

Second Vatican Conference on Impact Investing –
Making the Year of Mercy a Year of Impact for the Poor

**Evidence that Impact Investing
Benefits the Poor**

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Ms. Jacqueline Novogratz, Acumen

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HOW IMPACT INVESTING BENEFITS THE POOR

Matt Bannick

June 27, 2016



OMIDYAR
NETWORK

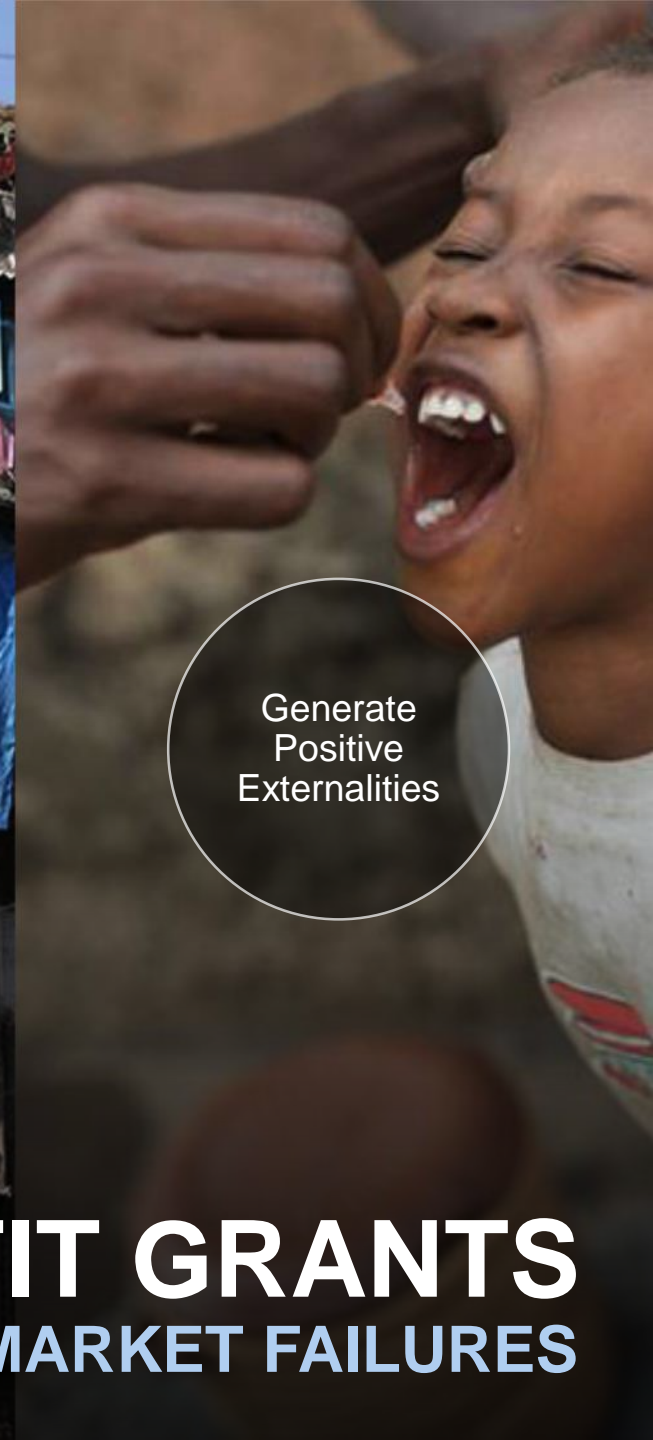
A WORLD OF POSITIVE RETURNS



Public
Goods



Disempowered
Populations



Generate
Positive
Externalities

NONPROFIT GRANTS

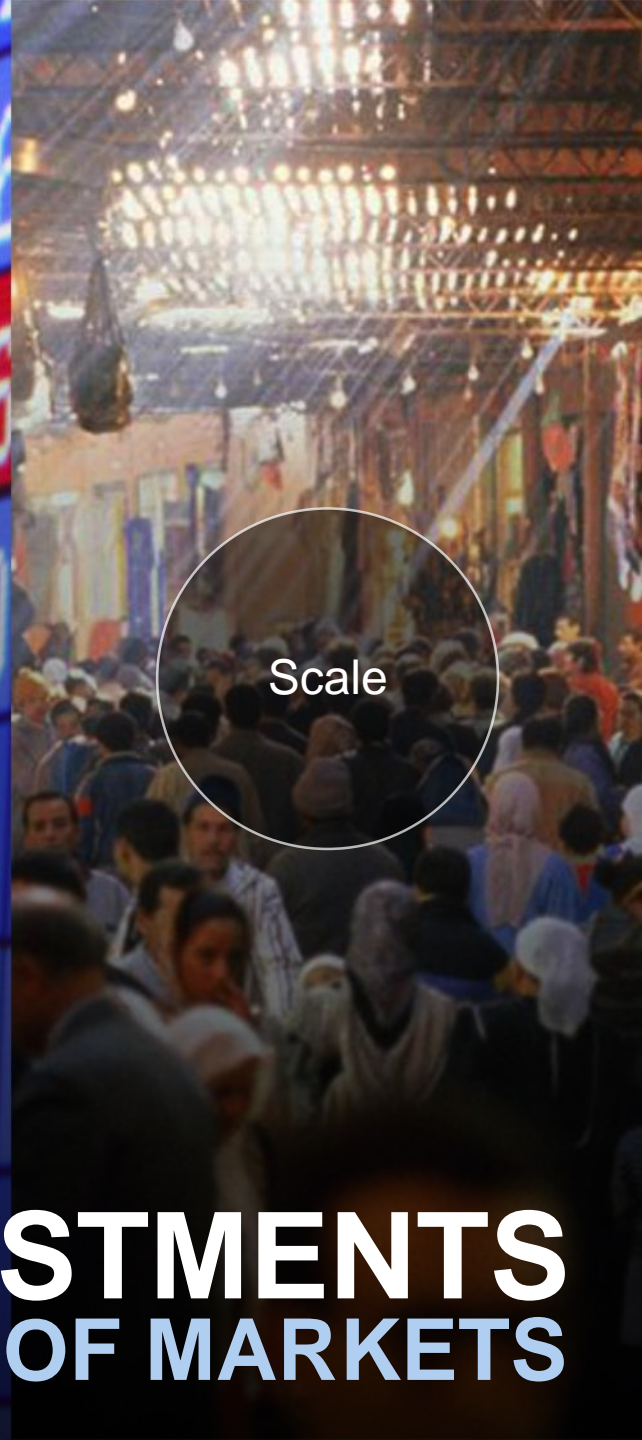
ADDRESS MARKET FAILURES



Value



Sustainability



Scale

FOR-PROFIT INVESTMENTS LEVERAGE POWER OF MARKETS

~2/3

of the world's poor
work in agriculture

Ag-driven economic
growth is

2-4x

more effective
at poverty reduction

AGRICULTURE

Seeds

- **110** seed companies in **16** sub-Saharan African countries doubled smallholder yields over 7 years and **boosted incomes by \$3.1B** in 2014 alone

Credit Access

- **90%** of smallholder farmers lack access to credit
- Root Capital **loaned \$980M** to smallholder farmers
- In Burkina Faso, led to a **43% increase** in income

Market Access

- Twiga **increases farmer margins** by connecting them directly to vendors through a cashless, mobile-based supply platform



<20%

of rural sub-Saharan
Africans have access to
electricity

Due to pay-as-you-go
business models, off-grid
renewable energy is now

cheaper than kerosene

ENERGY

Education

Solar lamps empowered Ugandan children
to **study 20% more**

Savings

Solar-powered African households
saved 80% on cost of an hour of light

Income Generation

Average income of solar-electrified enterprises
82% higher than those without



OFF-GRID ELECTRIC



>2/3

of low-income adults globally are unbanked

Technology-enabled business models can deliver financial services

to low-income customers at a

fraction of the cost

of their brick-and-mortar counterparts

FINANCIAL SERVICES

Savings

Female vendors in Kenya invested up to **50% more** in their businesses, enabling a **13% increase** in food purchases

Insurance

By providing bundled free insurance with mobile carriers, MicroEnsure has covered **31 million people in 14 countries**

Payments

M-Pesa serves **3/4 of people** living on **<\$1.25/day** outside Nairobi – reducing transaction costs, increasing security, and steadying consumption through major shocks

JUNTOS™

MICROENSURE

M-PESA

**WHAT LEVEL OF
PROFITABILITY
SHOULD I EXPECT?**



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It starts by standing with the poor, listening to voices unheard, and recognizing potential where others see despair.

It demands investing as a means, not an end, daring to go where markets have failed and aid has fallen short. It makes capital work for us, not control us.

It thrives on moral imagination: the humility to see the world as it is, and the audacity to imagine the world as it could be. It's having the ambition to learn at the edge, the wisdom to admit failure, and the courage to start again.

It requires patience and kindness, resilience and grit: a hard-edged hope. It's leadership that rejects complacency, breaks through bureaucracy, challenges corruption. Doing what's right, not what's easy.

It's the radical idea of creating hope in a cynical world. Changing the way the world tackles poverty and building a world based on dignity.

