





Contents

A message from our partners	4
Who we are	6
Where we come from	8
Our ecosystem	11
Our reach	12
Our impact	14
Our activities	16
Fund management & advisory	18
Innovative finance	44
A zoom on education & employment	47
A zoom on health	61
A zoom on environment	75
Going forward	82

A message from our partners

Dear Friends,

After 10 years of impact investing and innovative finance, we are happy to see that this once unknown topic is becoming a material trend in the finance world.

Serving the dual purpose of profit and impact led us to work in over 25 countries across all continents, to develop 26 innovative finance projects, to co-create 3 funds and to invest in 30 companies. We've grown a team from 2 founders to one of 24 KOIS colleagues and 14 others in our joint-venture funds, across 4 countries. And just as importantly, we've offered consistent return to our investors while having a strong positive impact on the communities affected by our actions.

We've developed projects ranging from setting up physical rehabilitation facilities in fragile countries to helping long-term unemployed people find jobs. We are working on projects ensuring workers have the skills to access the jobs of the future, and improving the livelihoods of fragile populations. With our LPs, GP partners and portfolio companies, we have helped scale some of the most promising health innovations which have been delivering affordable and accessible quality healthcare to low income communities in India and abroad.

Throughout our work, we kept our commitment to create a measurable impact, which you will discover in this report.

While this work and the evolution of the finance community makes us proud, we are also conscious that innovative finance has not yet scaled up to the point required to achieve the Sustainable Development Goals within the next 10 years. For this reason, we want to commit, as partners and as a company, to keep challenging the

finance world. We will continue to build upon public efforts and to scale up their impacts through innovative financing solutions. We will keep our promise to deliver attractive returns to our investors, and continue to measure success with concrete impact measures on existing communities.

Looking to the next decade, we will strive to remain an innovator in the finance world and to keep bringing innovative financing solutions to help solve our world's greatest challenges.

More specifically in 2020, we will dedicate our time to exploring the topics shaping our society. We will put our strong expertise in the healthcare sector to work to design and invest in solutions helping our communities fight and recover from the COVID-19 outbreak. You can also expect more climate-related solutions, from water access in fragile settings to energy access for health facilities. Later this year, will also launch a Development Impact Bond to support refugees and host communities in Jordan and Lebanon. In India and Africa, we are structuring a financial instrument to improve menstrual hygiene management. Moreover, we are exploring how to leverage blended finance to scale up investments in renewable energy and how to expand funding of prevention-based healthcare.

We share with you these insights on our actions and vision. We look forward to hearing your feedback, ideas and questions to continue to push us forward.

Thank you for joining us on our journey.

Kind regards,
Serena, Charles-Antoine and François
KOIS partners



Who we are

We are an impact finance firm that aims to scale financing solutions to create a better world for underserved communities. We turn projects with high societal and environmental impact into tangible investment propositions for public and private sector clients. We do so by managing funds and creating innovative financing mechanisms.

From our offices in Brussels, London, Mumbai and Paris, our team's contribution has a direct impact on people's lives and their environment.

Our beliefs

→ *We believe that a radical transformation towards purposeful investment can happen in the private sector.*

→ *We trust that a paradigm shift towards more outcome-oriented KPIs is possible in the public and philanthropic sectors.*

→ *We know that collaboration between the private & the public sectors and between the for-profit & not-for-profit sectors is the best way to scale impact solutions.*



Where we come from

In 2010, as Kois Invest, we started building an investment portfolio of high impact businesses, convinced we could generate attractive financial returns while investing in socially and environmentally driven businesses.

In 2014, we made a shift from pure investment to Innovative Finance and Fund Management and became who we are now: **KOIS**, a pioneer in impact investing, focusing on both developed and developing markets. Looking to the future, we will continue striving to remain pioneers in impact financing solutions.

2010 - 2019

Build up of investment portfolio with **high societal and financial return**



2015

Co-created of **Inclusio** (housing fund in Belgium) and assisted IIML¹ in the launch of **TARA IV** (Indian impact fund)



2017

Launch of the first ever Humanitarian Impact Bond on **physical rehabilitation**

Start structuring of a DIB to **support refugees and host communities**



Launch of Belgium's second SIB on **job market integration**



2019

Support in structuring of a Development Impact Bond (DIB) on family separation prevention in Indonesia



Completion of a feasibility study for a DIB on menstrual hygiene management in Africa



Conclusion of the first Belgian SIB with DUO for a JOB, with very positive results

Structuring of a SIB with **Médecins du Monde** and a **DIB in Kenya** on youth livelihood



2014

Launch of the first-ever Social Impact Bond (SIB) in continental Europe: **DUO for a JOB**



2016

Together with Quadria Capital, launch of **HealthQuad**, a **venture capital fund in India**



2018

Finalisation of a feasibility study on a leasing facility for refugee camps



Launch of two SIBs on child protection in France with Fondation Apprentis d'Auteuil



Our investors, whether they are corporates or social impact focused, entrust us with financial capital to support promising social enterprises. We are committed to rewarding them with attractive financial returns and generating lasting and positive social and environmental impact.



Our funds and portfolio companies create positive change and improve the societies & environments in which they operate on a daily basis. We are committed to channeling the financial and non-financial support they need to effectively scale their impact.

Our corporate partners provide us with global platforms to experiment and scale innovative solutions. We are committed to enhancing corporate sustainability as a fundamental long-term driver of business success and corporate social responsibility.



Our ecosystem

We know that we cannot effect this change on a global scale without working closely with our many trusted partners. We foster and develop collaborations between governments, for-profit organisations, social players, donors and investors to unlock social impact. We commit to deploying our collective business and innovative finance experience, fund management expertise and global networks to help our clients fulfil their missions.

Our service providers carry out our innovative finance projects and have a direct impact on people's lives and the planet. We are committed to strengthening their operational and financial performance in order to enhance their impact.

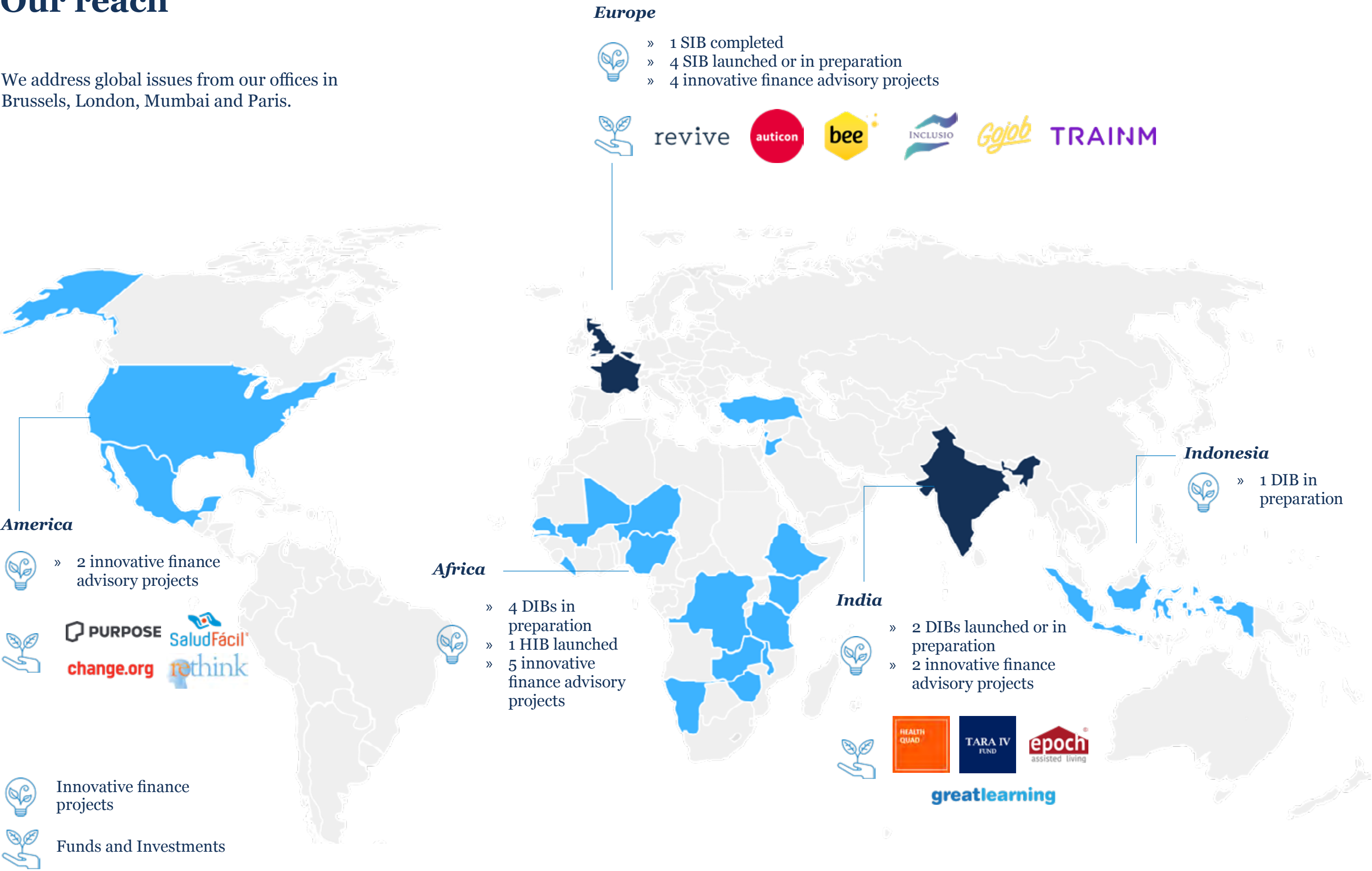


Our partners in government and civil society look to us as thought partners to help resolve their most pressing development and social issues. We are committed to developing innovative new ideas that can deliver social and environmental change in a more cost-effective and sustainable way.



Our reach

We address global issues from our offices in Brussels, London, Mumbai and Paris.



Our impact

Our work is driven by the notion of impact. We focus on areas where innovative finance and impact investing can bring solutions that could not exist without the strong collaboration of the private, public and philanthropic sector.

To measure success, we look not only at the financial returns we offer to our investors, but also at specific impact metrics showing how our projects enhanced the lives of communities around the globe.

We are proud of the work we accomplished since 2010 and will continue to strive for more by scaling up our activities in the future.



over 36M

patients treated or screened

including

550,000+

teleconsultations

750+

gynaecology treatments

1,600

babies delivered

~US\$ 4M

in discounts and loans to patients in need



21

wind energy projects in the pipeline

895

residents in sustainable housing

2,575

sustainable housing units built

546

housing units under construction

205,000

people trained

27,000+

jobs created for, offered to or matched with jobseekers

11M+

hours of training delivered

1,000+

female employees hired across portfolio companies



Our activities

As an impact finance company, we are driven to choose projects bringing solutions to solve our world's most urging issues with a rewarding impact and return. Our experience is built up in the field of innovative finance and impact investing, allowing us to take on projects in many different sectors, according to what is most critical.

Through our activities we have created an impact and invested in sectors ranging from education to energy, from energy to health, and from employment to sustainable accommodation.

We believe that our added value lies within our ability to constantly innovate and create the specific financing solution that is needed for each project. We develop partnerships between parties, creating an enabling environment for increased engagement across sectors. We encourage and train organisations to experiment and adopt innovative, more cost-effective and impactful ways of working.

While our portfolio of investments & projects is varied, we continue to have a consequential impact in three large domains, that we will explore in the following pages: Education & Employment, Health, and Environment. These areas are also often interlinked together and with other issues, allowing projects in these fields to create a large impact across different populations.



Fund management & advisory

At KOIS, we deploy capital directly or through funds that we co-structure and manage with larger financial institutions. With each investment, we look for companies providing a scalable social and environmental impact, together with an attractive financial return.

Fund management

Today we deliver impact through 2 funds: HealthQuad, a fund with a strong focus on disruptive health services in India; and Inclusio, an affordable housing fund in Belgium.

Fund advisory

Since 2015, KOIS is advisor to IIML, the investment manager of TARA IV. TARA IV is a fund focused on impact-oriented SMEs in India. We are also engagement advisors to the Cadmos European Engagement Fund, a responsible investment fund. It invests in listed European equities based on UN Global Compact principles and the SDGs.

Investments

As of 2020, KOIS had also directly invested in 15 companies, whose business models target not solely profit but also offer solutions to societal problems. The companies we invest in target different sectors, from energy to healthcare to employment and skilling.

We invite you to discover these funds and companies in the following pages.

A snapshot of our investments and funds

4

funds co-managed
or advised

7

countries

10

sectors

25

investments

US\$ 160M

under management
and advisory across
funds

Funds co-managed



Funds advised



Cadmos

Investments and portfolio companies



Inclusio

Improving access to affordable and energy efficient housing for marginalized communities



- » **Date of launch:** 2015
- » **Geographies:** Belgium
- » **Number of investments:** 34 residential real estate assets/projects
- » **Assets under management:** € 91M raised
- » **Investment type:** real estate
- » **Size of investments:** € 2M
- » **Target yield:** 3.5%
- » **Expected exit:** IPO in 2020

As Belgium's rental prices continue to rise, it is becoming increasingly difficult for people with low incomes to find housing. In fact, there is a shortfall of 183,000 units of affordable housing in the country. The financial problem for tenants is made even more acute when buildings are not energy efficient, thereby leading to heavy monthly utility bills - on top of the negative environmental impact.

KOIS, together with Belgian largest private bank Degroof Petercam and real-estate developer Revive, co-founded Inclusio in 2015, a privately-funded investment company providing affordable high-quality rental housing for people with low incomes.

Inclusio Team

- » **François de Borchgrave** - Member of the Board and the Investment Committee
- » **Xavier Mertens** - Chief Executive Officer and member of the Investment committee
- » **Jean-Luc Colson** - Chief Financial Officer
- » **Lionel Van Rillaer** - Chief Development Officer
- » **Benoit Desutter** - Acquisition Manager
- » **David Vandermullen** - Acquisition Manager

It does so, in mostly developing energy efficient buildings, to lighten the environmental footprint but also decrease tenants' running costs. It buys, builds or renovates housing units and rents them to public social real estate agencies. These in turn rent the housing units to low-income tenants. The agencies take a long-term lease of at least nine years, decreasing Inclusio's leasing risk by guaranteeing complete occupancy.

Inclusio was launched in 2015 and has since raised € 91 million from institutional and private investors in Belgium.

Approximately 25% of Inclusio's units are reserved for particularly vulnerable populations. Inclusio partners with social service providers with effective reinsertion methods, ensuring that they are doing well and have a support network in place.

Inclusio is a certified B-Corp, thus meeting rigorous social and environmental performance standards, accountability, and transparency.

Inclusio's impact

410

affordable housing units under management

546

housing units under construction

895

residents

€ 477

average monthly rent



HealthQuad

Creating the next generation of healthcare businesses to create accessible, affordable and quality health systems in India



- » **Date of launch:** 2016
- » **Geographies:** India
- » **Number of investments:** 7
- » **Committed capital:** US\$ 10M (US\$31 M deployed)
- » **Investment type:** venture capital/private equity
- » **Size of investment:** US\$ 0.2 to US\$ 2.7M
- » **Target IRR:** 3x contributed capital
- » **Equity participation:** significant minority stakes (from 20 to 50%)
- » **Investment stage:** early stage, pre-series A

In India, healthcare accessibility, affordability and quality are an issue for nearly 700 million citizens. By 2025, the sector will require investments of US\$ 200 billion to further develop current healthcare infrastructure: 1.8M beds need to be added², and 1.5M doctors to support the load.

To address this issue, KOIS and Quadria Capital - a private equity firm focused on healthcare in Asia - created HealthQuad, an Indian Venture Capital fund, in 2016. The fund specializes in disruptive healthcare businesses in India. It invests in delivery services and products with the potential to dramatically increase healthcare affordability, accessibility and productivity, while improving patient health and fostering innovation.

Since its creation, HealthQuad has invested in seven early-stage businesses.

HealthQuad Team

- » **Charles-Antoine Janssen** - Member of the Investment team, Investment Committee and the Advisory Board
- » **Dr. Pinak Shrikhande** - Principal
- » **Manish Jha** - Vice President
- » **Divya Gulati** - Analyst

HealthQuad's impact

200,000

outpatients and treated across 5 hospitals

20,000+

inpatients treated across 5 hospitals

10,000+

patients provided with tests at subsidized rates

-25%

reduction in procurement cost for hospitals

2,800+

doctors and other employees trained across portfolio companies

550,000+

teleconsultations done

Asian Institute of Nephrology & Urology

Providing high-end renal sciences across India



- » **Inception year:** 2013
- » **Investment year:** 2016
- » **Target:** Patients suffering from a urological disease
- » **Geographies:** Hyderabad

As the diabetes capital of the world, India has 30Mn+ diabetes patients, contributing to the rise of chronic kidney diseases. Further complicating matters is a lack of quality institutions providing renal care in India.

Asian Institute of Nephrology and Urology (AINU) is a renal sciences hospital operating in Hyderabad established with the goal to meet the growing need for renal transplants. Willing to replicate its model in multiple Indian cities, it aims to provide renal science services and minimally invasive robotic-assisted surgeries to the high-risk Indian population.

Hi-Impact consultants

Identifying and placing doctors in hospitals and medical colleges

- » **Inception year:** 2011
- » **Investment year:** 2016
- » **Target:** healthcare professionals, hospitals and medical colleges
- » **Geographies:** Noida

Hi-Impact consultants identifies and places doctors in over 300 hospitals and 70 medical colleges across the country. The company has added non-clinical hiring to its portfolio of services and focuses also on comprehensive manpower solution for new hospital project hiring.

Hi-Impact Consultants plays a vital role in providing a talent pool across the country, especially in Tier 2 and 3 cities.

AINU's impact

66,000+

patient visits yearly

US\$ 500,000

total amount of discounts given to patients in need

40+

doctors including 15 super specialists

3,000+

hours of training provided

52%

female employees



Hi-Impact's impact

300,000+

unique doctors in the database

300+

hospital clients

4,800+

jobs posted

70%

female employees

Neurosynaptic Communications

Providing turnkey telemedicine solutions



- » **Inception year:** 2002
- » **Investment year:** 2016
- » **Target:** all patients and in particular those living in remote areas
- » **Geographies:** Bengaluru

Neurosynaptic Communications is present in over 2,200 villages in India and other geographies, covering over 50M persons to date, often living in remote areas with low healthcare penetration. Its telemedicine platform, ReMeDi Nova offers over 35 point of care diagnostics and enables professionals to perform teleconsultations, tele diagnostics, patient screenings and health camps in rural areas at extremely low bandwidths.

Neurosynaptic's impact

550,000+
monthly teleconsultations

50M+
population touched

2,200+
village deployment across India

32%
female employees

Regency Healthcare

Providing multi-specialty, single-specialty and secondary healthcare services across a network of hospitals



- » **Inception year:** 1995
- » **Investment year:** 2017
- » **Target:** healthcare delivery services
- » **Geographies:** Kanpur

Regency Healthcare operates more than 600 beds across 6 facilities in Kanpur, Uttar Pradesh. Hospitals are multi-specialty, single specialty (renal science and oncology) or secondary services focused.

It operates in one of India's most underserved areas in terms of quality healthcare facilities. The company continues to focus on providing affordable healthcare to low and middle-income patients.

Regency Healthcare's impact

340,000+
annual visits

30%
beds allocated to those in need

16,300+
hours of training provided annually

170+
new jobs created annually

Strand Life Sciences

Providing bioinformatics and research biology to develop software and services for life sciences research

120Mn+ Indian population is at high risk of developing cancer due to lifestyle related issues. Another 70Mn+ patients in India show a growing incidence of rare diseases. Lack of adoption of preventive screening tests results in under diagnosis of chronic lifestyle diseases.

Strand Life Sciences is a global bioinformatics and genomic profiling company. They are a leader in precision medicine diagnostics, aimed at empowering cancer care and enabling diagnosis of inherited diseases through 15 laboratories.

Their work on precision medicine has the power to drastically improve healthcare solutions for Indian masses at a fraction of the cost.



- » **Inception year:** 2000
- » **Investment year:** 2018
- » **Target:** cancer and inherited diseases affected and at-risk population
- » **Geographies:** Bengaluru

Strand's impact

1M+
samples processed

10,000+
patients tested under subsidized rate

130+
clinical trials conducted



Medikabazaar

Providing an E-commerce marketplace for medical supplies to improve efficiency and bring costs down



Medikabazaar's impact

3,400+
hospital customers

250,000+
products listed

2,300+
suppliers listed

50M+
units shipped

US\$ 3M+
worth of loans to
customers through
financing

20%
female employees

- » **Inception year:** 2015
- » **Investment year:** 2019
- » **Target:** all patients
- » **Geographies:** Mumbai

Medikabazaar addresses medical supply issues of hospitals in remote regions by providing a simplified platform for product discovery along with transparent pricing. Through the automation of supply chain and efficient inventory management the platform facilitates disintermediation of the distribution channel to bring cost savings for customers.

THB

Providing big data analysis to empower healthcare with business modules to improve patient outcomes



There is a lack of personalized care for patients in India leading to poor prevention, control and compliance in clinical outcomes. The lack of structured healthcare data with records for 200Mn+ patients stored on private servers contributes to this problem.

THB is full stack (tech + data + insights) clinical intelligence company that helps healthcare providers structure their datasets to empower management and clinical teams to drive full-potential value from datasets.

This enables the transformation of the healthcare industry from doctor-based to data and evidence-based treatment and decisions, enabling better healthcare decisions for all stakeholders.

THB's impact

32,000+
patient data
added daily

50,000+
doctors engaged

3,000+
data partners

100+
cities covered

- » **Inception year:** 2015
- » **Investment year:** 2018
- » **Target:** All patients
- » **Geographies:** Gurugram



TARA IV

Realizing value in India by investing in small and mid-cap companies with high societal impact

- » **Date of launch:** 2015
- » **Geographies:** India
- » **Number of active investments:** 8
- » **Committed capital:** US\$ 50M
- » **Investment type:** private equity
- » **Size of investments:** US\$ 1 to 4M
- » **Target IRR:** 20% net IRR
- » **Equity participation:** minority stakes with strong control provisions
- » **Investment stage:** early to mid-stage businesses targeting large addressable markets

Over the past decade, SMEs have emerged as highly vibrant and dynamic engines of the Indian economy. They play a crucial role in providing employment opportunities for Indians at relatively low capital cost and have a great impact potential for the Indian community. They also contribute to industrializing rural areas, ensuring a more balanced and equitable distribution of national income and wealth.

TARA IV is a private equity fund managed by IIML, to whom KOIS is advisor. The fund has raised US\$ 50 million and, as of end December 2019, had active investments in 8 technology enabled, innovation-oriented SMEs, in fast-growing impact sectors: healthcare, education, energy, ICT and financial inclusion, food and agriculture, and logistics. The activities of these companies contribute to the living standards of low to middle income by:

- » Improving access to affordable basic goods and services of high quality;
- » Producing goods or services that increase the yield of the production and/or distribution processes of such basic goods and services;
- » Enabling transfer of high value knowledge and skills to the local workforce through their operations;

In addition, they also help preserve and/or restore the environment through reduction of emissions, waste materials and other such negative externalities.

TARA IV Fund

TARA IV Team

From IIML

- » **Mark Silgado** - Member of the Investment Committee & Senior Managing Partner
- » **Kamalesh Sarangi** - Managing Partner
- » **Rumen Barjatya** - Associate Director

From KOIS

- » **Charles-Antoine Janssen** - Member of the Investment Committee & Investment Advisor

TARA IV's impact

800,000+
patients

350,000
hours of training

200,000
people trained

1M+
people touched

OVUM

High-end maternal and child care reducing the mortality and morbidity rate of newborns



- » **Focus domain:** health
- » **Inception year:** 2011
- » **Investment year:** 2016
- » **Target:** young mothers and their babies
- » **Geographies:** Bengaluru

India sees over 1 million neonatal deaths per annum and very high premature delivery rates. This is due to a lack of quality mother and childcare services and non-availability of fully equipped Neonatal Intensive Care Units (NICUs).

OVUM hospital is a maternity and childcare specialty hospital founded by a team of four doctors to cater to the demands of specialized quality care for the growing middle class of India thereby bridging the healthcare gap. At the time of investment, OVUM had two hospitals with 36 beds, 10 NICU beds and one IVF centre in Banaswadi. It also provided NICU coverage to Milann Fertility Centre and Chinmaya Mission Hospital.

OVUM's impact

~1,600
healthy babies delivered

480+
Neonatal Intensive Care Unit (NICU) treatments

750+
gynaecology treatments

99.6%
neonatal survival rate achieved



Lilac Insights

Providing prenatal screening and genetic services to improve pregnancy outcomes



- » **Focus domain:** health
- » **Inception year:** 2011
- » **Investment year:** 2017
- » **Target:** pregnant woman and their babies
- » **Geographies:** Navi Mumbai, Ludhiana, Chandigarh

Lilac Insights' impact

~144,000+

prenatal screenings conducted since investment

Founded by a team of three healthcare professionals and advised by leading gynaecologists who have extensive prenatal expertise, Lilac Insights provides prenatal screening and genetic services to improve the pregnancy outcome by offering early insights into the health of babies before their birth.

Lilac Insights presently operates through its main genetic laboratory at Navi Mumbai and satellite laboratories at Ludhiana and Chandigarh and has relationships with more than 700 maternity homes and doctors.

LifCare (Corner Stone Technologies)

Full-service subscription pharmacy focused on chronic disease management

Lifcare is a full-service subscription pharmacy focused on chronic disease management, with a robust offline channel for customer servicing. At the time of investment, the Company was servicing Delhi, Jaipur and Tier-II, III and IV towns in Rajasthan.

Lifcare offers higher availability of medicines, access to genuine drugs, product discounts and helps improve medical adherence.



- » **Focus domain:** health
- » **Inception year:** 2015
- » **Investment year:** 2018
- » **Target:** patients suffering from chronic diseases
- » **Geographies:** New Delhi, Jaipur

Lifcare's impact

97%

of prescriptions filled, compared to an average fill-rate of prescription of 70% in India

Increased adherence

to prescription-based medicine

Significant reduction

of counterfeit drugs in circulation as a result of direct sourcing of drugs by LifCare

Panacea medical technologies

Manufacturing affordable radiotherapy equipment for cancer treatment



Panacea Medical Technologies is the only Indian company manufacturing radiotherapy equipment, building an affordable linear accelerator that is 50% cheaper than competition.

At its state-of-the-art research facility in Bengaluru, the company builds products with advanced technology at par with major global manufacturers, driven by a lean research and development system.

Apart from its operations in India, the company is present in 25 countries globally through direct employees and channel partners, and has already mapped the market for linear accelerator across India, Africa and South-East Asia for the large under-served and unserved market for cancer treatment in emerging markets.

- » **Focus domain:** health
- » **Inception year:** 1999
- » **Investment year:** 2017
- » **Target:** cancer patients
- » **Geographies:** Bengaluru

Panacea's impact

60+

units sold

800,000+

patients treated

Disprz

Online classroom learning for educational institutions and enterprises

- » **Focus domain:** education
- » **Inception year:** 2016
- » **Investment year:** 2018
- » **Target:** K12, higher education, test preparation and certificate courses
- » **Geographies:** Online and Offline (Chennai)

Disprz's impact

200,000+

blue-collar workers using the platform

350,000+

hours spent by blue collar workers on the platform

Disprz¹ provides a platform for the learning industry to deliver high engagement education and training experiences online on all devices in emerging market network conditions.

The company focuses on both classroom learning and online learning for educational institutions (K12 schools, higher education, coaching and online certifications) and enterprises (corporate learning and collaboration).



Transerve Technologies

Developing geospatial solutions for urban planning and development

- » **Focus domain:** urban development
- » **Inception year:** 2009
- » **Investment year:** 2017
- » **Target:** Indian cities and their citizens, private-sector organizations
- » **Geographies:** India

Inefficient resource management & tax leakages are some of the key issues in the Indian urban setting. Transerve helps, namely, urban planning bodies plug leakages in tax revenue and be efficient in resource management, which ultimately benefits the local population.

Transerve provides geospatial solutions for urban planning and development, focusing on property tax, water & sanitation. It offers location-based information software to empower decision makers to develop smart cities. It has diverse applications, including property tax, city revenue modules, utilities, air, water and noise pollution.



Transerve's impact

~15,000

properties covered for local governments

1,8M

households covered for local governments

80+ square km

covered for water and sanitation



Caliper business solutions

Caliper contributes to the economic empowerment of players operating transportation (shippers, transporters, brokers, fleet owners, drivers, etc.) by bridging the digital divide through improved transparency, efficiency and financial inclusion in the ecosystem.

They for instance, helped in elevating of the status of truck drivers. They also greatly improved utilization and income through facilitation of order to idling drivers.

- » **Focus domain:** transport
- » **Inception year:** 2016
- » **Investment year:** 2018
- » **Target:** shippers, transporters, brokers, fleet owners, drivers
- » **Geographies:** Mumbai

Caliper's impact

1,400+

truck drivers saw their status elevated, with improvements in job quality and new job opportunities

20+

corporates saw an improvement in the utilization of their income through the facilitation of order for idle drivers and fleet

Infinite Uptime India PVT LTD

IIoT solution provider for engineering and processing industries

- » **Focus domain:** Internet of Things
- » **Inception year:** 2015
- » **Investment year:** 2018
- » **Target industries:** aerospace, material handling, petrochemical, power, food processing
- » **Geographies:** Pune

Infinite Uptime is an Industrial Internet of Things (IIoT) solution provider for improved quality, productivity, monitoring and predictive maintenance in the engineering and processing industries.

Their technology allows for less downtime of equipment, leading to higher energy efficiency and enhanced productivity ultimately contributing to reduced emissions for the same level of output.

Besides, the monitoring solutions of the company improve worker safety in all installations with 18 such incidents having already been predicted.



Infinite Uptime's impact

120+

safety incidents detected using the platform

4,384

hours reduction in downtime

5-10%

average efficiency improvements



Auticon: Employing people with Asperger syndrome as IT consultants



Auticon was the first company in Germany to employ people diagnosed with Asperger Syndrome as IT consultants. Their distinctive traits are converted from disabilities to advantages by creating the right working environment.

Auticon trains its consultants and continues to assist them during their work placements. The company also informs the client about any particular behavioural traits of their future colleague, thereby managing expectations for all parties.

The company already succeeded to convince over one third of the German Stock Index (DAX), including blue chip companies such as Siemens, Infineon and Allianz, as well as a growing number of SMEs to become clients.

KOIS invested in Auticon in 2012, when it only had seven consultants, as part of its mission to increase the employability of marginalised populations.

In 2014, the company obtained the award for the Best Digital Life Innovation in the B2B category at the Bitkom Trendkongress. After expanding to France and the

- » **Inception year:** 2011
- » **KOIS investment year:** 2012
- » **Target:** unemployed adults diagnosed with Asperger Syndrome
- » **Geographies:** Germany, France, UK, Canada, Australia, Italy

Less than 15%

of the 800,000 autistic adults are in full-time employment in Germany

UK, Auticon won the “One to Watch” category at the UK Social Enterprise Awards in 2017. In 2019, Auticon was given the “Visionary Employer Award” by Milestones Autism Resources in the US. They also won the UK Social Enterprise Awards in the category “Social Impact”.

Auticon's impact

200

autistic consultants employed

77%

of consultants were formerly jobless

8,000+

consultant days per project

170+

projects

Great Learning: Digital learning platform provider for working professionals



In 2019, KOIS invested in Great Learning, convinced that its innovative platform for blended courses in the latest tech-related fields could help bridge the skill gap between tech professionals and the rapidly changing needs of the job market in India.

Great Learning provides an opportunity for IT/Tech professionals and fresh graduates to accelerate their career progression through outcome-linked, market relevant learning thus enhancing their employment opportunities, something that can strongly benefit millions of tech professionals & graduates in India.

Great Learning's digital learning platform is designed to empower working professionals to develop competencies to accelerate their career progression. Its programmes are taken by thousands of professionals globally who build competencies in emerging areas such as Analytics, Data Science, Big Data, Machine Learning, Artificial Intelligence, Cloud Computing, DevOps, Full Stack Development to secure and grow their careers.

Great Learning believes that the only way professionals can keep up with the rapidly changing business world is through continuous learning and aspires to be their life-long learning partner. Unlike purely self-service offerings, its model involves aided learning where learners are supported through the learning process resulting in better learning outcomes.

- » **Inception year:** 2013
- » **KOIS investment year:** 2019
- » **Target:** tech and IT professionals, fresh graduates
- » **Geographies:** online, classroom (Bangalore, Chennai, Delhi, Mumbai)

Great Learning's impact

5,000+

successful alumni

11M+

learning hours delivered

66%

career transitions within 6 months of programme completion

46%

average salary hike upon programme completion

50%+

pay hike for alumni in 2-6-year experience bracket

300+

job opportunities shared with students in the last 6 months



Change.org: Empowering people to create the change they want to see

change.org

- » Inception year: 2007
- » KOIS investment year: 2013
- » Target: citizens throughout the world
- » Geographies: global

Change.org's impact

53M

people participated in more than 12,000 victories

882

Decision Makers issued answers on the Platform

481M

users taking action and almost 3 billion signatures on the platform since inception

There was a time when if someone wanted to create a petition, it meant collecting each pen-and-ink signature on pieces of paper before delivering them in a box to decision makers.

Since 2007, Change.org has allowed more than 53 million people to sign petitions online. Their platform enables anyone to start a petition for free, on any topic. Decision makers then have the opportunity to react and engage with the issue, allowing those who formulated it to declare victory as soon as a solution is found.

Change.org is a certified B Corporation and has its social mission written into its by-laws.

KOIS invested in Change.org in 2013, believing in its ability to empower citizens in the world with innovative and effective tools to make change happen on a systemic and regulatory level.



Purpose: Empowering people to take action and influence the political process

PURPOSE

- » Inception year: 2009
- » KOIS investment year: 2011
- » Target: citizens throughout the world
- » Geographies: global

Purpose builds movements and new power models from the bottom up to tackle the world's problems, using technology as an innovative means for freedom of speech and organised actions. Through public mobilisation and storytelling, it helps leading organisations, activists, businesses and philanthropists in their fight for a better world.

Its clients have included Unilever, Oxfam and UNICEF. It is also a B-Corp certified company.

At the start of 2020, Purpose was acquired by Capgemini Group, operating as an independently run Public Benefit Corporation. KOIS thus made a successful exit from Purpose in January 2020.

Similarly to Change.org, KOIS invested in Purpose because its approach to mobilising citizens and consumers around the world has the potential to create more enabling environments, in particular at the regulatory level, to foster societal and environmental change, which underpins other activities of our impact portfolio.

Purpose's impact

80M

people engaged (x6 compared to 2016)

1,500

organisations involved with the project (clients, partners, etc.)

445

organisations whose social missions were developed or advanced



**BREAK BREAD,
BREAK BORDERS**



#STAND *for* KIDS

GoJob: Offering temporary assignments to temporary workers



- » **Inception year:** 2015
- » **KOIS investment year:** 2016
- » **Target:** unemployed people, temporary workers
- » **Geographies:** France

Some people make great employees but are unable to produce an impressive CV. This can lessen their potential to society, their quality of life and their self-esteem.

Alarmed by the high rate of unemployment in France, GoJob was founded in 2015 as an online employment platform to connect motivated employees with companies looking for temporary staff. GoJob focuses on experience-based recruitment. Companies can assess potential employees based on criteria such as punctuality, capacity to work in a team, and competency in completing desired tasks. This gives people a fair chance at finding work regardless of their CVs.

In 2016, KOIS invested in GoJob, convinced that its innovative model provides a promising answer to the employment crisis in developed countries by leveraging the ever-growing trend in employment flexibility and multiple job holding.

GoJob's impact

33,900

short-term jobs provided as of December 2019

66%

were inactive before starting a GoJob mission

6

average number of short-term jobs per worker

71%

still active after finishing their GoJob mission

€ 13

average gross hour rate per worker

Salud Fácil: Providing low-income patients with low-cost credit to access healthcare services

Many people in Mexico suffer from a severe lack of healthcare access. Estimates show that current government-owned healthcare services should be three times larger to address these existing needs. This situation leads to substantial delays, with many people going untreated each year.

Salud Fácil serves as an intermediary between low-income populations, low-cost but qualitative private hospitals and clinics and financial institutions. It offers a credit marketplace providing individuals with low-cost credit to allow them to enter hospitals and clinics with excess capacity.



- » **Inception year:** 2013
- » **KOIS investment year:** 2016
- » **Target:** Mexican low-income patients, doctors, hospitals and clinics
- » **Geographies:** Mexico

Salud Fácil's impact

MXP 150,000

average loan size

MXP 33M

medical equipment loans for healthcare professionals

MXP 10M

credits provided to specialty patients

Salud Fácil has partnered with government-owned institution InFonacot, providing a credit application process to low-income populations, through which they may be eligible for low-cost financing from InFonacot. More recently, Salud Fácil has launched a new healthcare equipment leasing service for doctors, clinics and hospitals, which has been growing rapidly.

KOIS invested in Salud Fácil in 2016 because it addresses people at the bottom of the pyramid's growing need for affordable yet qualitative healthcare.



TRAINM: Providing personalised therapy for the disabled

TRAINM

Specialists state that up to 1 in 3 Europeans will suffer at least once in their lifetime from a disease affecting the neurological system. This leads to great human suffering and restricts the independence of those suffering from these diseases as a result of disability and the need for care.

TRAINM is an outpatient neuro-rehabilitation clinic for children and adults with a broad range of neurological and orthopaedic disabilities. Therapy is based on neuroplasticity, reducing neurological deficits from injuries to the brain and spinal cord. Patients receive on average 1,000 movements per session, 20 times more than conventional physical therapy.

Patients who do not have the financial means to receive outpatient treatment at TRAINM may be eligible to receive assistance from the TRAINM Foundation.

In 2016, KOIS invested in TRAINM because of its potential to offer life-changing therapy to people who otherwise would not have a viable chance of recovery. Initiatives like TRAINM bridge the gap between discoveries made in research laboratories and the patients' needs.

- » **Inception year:** 2016
- » **KOIS investment year:** 2016
- » **Target:** children and adults suffering from neurological and orthopaedic disabilities
- » **Geographies:** Antwerp, Belgium



TRAINM's impact

250+
patients

9,000+
robotics session

1,000+
neuro-modulation sessions

Epoch: Offering assisted living homes for seniors



The population of elderly people in India will triple by 2050 and the country now faces the challenge of taking care of such a large senior population. Many elderly people already experience a lack of adequate access to quality healthcare and social isolation.

Epoch was founded in 2011 with the aim of helping to bridge the gap between elder care demand and supply in India. Epoch offers assisted living homes in India for seniors who require help with day-to-day living but are not yet in need of 24/7 medical attention.

Epoch owns two assisted living homes. The Vermeer House in Gurgaon welcomes both seniors who are still socially active and those in need for psychological and/or physical assistance. The Monet House is dementia-orientated.

In 2013, KOIS invested in Epoch, which opened its first home in July 2014. The services of Epoch are now focused on providing specialised services for seniors with chronic conditions, nursing needs or end of life care needs. They continue to specialise in dementia care and their programme focuses on managing the disease condition by managing overall well-being and emotions.

- » **Inception year:** 2011
- » **KOIS investment year:** 2013
- » **Target:** seniors in need of help with day-to-day living but not yet in need of 24/7 medical attention
- » **Geographies:** India

Epoch's impact

100%

occupancy rate at the Vermeer and Monet House

34

residents

57%

patients with dementia admitted



Revive II: regenerating brownfield sites to create affordable sustainable housing

While demand for sustainable and high quality residential areas keeps rising, here are thousands of unused polluted sites in Belgium. To help solve this imbalance, Revive acquires, regenerates and builds sustainable real estate on former industrial brownfield sites. The Revive Brownfield Fund II (RBF II) was founded in 2012 to invest in real estate projects led by Revive.

Sustainability is implemented in every segment of the project, from its building materials to appliances and energy used. Once the buildings are inhabited, Revive continues to create awareness on how residents can reduce their personal footprint. Revive's mission is to allow for people with different social and demographic backgrounds to inhabit newly-built houses and interact with one another.

It was the first company in Belgium to be awarded the B-Corp accreditation, which testifies to its sustainable and transparent way of working.

In 2013, KOIS invested in RBF II. The company's strong market knowledge, combined with an attractive network, provides RBF II with all it needs to achieve its objectives, deliver above market-level financial returns to investors and generate a powerful social and environmental impact.

- » **Inception year:** 2012
- » **KOIS investment year:** 2013
- » **Target:** environmentally minded residents
- » **Geographies:** Belgium

RBF II's impact

2,165

Residential units built

29,740 m²

Non-residential space (office/industrial/services)

-25%

Average reduction in carbon impact based on the Energy Performance of Buildings (EPB) standards¹

revive



BEE: Producing and supplying locally generated sustainable energy



- » **Inception year:** 2010
- » **KOIS investment year:** 2012
- » **Target:** companies & authorities producing or consuming locally produced sustainable energy
- » **Geographies:** Belgium

BEE's impact

21

wind projects in pipeline

20MW

biomass project signed and under construction in Ghent

Our renewable energy capacity must be increased in order to transition to economies that serve present and future generations alike. With energy-intensive industrial and residential sectors in Belgium, results in this direction will only be achieved by changing technical and social norms.

Belgian Eco Energy (BEE) is an integrated energy company, which specialises in the development, construction, and operation of renewable energy projects, as well as the supply of locally generated and sustainable gas and electricity to industrial customers at a very competitive price.

KOIS invested in BEE in 2012, two years after it was created by three founders with extensive experience in the energy sector. BEE has the potential to help Belgium transition towards renewable energy sources, contributing to the country's efforts to reduce greenhouse gas emissions by 2030 and reach the climate change target set by the EU.

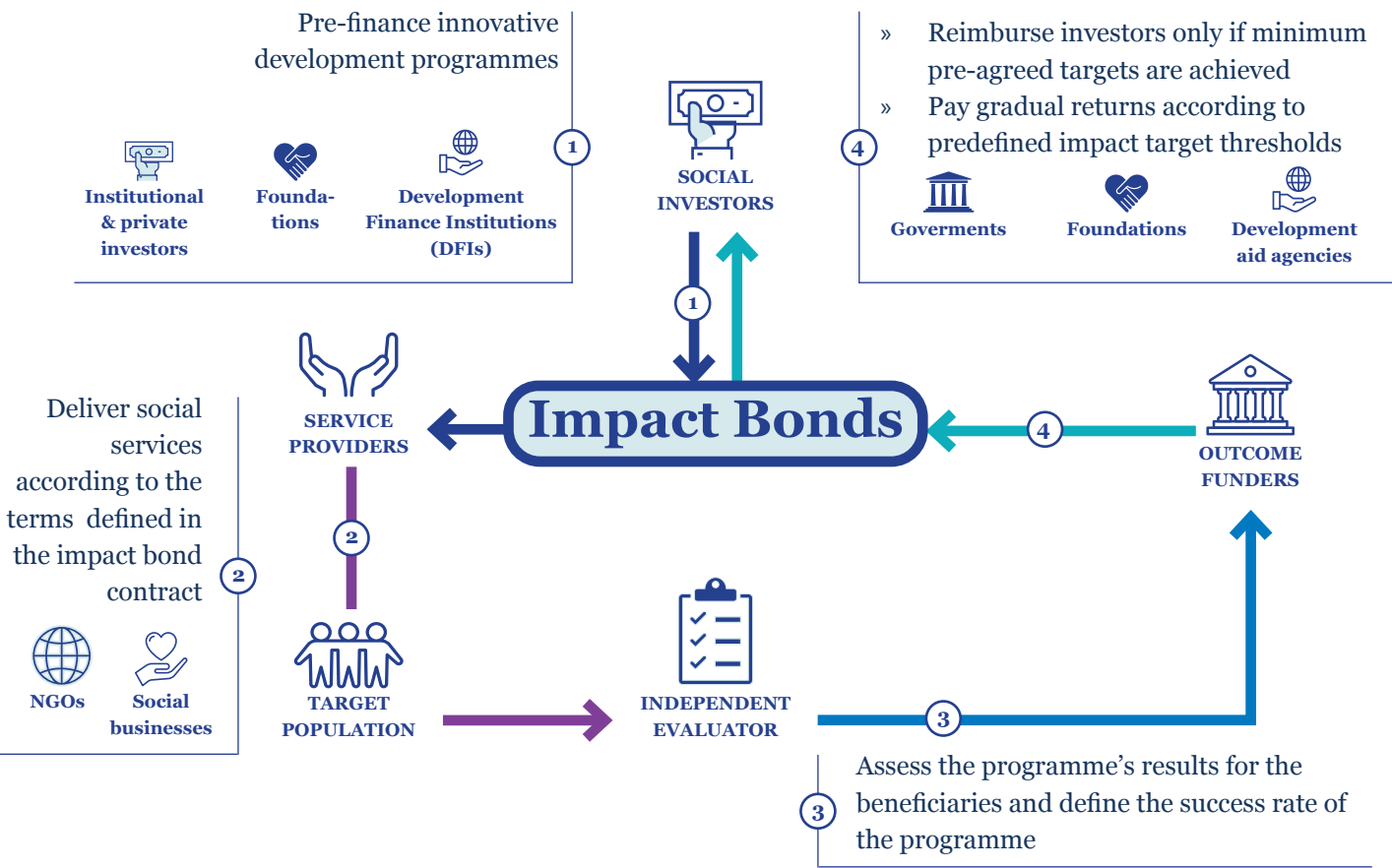


Innovative finance

Innovative Finance refers to a range of approaches allowing to mobilize additional financing such as private capital to address sustainability and development challenges more effectively. In this domain, KOIS has demonstrated itself as a pioneer, by setting up the first Social Impact Bond in Continental Europe in 2014 and, together with the ICRC, the first ever Humanitarian Impact Bond in 2017.

We follow our clients from beginning to end, from advising them on which mechanism to design, to helping them find the right partners, structuring and managing the financing solution. This includes Impact Bonds, but also developing blended finance tools such as a new type of leasing facility for renewable energy in the humanitarian sector, or designing blended finance roadmaps for government aid agencies.

Spotlight: what is an impact bond?



A snapshot of our innovative finance projects

11	8	6	1
blended finance advisory projects	Development Impact Bonds (DIB)	Social Impact Bonds (SIB)	Humanitarian Impact Bond





A zoom on education & employment

Key figures

US\$ 39Bn	2Bn	1/6	172M
annual external financing gap to provide pre-primary, primary and secondary education to all children by 2030 ¹	jobs are expected to disappear due to automation by 2030 ²	children, adolescents and youth were out of school in 2018 ³	people were unemployed in 2018 ⁴

Today, unemployment remains unacceptably high, and will only grow if nothing is done to alleviate the job losses automation will cause. While Education & Employment is not a new issue, the importance is now rising for corporates as well. Without necessary measures, companies will not find the skills they need for the jobs of tomorrow.

At KOIS, we believe that education is a key building block defining the future livelihoods of any child. Later in life, our current society’s system strongly favours and permits social inclusion of people who have a proper education and job. Having access to these cornerstones brings independence, freedom and happiness to people throughout their lives, which is the reason we have strongly invested in this domain in the past.

Moreover, the Education & Employment topic strongly interlinks with other domains. For instance, when dealing with menstrual hygiene management in Africa, we see that those adopting good sanitary practices and thus not risking their health tend to stay in school longer, leading them to better livelihoods & to be part of higher income groups. The synergies between Education & Employment and other development domains are strong; which can sometimes make it hard for one specific public, private or philanthropic investor to dedicate funding, as the topic is not solely linked to their cause.

We are also facing different issues depending on the countries we look at. While in some the issue strongly remains access for all, in developed countries, the issue is more axed at relevant skilling for low-skilled

workers. In India, the problem has shifted to quality and choice. Indian people are underskilled, and there is a strong need for financing to help bridge the gap between the unemployed low-skilled people and the job market demands. Whether it is developed or emerging countries, each problem requires a specific solution, which the flexibility of innovative result-based finance allows.

While Education & Employment is a topic high on philanthropists’ radar, it remains hard for many to invest in education, outside of funding private schools. The issue, as we’ve seen, can be tricky to define on a broad scale, and the results can be hard to measure.

Seeing the challenges faced by financing education in the proper way according to each issue and country, I believe that KOIS can play a role, in bringing the right people together and creating the new financing mechanisms needed to scale-up effective solutions.

By putting our forces together, we hope to develop a more inclusive society. Through innovative finance, we can unlock new potential and opportunities around a topic that is of interest not only for the public and philanthropic sectors, but also for the private sector. Together, we can help bridge the gap between what the current policies are already doing to help and what is needed to provide everyone with better livelihoods.



Serena Guarnaschelli
Partner,
KOIS London

Duo for a job: the first SIB in continental Europe

Supporting young immigrants in finding jobs



Of all EU member states, Belgium has the second-largest labour participation gap between those born in the country and non-European immigrants¹.

DUO for a JOB, a Belgian non-profit organisation, provides an intergenerational mentorship programme, which pairs young immigrants with Belgian mentors aged 50+ with the aim of finding a job over a period of 6 months.

In 2013, DUO was looking for funding for its recently launched mentorship programme. Although Actiris, the Brussels Employment Office was interested in the method, DUO did not yet have the results to prove the effectiveness of its approach.

KOIS proposed a Social Impact Bond (SIB) as a solution, then unprecedented in Continental Europe, involving three parties: Actiris, enabling innovation without risking taxpayer's money; DUO for a JOB, having the means to build track record for its approach; and social investors helping drive innovation in social services with a potential financial reward.

In 3 years, the SIB allowed 322 young unemployed immigrants to benefit from a 6-month mentorship programme. Through the SIB, DUO was able to prove the effectiveness of its intergenerational approach: DUO's mentees employment rate was 28% higher than that of the control group. Additionally, all investors got their money back, with an average annual return of 4%.

Today, DUO's €3 million budget is funded by more than 50 organisations, ranging from foundations to corporates and public agencies. This includes Actiris, which became a structural partner of DUO. Moreover, the innovative nature of SIBs as pioneers of public-private partnerships, has generated high visibility for DUO not only to investors, but also to a large pool of mentors. Today, DUO counts 850 active mentors, with a retention rate of 90%.

- » **Launch:** 2014
- » **Target:** young unemployed immigrants
- » **Geographies:** Belgium
- » **Impact metrics:** 90+ working days within one year after the intervention
- » **Duration:** 3 years
- » **Amount:** € 347,000
- » **Average annual return:** 4% IRR
- » **Outcome funders:** Actiris
- » **Social investors:** HNWI and a Foundation
- » **Service provider:** DUO for a JOB

“The SIB gave us the opportunity to overcome our initial funding problem and to build the credentials of our programme. It has been a fantastic springboard which enabled us to scale up and extend our impact to other cities, in Belgium and abroad”

Frédéric Simonart and Matthieu Le Grelle,
Founders & Managing Directors of DUO for a JOB

“We are so happy with the results of this first SIB in Belgium, not only for the positive impact on those who found a job, but also as it is a great example of win-win-win for three parties not used to work together. Difficult social problems require innovative partnerships.”

François de Borchgrave, Managing Partner,
KOIS Brussels



“Thanks to the SIB, I had the opportunity to support a high-impact project, whose results were both ambitious and measurable, and recoup my investment to help similar projects grow. Sustainable and impactful, this investment made a lot of sense for me”

Alexandra Boël, Social investor in the SIB



Impact of the SIB

322

duos created, meeting the SIB expected results

4% IRR

average annual return for investors

42%

of the mentees found a job within 12 months, doing 1.28x better than the employment rate of the control group overseen by Actiris (32% on average)

€ 2,610

cost of programme per job created

€ 760,000

total savings generated via the SIB (i.e. 2,1x the total cost of programme)

>10X

annual budget increase, from a €120k annual SIB investment in 2014-2016 to a €1.7m annual budget in 2017

Improving the livelihoods of Syrian refugees and vulnerable host communities



- » **Launch:** 2020
- » **Target:** Syrian refugees and vulnerable members of host populations
- » **Geographies:** Jordan, Lebanon
- » **Impact metrics:** number of businesses still active after 10 months, increase in household consumption after 2 years
- » **Duration:** 4 years, possibly multiple rounds
- » **Amount:** US\$ 12-20M
- » **Expected return:** 6% IRR
- » **Outcome funders:** IKEA Foundation, other foundation(s) and development aid agencies
- » **Social investors:** DFIs and HNWI
- » **Service providers:** Near East Foundation for the first tranche(s) of the DIB, SPARK for a potential second phase.

IKEA Foundation



80%

of Syrian refugees are hosted in the three neighbouring countries (Lebanon, Turkey and Jordan)

The 9-year Syrian conflict has created the worst humanitarian crisis of our time, displacing more than 11 million Syrians from their homes, including nearly 6 million refugees who have fled to neighbouring countries.

International humanitarian organisations and host country governments save countless lives by taking on the tremendous challenges of meeting refugees' basic needs in and outside camps. But most refugees continue to live in poverty, while host countries face increasing pressures on their social support, infrastructure and education systems.

Livelihoods programmes focused on job market integration are a key aspect of improving economic conditions for host communities and displaced individuals.

Empowering the implementing partner with the flexibility to adapt implementation to changing circumstances on the ground should lead to efficiency gains and better results.

The first phase of the Refugee Livelihoods DIB will support the scale-up of a vocational, entrepreneurship trainings and start-up grants programme targeting up to 9,000 refugees and host populations in disadvantaged urban areas of Jordan and Lebanon over 3 ½ years.

It aims to lead to the creation of up to 5,750 sustainable home-based enterprises, providing pathways to self-reliance mainly to women, female-headed households, and young males and females, who are the new missing-middle in refugee livelihoods response policies despite being most impacted by identity-related protection risks.

Expected impact

4,275

direct beneficiaries in Jordan

2,280

direct beneficiaries in Lebanon

30-50%

of the beneficiaries are refugees

80%

of the beneficiaries are women

4,190

sustainable micro-enterprises created

“The robust M&E framework and sharing the learnings will generate the urgently needed evidence to catalyze funding at scale of inclusive livelihoods programming in humanitarian contexts. The DIB also aims, thanks to its highly visible nature, to make a significant contribution to the alignment of goals, policy changes, plans, and resources of public and private actors committed to alleviating the refugee crisis.”

Béatrice Delperdange, Head of Business Development & Project Lead, KOIS Brussels



Impact Story: Hanane, 27, refugee living in Lebanon



There is no couch or television to furnish the lounge room of Hanane's small home in Chtaura, in Lebanon's Bekaa Valley. Instead, two second-hand barbers' chairs, mirrors and a few purposefully placed shelves have transformed the room into a modest version of the beauty salon the 27-year-old, mother of two, owned and managed in Damascus.

“I was depressed. I was devastated about losing my salon in Syria and didn't feel I could start again.”

Resourceful and determined, Hanane, like many Syrian refugees, is the sole income earner for her family. But when she arrived in Lebanon she struggled.

Participating in Near East Foundation's livelihoods project gave Hanane the skills and confidence to return to work. Coupled with a start-up grant, opening a salon became a reality.

“I started with a few clients, friends and neighbours, and then I put a sign in the dollar shop. I rely on word of mouth, and now I am known in the neighbourhood as ‘Hanane, the Hairdresser’.”

A year after re-launching her salon, Hanane's entrepreneurial spirit and business has grown. She attended an advanced business training course, received a business expansion grant, and has developed her concept to meet the needs of her clients. “I now offer my bridal customers a whole package. I can do their hair, makeup and nails and they can rent a dress with a veil, even a music speaker.”

Reflecting on her achievements, Hanane is satisfied, but still making plans.

“My life is different. Everything has changed. I am generating an income for my family. Hopefully, I will be able to take up a shop and move the salon out of the house.”

IOD: Helping low-skilled long-term unemployed people find stable jobs

Feasibility study

Deal structuring

Implementation

Completed

In the Brussels region, there are close to 60,000 long-term unemployed people, which can have devastating effects, causing persistent poverty and reducing self-esteem, as well as having a societal cost.

In 2017, Actiris, selected KOIS to investigate the feasibility of another SIB, this time to benefit the long-term unemployed.

14%

probability to find a job within a year among long-term (more than 24 months) and low-skilled unemployed persons¹

KOIS and Actiris identified an innovative approach that was being implemented in the municipality of Forest: the IOD (Intervention sur les Offres et les Demandes) methodology. This method is unique because it requires proactively engaging with SMEs to create new job opportunities, and acts on specific points of professional exclusion such as discriminatory recruitment methods and the surge of short-term and part-time contracts.

The pilot for Brussels started in July 2015 showed results have been remarkable: 47% of the enrolled participants

- » **Launch:** 2018
- » **Target:** long-term unemployed people
- » **Geographies:** Brussels, Belgium
- » **Impact metrics:** 90+ working days within one year of intervention
- » **Duration:** 5 years
- » **Amount:** € 2.2M
- » **Expected return:** up to 7.5% IRR
- » **Outcome funders:** Actiris
- » **Social investors:** HNWI and Foundations
- » **Service provider:** IOD

signed a long-term employment contract. Most of these positions would not have existed without the IOD team's active engagement with companies.

In 2018, KOIS launched what is now Belgium's second SIB, allowing Actiris to scale up the IOD programme by adding two teams and covering the whole of Brussels. This will help more individuals within the Brussels Capital Region to re-enter the labour market, breaking the cycle of unemployment, paving the way for a sustainable and more effective solution to what has so far been perceived as an unsolvable problem.

Expected impact

750

beneficiaries by the end of the SIB

Broad roll-out of the method thanks to proof of success via the SIB

510

job contracts signed for a period of at least 90 working days (69% success rate vs. 19% for the control group)

“By banning CVs and by helping small enterprises define their recruitment needs, the IOD method precludes discrimination and helps grow the jobs market. Its results fly in the face of those who take for granted the end of the job market for unskilled workers”

Béatrice Delperdange, Head of Business Development, KOIS Belgium



The ‘Relais Familial’ project

Preventively supporting vulnerable families suffering from educational difficulties



- » **Launch:** 2019
- » **Target:** single parents suffering from social and family disruption, families suffering from educational difficulties and very precarious living conditions, or parental burn-out syndrome
- » **Geographies:** Loire Atlantique & Gironde, France
- » **Impact metrics:** number of placements avoided 12 months and 24 months after the children’s arrival in the “Relais Familial”
- » **Duration:** 4.5 years
- » **Amount:** € 5.2M
- » **Expected return:** up to 3.5% IRR
- » **Outcome funders:** French district authorities
- » **Social investors:** BNP Paribas, European Investment Fund, Banque des Territoires, Ides and Inco’
- » **Service provider:** Apprentis d’Auteuil Foundation

8/10

child notifications are about educational deficiencies without any physical violence, hence the interest for deploying alternatives to child placements²

About 284,000 under-aged children are in the care of child protection services in France¹, and out of the €7Bn that are annually dedicated to child protection by the French district authorities, 80% directly finance the placement of children.

The “Relais Familial” project is an initiative of the Apprentis d’Auteuil Foundation, aiming at re-directing funds currently used to finance long-term curative programmes, towards short-term preventative and intensive ones, based on families empowerment. The final objective is to avoid the placement of children at risk in the long term, allowing parents and children to remain a family within a reassuring daily life environment, while working on the strengthening of the parent-children relationships.

KOIS has lead, with the support of BNP Paribas as co-advisor, the structuring of two SIBs to finance two “Relais Familiaux”, in two French regions. Each “Relais Familial” is composed of six flats aiming at accommodating the families admitted to the social programme for an average stay of 9 months.

It is managed by a small and multidisciplinary team, delivering socio-educational services. It will offer parents a range of activities allowing them to improve their educational skills while being supported by professionals. The French district authorities of Loire Atlantique and Gironde will reimburse the social investors based on SIBs’ performance.



“Having the different parties of the project around the same table is challenging but thrilling and inspiring! The representatives usually start the conversation holding prejudices regarding the other parties, and progressively realize that those prejudices were unfounded. Instead they discover the qualities of the other organizations (Public Administration, Investors or NGOs) : professionalism, impact driven, full of humanity...”

Ladislav de Guerre, Manager, KOIS Paris



Expected impact

200

*under-aged children taken into care/
hosted in the relais familial*

Up to 200

placements in foster care avoided

Up to € 19M

*savings for the three French departments
thanks to the intervention*

Preventing parent-child separation with integrated family support in Indonesia



- » **Launch:** 2020
- » **Target:** children and families vulnerable to family separation, according to a predefined list of vulnerability criteria
- » **Geographies:** Central Java, East Java and South Sulawesi, Indonesia
- » **Potential impact metrics:** % children not living in a family setting, % increase in household financial resources, % children aged 5-17 with 85%+ school attendance
- » **Duration:** 3 years
- » **Amount:** US\$ 8-10M
- » **Expected return, outcome funders & investors:** TBD
- » **Service provider:** UNICEF Indonesia as the operational coordinator of three local NGOs which will act as local implementation partners

Expected impact

~12,800

children living in a stable and capable family environment with access to basic necessities and formal education

~6,400

households being socially and economically empowered to care for their children in a family setting and being resilient to cope with future family separation risks.

There are approximately 2.15 million children not living with their parents in Indonesia, although 90% of them have at least one parent alive. The underlying reasons are numerous and complex, but they mostly relate to poverty and lack of access to social assistance. Effectively, poor parents who have to combine multiple jobs or migrate for better economic opportunities, may have no other choice than leaving their children in childcare institutions to ensure their basic needs are fulfilled.

Although programmes supporting vulnerable families exist in Indonesia, they are poorly implemented and do not address the family separation drivers comprehensively.

KOIS supported the UBS Optimus Foundation and Hopeland with the structuring of a Development Impact Bond to test an innovative, cost-efficient and scalable model of family separation prevention. KOIS identified an integrated child protection model ('PKSAI') recently piloted by UNICEF and the Government of Indonesia, as the most promising approach to build on, as it favours family and community over institutional care.

KOIS also defined a set of activities specifically for preventing family separation that will be financed by the DIB and integrated to the PKSAI framework, namely:

- » **Community hubs** to develop early detection, referral mechanisms of separation cases and raise awareness on norms that foster family separation;
- » **Family support services** such as facilitation to social assistance programmes, training on parenting skills, financial literacy and awareness raising on child institutionalisation;
- » **Complementary cash transfers** in the time before families gain access to social assistance programmes or to fill in the income gap to keep their child under parental care.

There is significant value in this DIB, because, if successful, existing linkages of UNICEF with the government will highly increase the chances for national replication and systemic change. At the same time, the collaboration of UNICEF with three local implementation partners will ensure the intervention is accepted and adapted locally for an efficient and long-lasting impact on families in Indonesia.



Addressing employment challenges faced by young women in Sub-Saharan Africa

Africa has the largest concentration of youth in the world, accounting for 1/5 of the world population and projected to reach 1/3 by 2050¹. Most African youth are characterized as NEETs - Not in Employment, Education or Training - largely driven by the lack of formal employment opportunities, limited skills and mismatch between skills and labour market demands.

Young women are disproportionately affected by unemployment challenges. Discriminatory social and cultural norms and limited access to key assets, particularly to financial services, are a significant barrier to women's employment and sustainable livelihoods.

Canada World Youth, a non-profit dedicated to empowering youth to become agents of change, and KOIS partnered to explore the feasibility and relevance of a blended finance mechanism focused on scaling women-focused human capital interventions in Sub-Saharan Africa. They have the potential to create opportunities for young women and improve their chances of sustaining decent livelihoods.

The feasibility study led to the prioritization of two countries – Senegal and Tanzania -, which stood out both because of their high level of inequalities with regard to young women's employability, their favourable legal and regulatory framework as well as a particularly well-developed ecosystem of service providers.

KOIS also identified five types of interventions aimed at developing young women's livelihoods that could be financed through a potential DIB: (i) life skills development programmes, (ii) vocational training, (iii) support to entrepreneurship, (iv) job placement services and (v) financial inclusion programmes.

1/4

Number of wage-earning jobs provided each year on the formal market (3M) compared to the needs (10-12M youth entering the job market each year)⁴

24%

of women aged 15-29 are NEETs in Sub-Saharan Africa, vs. 13% of young men of the same age group³



"There is an urgent need to mainstream the collection and analysis of gender disaggregated data to expand the evidence base and foster relevant interventions. This will create an incentive for investment in gender-sensitive areas and ultimately improve outcomes for women and girls. Closing the gender gap would provide a significant economic boost in developing countries as well as globally."

**Juliette Averseng, Senior Associate,
KOIS Brussels**



Decreasing school dropout in underprivileged neighbourhoods across France

In France, about 100,000 students drop out of secondary school every year, leaving the education system without a diploma. This problem particularly affects students in schools located in underprivileged areas. The gap between school leavers and the others starts to widen at a very early age. Indeed, 80% of school dropouts were already facing learning difficulties in primary school¹, leaving it with an insufficient mastery of basic skills.

In 2012, the total cost of a school dropout for the French society was estimated at €230,000², while 1€ invested in early childhood allows to avoid up to 8€ spent later on education, security, justice or social services^{1,3}.

In 2014, the French Ministry of Education implemented a comprehensive programme to fight against school drop-out covering three main components: prevention, support and remediation. However, only a few initiatives are focusing on prevention and early childhood.

In this context, a family Foundation has designed a unique programme aimed at fighting school dropout in underprivileged areas by integrating the practice of a musical instrument into schools' curriculum. This four-year programme targets children aged 4 to 8 years old with the objective of contributing to develop their cognitive and non-cognitive skills in order to increase their performance at school.

KOIS was mandated to assess the feasibility of launching a SIB to finance the scale-up of this programme. Our study demonstrated that a SIB would be an adequate mechanism to demonstrate the impact of this programme on children's cognitive and non-cognitive skills and performance at school in order to allow its replication on a national scale.

Potential impact

30 to 70

schools in Val d'Oise's priority education network served

700 to 1600

students aged 4 to 8 years old served



UNICEF financing structures: Supporting social enterprises advancing children rights



Almost a billion children live in countries where the SDGs remain out of reach¹, lacking access to healthy food and nutrition, proper healthcare, high-quality primary education, safe drinking water and sanitation services, protection from violence and harmful practices.

75%

of countries have no or insufficient data to assess trajectories towards the global SDG targets by 2030¹

Governments, non-governmental organizations and United Nations agencies such as UNICEF are working to advance child rights worldwide, as well as an emerging group of social enterprises. These companies are developing low-cost schools, producing highly nutritious meals and implementing solutions to provide clean water, among other services.

However, the majority of these faces a range of challenges such as competing incentives (i.e. achieving both social impact and healthy financial returns); additional costs related to demonstrating social impact; small scale operations; etc. These challenges call for a targeted financing approach.

UNICEF works in over 190 countries and territories to save children's lives, defend their rights, and help them fulfil their potential. The organization is interested in leveraging its knowledge base, global presence, network and brand in order to learn from, promote and scale innovative social enterprise models that benefit children and their families. In parallel, they want to identify new ways through which traditional donor financing can catalyse impact investment from the private sector and achieve greater impact.

KOIS was mandated by UNICEF to explore innovative and result-oriented financial mechanisms and structures that can attract capital from diverse sources and support innovative social enterprises. Our research identified five key financing structures with variables including funding source (i.e. grant funded or debt/equity funded), instruments and UNICEF's potential role.

UNICEF is now analysing this research to see which structures could be implemented.

A zoom on health

Key figures

15,000

children die every day before the age of 5¹

90%

of low-income countries have fewer than 10 medical doctors per 10,000 people²

2Bn

people still lack a basic sanitation service³

~100M

people were pushed into extreme poverty because of their healthcare expenses in 2017⁴

Early 2020, our world was struck by the first pandemic to occur in over a decade. The Covid-19 outbreak has put healthcare providers under duress. However, pre-Covid-19, our health systems were already facing great challenges. In fact, we already had 100 million people being pushed into poverty in 2017 because of health expenses alone⁴. And while developed markets' healthcare systems were under great pressure, 90% of rural populations in low-income countries had only fewer than 10 medical doctors per 10,000 people in 2018². These hurdles to quality healthcare coverage are only made larger by the Coronavirus crisis.

Nevertheless, while the negative impact of Coronavirus on our systems are still developing and will need strong initiatives to cope with, the outbreak also brought to the forefront admirable achievements by leading companies and new alliances. A renewed focus on creating affordable decentralized health services has gained momentum. It also accentuated the need to accelerate the transformation of health systems around the world.

In the next ten years, our systems should move towards more telemedicine and point of care diagnostic to allow care to be closer and faster accessible to patients. Moreover, the alliance of healthcare and technology will be critical. Digital interventions will be a strong trend to enable remote disease management of patients and lower hospitalization costs, while automation and AI is enabling the automation of supply chains and create efficiencies across the healthcare ecosystem. In recent years, we have already seen great strides, with a new openness to utilizing technology in order to reduce access and quality barriers.

But to reach the objective of high quality, affordable and accessible healthcare for all by 2030⁴, new innovative financing models and targeted investments will be required. In fact, to meet the SDGs within 10 years, there needs to be substantially more funding for global health. Up to now, development assistance for health had been largely stagnant since 2013. This resulted in an estimated \$134 Bn annual investment gap for the health SDGs in low- and middle-income countries⁵, one that traditional funding alone cannot bridge.

On the other hand, innovative finance has emerged in the past years as a key tool for catalyzing private capital and investments into traditionally ignored sectors. The use of blended finance has allowed new capital to go to underfunded issues, with an increase of private capital investment of 22% between 2012 and 2015⁵.

At KOIS, we have, since the beginning, built a strong expertise in the health domain. Whether through our healthcare investments in India, Europe and the US, or by studying and creating innovative finance mechanisms for underfunded thematic such as primary care, cancer care, menstrual hygiene management and mental health. As you will see through our projects and investments, we are committed to structuring financing solutions and investing in the companies creating more universal, affordable and accessible healthcare systems. In our work, we will continue to leverage private capital to support public systems in place and move faster towards more decentralized, personalized and efficient health systems for all.



Charles-Antoine Janssen
Founder & Managing partner,
KOIS Mumbai



Menstrual Hygiene Management in Africa and India



- » **Launch:** 2021
- » **Target:** adolescent girls and their communities
- » **Geographies:** one state in India, Ethiopia, Niger
- » **Impact metrics:** health, educational and gender equality related outcomes
- » **Duration:** 3-5 years
- » **Amount:** € 10 to 30M in Africa, US\$ 6 to 8M in India
- » **Expected return & partners:** TBD

23%

of girls in India drop out of school upon reaching puberty²

10%

of young African girls miss school during menses³

250M

girls between 10 and 14 years old in less developed countries face difficulties accessing sanitary products⁴

500M

women worldwide do not have the infrastructures to change their menstrual protection products⁵

84%

of schools in Niger do not have latrines³

Menstruation is a key component of a woman's life. Yet it remains a taboo in many cultures, including in Africa and India, where the issue has been consistently overlooked, underestimated, and underfunded. For instance, 70% of adolescent girls in Ethiopia and over 52% in India learn about menstruation after menarche from an older sister or peers at school¹.

Due to lack of awareness, many girls adopt unhygienic practices, which can have negative impacts on their health. Girls also feel less confident because of the lack of sanitary facilities at schools and unavailability of better sanitary products. This impacts their ability to attend school or work in appropriate conditions. Ultimately, it perpetuates stigma and gender inequality.

In 2018, KOIS delivered a feasibility study on the creation of a DIB in technical partnership with the Water Supply and Sanitation Collaborative Council (WSSCC). This study concluded that the instrument was a highly promising tool and the India team is now looking for partners to structure a DIB to promote better MHM for india girls in rural areas.

Building on previous work in India, KOIS is working in partnership with the French Development Agency (Agence Française de Développement, AFD) to also structure a DIB, this time to serve girls in Ethiopia and Niger.

The objective of those two DIBs is to empower women and girls by implementing a holistic MHM programme encompassing awareness raising and access to affordable sanitary products as well as MHM-friendly sanitary infrastructure. In 2020, KOIS will look for partners to structure the India DIB, and work with the AFD to structure a DIB for Ethiopia and Niger. The objective is to launch them in 2021.



In Niger and Ethiopia, we have seen how difficult and socially isolating menstruation can be for young girls and women. We've heard how they are afraid to be seen with stained clothes, which leads some of them to drop out of school. Some young girls and women have to use mattress pieces as sanitary products; and they are often unable to change them because clean and safe latrines are unavailable. MHM might seem specific, but it addresses a wide range of issues (education, health, sanitation) and can truly empower young girls and women.

Colin Godbarge, Principal, KOIS Paris

Expected impact

up to 700,000

women and girls served across Niger and Ethiopia

up to 100,000

adolescent girls in rural India served

Increase in dignity, self-esteem and confidence of girls



Improving access to sexual and reproductive health services for adolescent girls in Kenya



- » **Launch:** 2020
- » **Target:** adolescent girls (15-19yo)
- » **Geographies:** 15 counties in Kenya
- » **Impact metrics:** SRH service uptake and Contraceptive prevalence rate, adolescent birth rate
- » **Duration:** 18 months
- » **Amount:** GBP 5M
- » **Expected return:** up to 2% IRR
- » **Outcome funder:** Department of International Development (DFID)
- » **Social investor:** Children's Investment Fund Foundation (CIFF)
- » **Service provider:** In Their Hands

13,000

Girls in Kenya drop out of school every year due to unplanned pregnancy¹

Kenya committed to the Family Planning 2020 global partnership in 2012 and has recently exceeded its 2020 target of 58% modern contraceptive use by married women². However, specific attention is needed to expand equitable access to quality care, especially when it comes to adolescent girls facing conservative social norms that prevent them from receiving effective communication and access to adolescent-friendly sexual and reproductive health (SRH) services.

In Kenya, 98% of all adolescent girls know about at least one modern contraceptive method, but 23% of girls aged 15-19 who wish to have access to contraception have an unmet need³. As a result, 17% of all women who sought post-abortion care in public facilities were adolescent girls of 19 years or younger, of whom 45% going through unsafe abortion experienced severe complications⁴.

The Government of Kenya is willing to address this issue and is working towards achieving the revised targets of increasing modern contraceptive prevalence rate among adolescent women.

In Their Hands (ITH) is a teen-centered programme aiming to create an incentive for adolescent girls to use subsidised sexual and reproductive health (SRH) services, thereby reducing the incidence of unintended pregnancies among Kenyan adolescent girls. The programme uses behavioural economics in the form of nudges, such as reward vouchers for the girls, to promote positive health behaviours and allows girls to also rate the quality of the services received, contributing towards offering a safe space and quality care to adolescent girls.

The DIB focuses on financing the scaling-up of the ITH programme in Kenya, with the objective of expanding availability and uptake of sexual and reproductive health services among adolescents in Kenya.

The ITH DIB integrates short-term (SRH uptake), intermediate (contraceptive prevalence rate) and long-term (adolescent birth rate) payment outcomes. Each of them will have its own financial weight that is aligned with the service provider's ability to influence the outcome. All the while, the comprehensive impact measurement and reporting frameworks put in place will provide important insights on how much impact the intervention has on long-term behaviour change indicators.

“Kenyan teenagers have never been better connected, better informed or as well educated as they are today. And while 97% of them know about contraception, Kenya's rates of teenage pregnancy and new HIV infections are among the highest in the world. In Their Hands (ITH) is a teen-centered movement that aims to normalize adolescent sexual health and increase uptake of teenage-friendly health services through nudges. Structuring a Development Impact Bond to finance the scale-up of ITH required to carefully think about what success means, ensuring that the payment metrics would help the programme go beyond what it is currently achieving while also focusing on consistent use of services to best achieve its ultimate goal of reducing unintended pregnancies among adolescent girls.”

Aline Buyschaert, Manager, KOIS Brussels



Expected impact

>193,000

adolescent girls using SRH services

12,3%

of sexual and reproductive health service visits realized by returning girls

15 counties

Bungoma, Busia, Homa Bay, Kajiado, Kakamega, Kilifi, Kisii, Kisumu, Migori, Mombasa, Nairobi, Nakuru, Siaya, Uasin Gishu, Vihiga

AiLSi: a jail diversion programme for homeless people in Marseille



Of the ~72,000 people held in prisons in France, 21% suffer from psychotic disorders and 7% from schizophrenia². 14% also said they did not have an accommodation solution when being released². In addition, 61% of those released following an imprisonment sentence are sentenced again within 5 years².

Recent studies³ tend to show that the homeless population suffering from severe mental illness and facing justice are likely to experience a street - prison - hospital cycle phenomenon generating recurring costs for the justice and the health systems.

Inspired by the Mental Health Courts launched in the US and Canada and by “Un Chez Soi d’Abord” in France, the “AiLSi” project is an initiative lead by Médecins du Monde aiming to offer a jail diversion programme in Marseille. It is based on an holistic approach backed by research through a randomized control test.

KOIS is leading the structuring of the SIB to finance the AiLSi project for a period of 5 years. The target beneficiaries will be identified in jails just before immediate trial and will be offered, in agreement with the local judge, an alternative to imprisonment. Each beneficiary will be hosted in a personal flat following the “housing first” methodology and will receive intensive outpatient care for a period of 24 months.

The aim of the programme is to reduce the re-incarceration rate of the target population in comparison to a control group. The actual spendings in terms of health and prison will also be measured and compared between the two groups. Finally a full research lead by an evaluator will be published after the end of the programme.

- » **Launch:** 2020
- » **Target:** homeless people suffering from severe mental illness and referred for immediate trial
- » **Geographies:** Marseille, France
- » **Impact metrics:** average re-incarceration rate and state spendings
- » **Duration:** ~5 years (63 months)
- » **Amount:** ~€ 6.3M
- » **Expected return:** up to 4% IRR
- » **Outcome funders:** French ministries of Health, Justice, Social Economy, Housing and Research
- » **Social investors:** institutional investors and foundations
- » **Service provider:** Médecins du Monde

“Initially, we were not sure if a SIB was the appropriate tool. However, we realized that the impact measurement logic intimately linked to SIBs made a lot of sense for this project. In addition, we were surprised to see that the mechanism enabled us, for the first time ever, to speak to more than one ministry at the same time... in this case there are five!”
Dr Thomas Bosetti, Médecins du Monde, Marseille

Expected impact

100

people suffering from severe mental illness accessing housing first and outpatient care while avoiding imprisonment

First research on this specific issue in France through a randomized control test

If successful, spreading of the approach in France with the support of the Administration

Improving the standards of primary healthcare for low-income population across India



Low income patients in India face three challenges when trying to access primary healthcare services: limited geographical access, treatment affordability treatment, and the poor quality of care.

Patients’ access to care is limited due to the shortfall in primary centers presently available. The number of primary health centers and sub-centers presently functioning are respectively 22% and 18% lower than required to adequately cater to India’s primary care need¹.

Quality care at these centers is also lacking due to gaps in human resources (~25% of primary health centers don’t have enough doctors), issues with drug supplies and absence of an outcome focus.

Given these gaps in the Indian primary care ecosystem, an innovative finance instrument supporting service providers in this area has the potential to create a great impact. KOIS is supporting a European foundation to landscape business models and opportunities in primary care. As part of this landscaping process, KOIS evaluated multiple innovative models and players who are either delivering primary care directly or supporting the delivery of better care. KOIS is evaluating opportunities to support health providers through different innovative financing instruments, to solve their financing challenges and ensure regular, uninterrupted service delivery.

- » **Launch:** TBD
- » **Target:** low/low-middle income population
- » **Geographies:** India
- » **Impact metrics:** improvement in health outcomes of low-income patients in India, reduction in patient out-of-pocket expenditure
- » **Duration:** 5 years
- » **Amount:** US\$ 10 to 15M
- » **Expected return, Outcome funders, Social investors:** TBD
- » **Potential service providers:** chain of private primary healthcare providers, primary care providers working with various state governments

“With the increasing penetration of internet services in rural India and rising smartphone adoption amongst users, we will see new, innovative models and players emerging in the area of primary care delivery that can rapidly scale across large sections of the population and deliver substantial impact”
Abhishek Kapoor, Senior Analyst, KOIS Mumbai

Summary of opportunities identified

	Low-cost primary care clinics for urban poor in Mumbai	Low-cost primary care clinics in high impact areas of eastern India
Opportunity identified	Results-based financing mechanism to support a programme focused on NCDs ² such as hypertension and diabetes	Outcome-linked grant to support scale-up of provider network
Expected impact	Better management of NCD indicators of target patients	Efficient, uninterrupted delivery of low-cost primary care services

Supporting the design of USAID's blended finance strategy in health



USAID has had a massive impact in the space of global health over the last 50+ years. Yet, an additional annual investment of US\$371 billion is needed to meet the health SDGs in low- and middle-income countries by 2030, something traditional means alone cannot fulfil¹.

USAID looked towards blended finance as an important tool to address these funding gaps. KOIS was engaged by USAID to advise them in developing a roadmap to reach high potential opportunities and build specific solutions that align private capital with development needs in healthcare.

As part of this engagement, KOIS developed a blended finance roadmap for USAID, laying out a structured approach for engaging in health-focused blended finance transactions. This roadmap provided them with a six-step guidance tool to help shortlist appropriate blended finance instruments for a specific health challenge.

- 1 **Identify the country archetype**
Guide the likely approach to blended finance
- 2 **Define health issues**
Frame the problem statement to focus on a specific health issue
- 3 **Prioritize financing challenges**
Understand the key financing challenges underlying the health issue
- 4 **Evaluate potential for blended finance**
Assess whether blended finance is appropriate
- 5 **Shortlist blended finance instruments**
Identify instruments to address financing challenges and match country archetype
- 6 **Identify activities for USAID**
Guide the role of USAID in enacting the transaction

Further, KOIS tested this approach in 3 different countries to identify potential actionable transactions in those geographies. The 3 countries chosen – India, Tanzania and Liberia – each had differing health contexts and financing ecosystems.

India

Focus healthcare issue	Catastrophic expenditure for tuberculosis patients
Opportunity identified	Pooled debut fund to provide credit to Micro-Finance Institutions
Expected impact	Lower TB-linked morbidity and higher cure rates, reduced TB relapse rates, decreased MDR-TB ² burden

Tanzania

Focus healthcare issue	Inability of faith-based health facilities to provide timely, uninterrupted healthcare services
Opportunity identified	Creation of a revolving fund within a diocese to provide working capital loans to facilities
Expected impact	Improved maternal and child health, improved TB and HIV indicators

Liberia

Focus healthcare issue	Limited patient ability to pay for healthcare services
Opportunity identified	Creation of insurance scheme with donor co-pay (linked to treatment adherence)
Expected impact	Improved maternal and neonatal mortality ratios



Improving outcomes for mental health patients in India



~7,5%

of Indian population suffers from some form of mental illness

Mental illness constitutes one-sixth of all health related disorders in India. India accounts for nearly 15% of the global mental, neurological and substance abuse disorder burden. Yet, there is a 90% treatment gap for those living with mental illness in India; low health seeking and poor adherence to treatment being the biggest root causes.

Low health seeking amongst mental health patients is a result of low intent to seek care, lack of awareness about how to do so and poor access to affordable diagnosis. Help is sought in time only if the symptoms are too debilitating or unsafe to others. Also, high reliance on faith healers leads to a delay in treatment.

In the end, ~40-50% of patients stop their care among severe mental disorders patients and 67% in case of depression. Poor adherence in mental health is a result of low motivation, poor access to affordable treatment and perceived ineffectiveness of treatment. Forgetting to take medicines and high financial burden in terms of opportunity cost of missing work and high travelling cost are some of the major causes of low adherence.

In 2019, KOIS was commissioned to explore if innovative finance has the potential for scaling effective solutions by finding new and innovative ways of service delivery in mental health and working with community health workers and community.

“Mental health is extremely stigmatized in India and there is a serious lack of knowledge. People are hesitant to consult a psychiatrist as that could lower their chances of marriage. The psychiatrist per lakh population ratio in India is very low which leads to poor accessibility and increased need to travel long distances to seek help.”

**Shaily Tibrewala, Senior Analyst, KOIS
Mumbai**

Building the investment thesis of an impact investing fund in Kenya



Although the healthcare sector in Kenya is fast-growing and demand for healthcare services is strong, accessibility, affordability and quality of care remains a key issue across the full continuum of care. As Kenya develops, it needs to strengthen its healthcare system to address increased demand and more complex healthcare needs.

With public funding covering only 34% of the total healthcare expenditures of the country, the government policy explicitly supports private sector involvement in the healthcare sector, which would require an estimated US\$ 1.4Bn per annum to meet the increased demand.

These challenges represent an opportunity for market-based solutions to transform the healthcare system in Kenya, whether funded through grant financing, impact-first or finance-first investment. The Johnson & Johnson's Global Community Impact (J&J GCI) team partnered with KOIS to articulate its new impact investment thesis that will guide their investment activities in Kenya and serve as a blueprint for its overall impact investment strategy in other countries.

In a first phase, after a detailed analysis of the Kenyan macroeconomic and healthcare sector, KOIS conducted a detailed landscape analysis of investment opportuni-

ties in Kenya, both on the demand side (i.e., what are the most promising business models with potential for scale and transformation, and what are their financing needs) and the supply side of capital (i.e., what instruments are needed to fulfil the identified financing gaps).

KOIS supported J&J GCI in defining its vision for success in Kenya and how it considers its strategy (impact-first vs. finance-first investing, early-stage vs. growth-stage enterprises, etc.). In analysing both overall social impact and investment attractiveness, opportunities that were best aligned with J&J GCI's impact investment thesis were prioritised. In 2019, J&J GCI invested in two of them.

The first investment supported the expansion of a maternal health hospital in Nairobi, which offers high-quality and affordable care to more than 25,000 patients per year and ensures over 1,500 safe deliveries annually.

The second investment supported a primary healthcare facility serving low-income flower farm workers and communities in rural Kenya, where the incidence of preventable diseases is high and quality healthcare options are limited.

63%

of Kenyans have access to public healthcare facilities within one hour of their homes

<50%

of health facilities in Kenya have basic amenities to provide healthcare services

~10%

of Kenyans spend over 40% of non-food expense on healthcare

Scaling up social enterprising of ophthalmic units in the Democratic Republic of Congo

Poor sight is not only a health issue, it excludes people from key life-changing opportunities such as education and productive employment. 253 million people are visually impaired around the world (i.e. blind or suffering from moderate or severe visual impairment), of which 36 million are blind¹. While more than 75% of these cases can be prevented or even cured through surgery or the right pair of spectacles.

89%

percentage of visually impaired people living in low and middle income countries¹

90%

of visually-impaired children do not go to school in developing countries¹

The DRC, where visual impairment prevalence is estimated at 4,7%¹ - among the worst rates in Sub-Saharan Africa -, is affected by a blatant lack of quality eye-care. There is a severe shortage of trained medical staff, with only one ophthalmologist per 1 million inhabitants, 75% of which are located in the capital, Kinshasa. As a result, the DRC ranks 100th of 102 countries worldwide as to its cataract surgical rate.

People who have their sight restored get back into society by (re)gaining their autonomy and contributing to the wealth of their communities. Research has estimated a

potential benefit of eliminating avoidable blindness in the developing world of at least \$517.1Bn, outweighing the additional required investment of \$218.2Bn (i.e. \$2.20 of additional investment on top of what is already spent on eye care, per capita per year for 10 years)².

With over 20 years' experience in eye care in Tanzania, Rwanda and the DRC, Light for the World Belgium³ has a strong track record in curing preventable blindness and visual impairments.

In the context of the DRC National Plan for Eye-Care and Vision, Light for the World Belgium has been mandated by the Ministry of Health to provide eye-care services in the 9 Southern provinces of the country.

Since 2018, KOIS has been supporting Light for the World Belgium in the consequent significant scale-up of its eye care activities in the region. KOIS made recommendations as to the integration of strengthening elements towards improving the operational efficiency and the financial self-sustainability of existing and future centres.

In parallel and based on this analysis, KOIS is exploring potential blended finance models to finance Light for the World Belgium's scale-up plan in South DRC.

“The optimization of Light for the World Belgium's operational footprint in the DRC will enable the NGO to improve the self-sustainability and overall impact of its existing and future centres. In the current context of drive for efficiency, this is a necessary step to help Light for the World raise significant donor funding and/or return-seeking capital to finance its scale-up strategy in South DRC”

**Juliette Averseng, Senior Associate, KOIS
Brussels**

Impact Story: Two young Lubumbashi brothers



Célestin and Jacques, two young brothers living in Lubumbashi, were completely blind. Because of their visual impairment, the children couldn't go to school and their mother, Lorriane, was prevented from working.

One day, at a mobile clinic near their home, a nurse diagnosed the two boys with cataracts and explained that a simple operation could cure them of the disease and restore their eyesight. Lorriane then learned of the existence of an ophthalmology clinic in Lubumbashi supported by Light for the World. She immediately took her two children there. On the spot, the local ophthalmologist performed an operation on Célestin and Jacques.

The children had to go back regularly to the clinic for visual therapy sessions. These allowed them to stimulate and develop their vision. They trained each eye separately and used glasses to see at a distance.

Thanks to these sessions, Jacques was able to regain good eyesight. But Célestin's vision declined again. In fact, sometimes the capsule that supports the artificial lens placed during the operation becomes opaque, a phenomenon called secondary cataract.

Fortunately, the boy was then treated within seconds with a Yag laser. The procedure allows the ophthalmologist to clean the opacification by making a small opening in the capsule. This time, mission accomplished: Célestin immediately regained good visual acuity!

“I am very happy with the hospital; they are good doctors and therapists. As soon as the problems in the eyes of my sons are completely solved, I will take care of registering them at school. They have never been to school before, but that will change!”

Lorriane, Célestin and Jacques' mother

Expected impact

up to 9

ophthalmological centres built in each province of the South DRC

Increase of current surgical capacities

Increase of current consultation capacities

up to 92%

of cataract surgeries with a positive outcome



A zoom on environment

Key figures

~95% <i>of cities facing extreme climate risks are in Africa or Asia¹</i>	~1M hectares <i>of coastal ecosystems larger than New York City is destroyed every year²</i>	4.2M <i>premature deaths occur worldwide on average every year as a result of air pollution in cities and rural areas³</i>	US\$ 140Bn <i>per year is needed globally to adapt to climate change²</i>
--	---	---	--

2019 was a turning point for environmental awareness around the world. It was the year of climate movements. We saw school strikes and marches all over the world demanding actions for our planet, its climate but also its biodiversity, oceans, ... and for the people living on it. These are now center stage in many discussions, as we saw at the 2020 World Economic Forum in Davos. We also see more and more organizations looking at what is needed for a more sustainable society.

But compared to the size of the challenge, there is still too much talk and too little action, and a lot remains to be done. While the climate movement is based on scientific evidence and supported by millions, we still fail to see drastic change at the financial or operational level, from public or private actors. In fact, the number of leaders speaking up or money being dedicated to this topic grows, but does not yet reflect the importance of the issue. Moreover, the dimension of remediation still needs to be added to the agenda, looking at the impact of climate change on health, economy, population movements, etc.

Taking this into account, there is still a need for a real attitude shift of all, from projections and planning at best (and “business as usual” at worst) to drastic action-driven measures & investments. Some issues have barely been touched: energy efficiency of buildings at scale, alternatives to fossil fuel for heavy industry, etc.

Forests, a key lever in climate change action, are still being decimated.

For all of these issues, our teams at KOIS are looking at how innovative finance can contribute to scaling up existing initiatives & allowing new ones to be developed. In fact, innovative finance could strongly accelerate the shift towards more action, by enabling funding from private investment at scale thanks to catalytic public & philanthropic capital.

In the past, KOIS’ environment work was mostly carried out through advisory services, researching opportunities in sustainable land use or diesel replacement in development settings. As the need to accelerate our efforts grows, we will make 2020 a pivotal year in our contribution to the environment, by leveraging our research and transforming it into concrete impact. With our first steps in using solar power for health facilities in Africa or water pumping installations in fragile contexts. We will also focus on helping investors make the shift towards investing with impact, with a specific eye on the climate.

In the coming years, we hope to see our actions and that of others result in large financing facilities being developed around climate change related thematics. Together, we can help change the course for our & future generations.



François de Borchgrave
Founder & Managing partner,
KOIS Brussels

Raising capital to improve healthcare via access to clean and cheap energy



Expected impact

234MW

of cumulative installed solar PV capacity

18,000+

healthcare facilities

22+

countries

132M

beneficiaries

Energy poverty prevents access to many services, and namely has a great impact on healthcare. For health clinics, maternity wards, surgery blocks, medical warehouses and laboratories, having an intermittent or unreliable power source puts lives at risk on a daily basis.

UNDP's Solar for Health initiative is supporting governments to install solar systems in healthcare facilities across Africa, the Arab States and Central Asia, helping to ensure quality healthcare for all by providing reliable and cost-effective access to electricity while also reducing emissions which harm the environment.

In this context, KOIS and Differ - a solar energy investment & advisory firm - were mandated to design an innovative financing mechanism attracting new sources of public and private capital, allowing for a scale-up of the programme. The feasibility study focused on five pilot countries (Zimbabwe, Zambia, Malawi, Namibia and Liberia).

In the scope of this study, KOIS engaged with local governments, bilateral and multilateral donors, investors, local energy companies and financial institutions, to better understand their respective needs and assess their appetites for a sustainable innovative financing mechanism.

Looking ahead at structuring the blended finance mechanism, it will be essential to tailor the target model(s) in a way that takes into consideration the local specificities, while benefiting from the advantages of a larger pooled fund.

“Imagine giving birth or performing surgery in darkness - or at best under the dim glow of a cell phone torch. These are just some of the inescapable consequences of unreliable access to electricity, further hampering availability of quality healthcare for vulnerable populations. The abundance of solar radiance puts Africa in a prime position to benefit from this clean and sustainable source of energy”

Benhan Limketkai, Principal, KOIS London

Unlocking private finance for the forests and land-use sector



24%

of GHG Emissions worldwide in 2010 were attributed to the AFOLU sector⁴

US\$ 2,3Tn

estimate of the value of new food and agriculture system by 2030¹

68%

carbon mitigation potential of forest-related activities vs. total carbon mitigation potential of nature climate solutions²

Deforestation, land degradation and unsustainable agricultural practices are major drivers of climate change, estimated to account for 24% of the global greenhouse gas emissions in 2010².

From this challenge emerges an opportunity for impact – and for investment. The Sustainable Land Use sector offers a large range of revenue-generating models from a private sector perspective, but private capital is not at the needed scale to tackle the sustainable forestry and land-use challenge. There is a clear need for public and philanthropic investors to provide donor capital and blended finance mechanisms to help private investors overcome the perceived barriers and high-risk nature of SLU investments.

Following its 2018 report on sustainable land use, KOIS has been supporting the UK's government Department for Business, Energy and Industrial Strategy (BEIS) to frame its investment strategy along these lines. The objective of the study was to understand how limited resources in the International Climate Fund can be best used to mobilise private investment into SLU projects that avoid deforestation and reduce emissions, whilst helping demonstrate how to put this sector on a sustainable footing.

KOIS has mapped more than 200 global funds and facilities in SLU with different sector focuses, track record levels, blended finance needs and public-private investment catalysation ratios. KOIS has prioritised a short-list of those with the highest added value and actionability to halt deforestation, restore degraded lands and promote SLU. Finally, KOIS has identified multiple delivery options for the public institution to deploy its capital.

Even though there was no one clear solution and each option had its respective trade-offs, KOIS highlighted the catalytic role to be played by BEIS and public donors: taking the risk the private sector cannot and testing different and new approaches that can all together lead to the urgent transformational change needed.

“For sustainable land use to reach scale and deploy its full mitigation potential, there is a need for private sector investors to adopt higher risk and more patient investment profiles which are inherent to the sector. In return, they will be able to capture significant value from long-term growth enabled by catalytic blended finance tools from public and philanthropic funds.”

Benhan Limketkai, Principal, KOIS London



Innovative mechanisms to finance Cabo Verde's agricultural sector transformation



Water scarcity, limited arable land and soil erosion, all aggravated by climate change as well as ageing rural population are the key challenges for Cabo Verde's agricultural sector. With the objective to increase the contribution of the sector to food and nutrition security and national wealth, the Government of Cabo Verde has planned over €200 million of investments in water agricultural and agricultural development. Financing this transformation requires novel and evidence-based approaches to foster the sector's modernization.

Meeting these agricultural investment needs requires mobilising and blending new resources: local savings, institutional investors, climate finance and the diaspora, at scale and cost-efficiently for the Government. KOIS supported the International Fund for Agricultural Development on a study that explored several innovative financing opportunities, including the mobilisation of local banks, international institutional investors, climate finance under concessional and grant terms and the diaspora. The mobilisation of the diaspora to support the development of the agricultural sector represents an emerging opportunity with water financing being an appealing investment for the diaspora featuring both financial and development returns.

With the current level of Government's indebtedness, excess liquidity in local banks combined with the willingness of the Government to further engage the private sector, KOIS and IFAD identified climate-focused project finance as an attractive instrument. De-risking project finance through guarantees and concessional financing could create new private sector's revenue-generating investment opportunities that better match the risk-return profiles of local financial institutions.



Long-term renewable energy assets for the humanitarian sector

Today, more than 65 million people are forcibly displaced from their homes, of which 2.6 million living in refugee camps for over 5 years. In this context, humanitarian organizations typically provide aid material assistance in terms of shelter, energy and WASH for instance. However, these are usually not adapted to protracted displacement: they are expensive short term fixes, harm the environment and provide poor living conditions when used over extensive periods of time.

More sustainable solutions exist and have a high potential from both a cost-saving and social/environmental impact perspective. However, they require a higher upfront investment, which do not meet the budgetary constraints of humanitarian organizations. Annual budgets cycles and ad-hoc fundraising from donors prevent humanitarian agencies to commit to multi-year financing agreements and to purchase long-term assets that take several years to recoup and generate significant cost-savings. In addition, although donors have never been as generous as today, the humanitarian financing gap is estimated at around US\$ 15Bn.

As a consequence, there is a general call for the private sector to help bridge the financing gap through innovative financing mechanisms. A leasing mechanism allows spreading high upfront costs over multiple years, thereby making it possible for humanitarian organizations to procure longer-term assets that provide enhanced services and generate cost-savings over the years, while complying with their budget constraints thanks to the yearly payments.

Back in 2017, our feasibility study demonstrated the potential to set up a multi-hundred million dollars leasing facility for the humanitarian sector with a primary focus on solar-powered pumping installations and (hybrid) solar electricity production for camp offices and infrastructure. Today, we see that this approach also applies for electricity access in rural setting, greening of NGOs offices or water infrastructure investments. Were the humanitarian sector to step in into blended finance on this, it would save millions every year, and improve its social impact and environmental footprint.



Making innovative use of corporate assets to generate business and impact in developing countries

Increasingly, corporations are looking to emerging countries as high-potential markets for the future. In sectors such as healthcare, agro-industry or energy, these markets could strongly benefit from corporate financing.

As a reality check however, emerging markets are sometimes not mature enough. Though it is advantageous for corporates to have a headstart and there is a strong benefit for local economies today, the only way to increase their presence is by finding creative ways to deploy and fund local operations.

In this context, donors such as USAID want to seize the opportunity to play a catalytic role in supporting the development and scale-up of impact and CSR investment initiatives by corporates in developing economies. USAID already leverages its resources through INVEST, an initiative that mobilizes investment for development, but wishes to unlock the potential of private capital to drive inclusive growth in countries around the world.

In fact, investment synergies in high-impact areas such as agriculture, infrastructure, energy, clean water, health, and education could lead to even greater impact in the field. However, they require new forms of collaboration between USAID and the investment & business community.

KOIS helped USAID map the existing CSR investment models and assessed them based on a set of criteria. KOIS also conducted a deep-dive evaluation and tested the appetite of multiple corporates, foundations, local

businesses and financial institutions for a Corporate Impact Fund (CIF) in order to catalyse private capital flows into its development objectives.

While the model triggered cautious interest from the stakeholders, notably to strengthen their supply chains, it was generally agreed that a bottom-up approach to selecting financing models tailored to specific needs in a given sector/geography is preferred.

USAID is now using those insights to create larger-scale impact in developing countries.



“Private businesses are increasingly seeing the opportunities of creating a lasting positive impact in developing countries. To effectively benefit the local economies while minimizing the corporate investor risks, innovative ways of working are needed. A collaboration with donor agencies such as USAID and the use of innovative finance mechanisms can bring great benefits to all actors.”

Roman Kovac, Associate, KOIS Belgium



Mapping of identified CSR investment models and selection of examples



Going forward

Over the past years, it has been exciting to see first-hand innovative and sustainable finance gain an ever bigger reach. We are proud of our work in impact investing & the innovative finance mechanisms we've created to serve our world's underserved communities, but we are also looking ahead to accelerate our reach and footprint.

Looking at the next decade, we will strive to not stop at what we already know but keep inventing new financing models to tackle the ever evolving inequities of our world. From access to clean water, to the climate emergency, to skilling inefficiencies to healthcare access, we want to keep leading the way in what innovative finance can bring.

Our outlook for 2020

Launch of a DIB on refugees livelihoods in Jordan & Lebanon

IKEA Foundation



Launch of a SIB offering alternatives to imprisonment in France



Exploring blended finance opportunities in skilling in India, with an initial focus on construction & healthcare



Leveraging blended finance to scale up investments in renewable energy



Exploring solutions to expand funding of prevention in healthcare



Structuring of a development impact bond on Menstrual Hygiene Management in Africa



Exploring solutions to fund last mile financing in India for hospitals in tier 2 and 3 cities



Structuring blended finance options for water and sanitation infrastructures in fragile contexts





KOIS is an impact finance firm aiming to scale financing solutions to create a better world for underserved communities. We turn projects with high societal and environmental impact into tangible investment propositions for public and private sector clients. We do so by creating innovative financing mechanisms and through fund management.