



Impact-Linked  
Finance works  
once well designed and  
implemented!

Evidence, facts, figures and lessons  
learned - as per year-end 2024



# Evidence of Impact-Linked Finance programs and transactions: highlights

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**SIINC LAC program:** “The SIINC transactions have successfully created additionality.”

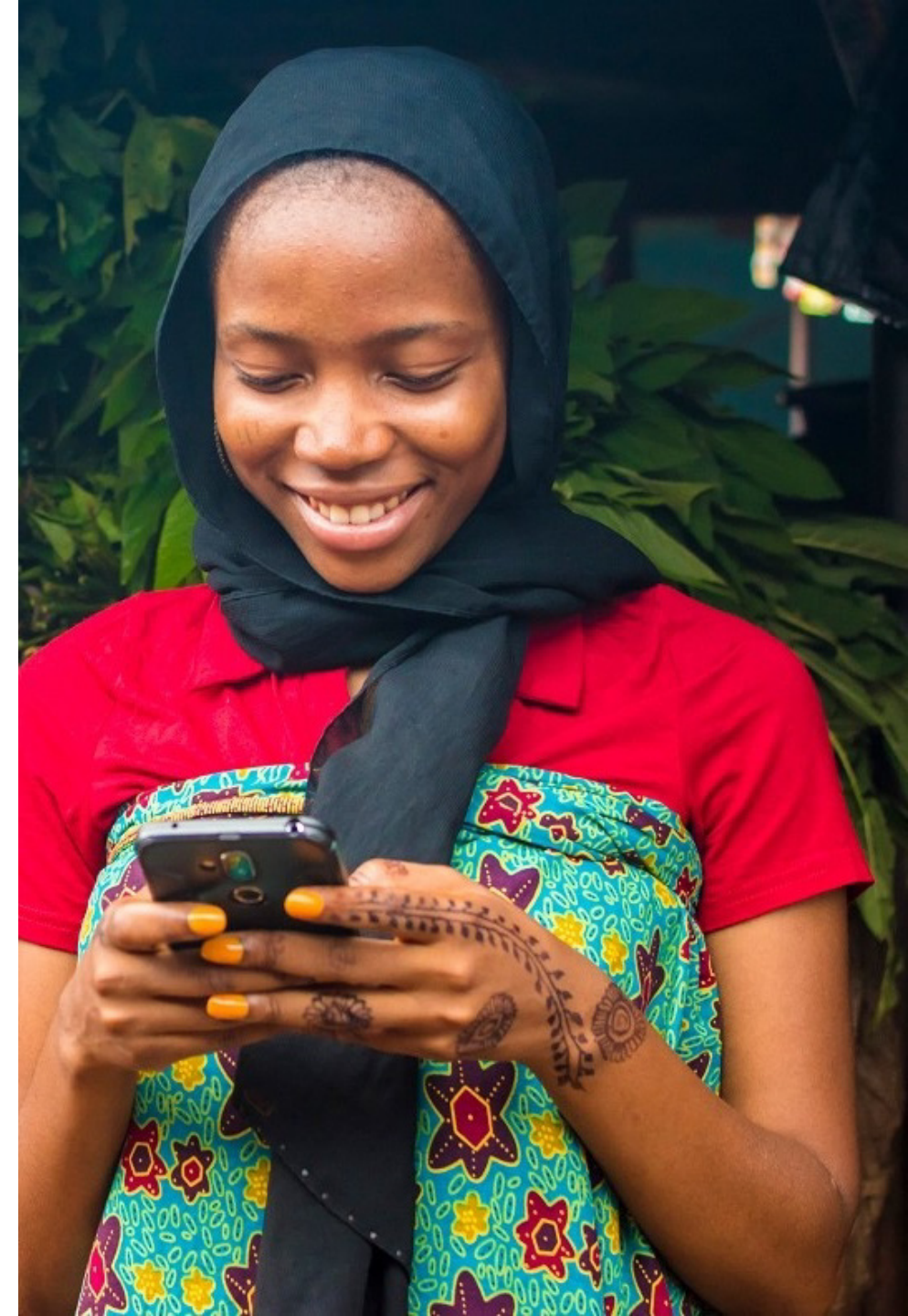
**Biniyog Briddhi program:** “B-Briddhi’s Impact-Linked Finance and IMM work is leading-edge in Asia and globally.”

**The Impact-Linked Finance Fund** “enabled high-impact organisations to ....enhance their operational efficiency, and improve their impact measurement systems. HIOs made significant progress in reaching underserved populations, improving service quality, and enhancing income opportunities for vulnerable groups such as smallholder farmers.”

**SIINC for agricultural SME lending:** “After just two years, SIINC created measurable impact for Root Capital, its client agri-SMEs, and smallholder farmers.”

**Clínicas del Azúcar SIINC transaction:** “There is a causal effect of the SIINC on the Bottom of the Pyramid (BOP) proportion of patients in CDA.”

Find more about Roots of Impact’s impact and evidence [here](#).





# SIINC LAC

Highlights from the independent evaluation of the first Social Impact Incentives (SIINC) Program in Latin America:

“

*„The program has proven to be impactful not only in filling a financial gap but also in creating additional income for low-income beneficiaries”*

*“The SIINC transactions have successfully created additionality.”*

*“The SE selection process has benefited greatly from the partners’ network and expertise.”*

*“The SIINC strategy has successfully promoted the adoption of impact-linked instruments in the SE ecosystem.”*

”

**STORI**  
CONSULTING

## **Evaluation of PES and SIINC programmes in Latin America and the Caribbean**

A programmatic and institutional

August 2022





# Biniyog Briddhi („B-Briddhi“)

Conclusions from the independent Mid-Term-Review (MTR) of the Biniyog Briddhi Program in Bangladesh:\*

“

*“B-Briddhi is an innovative, high-performing development intervention. The MTR’s assessment grid ratings range from satisfactory to highly satisfactory, with an overall rating of highly satisfactory.”*

*“B-Briddhi’s mix of components - capacity building, catalytic financing, and policy advocacy - is highly relevant and appropriate for Bangladesh.”*

*“B-Briddhi’s Impact-Linked Finance and IMM work is leading-edge in Asia and globally.”*

”

\* The Mid-Term-Evaluation report by Edward T. Jackson, E.T Jackson and Associates Ltd. will be gladly made available in case of legitimate interest.





# Impact-Linked Finance Fund („ILFF“)

Conclusions from the independent Mid-Term-Review (MTR) of the Impact-Linked Fund for Eastern & Southern Africa (‘ILF for ESA’) and the Impact-Linked Fund for Education (‘ILF for Education’):\*

“

*“The ILFF’s funding mechanisms, Social Impact Incentives (SIINC), Impact-linked Loans (ILL), Impact linked Payments (ILP) were well-aligned with the operational challenges and social impact goals of HIOs\*\*. The instruments addressed crucial needs, such as promoting gender equity, supporting revenue generation, and financing underserved sectors like agribusiness and healthcare.”*

*“ILFF was effective in helping HIOs meet key performance indicators (KPIs), including expanding services to underserved populations and creating sustainable job opportunities.”*

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\* The Mid-Term-Evaluation report by Instiglio and Innovest Advisory will be gladly made available in case of legitimate interest. / \*\* HIO = high impact organisations



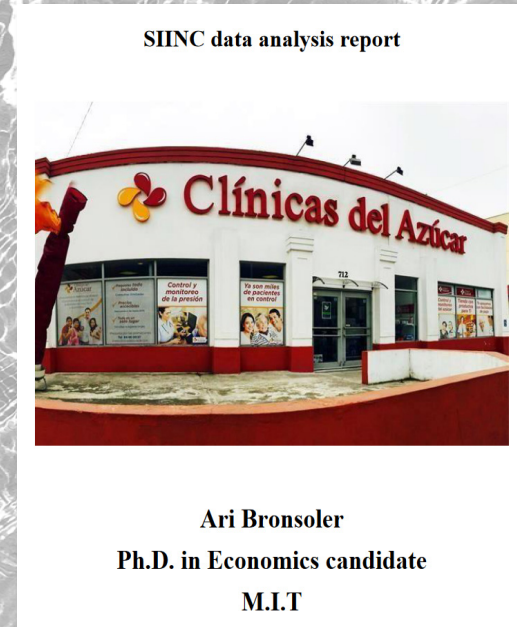


# Clínicas del Azúcar

Conclusions from the independent verification of Social Impact Incentives (SIINC) for Clínicas del Azúcar (CDA):



- 1. The reports presented by CDA are accurate and their data processes reliable.*
- 2. There is a causal effect of the SIINC on the Bottom of the Pyramid (BOP) proportion of patients in CDA. The effect is estimated to be 0.02, which represents an increase of 6% relative to the 0.34 baseline levels.*
- 3. The SIINC seems to improve the clinics' ability to attract BOP patients without impairing its ability to attract non-BOP members.*
- 4. Patients that continue treatment at CDA improve their health a lot. On average, they reduce their HbA1c by 2 points and the effect does not disappear even after 24 months of treatment.*





# SIINC for agricultural SME lending

Highlights from Root Capital's learning report:

“

*“After just two years, SIINC created measurable impact for Root Capital, its client agri-SMEs, and smallholder farmers. A total of \$1M in outcome payments enabled Root Capital to disburse \$12M in loans to 32 high-impact, early-stage agri-SMEs. These enterprises earned \$48M in revenue and generated \$41M in income for 9,300 smallholder farmers.”*

*“SIINC had a meaningful impact on the makeup of Root Capital's portfolio: In the target countries, we made twice as many high-additionality loans during the project than we did in the same period before the project. It also showed how SIINC can be catalytic in boosting client outcomes. Over half of SIINC clients (18 of 32) grew their annual revenues, with the average client revenue growing by 41% over pre-SIINC levels.”*

”





# Impact-Linked Finance facts and figures\*

Closed transactions by region  
(63 until end of 2024)

Latin America, e.g. SIINC  
LAC, Impact-Linked  
Emergency Loans LATAM

18

22

Africa, e.g. ILF for Eastern &  
Southern Africa, ILF for  
Education, ILF for WASH

23

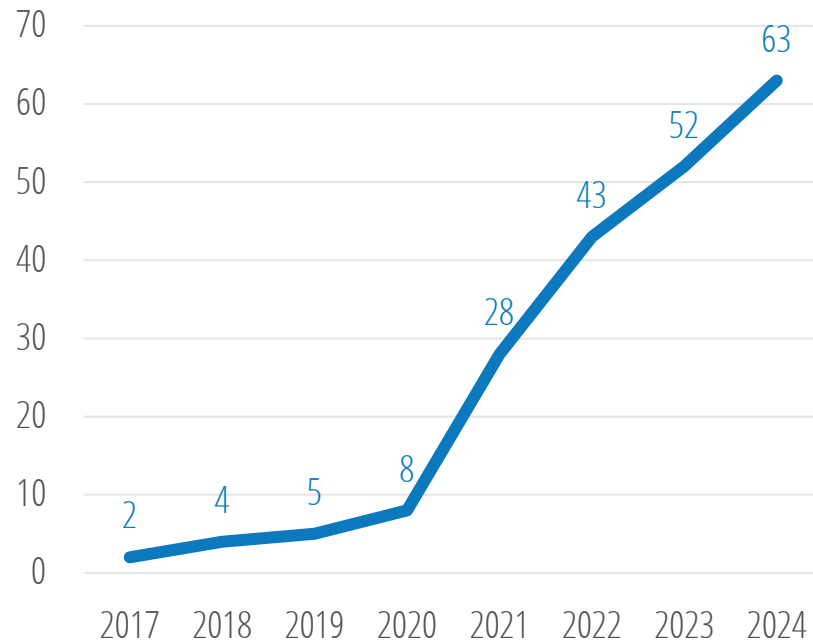
Asia, e.g. Biniyog Briddhi  
("B-Briddhi"), ILF for WASH

\* from programs and Impact-Linked Funds (co-) managed by Roots of Impact

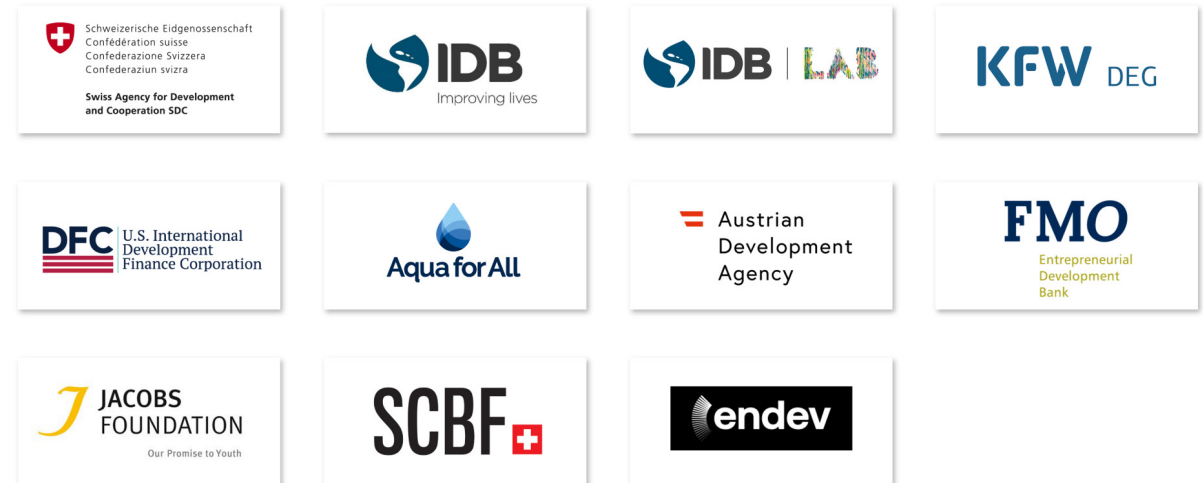


# Impact-Linked Finance facts & figures (II)

Number of transactions  
(implemented by Roots of Impact)



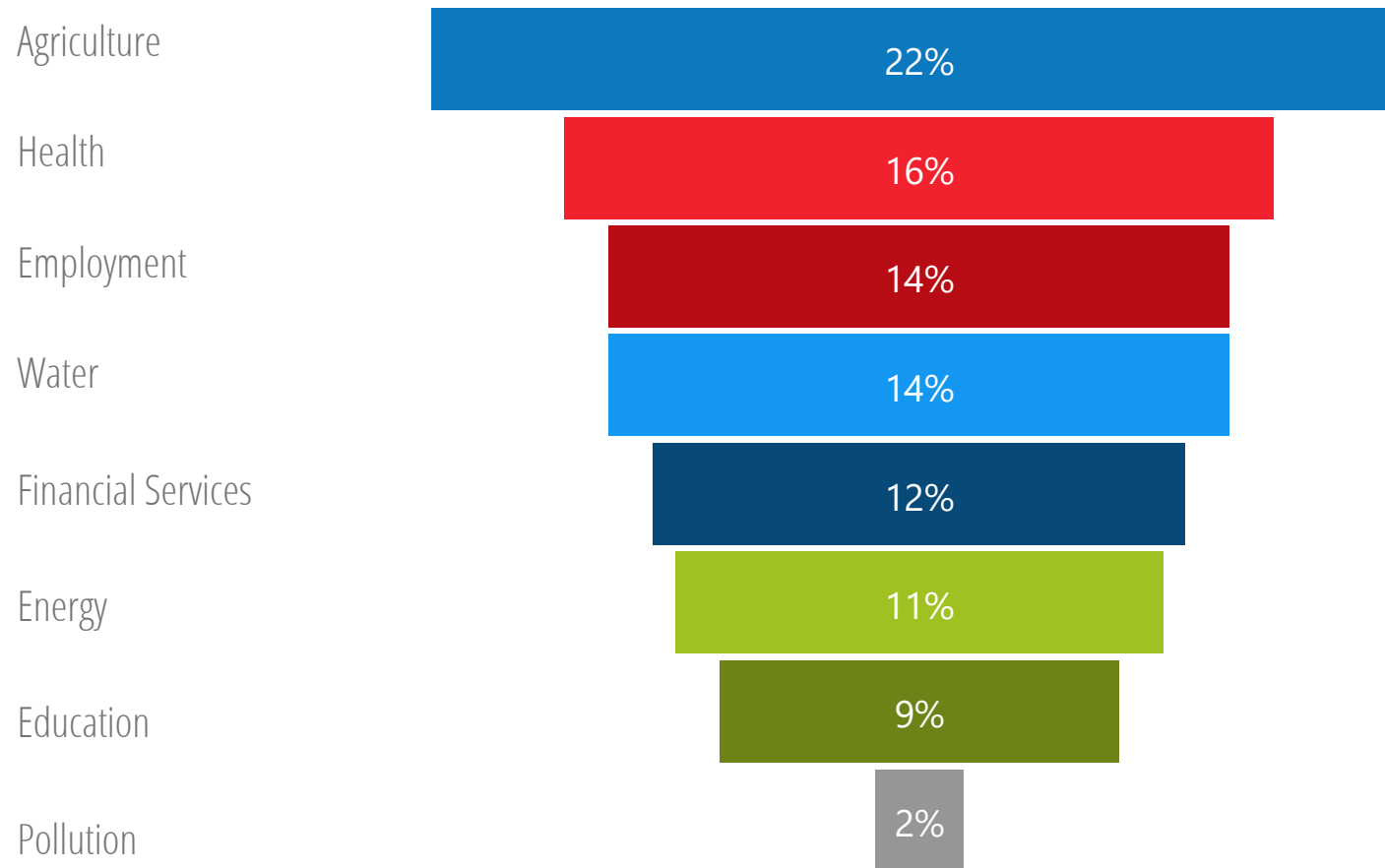
Funding partners





# Impact-Linked Finance facts & figures (III)

## Impact sector focus (on 63 transactions until end of 2024)



**49%** with a gender strategy  
(30% direct, 19% indirect).

**52%** with a climate strategy  
(24% direct, 28% indirect)

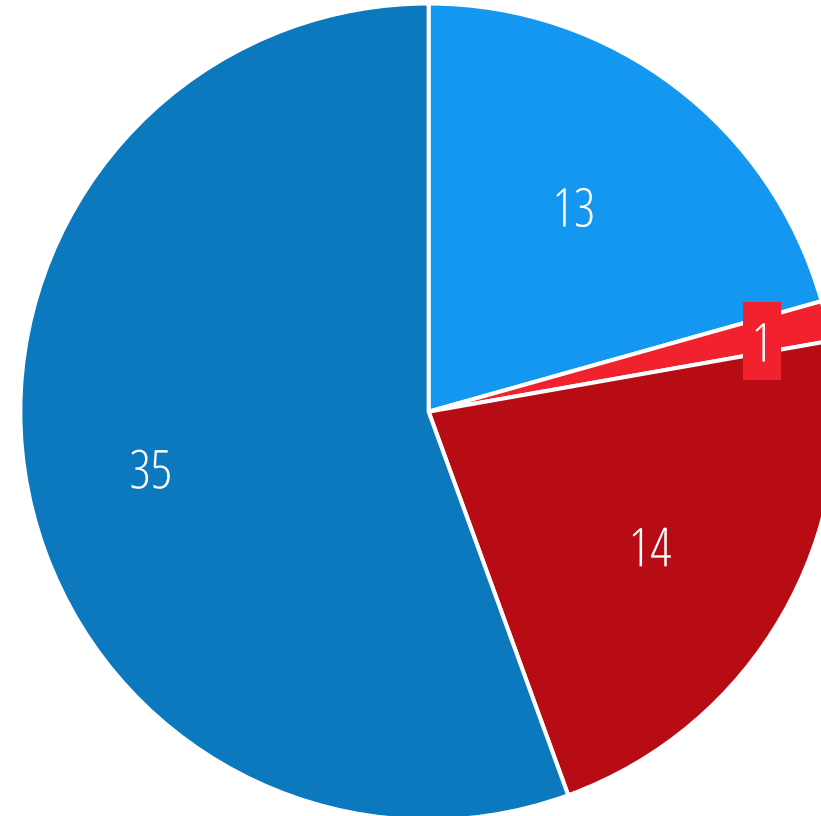


# Impact-Linked Finance facts & figures (IV)

## ILF instrument focus

(on 63 transactions until end of 2024)

- Impact-Linked Loan
- Impact-Linked Payment
- Impact-Ready Matching Fund
- Social Impact Incentives





# Case study: Clínicas del Azúcar



## Enterprise profile

Clínicas del Azúcar is a leading provider of diabetes care in Mexico with more than 100,000 patients, 95% gaining access to specialized treatment for the first time.

Dedicated to serving the poor, the enterprise offers its services through a unique one-stop-shop model at about 40% of the average price for private treatment.

## Financing

- US\$ 275k SIINC over 2.5 years
- US\$ 1.5M equity investment

## Focus of impact incentives

More disadvantaged patients get access to effective, high-quality treatment (many for the first time)

## Metrics

1. Ratio of BoP clients among active members
2. Average improvement in HbA1C levels among BoP patients

## Results

- Increase in the average proportion of BoP members across all clinics from 32% to 37%
- Improvement of HbA1c levels of BoP clients exceeded those of other income groups
- Clínicas del Azúcar was able to raise an additional US\$6M in debt for its expansion across Mexico



# Case study: Root Capital



Enterprise profile

## Enterprise profile

Root Capital is a pioneering impact lender to agricultural SMEs in Latin America and Africa. The borrowing SMEs purchase crops such as coffee, cocoa, or grains from smallholder farmers. With growth enabled by access to capital and technical assistance, they become impact engines that can raise incomes, create jobs, empower women, and preserve vulnerable ecosystems.

\* Loans are considered “high additionality” if no other lender would make the same loans on the same terms; “medium additionality” if only a social, subsidized or government institution would make the loan; different levels of rewards for high vs medium additionality

## Financing

- US\$ 1M SIINC over 2 years
- US\$ 12M debt investment

## Focus of impact incentives

Increase lending to agricultural SMEs in Latin America that are unprofitable to serve today, but which demonstrate substantial promise for growth and impact, especially for women

## Metrics

1. Number of high- and medium additionality loans\* below US\$ 500k
2. Number of loans to gender inclusive businesses (bonus)

## Results

- Provided high-additionality loans to 32 small, early-stage agricultural enterprises
- These enterprises generated US\$41M in income for 9,300 smallholder farmers
- Twice as many high-additionality loans than in same period before



# Lessons learned: What creates high-quality Impact-Linked Finance



Selecting the “right” enterprises is key: beyond technical eligibility criteria, [strategic alignment](#) is crucial



The most effective approach is to unlock the enterprise’s [untapped potential](#) and enable it to achieve its own objectives sustainably



An [appropriate impact measurement system](#) is crucial; if not strong enough, assistance needs to be provided to strengthen the system for internal and external purposes



Use of [widely accepted metrics and standards](#) are recommended, yet local contexts need to be respected; the incentive scheme should be co-created with the enterprise



Additionality can only be determined if [a strong dataset is available](#), ensuring insights into past and present achievements and future projections



Selection and incentive design need to consider [sustainability after the “exit”](#) from the onset



Application of the [Design Principles for Impact-Linked Finance](#) is imperative - they provide a benchmark for the most effective use of this practice.





For more insights, dive into our ILF Learnings Report:

<https://www.roots-of-impact.org/impact-linked-finance-lessons-learned/>