- About ANDE
- Trends in the SGB Global Sector
- The Brazil Impact Investing Sector
The **Aspen Network of Development Entrepreneurs** (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to **small and growing businesses** (SGBs) based on the conviction that SGBs will create jobs, stimulate long-term economic growth, and produce environmental and social benefits. Ultimately, we believe that SGBs can help lift countries out of poverty. ANDE is part of the Aspen Institute, an educational and policy studies organization.
ANDE Membership: An SGB Ecosystem

- Corporations and Corporate Foundations: 10%
- Research and Advisory Service Providers: 9%
- Foundations: 9%
- Academic Institutions: 6%
- DFIs and Donor Agencies: 4%
- Investors: 29%
- Capacity Development Providers: 33%
ANDE Members - Global Reach

Source: ANDE Member Database, as of 4/3/2014
ANDE members in Brazil

- Aliança Empreendedor\'a
- Amani Institute
- ARTEMISIA
- Bamboo Finance
- BID Network
- Business Call to Action (BCtA)
- CARE
- Christian Aid
- Citi Foundation
- eBay Foundation
- edge
- Endeavor
- EY
- Fundación AVINA
- Halloran Philanthropies
- LAVCA
- IADB - Multilateral Investment Fund

- ICE (Entrepreneurial Citizenship Institute)
- International Finance Corporation (IFC)
- Impact HUB
- Instituto HUB
- JP Morgan
- LGT Venture Philanthropy
- Monitor Deloitte
- Nestlé
- NESsT
- Pipa
- Quintessa Partners
- Sitawi
- Solidaridad Network
- TechnoServe Inc.
- Village Capital
- Vox Capital
- Walmart
ANDE – Activities

1) **Produce and share knowledge**

- Map the ecosystem - Brazil impact Investing study
- Sector reports (Housing, Technology and Invention)
- Cases (Walmart Institute and Solidarium)

2) **Promote connections**

- Sector events
  - Technology
  - Invention
  - Recycling/ Waste Management
  - Education, Health

- Chapter meetings:
  - Venture Capital, Metrics, Pipeline, Government
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ANDE study
Decade of Growth for SGB Intermediaries

85% of Investment Vehicles founded in past decade

Number of Investment Vehicles Launched

<table>
<thead>
<tr>
<th></th>
<th>2004 - 2008</th>
<th>2009 - 2013</th>
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<tbody>
<tr>
<td></td>
<td>97</td>
<td>144</td>
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</table>

50% of Capacity Development Providers founded in past decade*

Number of ANDE Member CD orgs Founded

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<th>2004 - 2009</th>
<th>2009 - 2013</th>
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<td></td>
<td>10</td>
<td>12</td>
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*ANDE members only

Source: ANDE Research
Fewer Funds, Larger Target Sizes

- Vehicles Launched (n=262)
- Median Target AUM (millions USD) (n=167)
Regional Focus: More Global Funds

Source: ANDE Research
Continue to See Low Focus on Seed Stage

Number of Investment Vehicles

Target Stage

Source: ANDE Research
N = 223; 100 Investment Vehicles selected more than one stage
But Newer Vehicles Shifting That Trend

Source: ANDE Research

N = 149; Only investment vehicles that reported both inception year and stage
Easier to Raise Funds than to Deploy

Proportion of Committed Capital that Has Been Deployed

<table>
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<tr>
<th>Inception Year</th>
<th>Proportion of Deployed Capital</th>
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<tbody>
<tr>
<td>2009 (n=4)</td>
<td>48%</td>
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<tr>
<td>2010 (n=2)</td>
<td>51%</td>
</tr>
<tr>
<td>2011 (n=10)</td>
<td>39%</td>
</tr>
<tr>
<td>2012 (n=3)</td>
<td>13%</td>
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</tbody>
</table>

Source: ANDE Research
N=19, closed-end funds that reported inception year, committed capital, and total capital deployed to date
Brazil

• Base of the pyramid is a focus
• Need to expand to other geographies
• Identify financial resources for business with social impact
• Better understand governmental contracts
• Develop talents for the sector
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Study criteria:

1. Invest with the aim of creating social and/or environmental impact
2. Minimum ticket sizes of USD 25,000 per investment
3. Expect a financial return within a certain time period
22 investors participated in the study

- 20 already making investments
- 2 planning to start in 2014
- 12 international
- 10 national
Market Size and Investments

- Local market manages approximately $177 million in committed capital as reported by 8 out of 9 local impact investors.

- International investors active in Brazil manage approximately $3 billion in committed capital.

- Since the first investment in 2001, $76.1 million have been allocated to impact businesses in Brazil.

- 68 impact business received investments.

- $90 million to $127 million are planned for investment in 2014 by national and international investors.
Key Sectors and regions

Sectors:
- Financial Inclusion (89%)
- Education (84%)
- Health (63%)
- Renewable energy, housing, waste management, water and sanitation

Regions:
- São Paulo main region
- Increasingly interest in Northeast
Brazil Impact Investing Study

Trends

• Market will continue to grow: 5 local organizations expect to fundraise up to $150 million in 2014, both in Brazil and abroad

• Risk aversion among investors: 83% of investments in early stage companies

• Access to seed funding is still scarce

• Capital committed to impact investing is strongly related to philanthropic investors
Brazil Impact Investing Study

Trends

• The sector is mainstreaming

• Improvement on impact measurement

• Investing on talents and other sector intermediaries (incubators/accelerators)
Brazil Impact Investing Study

- **Launch Date:** August, 29th – Sao Paulo, Brazil

- **Access to the report:**
  
  www.aspenstitute.org/ande

  www.aspen institute.org/ande brazil

- **Contact:** rebeca.rocha@aspeninst.org
Obrigada!