



# Impact Report

# 20







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# Letter from our founder.



**María  
Ángeles  
León**

Co-founder  
& president

**Making investors see and feel the social impact of their investment.**

— **María Ángeles León.**

We are very excited about the launch of the first GSIF impact report.

When we launched our first fund in 2019, we were passionate about making investors see and feel the social impact of their investment from figures and percentages, which are their natural habitat. If we wanted to convince the traditional investor of the interest and usefulness of social investments, it had to be with the tools and rigor they were used to. So, we set out to transform into objective and measurable data those looks and smiles that fill us all with joy and reflect a positive effect on the quality of life of the employees, clients, or suppliers of the companies in which we invest.

At GSIF we believe that what is not measured cannot be improved, and how difficult it is sometimes to measure when the aim is to improve the livelihoods of people whose freedom is limited by the scarcity of economic opportunities and the lack of access to decent livelihoods.

It was precisely Paul Collier's book, *The Bottom Billion*, with its clarifications on how to generate development and which countries were in a geopolitical situation that could help, which pushed us to think that

investments could be a very useful tool to generate the development that we sought and were not getting with traditional donations from our foundation.

Here are a few numbers that reflect both the joy of investing for development, as the joy from achieving to improve people livelihoods through a job or business:

**7.362.065** people reached.

**1.811.349** customers served.

**35%** more revenue per customer on average.

**12.501** jobs maintained.

**289** created jobs.

**Who we are.**



# About us.

Who we are.

**Global Social Impact Investments SGIIC (GSII)** is an impact investing fund manager that helps investors achieve positive social and environmental impact together with financial returns.

**Global Social Impact Fund (GSIF)** is the first fund managed by GSII: an open-ended fund which invests via private debt in the growth of social businesses with an already proven business model in sub-Saharan Africa.

**GSII** is part of **Santa Comba Gestión**, a family holding company that brings together projects promoting freedom through knowledge.

**In 2018, Global Social Impact SL (GSI SL)** was founded on the belief that private investment and entrepreneurial talent can provide solutions to the pressing social challenges of the most disfavored (known as the bottom billion) and, at the same time, achieve a financial return.

**In April 2019**, promoted by **GSI SL**, the **Global Social Impact Fund (GSIF)** was born to provide financing to companies with high social impact in both border and emerging markets.

**In May 2020**, the CNMV (the Spanish National Securities Market Commission) authorized the establishment of **Global Social Impact Investments SGIIC (GSII)** as fund manager and natural continuation of the **GSI SL** project. **In November of the same year, GSII** assumed direct management of **GSIF**.

# Our team.

Who we are.



**María Ángeles  
León**

Co-founder  
& President



**Arturo  
García Alonso**

Co-Founder,  
Managing Director  
& CIO



**Miguel  
del Riego**

Non-executive  
Director



**Pedro  
Goizueta**

Head of Investor  
Relations and  
Operations



**Francisco  
Díaz**

Senior Investment  
Analyst



**Richard  
Tugume**

Managing Director  
in Uganda

In collaboration with  
Yunus Social Business



**Charles  
Kadde**

Investment Associate  
in Uganda

In collaboration with  
Yunus Social Business

## Impact measurement team.



**María  
Cruz-Conde**

Head of Impact  
Measurement and  
Management



**Ana Hauyón**

Analyst



**Open Value Foundation (OVF)** is the impact consultant for GSII. From its Impact Measurement and Management department, OVF provides consulting services for social enterprises, corporations, and impact investment funds, accompanying them in the creation of strong and coherent impact strategies, and in the application of a more rigorous measurement.

# Milestones of 2020.

Who we are.

**GSIF** grants a USD 750,000 loan to **Tugende** at an annual interest rate of 9%.

**February.**

**GSII** receives authorization from the **National Securities Market Commission (CNMV)** to become an investment manager company.

**GSIF** approves a \$750,000 loan to **ACPCU** at an annual interest rate of 8%.

**April.**

**GSIF** executes the loan granted to **ACPCU**.

**June.**

**Anesvad** joins as an investor in **GSIF**. Their experience and knowledge will be extremely valuable to this project.

We finalize negotiations with **Tugende** for the extension of the loan until July 2021.

**September.**

**GSII** assumes direct management of **GSIF**.

**November.**

**March.**

Containment measures begin to mitigate the consequences of the **COVID-19** pandemic. We quickly start working remotely and, given the impossibility of traveling to the field, we continue to monitor and analyze investments with the help of our local partners.

**May.**

We make the second investment in **ARAF** after a capital call to finance the first three investments.

**July.**

**GSII** and **MAPFRE** sign a collaboration agreement whereby **MAPFRE** commits at least EUR 20 M to **GSIF** and **MAPFRE AM** assumes the role of investment advisor for the fund.

**October.**

**ACPCU** fully repays their loan. We began to negotiate a renewal for the following season.

We start the Due Diligence processes for three new projects: **One Acre Fund**, **YAK** and **Alphamundi**.

**December.**

We close investments in **One Acre Fund** and **Alphamundi**.



# How is Impact Investing growing since GSIF started?



## Pedro Goizueta

Head of  
Investor  
Relations and  
Operations

**The impact investing market represents approximately 2% of existing assets under management.**

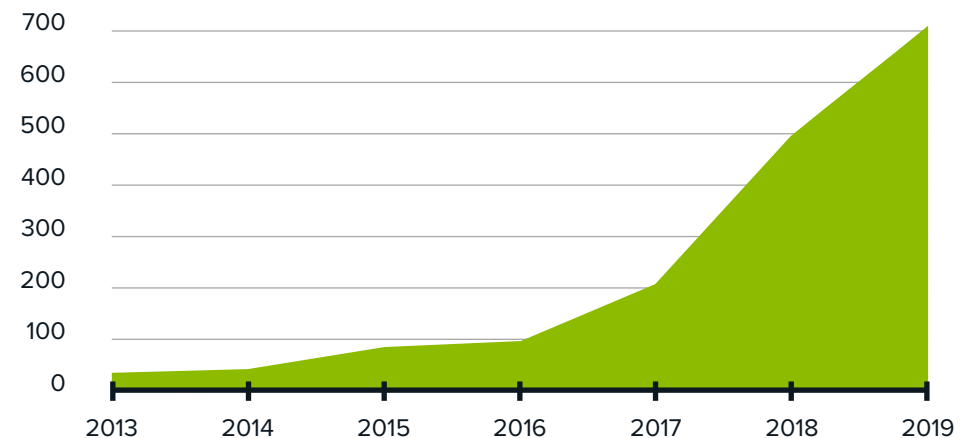
— **Pedro Goizueta.**

The impact investing industry has grown significantly in recent years, led by investors convinced that this new investment philosophy is here to stay. The drive for a clear social and environmental impact with invested capital is taking place in virtually all markets and asset classes.

According to [the report published by The Global Impact Investing Network \(GIIN\)](#) the size of the impact investing market increased in 2019 to \$ 715 billion, 42% more than 2018, when the estimated size was 502 billion dollars.

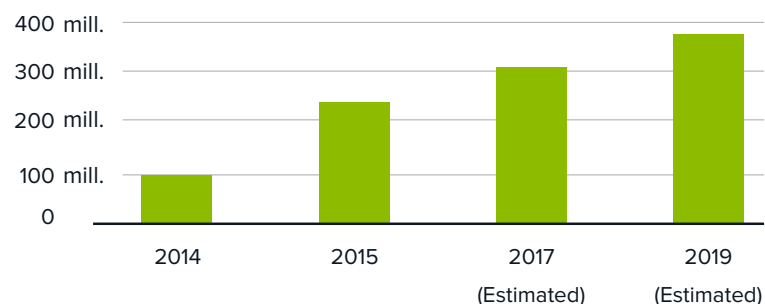
According to the latest GIIN estimates, the impact investing market represents approximately 2% of existing assets under management. In Spain, this translates into a potential market of around € 12 trillion (based on Inverco estimates of around € 618 trillion of total assets under management in Spain).

In Spain, although in the last 3 years the total assets under management regulated by Collective Investment Institutions have suffered a small decrease (mostly due to the increase in volatility in the markets, to the strong corrections of the IBEX35 and an increase in



Source: GIIN (Global impact investing market size (USD B)).

## Spanish impact investing market AUM (EUR M)



Source: SpainNab.

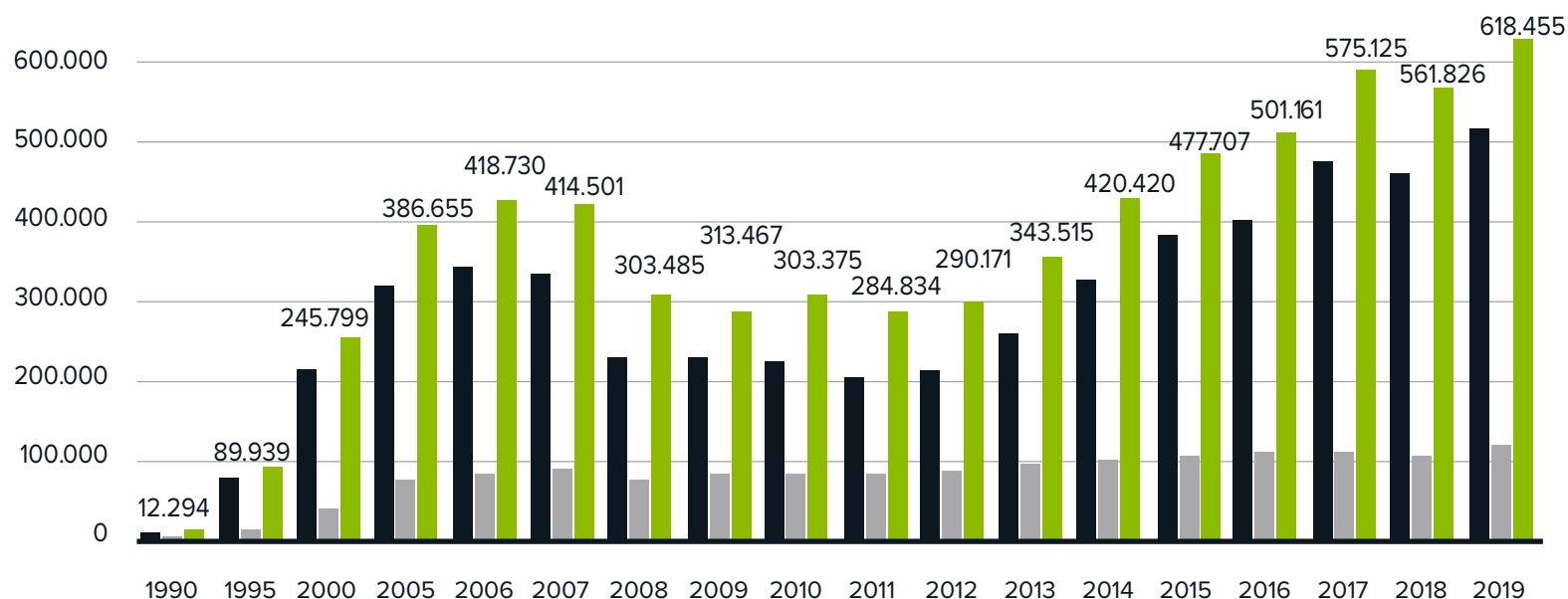
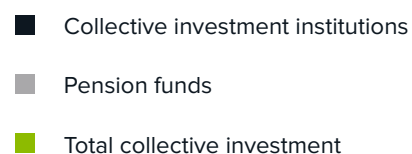
the risk-free rate that has increased corporate debt), the size of assets under management dedicated to sustainable and impact investing has continued to grow steadily.

According to the report [Impact investment in Spain: Capital supply, segmentation, and characteristics](#) published in June 2021 by SpainNAB, there are currently 2,378 million euros of assets under management categorized as capital for impact investment in Spain, of which 22.6% (536 million) corres-

pond to funds of managers specialized in impact investment, impact funds of traditional managers and corporate impact funds.

At Global Social Impact Investments, we are convinced that this trend has only just begun in Spain and that the belief that prompted our management team to believe in this project (that private capital will be the key driver of change in the planet) is beginning to be recognized by all the main players in the Spanish investment market.

## Evolution of AUM in collective investment products in Spain



Source: Inverco.

**What we do.**

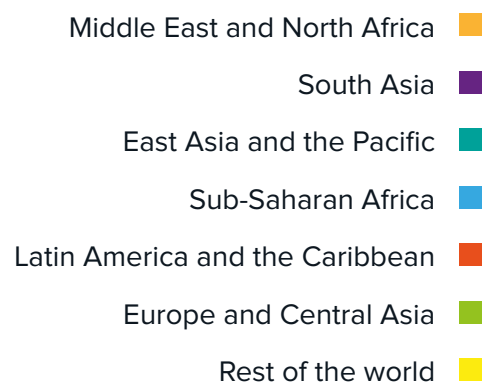


# Impact strategy.

What we do.

## GSIF's Impact Thesis.

Africa, and especially sub-Saharan Africa, is the region of the world with the highest poverty rates and the lowest level of development. By involving the private sector and channeling private investment to these countries, we will be able to promote entrepreneurial talent and develop the necessary infrastructure to improve the livelihoods of the most economically vulnerable people, helping to eradicate extreme poverty on the continent.



## Problem

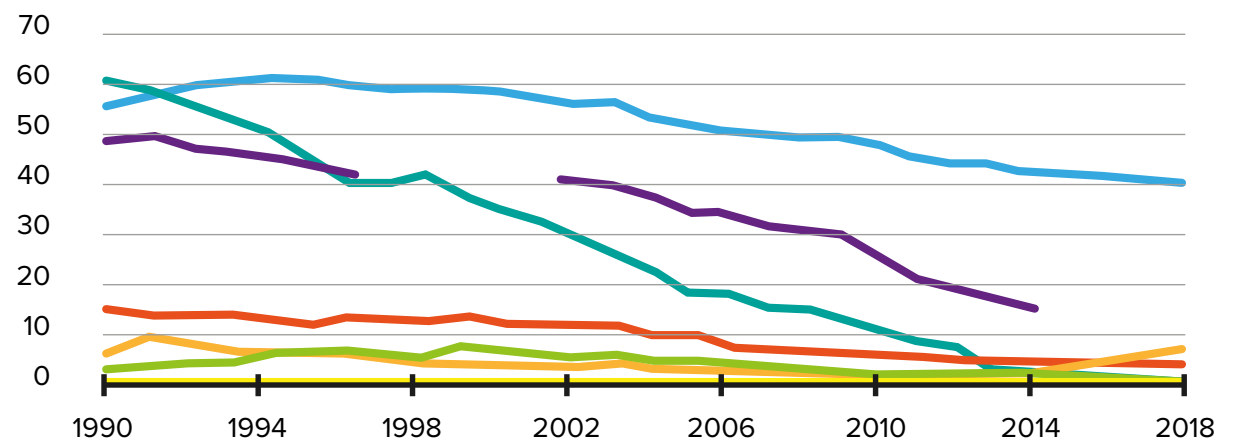
Of all the people living in extreme poverty in the world today, more than half live in Africa. Scarce economic opportunities and lack of access to decent livelihoods limit their freedom and impede their development.

Despite its wealth of natural resources, Sub-Saharan Africa is the region of the

world with the highest poverty rates and the lowest level of development. According to [World Bank](#), in 2018, 40% of the population lived on less than \$1.90 a day.

The African continent has had great difficulty converting its abundance of resources into shared wealth and sustained economic development. In addition, the lack of infrastructure is a major impediment to investment and growth in the countries of the continent.

## Trends in the extreme poverty rate, by region (1990–2018).



Source: World Bank.

For example, almost 600 million Africans lack access to the electricity grid, and connection to the existing grid is often poor.

Ending these problems not only requires fostering economic growth in these countries, as was believed in past decades, but a human development approach must be applied. The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, offers a shared blueprint for peace and prosperity for people and the planet. At its core are the 17 Sustainable Development Goals (SDGs), which are a call to action by all countries - developed and developing - in a global partnership.

Although philanthropic institutions and public funds work in this direction, tackling these challenges includes involving all types of organizations and the entire spectrum of available capital. If we want to cover the financing gap necessary to meet the SDGs, it is necessary to mobilize a large amount of private investment.

In this sense, impact investing is the key tool for private capital to contribute to the inclusive and sustainable growth of societies. This type of investment focuses on projects with a positive and measurable social and environmental impact, which are also capable of generating a financial return.

**Some significant data  
that help us see the  
African continent as a  
land of opportunities.**

- The African continent has the largest free trade zone in the world and represents a market of **1.2 billion people**.
- Annual spending by African consumers and businesses is expected to reach **\$6.66 trillion in 2030**, up from **\$4 trillion in 2015**, an **increase of 66%**.
- **More than 80% of Africa's population** growth in the coming decades will occur in cities, making it **the fastest urbanizing region** in the world.
- The African continent is set to be **the world's next great manufacturing center** as industries move from China to lower-cost regions.

**With greater access to financial resources, the continent's business potential is enormous in sectors such as energy, infrastructure, agriculture, natural resources, and information and communications.**



## Solution

**GSIF was born to channel private capital to generate inclusive growth and improve the livelihoods of the poorest people on the planet, the bottom billion, thus, contributing to ending poverty.**

This is done through two main lines of action:

- **Investing** with financial instruments in high-impact projects that promote the social mobility of the most economically vulnerable people on the African continent.
- **Developing** the ecosystem of organizations that can offer an economically sustainable or profitable response to social problems.

## Impact

With our first investment fund (GSIF), we are creating a profitable and high-impact investment portfolio in Africa, a continent that faces many challenges, but also hides many opportunities.

In this manner, GSIF contributes to solving the social problems of the poorest people in Sub-Saharan African countries, improving their livelihoods, and promoting entrepreneurial talent, in addition to strengthening the impact ecosystem at the national and international level.

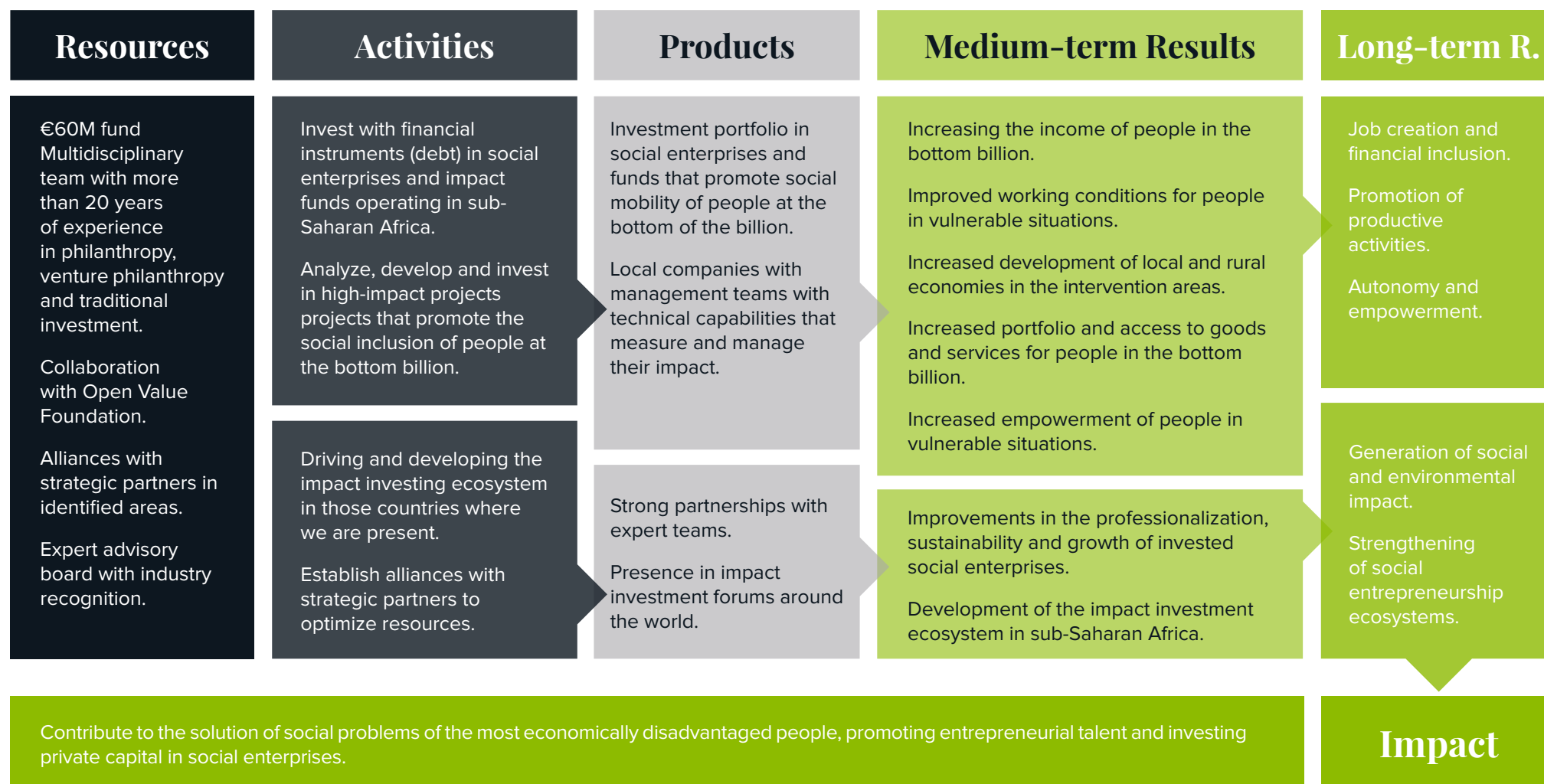
**After many years of philanthropic activity on the continent, we are convinced that those countries that face so many challenges also hide many opportunities. That is why today we are focused on listening, knowing, exposing and supporting projects and companies that open doors and contribute to improving the livelihoods of vulnerable people in Sub-Saharan Africa.**

**— María Ángeles León, Co-funder  
& president, GSII.**



# The Theory of Change of GSIF.

The Theory of Change (ToC) allows us to define our investment strategy and our impact objectives and helps us understand how we are going to achieve those goals. Our fund's impact thesis is included in depth under our ToC, presented below.



# Investment Criteria.

## What we do.

GSIF's investment criteria are defined by the fund's impact strategy and respond to the objective of improving the livelihoods of the most vulnerable people on the African continent, while generating attractive financial returns for the investor.

GSIF mostly invests via debt, in companies that have strong financial projections, high development potential, and significant and measurable social impact. We focus on businesses with:

<b>Financials.</b> Net profit in breakeven or very close to being positive. Increasing margins. Solvency and sufficient cash-flow to repay the debt.	<b>Income.</b> Preferably > 5MUSD; minimum 2MUSD. Stable revenue, EBITDA, and cash flows.
<b>Social impact.</b> Companies whose social mission is to improve the livelihoods of people in the bottom billion in Sub-Saharan African countries. Businesses that have a Theory of Change. Businesses with a measurable, proven, and sustainable impact.	<b>Stability.</b> Recurring revenue. Long-term contracts. Diversified markets, customers, and suppliers.
<b>Sectors.</b> Sectors that contribute to improving people's livelihoods by providing them with skills, knowledge, or resources to satisfy their basic needs with dignity, with a special focus on: Food and agriculture. Productive assets. Energy access.	<b>History.</b> 3 years of consolidated history. No seed or start-up capital. Competent and transparent management.
	<b>Growth.</b> Growing revenue. Scalable. Companies with high investments in machinery or equipment preferably not.
	<b>Market.</b> Established market position. Easy to understand. Sectors with long-term stability. With entry barriers preferably.



**Right now, the best businesses are in Africa, but the mindset of entrepreneurs and companies is key to appreciate and take advantage of opportunities. It is time to refocus the lens with which we see the continent.**

**— Aliko Dangote.** President, Dangote Group.



# Contribution to the SDGs.

What we do.

GSIF's mission is to improve the livelihoods of the bottom billion, while contributing to economic and social growth in frontier and emerging markets in Sub-Saharan Africa. This purpose connects directly with the expressed priorities reflected in the 2030 Agenda.

Although GSIF's impact thesis is directly aligned with SDGs 1, 8, 10, and 17, the fund seeks to contribute through its investments to address all the objectives of the 2030 Agenda. That is why we use the classification ABC (Avoid, Benefit, Contribute) proposed by the Impact Management Project (IMP) to organize and reflect our priorities and our impact on the SDGs:

## Strategic objectives.

### Contribute

These objectives are directly related to the objectives of the fund and its ToC. We focus our capabilities and tools on them.



## Cross-cutting objectives.

### Benefit

We invest in and accompany companies that contribute to inclusive growth, maintaining ethical practices and generating social and economic value for all their stakeholders, and especially for those facing barriers to improve their living conditions.



## Goals on which to avoid negative impact.

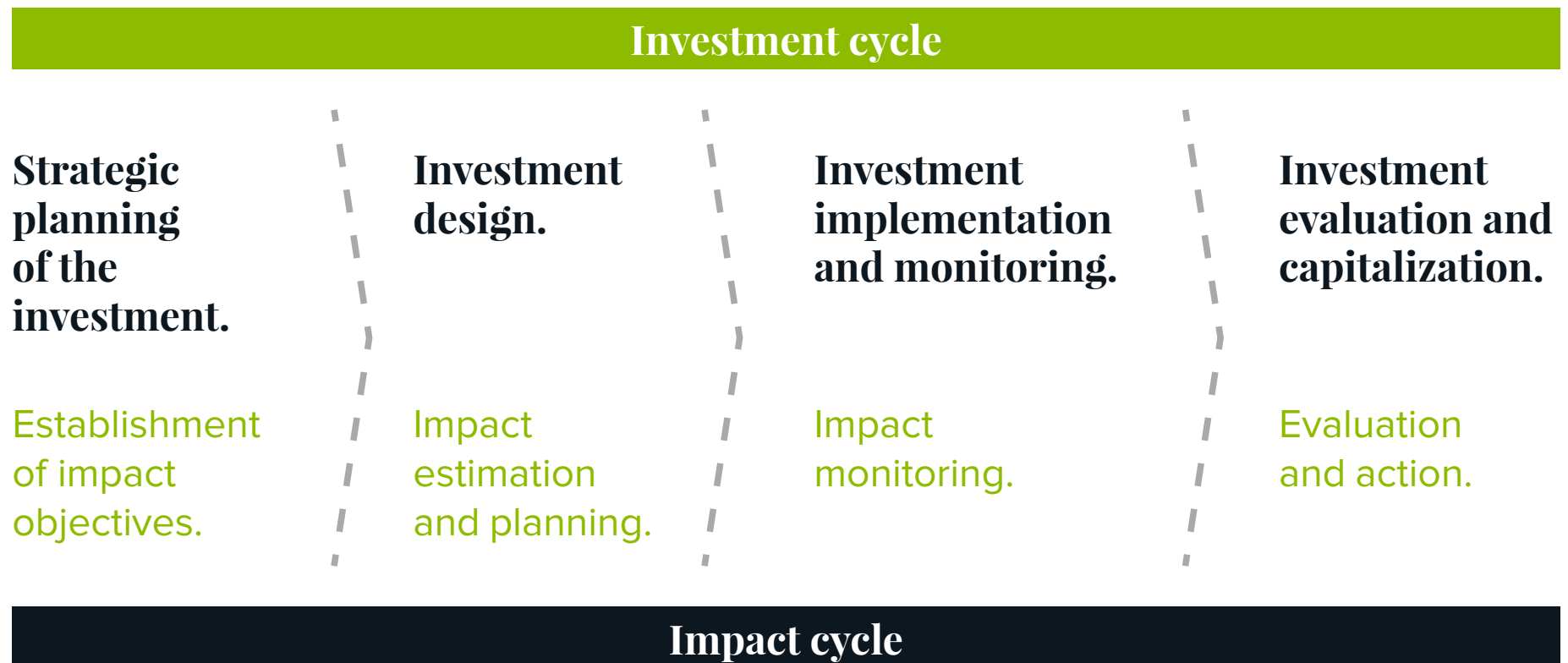
### Act to avoid harm

When evaluating a company to invest in, we look at those that are not harming the environment. They are exclusive criteria. If a company generates direct adverse effects on any of these SDGs, it is ruled out.



# GSIF and its Impact Management System.

What we do.



## 1. Establishment of impact objectives

The starting point in the impact measurement and management cycle is to develop a theory of change for the fund, from which we define the investment thesis. The impact strategy tells us which are the impact objectives that we intend to achieve.

## 2. Impact estimation and planning

During the impact estimation phase, a portfolio analysis or due diligence process is carried out, to assess whether the companies or funds analyzed comply with the impact criteria established by GSIF, in addition to evaluating accordingly to the IMP.

The due diligence process is divided into three investment committees to assess the following criteria:

1. Social mission.
2. Stakeholders.
3. Theory of Change.
4. Contribution to the SDGs.
5. Governance.
6. OECD – DAC methodology (Relevance, coherence, effectiveness, efficiency, impact, and sustainability).

### Search.

It is carried out through investments rounds, contacts and networking, pipeline of partners in the field, etc.

### ICo. Screening.

Look into preliminary company information. Preliminary evaluation to confirm the company's social mission. We analyze the company's social mission and beneficiaries' profile.

### IC1. DD Preliminar.

Review of the documentation submitted and conversations with the potential investee. Second evaluation, to confirm if the company has an impact strategy related to its business model. We analyze the TOC and its contribution to the SDGs.

### IC2. DD Complete.

Complete social due diligence. An evaluation is carried out according to the OECD model, evaluating the following dimensions: *Relevance, effectiveness, efficiency, impacts, and sustainability.*

### IC3. Final terms.

Final terms of the investment. Contract annex with specific impact conditions.



The result of the due diligence process is the decision-making on the investment. If the decision is positive, a contract will be drawn up that includes, among other aspects, the company's theory of change and the scorecard of indicators based on which the invested company will report to GSIF, which will include specific metrics agreed with the invested company, generally linked to specific SDG metrics and standardized IRIS + indicators.

### 3. Impact monitoring

Once the company or fund is part of the GSIF portfolio, its impact is periodically monitored, based on the indicators established in the contract. These indicators help us to know to what extent the invested companies are meeting the objectives set.

At GSIF we have an internal tool that allows us to carry out this monitoring. Its periodic nature and the close relationship with those invested allows us to identify possible areas for improvement and make suggestions, thus being able to maximize the impact.

### 4. Evaluation and action

At the end of an investment cycle, there is the possibility of conducting further analysis of the aggregate total impact, if deemed appropriate. It consists of an external evaluation aimed to know the real impact on the direct beneficiaries. This evaluation can be crucial in deciding whether to renew a loan or not.



# Companies with social impact or how to do well by doing good.



**Francisco  
Díaz**

Senior  
Investment  
Analyst

Focusing solemnly on the analysis of the business and economic-financial model of companies, our experience evaluating companies with social impact tells us that there are certain differential elements in this type of organizations. Overall, we can even affirm that, in this part of the analysis, companies with social impact do better than the average of “standard” companies.

Social impact companies usually have a more “professionalized” structure, and we have the feeling that they are managed more efficiently, regardless of the country in Africa to which they belong. It is important to mention that there are exceptions, and our statement is based on average data from all the analyzes we carry out throughout the year.

**The social impact companies that we analyze and invest in usually obtain very positive results.**

— **Francisco Díaz.**







To illustrate the reality we perceive, let us point out a few common characteristics that usually emerge in the companies we analyze.

Regarding access to information, impact companies usually have a space or Data Room available to their investors in which corporate documentation is structured and well organized. Regarding the interaction we have with their managers, communication tends to be agile and fluid. In addition, generally, the annual economic and financial information is audited, regardless of whether they are legally obliged to do so or not.

As for the structure and governance of the company, it's common to see a well-established structure and a formalized team. Management teams are usually made up of people with highly valuable training and experience, in many cases acquired in different countries and cultures. They also usually have collegiate governing bodies to support the decision-making of the organization, providing additional experience, networking, and knowledge.

Regarding their economic results, and this is very relevant, the social impact companies that we analyze and in which we in-

vest usually obtain very positive results. This question, of course, breaks with the widely held thinking that states that companies that produce or generate social impact must renounce part of their economic profitability for the business model they develop. Our perception is not exactly that.

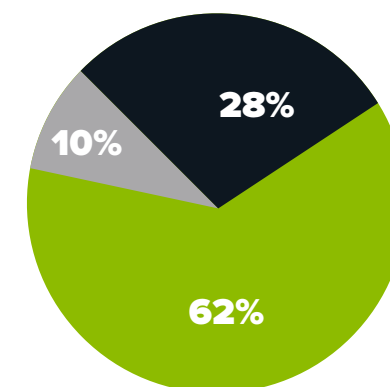
Finally, in terms of its shareholders and investors, impact investment companies and funds are usually present and contribute to greater transparency.

# Investment Portfolio.

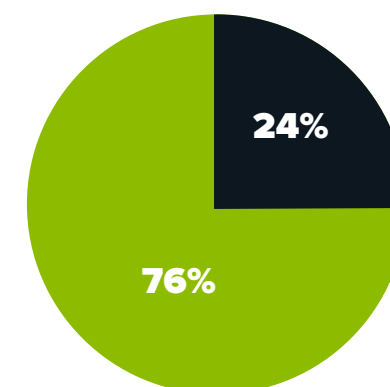
# Portfolio GSIF.

Investment Portfolio (as of December 31st, 2020).

Company	Sector	Instrument	Investment capital
Direct investment			
Tugende	Productive assets	Loan	\$750.000,00
ACPCU	Agriculture	Loan	\$750.000
OAF	Agriculture	Loan	\$500.000
Investments in funds			
ARAF	Agriculture	Equity	\$396.538
Alphamundi	Multi sector	Equity	\$250.000
Total			\$2.646.538



- Agriculture
- Productive Assets
- Multisector



- Shares
- Direct investment



# ACPCU

Ankole Coffee Producers Co-operative Union Limited.



## Description

ACPCU is a coffee trading and exporting union transforming the lives and livelihoods of rural coffee farmers in Uganda. Registered in 2006, ACPCU has grown into a confident, farmer-owned coffee cooperative union with 25 primary cooperative societies whose membership comprise 12,000 smallholder farmers from South-Western Uganda.

ACPCU's members control their own coffee from growing, to processing and export. The cooperative has also launched other initiatives to provide farmers with additional sources of income and to allow them to work and live under healthy conditions.

## Investment

- Country: Uganda
- Starting date: May 28th, 2019
- Sector: Agriculture
- Investment (USD): 750.000
- Instrument : Loan

## Beneficiaries

Pequeños agricultores cafeteros de Uganda y sus familias.

## Challenge

Smallholder coffee farmers encounter several difficulties in selling their coffee, such as poor seed quality or lack of tools and business skills, which negatively affect their income.

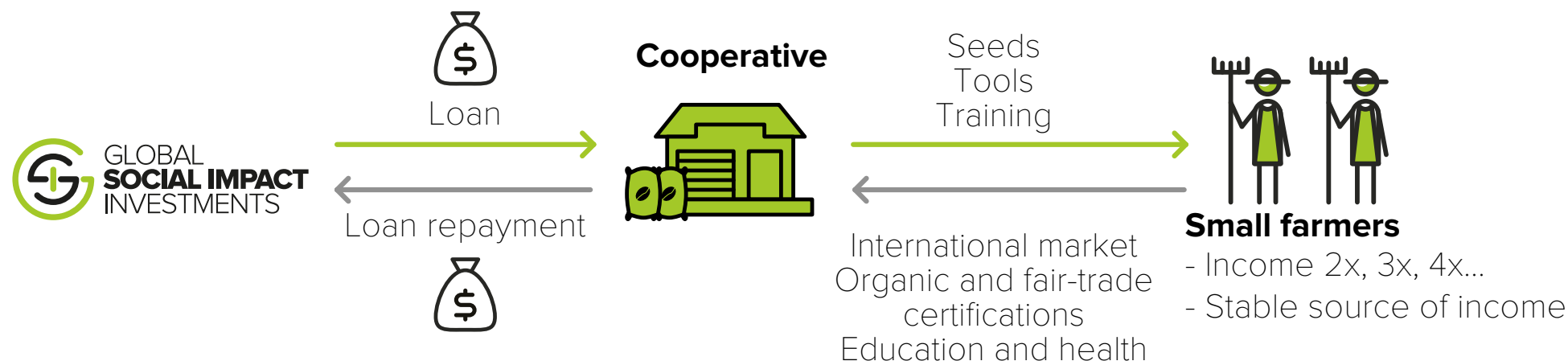
When working independently, small farmers cannot manage to obtain international certifications, hindering their export possibilities and access to premium prices.

## Solution

ACPCU promotes and allows farmers to organize themselves and provides them with goods and services traditionally reserved to big players such as international certifications or access to international markets.

## Expected impact

1. Direct and indirect quality job creation among people in vulnerable situations.
2. Increased productivity.
3. Increased income and economic stability of farmers through improved coffee quality programs.
4. Enhancing participation of women and youth in programs designed to promote farming as a family business.
5. Preserving and improving the natural environment through organic farming.
6. Providing the community with additional services such as health or educational facilities.





# Impact

## KPIs of ACPCU - Products and results.

KPI	SDG	IRIS+	baseline	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Variation
Number of alliances with cooperatives (#)	2.3	<a href="#">Purchase Contracts (PI9988)</a>	21					
Total number of members of cooperatives grouped by ACPCU (#)	2.3	<a href="#">Supplier Individuals: Smallholder (PI9991)</a>		12.000	12.800	12.800	12.800	7%
Direct employees of ACPCU (#)	8.5 & 8.6	<a href="#">Permanent Employees: Total (OI8869)</a>		110	114	114	114	3%
Number of certifications (#)	2.3			2	2	3	3	50%
Average income (\$)	1.1 & 1.2	<a href="#">Producer Price Premium (PI1568)</a>	350	503	503	503	503	
Increase in average income (%)	1.1 & 1.2	<a href="#">Producer Price Premium (PI1568)</a>		44%	44%	44%	44%	
Average price of purchase from farmers / Average international sale price (\$/\$) (%)	2.c			80%				
Number of improvements in community infrastructure (#)	11.1	<a href="#">Availability of Basic Services/Facilities (PI0617)</a>		Clinic, Primary Schools, wells, school's fees for children				
People Impacted (#)	10.1 & 10.2			72.000		72.000	72.000	20%



# ALPHAMUNDI

SocialAlpha Fund.



## Funds Philosophy

Social AlphaBastion is a multi-sector debt fund that invests through short-term debt in small and medium-sized companies with high social and / or environmental impact in Latin America and East Africa. The fund's goal is to identify financially viable solutions to the SDGs and help them grow.

It invests in the sectors of agriculture and sustainable food, financial inclusion, and renewable energy. It has an 11-year history with positive annual investment results (until 2020) and is partially co-guaranteed by USAID. One of the characteristics of this fund is the co-investment right, which allows its investors to personalize their portfolio and obtain a higher expected return.

## Investment

- Country: Africa & Latam
- Starting date: December 2020
- Sector: Agriculture
- Investment (USD): 250.000
- Commitment (USD): 250.000
- Instrument: Equity

# Impact

## KPIs of Alphamundi - Products and results.

KPI	SDG	IRIS+	Q4 2020
USD loaned to the entity (\$)	1.4	<a href="#">Client Individuals: Total (PI4060)</a>	250.000
Number of Alphamundi's direct beneficiaries (#)	1.4	<a href="#">Client Individuals: Total (PI4060)</a>	399.156
Percentage of Alphamundi's direct beneficiaries that are rural population (%)	2.3	<a href="#">Client Individuals: Rural (PI1190)</a>	80%
Number of renewable energy systems installed (#)	7.b		45.029
Number of clients who have received financing (#)	1.4	<a href="#">Client Individuals: Provided New Access (PI2822)</a>	89.109
Number of people who have gained access to clean energy through portfolio companies (#)	10.1 & 10.2	<a href="#">Permanent Employees: Female (OI2444)</a>	2.000.000
Number of agricultural suppliers working for portfolio companies (#)	2.3	<a href="#">Supplier Individuals: Smallholder (PI9991)</a>	44.046
Number of employees working for portfolio companies in agriculture (#)	8.5 & 8.6	<a href="#">Permanent Employees: Total (OI8869)</a>	2.413
Number of workers employed by portfolio companies (#)	8.5 & 8.6	<a href="#">Permanent Employees: Total (OI8869)</a>	3.993
Lives impacted (#)	10.1 & 10.2		1.500.000
% of women employed	8.5	<a href="#">Permanent Employees: Female (OI2444)</a>	43%
% of women who are direct clients of Alphamundi	5.a	<a href="#">Client Individuals: Female (PI8330)</a>	54%
Amount of CO2 emissions avoided thanks to Alphamundi (metric tons)	13.1	<a href="#">Greenhouse Gas Emissions Mitigated (OI5951)</a>	26.932

Main SDGs supported.





# ARAF

Acumen Resilient Agriculture Fund.



## Funds Philosophy

The 2.4 billion small farmers in the world still account for more than half of global poverty. A substantial percentage of these small farmers live in Sub-Saharan Africa, where about 70% of the population depends on agriculture. Their livelihoods are highly unstable and unsecured, and their vulnerability continues to grow as climate change advances.

ARAF (Acumen Resilient Agriculture Fund) is a USD 50 million investment fund designed to improve the living conditions and resilience to climate change of 10 million small farmers in East and West Africa. It has a profitability objective of 12% and has a first-loss tranche of up to 25 million USD for its investors financed by the United Nations Green Climate Fund (23 MUSD) and by the Acumen Foundation (2 MUSD) and with 6 million USD from various donors to help their investees with technical assistance.

## Investment

- Country: Sub-Saharan Africa
- Starting Date: September 2019
- Sector: Agriculture
- Investment (USD): 396.538
- Commitment (USD): 2.000.000
- Funds (%): 4,62%
- Current size: \$ 43,3 million
- Objective size: \$ 50-63 million
- Instrument: Equity



# Impact

## KPIs of TUGENDE – Products and results.

KPI	SDG	IRIS+	Q4 2020
Number of direct beneficiaries of ARAF (#)	2.3	<a href="#">Client Individuals: Smallholder (PI6372)</a>	14.393
Percentage of customers that increase their average income (%)	2.3	<a href="#">Client Income (PI9409)</a>	81%
Percentage of clients that increase the productivity of their land (%)	2.3	<a href="#">Average Client Agriculture Yield: Smallholder (PI9421)</a>	78%
Lives impacted (#)	10.1 & 10.2		71.965
Percentage of clients reporting an increase in their quality of life because of ARAF (%)	1.1 & 1.2		88%
% Of women employed by portfolio companies	8.5	<a href="#">Permanent Employees: Female (OI2444)</a>	31%
Percentage of women who are direct beneficiaries of ARAF (% female farmers)	5.a	<a href="#">Client Individuals: Female (PI8330)</a>	40%
Customer climate resilience score out of a total of 3 points (#)	13.1	<a href="#">Climate Resilience Strategy (OI2092)</a>	1.8

Main SDGs supported.



# OAF

One Acre Fund.



## Description

One Acre Fund is a non-profit organization with operating entities in six core countries (Kenya, Rwanda, Burundi, Tanzania, Malawi, and Uganda) that supplies financing and training to help smallholders grow their way out of hunger and build lasting pathways to prosperity.

It offers a market-based solution for transforming smallholder agriculture, delivering life-changing technologies directly to rural farm families. Since its inception, One Acre Fund (OAF) has emerged as one of the most respected and cost-effective actors in the fight against global hunger and extreme poverty.

## Investment

- Country: East Africa
- Starting date: December 2020
- Sector: Agriculture
- Investment (USD): 500.000
- Instrument: Loan

## Beneficiaries

African smallholder farmers and their families.

## Challenge

Seventy percent of Africa's poor are rural farm families which are usually trapped in a permanent state of subsistence-level farming. They face restrictive low farm yields, consuming everything they grow, and usually facing periods of hunger.

Smallholder farming is the dominant livelihood of the rural poor, yet most farmer families are unable to access the tools they need to increase their farm yields and escape cyclical poverty. Improving this single livelihood (farming) offers the greatest opportunity to end extreme hunger in our lifetimes.

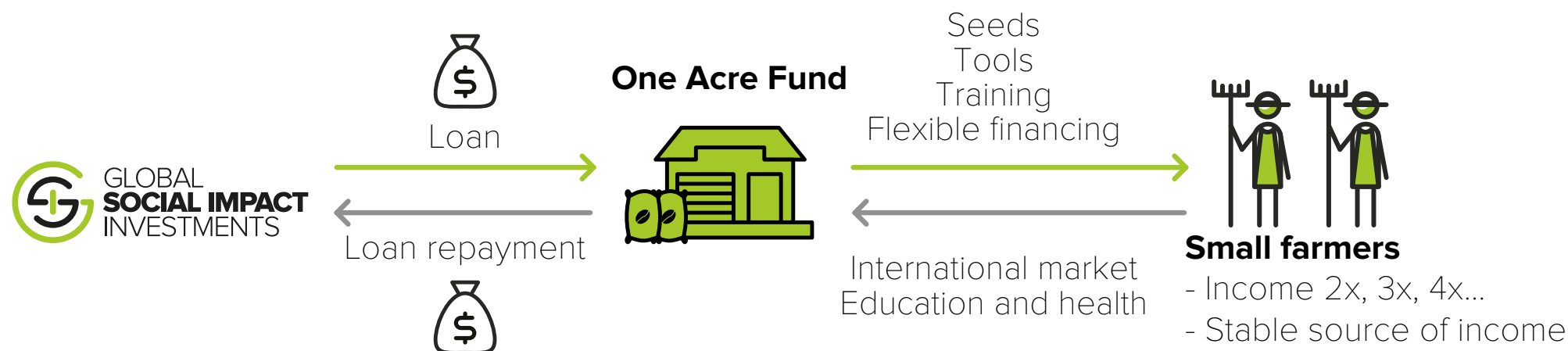
## Solution

OAF supplies farmers with everything they need to grow more food and earn more money.

OAF offers an innovative "market bundle" of goods and services for smallholder farmers which includes farming assets, financial services, education and training, post-harvest storage and market access. By using a market-based model, the organization remains financially sustainable and is expanding to reach more farmers every year.

## Impact

1. Direct and indirect quality job creation among people in vulnerable situations.
2. Increased productivity.
3. Increased income and economic stability of smallholder farmers.
4. Improved food security for smallholder farmers and their families.
5. Mitigation of climate change consequences on agriculture.



# Impact

## KPIs of One Acre Fund – Products and results.

Main SDGs supported.



KPI	SDG	IRIS+	Q4 2020
Number of people who have received OAF goods and services (#) (n° of farmers)	2.3	<a href="#">Client Individuals: Smallholder (PI6372)</a>	1.341.000
Farmers average income (\$)	1.1 & 1.2	<a href="#">Client Income (PI9409)</a>	81 USD
% Increase in farmers' income in the main program	2.3	<a href="#">Client Income (PI9409)</a>	33%
Direct employees of OAF (#)	8.5 & 8.6	<a href="#">Permanent Employees: Total (OI8869)</a>	8.200
Loans repaid by clients (%)	1.1 y 1.2	<a href="#">Loans Recovered (FP3939)</a>	94%
Land costs covered by land revenue (%)			77%
Lives impacted (#)	10.1 & 10.2		5.498.100
SROI (Social return on investment)			2,77 USD





**Thanks to One Acre Fund my harvest improved, if not, I would not have been able to store the corn that allowed us to feed my family and me during the lockdown.**

**— Delphine Mugwaneza. Kayonza, Ruanda.**

Before joining One Acre Fund, Delphine used to harvest 60kg of corn. By enrolling, she received training in agricultural techniques, better quality seeds, and fertilizers on credit. In her first growing season, she harvested 800 kg of corn and 300 kg of beans. When Rwanda adopted lockdown measures for the pandemic, Delphine was not concerned. Her field technician had taught her to continue growing safely and efficiently and he had corn from her previous harvest.

# TUGENDE

*Drive to own. Helping people help themselves.*



## Description

Based in Kampala, Uganda, Tugende is a for-profit social enterprise using asset finance, technology, and a high touch customer support model to help motorcycle taxi drivers and other informal sector entrepreneurs own income-generating assets.

Tugende started its activity in 2012 in Uganda, helping motorcycle taxi (boda-boda) drivers buy their own motorcycles in 18 months or less through an affordable lease agreement. The company is currently expanding to Kenya and Rwanda and analysing the launch of new goods through leasing agreements.

## Investment

- Country: Uganda
- Starting date: Nov 30, 2018
- Sector: Productive Assets
- Investment (USD): 750.000
- Instrument: Loan

## Beneficiaries

Youth and adults with little to no education, with no access to financial services and their families.

## Challenge

In Uganda, where unemployment rates are high, many young people and adults with little to no education, usually supporting extended families, work as motorcycle taxi drivers (boda-bodas).

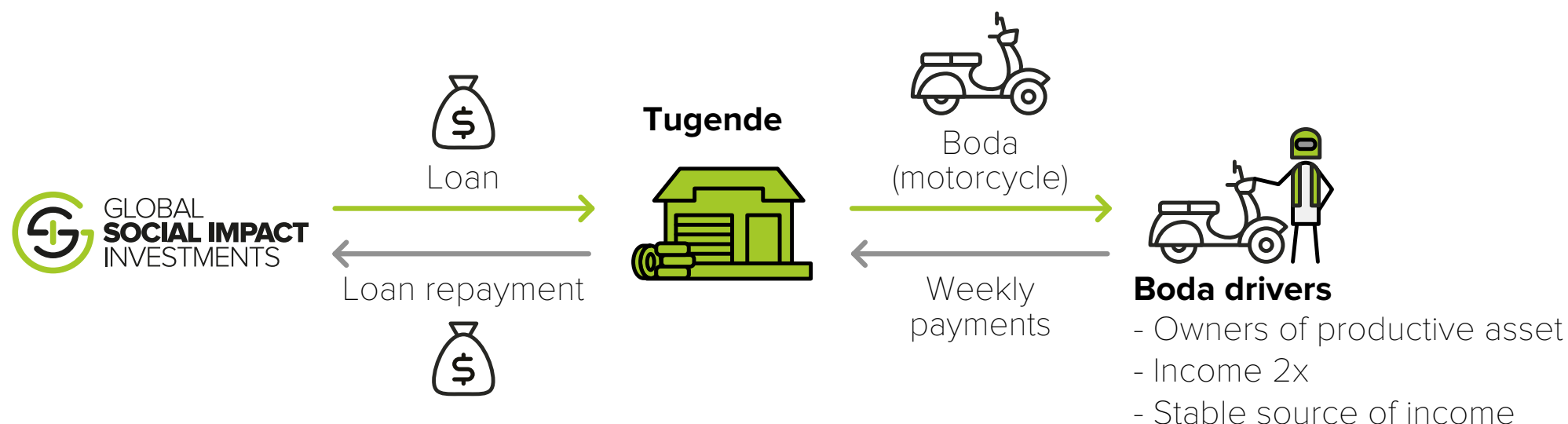
Most motorcycle taxi or boda-boda drivers cannot afford a motorcycle, nor access financing from mainstream options to buy one. Instead, they use a large portion of their earnings to rent their motorcycles and their incomes are, therefore, reduced.

## Solution

Tugende helps boda-boda drivers own an income-generating asset, directly improving their livelihoods and providing a pathway out of poverty.

## Impact

1. Direct and indirect quality job creation among people in vulnerable situations.
2. Access to a stable source of income for the drivers and their families, as their income roughly doubles from \$5/day before ownership to \$10/day afterwards.
3. Access to financial services to buy a productive asset with significant resale value at the end of the financing period.
4. Improved urban and rural mobility for boda-boda passengers, especially women.



# Impact

## KPIs of TUGENDE - Products and results.

KPI	SDG	IRIS+	baseline	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Validation
Number of customers that received Tugende's lease-to-own (#)	1.4	<a href="#">Client Individuals: Total (PI4060)</a> <a href="#">Client Individuals: Provided New Access (PI2822)</a>	7.806	33.446	33.972	35.165	43.000	191%
Number of active loans in the year (#)	1.4	<a href="#">Number of Loans Disbursed (PI8381)</a> <a href="#">Number of Loans Outstanding (PI1478)</a>		22.287	22.042	22.823	26.163	
Completed loans (#)	1.4	<a href="#">Number of Loans Fully Repaid on Time (FP5979)</a>	3.528	11.159	11.930	12.342	13.819	100%
Driver's average daily income (\$)	1.1 & 1.2	<a href="#">Client Income (PI9409)</a>	5	10	10	10	10	
Driver's average income increase (%)	1.1 & 1.2	<a href="#">Client Income (PI9409)</a>		100%	100%	100%	100%	
Direct employees of Tugende (#)	8.5 & 8.6	<a href="#">Permanent Employees: Total (OI8869)</a>		403	403	411	480	147%
Value of assets transferred (Millions \$)	1.4			12.6	13.1	13.8	14.0	192%
Lives impacted (#)	10.1 & 10.2		39.029	162.455	174.485		198.000	168%







Before Tugende, I used to carry luggage for people in the market. A friend told me about Tugende and thanks to that I got my first motorcycle. When I completed the lease, I sold it and bought a piece of land in my town. With the sale of the second motorcycle, I raised the capital to set up an electronics store in the city center. So far I have completed the lease of 3 motorcycles, and I am on my way to having my first car thanks to Tugende.

— **Bakidde Abdallah.** 35 years old, 5 children.

Mukida, Masaka, Uganda.

Because of Tugende, he has managed to buy 3 motorcycles and is in the process of acquiring his own car.

**GSIF at a glance.**

# GSIF Key facts

GSIF at a glance.

<p><b>Sectors of activity.</b></p> <p>Sectors that contribute to improving the livelihoods of the poorest people on the planet, the bottom billion: food and agriculture and access to productive assets.</p>	<p><b>Founded in:</b> <b>2019.</b></p>	<p><b>Headquarters in:</b> <b>Luxemburgo.</b></p>	<p><b>Expected financial return.</b> <b>8-10%</b></p>
<p><b>Geographic focus.</b> <b>Sub-Saharan Africa.</b></p>	<p><b>Legal structure.</b> <b>SICAV – SIF</b> open private debt fund.</p>	<p><b>Size.</b> <b>60M EUR net assets.</b></p>	<p><b>Committed capital.</b> <b>25.3M EUR.</b></p>
<p><b>Strategic SDGs</b></p> <p>1, 8, 10 and 17.</p> <p><b>Cross-cutting SDGs</b></p> <p>2, 3, 4, 5, 7, 9, 11, 12, 13 and 16.</p> <p><b>SDGs on which to avoid negative impacts</b></p> <p>6, 14, 15</p>	<p><b>Target portfolio.</b></p> <p>GSIF invests mainly in debt in consolidated companies in growth stage, with solid financial perspectives and a significant social impact (approx. 80% of the target portfolio).</p> <p>The fund reserves, for diversification purposes, between 5% and 15% of the portfolio to invest in other social impact funds aligned with our Theory of Change.</p> <p>Between 5% and 15% of the target portfolio will be reserved for cash or equivalent assets, to provide the Fund with liquidity for the annual or biannual liquidity windows.</p>		<p><b>Managed by:</b></p> <p><b>Global Social Impact Investments</b> <b>SGIIC</b></p> 

## Since GSIF is invested in companies and funds:

### GSIF and the impact ecosystem.

18

Participations  
in events

2

Participations  
in publications

16

Alliances and collaborations  
with ecosystem agents

35%

more revenue per customer on average.

7.362.065

people reached.

289

jobs created.

12.501

jobs maintained.

1.811.349

customers served.

1.368.193

small farmers supported.

66%

of the invested companies apply  
measures and protocols aimed at  
training their employees and promoting  
safe and respectful work environments.

100%

of the invested companies  
contribute to generating greater  
development of local and rural  
economies in the intervention areas.



# Challenges and Lessons Learned.

# Letter from our founder.



**Arturo  
García**

Co-Founder,  
Managing  
Director & CIO

**From now on, and with everything in place, the time has come to focus on growing the impact investment funds already underway.**

— **Arturo García.**

When we started this journey, we had a strategic plan ahead of us. The basic idea was to contribute to the development of the most disadvantaged groups through impact investing by setting up an investment fund. Today, it is a source of great satisfaction to be able to say that the plan is being carried out in all its main lines.

We have an impact investment fund, GSIF, which has a growing investment portfolio focused on Sub-Saharan Africa, being the geographic region with the most need worldwide. Also, after all the corresponding formalities, Global Social Impact Investments (GSII) has been approved as Manager of Collective Investment Institutions and has assumed the management of GSIF. We are launching a second impact investment fund focused on Spain that will also be managed by GSII and for which we already have a promising pipeline.

From another perspective, the reason why GSII was created within Santa Comba was to fill the gap that Open Value Foundation (OVF) could not fill as a foundation, a gap that was also unreachable by Cobas AM. In addition to promoting impact investing in Spain, OVF is focused on venture phi-

lanthropy, while GSII invests in consolidated companies, with proven business models accepted by the market, with relevant turnover figures, growth, and profits.

As a matter of fact, when all of this began to take shape, we felt that the ideal scenario would be for OVF to help promising business models in their early days and for those companies to be invested by GSII once consolidated. This ideal scenario has already arrived, since its foundation and for many years now OVF has helped and worked in the consolidation of social impact companies whose turnover and profits make them already investible by GSII.

From now on, and with everything in place, the time has come to focus on growing the impact investment funds already underway. Our greatest challenge today is to continue incorporating strong companies from the financial and social impact point of view to the investment portfolio, with growing income, offering benefits, and with tangible results of positive social impact for people who are in vulnerable situations.

**Thank you.**



## María Cruz-Conde and Ana Hauyón

Impact measurement  
advisory team.

## Thank you:

This memory cannot end in any other way than by saying thank you.

Open Value Foundation has the great luck - and the great challenge - of accompanying GSII in all its impact measurement and management processes: from the construction of the impact strategy of each fund, to the analysis, monitoring and evaluation of the impact generated by the investee; always seeking to surround ourselves with the best external advisors, who help us verify the social performance of the investments and the improvement in the quality of life of the final client and other beneficiaries.

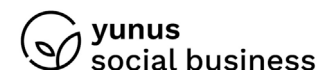
And we want to thank all of them: GSII for believing in us and trusting that there are ways to build an economy that contributes to making the world a more just, free and inclusive place for everyone. For demonstrating that profitability can be achieved while offering opportunities to those people who for structural and systemic reasons do not have access to them. For wanting to guarantee, through impact measurement and ma-

nagement, that you are helping to improve the livelihoods of the poorest people on the planet efficiently and sustainably.

Thank you to all the people who are part of the companies and the funds we have invested. For facilitating the process and showing a collaborative attitude, being honest and always willing to learn and improve. To investors for trusting the GSII team, putting their human and financial capital at the service of those most in need, and participating in the generation of more horizontal relationships.

And lastly, thank you to all collaborators and friends that are accompanying GSII in the journey. For teaching us more every day, for sharing knowledge, and because little by little, together, we will make the numbers in this report grow every year, allowing us to prove that making a better place is possible, and how data can help demonstrate it, rigorously and with love.

## Collaborators





Glossary.

## Livelihoods

Livelihoods are understood as the set of knowledge, skills and resources required to meet individual or collective needs sustainably.

Improving livelihoods is not limited to economic self-sufficiency, it also seeks to restore dignity, trust, and hope, while promoting social inclusion and strengthening cohesion.

## Theory of change

We understand the theory of change as a methodology that helps to design the impact strategy of an intervention, business model or program, and to manage and measure the impact generated.

The theory of change facilitates the representation of the causal chain of an intervention through a diagram that includes from the needs and motivation to the impact it intends to generate. It also helps to determine what inputs and activities are required, what outputs are generated and what results are expected, linking some elements with others. In this way, the theory of change allows us to make decisions and communicate clearly, both internally and externally.

## Bottom Billion

In his book *The Bottom Billion*. Why the Poorest Countries are failing and what can be done about it, Paul Collier talks about the 1 billion people who are stuck in poverty and delves into the causes of this situation.

Most of the countries in the poverty club are in Africa, although there are also some cases in Central Asia and Latin America.

## Vulnerable groups

A person in a situation of vulnerability is a person whose personal, family, or relational and socioeconomic environment is weakened and, as a result, is in a situation of risk that could trigger a process of social exclusion. The level of risk will be higher or lower depending on the degree of deterioration of their environment.

## Inclusive growth

This is economic growth whose benefits are distributed throughout society for a broader and shared prosperity that leaves no one behind, and generates opportunities for all segments of the population, especially for the most disadvantaged.

A company committed to inclusive growth seeks, through its operations and management, its products, and services, as well

as through its philanthropic activity, to foster a broader and shared prosperity that considers inclusiveness in all its dimensions, maintaining ethical practices and generating social and economic value for all its stakeholders, particularly those who face special barriers to improving their living conditions and promotes this commitment internally and externally.

## Venture philanthropy

Venture philanthropy refers to the approach used to support organizations and social enterprises to strengthen them and contribute to their sustainability and maximizing their social impact.

This type of philanthropic investment is characterized by the high degree of involvement of investors, who offer, in addition to financial support, their management expertise and other types of non-financial support, which are adapted according to the specific needs of the organization, with which a partnership relationship is established. The search for sustainability, the medium or long-term perspective and the management and measurement of the impact generated are also characteristics of venture philanthropy.



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