Involvement in management, strategy and sustainability.	Est. environmental / social performance indicators and development of customized sustainability toolkit.
Southern African Cleantech & Sustainability Fund (Inspire South Africa)	Southern Africa (SADC)	Renewable energy non-polluting replacement technology; enterprises serving the BOP	2007	$25m (target $35m)	DFIs, Parent company	Equity and Quasi-equity	$2m	Expected 20% per annum in SA Rand terms	Not formally; exploring funding for more systematic TA from local development organization	Company specific indicators, bi-annual summary reports on environmental and social impact at fund level
Additional Funds (not interviewed for this paper)										
Agora Venture Fund Central America	Central America and Mexico	Value-added manufacturing and agriculture, clean tech, products and services for low income consumers	2006	$5 m target (still in fundraising stage)	Double bottom line investors, individuals and institutions	Debt, equity, Quasi- equity	$25,000-500,000; 35-50 projected investments	No specific IRR targets	Strategic/operations assistance, Business Development Services (BDS); market research, etc. Portfolio companies receive strategy and finance consulting and networking assistance from Agora Partnerships, a non profit that sponsors and manages the Fund.	Social impact is monitored across a variety of metrics, including job creation for people earning less than 4 dollars a day. Agora Partnerships publishes a social impact report annually that includes information on the Fund.

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IGNIA Fund I, L.P.	Regional Latin America, with an initial focus on Mexico	Companies that serve core needs of the Base of the Pyramid population including but not limited to health, housing, education, basic utilities, entertainment, and nutrition.	2007 (first closing was May 30, 2008)	target $75 – 100mm total ($50-75mm in equity commitments and $25mm in debt)	Institutions (e.g. Omidyar, family foundations in US and Europe); individuals (from US, MX, Europe), multilaterals (IDB provided $25mm debt facility, MIF made $5mm equity commitment), in discussions with commercial banks/ funds, select endowments, other multilaterals, and individuals.	debt, equity. IGNIA makes equity investments into high growth, for-profit companies.	IGNIA invests between $2 and $10mm per portfolio company over the life of the investment. We will consider investing as small as $500k.	Market rate return target. Approx 25% IRR	Strategic/operations assistance, BDS; market research; etc. IGNIA, as a venture fund, provides traditional venture capital value add to portfolio companies (management expertise, deep and broad network). Also have IGNIA Shared Services company which manages all the administrative and back office functions, enabling the company to scale effectively. (Portfolio company pays for these services, but it is more cost effective and higher quality).	Yes. Quantitative measures of financial performance, with key social metrics integrated into business performance metrics. Also measure impact qualitatively.
LGT Venture Philanthropy Foundation	Latin America, Africa, India, China, South East Asia	Alleviating human suffering, education, sustainable livelihoods	2007	$ 40m (target)	LGT group companies, employees and clients; High Net Worth Individuals	Grants, loans and equity; "missing-middle type financing"	Up to $ 1 million	No specific IRR targets	In the sense of VC involvement in management, strategy and sustainability, ongoing mentoring, local TA through fellow-ship program	Organization specific indicators and milestones and bi-annual summary reports, regular update calls and meetings with senior management
Proventus Partners	Latin America	N/A	2008	TBD	High-net worth individuals	Equity and junior debt (mezzanine)	$1mm - 10mm	15% - 45% (Depends on security)	Technical assistance through the general partnership; Outsource market research needs.	Financial impact primarily and social impact in terms of employment and incremental GDP generated

The other two institutions interviewed were Shared Interest and Shorebank, but not included in this matrix as they do not make direct investments into SMEs.