



KOIS

CARING FINANCE
2020 IMPACT REPORT

We use impact
finance to create
a fairer and more
sustainable world
for underserved
communities
around the globe.

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A MESSAGE FROM OUR PARTNERS

“ As we pen these words, we can't escape a strange thought: our industry, impact finance, is no longer a refuge for marginals who don't fit on Wall Street. Environmental, social, and corporate governance investments have skyrocketed, with sustainable fund assets hitting a record high of \$1.7 trillion in 2020, with most of them outperforming on returns. Even traditional actors are launching their own products and trying to get a piece of the market.

It seems that the whole world is moving towards sustainable investments: the impact investing market reached €108 billion in assets in 2018, from only €20 billion in 2013; leading oil companies have developed plans to be carbon neutral and announced commitments to renewable energies; Europe's Green Deal and President Joe Biden's investment plans have sent huge signals to the market that things need to move, and fast.

In a way, we're nostalgic: our cottage industry is changing. Although more importantly, we're ecstatic. It's great to see the financial industry embrace what impact actors have been advocating. It's great to see the credibility given to impact processes and products. And it's great to see a growing number of asset owners ask themselves what their money is doing, and what it could do.

Of course, the market's success resonates within our own portfolio. In 2020, our social housing fund, Inclusio, began trading on the stock market, making it available to anyone

with just €21 to invest. We also successfully completed our Indian Healthcare Innovation Fund HealthQuad II's at \$68 mn, from sources not traditionally versed in impact investment. And returns on our various portfolios remained above 20%.

Yet one thing is for sure: even though impact finance is moving closer to the mainstream, and we want our funds to play a role in raising and deploying capital to scale projects, our commitment to the underserved and underexplored issues remains unaltered.

Successfully scaling innovation requires time, investment and partnerships. This is where KOIS can play a pivotal role with our Innovative Finance solutions. Our dedicated team chooses issues close to their hearts, such as tackling climate change, women's economic empowerment, conditions for migrant workers or healthcare access. We study these issues in a specific context, designing innovative financing mechanisms that help scale effective solutions.

In the next decade, we are excited to keep up our issue-driven pioneering work. Through our actions, we will continue our mission to create a better world for underserved communities around the globe. Despite the noise, despite the agitation. We are as proud as ever to be on this journey with you.”

Serena Guarnaschelli, Charles-Antoine Janssen and François de Borchgrave,
KOIS partners



KOIS IN NUMBERS

KOIS has been measuring progress in using impact finance to create measurable outcomes driving impact since 2010. Providing accurate impact data is key to market growth and to bringing more investors on board. Impact measurement is therefore at the core of everything we do: from the innovative finance projects we design, to the impact investments we make. By aligning development results with financial returns provided to our investors, we make data-driven decisions enabling a fairer society for all our stakeholders.

SINCE 2010-2020

25

direct investments

11

impact bonds

4

blended finance instruments

25

advisory projects

\$ 313Mn

under management

4

funds co-managed

AT A GLANCE (DEC 2020)

52,000+

jobs provided

200K+

people received training through our investments

50Mn+

learning hours

EDUCATION & EMPLOYMENT

2.5Mn+

patients received treatment

100 K+

tonnes of CO₂ saved in 2020

~\$5.5Mn+

in medical loans and discounts given in 2020

HEALTH

300+ GW

of clean energy sold in 2020

CLIMATE & SUSTAINABILITY

DISCOVER MORE IN THE FOLLOWING PAGES...

WHO WE ARE

The KOIS story began back in 2010 when our founders, François de Borchgrave and Charles-Antoine Janssen, decided to start building an investment portfolio of high-impact businesses, a decision they took based on four strong beliefs that still hold true today:

- 1** Innovative enterprises backed with the right funding and advice are the most promising route to solving societal issues at scale.
- 2** We know that collaboration between the private and the public sectors and between the for-profit and not-for-profit sectors is the best way to scale impact solutions.
- 3** We trust that a paradigm shift towards more outcome-oriented Key Performance Indicators (KPIs) is possible in the public and philanthropic sectors.
- 4** We believe that a radical transformation towards purposeful investment can happen in the private sector.

In 2014, we made a shift from direct investments to Innovative Finance and Fund Management becoming who we are now: a pioneer in impact investment, focusing on both developed and developing markets and social finance advisory.

Ten years after our inception, we are proud that our four offices are turning projects with high societal and environmental impact into tangible investment propositions for the public and private sectors. Our actions serve one transcending mission: **to create a fairer, more sustainable world for underserved communities globally.**



WHO WE WORK WITH

INVESTORS

They entrust us with financial capital to support promising social enterprises. In exchange, we provide attractive returns and generate a positive social and environmental impact.



CORPORATE PARTNERS

Our corporate partners see their sustainability strategy as a fundamental long-term driver of business success. We help them to enhance it, and to experiment and scale innovative solutions.



FOUNDATIONS & PUBLIC SECTOR ACTORS

They look to us as thought partners to help resolve their most pressing societal or environmental issues. Together, we develop innovations that deliver positive change in a cost-effective and sustainable way.



PORTFOLIO COMPANIES

Our portfolio creates positive change and improves the societies and environments in which we operate. We provide the financial and non-financial support they need to scale their impact.



SERVICE PROVIDERS & NGOS

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



HOW WE CREATE IMPACT

We are issue driven.

We start by studying and defining what can be considered a crucial hurdle to a fair and sustainable society for all. We then address it by using finance in one of two ways: by providing capital to meaningful companies through impact investing, and by designing cutting-edge financial mechanisms and innovative solutions to finance sustainable, impactful programmes.

IMPACT INVESTING

We create and fundraise for impact funds with a clear theory of change directed at some of the specific issues identified in one or more of our three sectors: Health, Climate & Sustainability and Education & Employment.

Through the fund created, the investment team identifies and **invests in relevant companies** that fit our impact and financial return goals.

We help our investees grow through coaching, strategic, operational and business development support. We monitor our investments, **measure their impact and their return**.

We divest and provide a return to our investors, and a comprehensive report of the **impact their investment has created**.

INNOVATIVE & BLENDED FINANCE

- 1** **We identify existing solutions** and partner with organisations, working on the topic at hand, to address the development issue holistically.
- 2** **We reach out to the necessary parties** to set up the financing mechanism: from investors, to outcome funders or guarantors, to service providers.
- 3** We apply **blended finance** and design **innovative financing solutions** such as impact bonds or blended finance facilities to enable the best solutions to reach scale.
- 4** The instrument's impact is measured by independent parties. **Investors are provided with a potential return** based on the results.

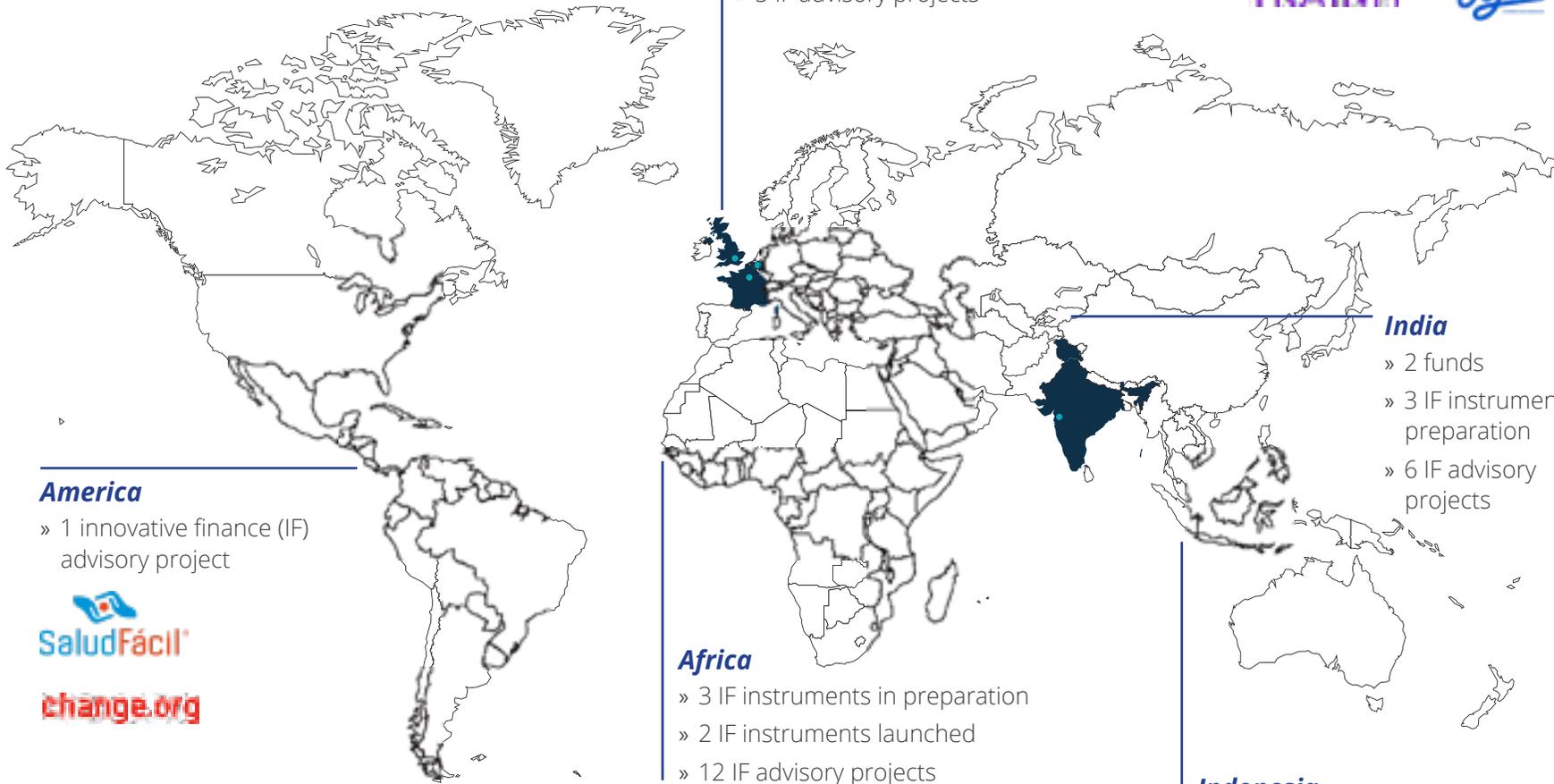
“ *In the past few years, we have witnessed the rising importance of ESG and other impact factors in the finance world. Today, we believe that impact finance can lead the transition to a sustainable and fair society.*

François de Borchgrave,
KOIS co-founder



WHERE WE ACT

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



America

- » 1 innovative finance (IF) advisory project



WE ARE ACTIVE IN THREE KEY SECTORS

EDUCATION & EMPLOYMENT
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EDUCATION & EMPLOYMENT

“Education is a human right, a powerful driver of development and one of the strongest instruments for reducing poverty and improving health, gender equality, peace, and stability.”

World Bank Group, 2020

267Mn

youth aged 15-24 are not in employment, education or training globally¹

1.5Bn

students are affected by Covid-19 school and university closures²

50%

of all employees globally will need reEducation & Employment over the next five years³

AUTICON

Auticon was the first company in Germany to employ people diagnosed with Asperger's Syndrome as IT consultants. Today, the company is active in eight countries around the globe and employs 200 autism spectrum consultants. Auticon trains them to convert their distinctive traits from disabilities into advantages, and provides its clients with a neurodiverse and agile workforce to improve their IT projects.



64%
Improved personal autonomy of consultants

77%
of consultants were formerly jobless

CHANGE.ORG

Since 2007, Change.org has allowed more than 53 million people to sign petitions online. KOIS invested in Change.org in 2013, believing in its ability to empower citizens to make change happen on a systemic and regulatory level. They are a certified B Corporation and have their social mission written into their by-laws.

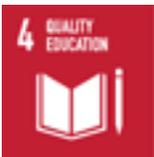


200Mn+
Signatures gathered across 196 countries

70,000+
Victories

GREAT LEARNING

Great Learning's digital learning platform empowers working professionals to develop competencies that will accelerate their career progression. KOIS invested in Great Learning, convinced that its innovative platform for blended courses in the latest tech-related fields could help bridge the skills gap between tech professionals and the rapidly changing needs of the job market in India.

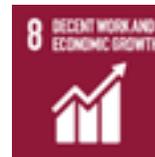


19,800+
Successful alumni

40%
Average salary hike upon programme completion

GOJOB

Some people make great employees but cannot produce an impressive CV. GoJob is an online employment platform focused on experience-based recruitment. Companies can assess potential employees based on criteria such as punctuality, teamwork and competency in completing desired tasks. This gives people a fair chance at finding work regardless of their CVs.



33,593
Short-term jobs provided

65%
Were inactive before starting a GoJob mission

IMPACT FUND

REALISING VALUE IN INDIA BY INVESTING IN COMPANIES WITH HIGH SOCIETAL IMPACT

India's small and medium enterprise (SME) segment is the backbone of the country's socio-economic development. The sector contributes close to 40% of India's total GDP and employs over 120 million people across the country. Some 20% of India's SMEs are rural, making them an indispensable force in promoting sustainable and inclusive development for the country. Extending the right support to these SMEs is vital in supporting the growth of the Indian economy.

It is to extend this very support that TARA IV was set up in 2015 by IL&FS Investment Managers with KOIS as fund advisors. Since 1 February 2021, KOIS has been appointed the fund's sole manager, ending a two-year-long stalemate that followed the default of IL&FS.

TARA IV has eight active investments across a diverse segment of sub-sectors: agro-industry, alternative energy, education, healthcare, and technology. The fund aims to deliver increased growth to these sectors through working and innovating alongside our investee companies, each of which is helping support India's growth story in their domains.



TEAM

- » Charles-Antoine Janssen – Partner
- » Parag Vaidya - Chief Financial Officer
- » Rumen Barjatya – Principal
- » Aadit Devanand - Principal
- » Priyanshi Mishra - Senior Analyst
- » Pooja Monga - Senior Analyst

30%

Growth in average income per capita in India between 2015 and 2019¹



1. Centre for Monitoring Indian Economy, 2020 2. National Commission on Population, Ministry of Health & Family Welfare, 2020



OVUM

OVUM hospital specialises in maternal and child health, and provides high-end care reducing the mortality and morbidity rates of newborns in a country that sees over 1 million neonatal deaths per year.

99.6%

neonatal survival rate achieved

750+

gynaecology treatments



PANACEA MEDICAL TECHNOLOGIES

Panacea manufactures radiotherapy equipment and a linear accelerator that is 50% cheaper than the competition. They have mapped the market for a linear accelerator in Africa and Southeast Asia for the large number of underserved cancer treatment patients in emerging markets.

60+

units sold

800,000+

patients treated



LILAC INSIGHTS

Lilac Insights provides prenatal screening and genetic services to improve pregnancy outcomes by offering early insights into the health of babies before their birth.

150,000+

prenatal screenings conducted since investment



LIFECARE

Lifecare started as an online subscription pharmacy focused on chronic diseases but has pivoted to a physical model due to highly competitive pressures. It now focuses on managing hospital pharmacies and pharma distribution. It has also introduced its own pharma private label (Avtix) and is offering pathology services in its pharmacies.

97%

of prescriptions filled, compared with an average fill rate of 70% in India

Significant reduction of counterfeit drugs in circulation as a result of direct sourcing of drugs by LifeCare





DISPRZ

Heuristix provides workforce enablement, learning & development solutions to enterprises under the brand name “Disprz”. Its AI-driven Skill Stack helps enterprises to identify & benchmark against trending industry skills, create impactful skilling pathways & drive digital skilling adoption to facilitate capability building.

200,000+

blue-collar workers using the platform

350,000+

hours spent by blue-collar workers on the platform



CALIPER BUSINESS SOLUTIONS

Caliper contributes to the economic empowerment of players in the transportation industry by bridging the digital divide through improved transparency, efficiency and financial inclusion in the ecosystem. They help elevate, for example, the status of truck drivers.

1,400+

truck drivers saw their status elevated

20+

corporates saw an improvement in the use of their income



TRANSERVE TECHNOLOGIES

Transerve has developed proprietary, end-to-end GIS capabilities covering different modes of data collection, handling, processing, analysis and visualization. It has presently created solutions for Financial Services, Real Estate and Retail, and is developing solutions for other sectors as well.

1.8Bn

households covered for local government

80+ KM²

covered for water and sanitation



INFINITE UPTIME

Infinite Uptime is an industrial Internet of Things solution provider for improved quality, productivity, monitoring and predictive maintenance. Their technology allows for less downtime, ultimately contributing to reduced emissions for the same level of output.

120+

safety incidents detected using the platform

5-10%

average efficiency improvements



IMPACT BOND**TRAINING VULNERABLE JOB SEEKERS TO ACQUIRE THE DIGITAL SKILLS NEEDED IN A COVID-19 ECONOMY**

In 2019, the Belgian job market faced a shortage of 8,100 digitally skilled workers¹. This number is expected to more than double by 2030. At the same time, there were 90,000 jobless people in 2020 in Brussels, a number also set to increase with the global economic crisis, spurred on by the pandemic.

Expanding access to digital skills training for people hardest hit by the crisis, such as low-income individuals, women and immigrants, will be key in bringing about successful economic recovery. With few technical prerequisites needed, digital upEducation & Employment or reEducation & Employment creates opportunities for job seekers to access interesting, stable and well-paid jobs.

This challenge was taken up by BeCode, a Belgian Non-Government Organisation (NGO), founded in 2016.

SERVICE PROVIDER

**BRUSSELS,
BELGIUM**

OUTCOME FUNDER

BRUSSELS EMPLOYMENT OFFICE (ACTIRIS)

LAUNCH 2020

DURATION ~5 YEARS

AMOUNT ~ €2.5Mn

EXPECTED RETURN 2-6% IRR



90,000

Unemployed people in December 2020 in Brussels²

53,000

Vacant cross-sectorial digital experts positions by 2030 in Belgium³

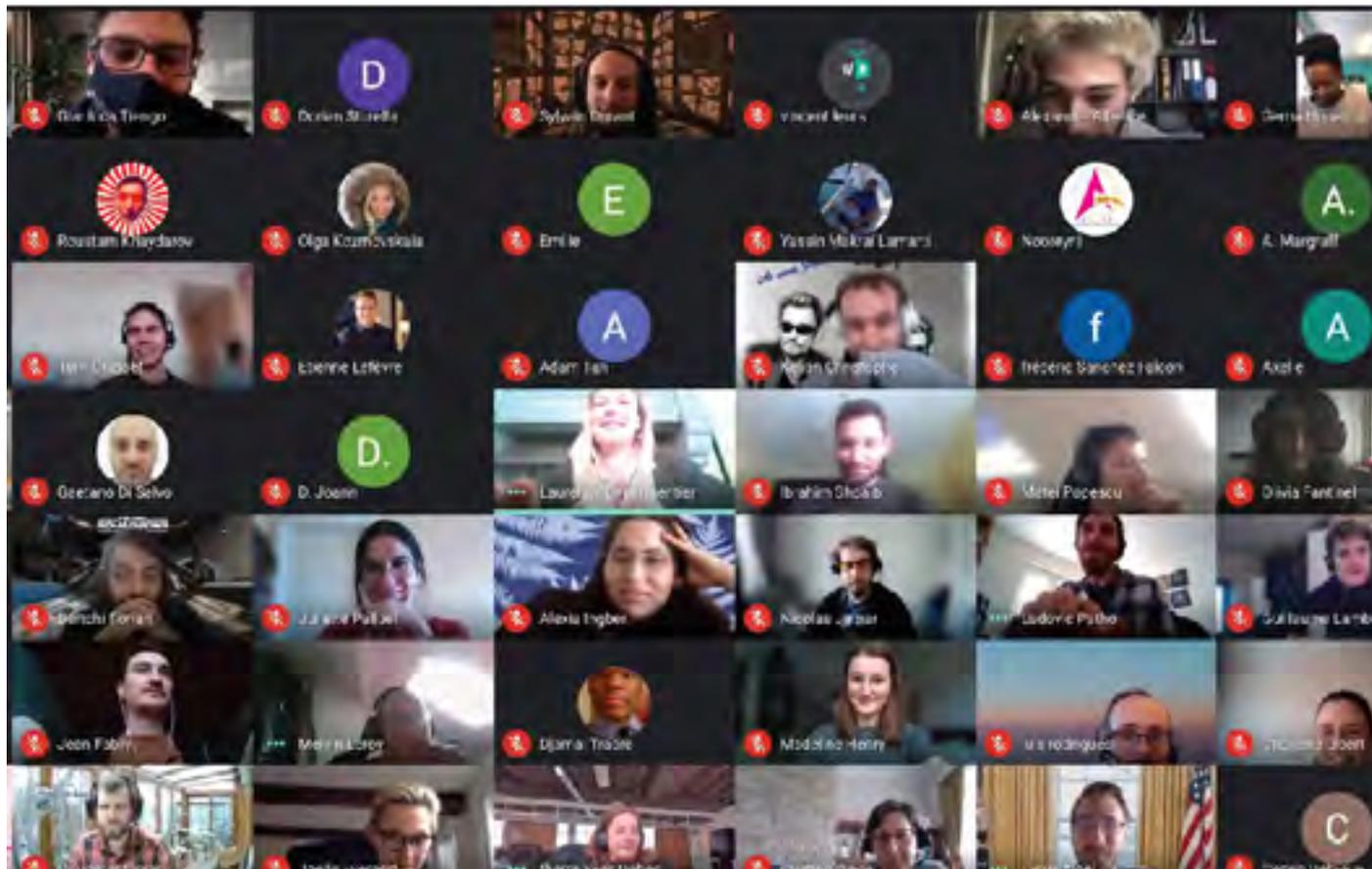


BeCode offers seven months free training to vulnerable groups to become the much-needed developers of tomorrow. Since its launch, BeCode has trained more than 800 students and reached an employment rate of almost 65%.

Given BeCode's proven track record, Actiris decided to finance the training of 450 additional students, using a Social Impact Bond with the objective of testing the effectiveness of BeCode

on an audience composed of more women and non-EU citizens.

The SIB launch was initially due in March 2020, until the COVID-19 pandemic struck and the first lockdown started. This is where the flexibility and pragmatism of BeCode proved to be of immense value. The SIB rescheduled to September, to allow BeCode to adapt to the new conditions.



HOW DID BECODE ADAPT TO THE PANDEMIC?

→ Coaches moved from highly interactive in-person classes to a 'hybrid' model at first, then 100% remote. Teaching methods, team projects and company events were adjusted accordingly to maintain high-quality training.

→ BeCode intensified and diversified its outreach with existing and new companies, to secure an internship for every student in the programme. For instance, the Brussels team hired a new Head of Campus to engage more closely with local small and medium companies – a strong, until then untapped, recruitment channel.

“2020 forced us to adapt quickly and prepare our students directly for the working conditions created by the crisis. Individual coaching has been reinforced to ensure that each learner is kept on board. Group learning is an integral part of our pedagogy, and we have therefore reinvented most of our face-to-face interactions using a variety of technological tools. Groups always hope to return to campus quickly but, in the meantime, enjoy the most dynamic and inclusive training experience possible.

Mickael Van Craenenbroeck,
coach WebDev



EXPECTED IMPACT

450

Job seekers will follow the BeCode digital training, of which 135 are women and 113 are non-EU immigrants.

Up to 360

Trained job seekers to have found a job within 12 months of their internship

In regards to the SIB objectives, unfortunately it is too early to say what impact the pandemic will have on the employment rate of BeCode graduates. However, the SIB mechanism has proven to be a useful financial instrument in times of crisis. BeCode can focus entirely on these projects, thanks to having secured funding for the next five years. Solutions to any identified problems can be discussed immediately during quarterly Steering Committees with public, private and non-profit stakeholders.

Thanks to a positive training experience, a spirit of continuous improvement and a growing network of hiring companies – including in a COVID-19 context, where digital competencies are more important than ever. BeCode is confident they will be able to deliver on the SIB's objectives.

“ *The SIB allows us to count on the support of public and private partners over several years, which is all the more important in a context of uncertainty. Thanks to the confidence of Actiris and the investors, we could adapt our approach in order to train the future tech professionals. We could also easily discuss the challenges related to the crisis during the monitoring committees in order to best anticipate the actions needed.*

Sarah Unger, CFO, BeCode

BLENDED FINANCE FACILITY**IMPROVING ETHICAL LABOUR PRACTICES IN THE INDIAN CONSTRUCTION INDUSTRY**

Construction, India's second-largest employer (approximately 60Mn jobs) faces a significant shortage of skilled labour. This demand is met largely by 30-50Mn migrant workers coming from rural areas. These workers are highly vulnerable to exploitative brokers and employers. As a result, approximately three to five million people end up in bonded labour each year.

Micro-contractors, who hire and supervise around 90% of migrant workers in Indian construction. As influential stakeholders, they directly impact the key drivers of employee well-being, such as working hours and wages.



GLOBAL
FUND
TO
END
MODERN
SLAVERY

3.5Mn

Migrants in India fall into forced labour each year



“ By building a working capital facility, we are using innovative finance to help thousands of construction workers reclaim a life of dignity and control, free from exploitation.

Abhishek Kapoor, KOIS



The Global Fund to End Modern Slavery (GFEMS) is funding a programme to create a network of ethical micro-contractors (MCs) by providing them with a range of incentives such as skills training, social security benefits and work orders, along with affordable working capital loan facilities.

A key incentive is the provision of affordable working capital. MCs require an average of \$ 5,000 in capital for every 45-60 days. However, payments from

“ *By partnering with the development sector, we aim to build a mainstream financial product that we can take to ethical micro-contractors across India, who can use it to significantly improve their livelihoods.*

Shailesh Dixit, Co-founder of Gromor Finance, Project Lending Partner



contractors take about 1–2 months to come in. This forces MCs to borrow informally and are often charged very high interest rates (ranging from 36% - 120% per annum).

As part of GFEMS's programme, KOIS is setting up a facility to address the lack of affordable working capital for micro-contractors.

The blended finance facility will provide a viable lending alternative to MCs. It will continue to offer loans at reasonable rates to those who treat their workers ethically. This facility will help create safer working conditions and ensure timely wage payments for thousands of vulnerable labourers.

The facility is looking to deploy \$600,000 worth of loans at launch, eventually scaling up over time to a total of \$5Bn loans. Both domestic and international donors are being approached for funds, which will give 7% interest. Finance will be offered to the MCs through Gromor Finance, our lending partner for the programme.

WHAT'S NEXT?

KOIS is launching the facility by the end of 2021.

EXPECTED IMPACT

15,000 workers

The facility will impact 1,800 workers over the coming year, and eventually scale up to cover 1,000 micro-contractors and 15,000 labourers.

**In the long run:
turning ethical micro-contractor lending into a mainstream financial product across India.**

IMPACT BOND**INVESTING IN EARLY CHILDHOOD EDUCATION IN UZBEKISTAN**

Early Childhood Development (ECD) investments have the highest impact in the long-term development of children and are an effective means of fostering human capital and driving economic development. In recent years, Uzbekistan has implemented major reforms to transition from a state-driven to a private-sector-led economy.

With approximately 34 million inhabitants, and the youngest population in central Asia, investing in ECD represents a great step towards achieving its ambitions as a nation. However, the preschool educational system in Uzbekistan still has one of the lowest enrollment rates in the region and high disparities between income strata still exist.



OUTCOME FUNDER GOVERNMENT OF UZBEKISTAN (FUNDED BY WORLD BANK CREDIT AND GRANTS)

LAUNCH TBC

DURATION ~3 YEARS

AMOUNT ~ €10Mn

\$1

Invested in early childhood development for 3-5-year-olds can yield a societal return of \$7 to \$12¹

60%

Of preschools in Uzbekistan are located in urban areas²

33%

Enrollment rate of Uzbek children aged 3-7 in 2019³



1. Study conducted in 2019 at Perry Preschool 2. World Bank, 2018 3. World Bank, 2019

The effective expansion of Early Childhood Education (ECE) in Uzbekistan faces four main barriers:

- > **Lack of infrastructure and trained teachers:** many preschools lack sufficient basic infrastructure and equipment to be able to provide quality education. In addition, thousands of new teachers are needed to support the desired access to ECE.
- > **Unknown quality of education:** there is no standardised or systematic approach for assessments of students, preventing the government from creating adequate quality improvements in ECE.
- > **Affordability:** there are no free preschools in the country and public preschools remain unaffordable for low-income families.
- > **Cultural habits:** Due to gender stereotypes and the traditional role of women as primary caregivers, with their lower participation in the workforce, children often stay at home until they go to school.

By way of a solution, the World Bank, in partnership with the Government of Uzbekistan launched the 'Promoting Early Childhood Development Project'.



A pillar of this programme is to engage with the private sector through a Social Impact Bond that will allow an innovative performance-based approach to finance the expansion of ECD services in Uzbekistan.

The SIB scheme will target 3 to 7-year-old children in 140 preschools. The SIB anticipates interventions over three years that they hope will bring an innovative response to the current challenges. They aim to do this by investing in equipment, teacher training, and the strengthening of quality and performance management. The programme will follow a pro-equity approach, under which at least 25% of places will be reserved for children from disadvantaged backgrounds.

The SIB will set the basis for the model long-term sustainability. At the end of the SIB, the participating preschool should be able to generate sufficient revenues to cover the costs of their operation. Additionally, this project will serve as proof of concept of the economic model for ECE provision and enable better access to capital in the sector.

WHAT'S NEXT?

The Government of Uzbekistan, with the support of the World Bank, has secured the necessary outcome funding for the intervention and is in the process of selecting the 140 participating preschools.

EXPECTED IMPACT

up to 140

Private preschools supported, 50% of which are in Uzbekistan's least developed regions

16,000+

Children aged 3–7 getting access to quality early childhood education

25%

Of children coming from disadvantaged backgrounds can access preschool at low to no cost

IMPACT BOND

AN INNOVATIVE PARTNERSHIP TO CATALYSE A PARADIGM SHIFT IN LIVELIHOOD RESPONSES IN REFUGEE CRISES

Worldwide, conflict and climate crises are creating migration flows of historical proportions, with the majority of forcibly displaced people settling close to home. As a consequence, developing countries account for 84% of places of resettlement for refugees, putting a compounded burden on host communities. In the case of the Syrian refugee crisis, more than six million people have settled in the five neighbouring countries.

The ability to earn an income is a key aspect of improving economic conditions for displaced individuals. Without the skills and opportunities to support themselves, economic stress can lead refugees to withdraw children from school, cut back on healthcare spending and run into debt. On the other hand, economic resilience can transform the host country's demographic into an economic opportunity while improving refugee living conditions.

BORROWER



OUTCOME FUNDERS

IKEA FOUNDATION, NOVO NORDISK FOUNDATION & NORAD

LAUNCH

2021

DURATION

4 YEARS

AMOUNT

\$14Mn

EXPECTED RETURN

5.1% ARR



JORDAN

1%

Of the world's population is forcibly displaced worldwide¹

1 out of 4

Refugees worldwide is Syrian²

10%

Of refugees per capita in Jordan³



Livelihood interventions are a recent addition to the activities portfolio of humanitarian organisations which their traditional donors are therefore not accustomed to funding. At the same time, refugee settlements are complex and dynamic environments, in which traditional development organisations are not used to operating.

When livelihood programmes do exist, their results are often disappointing, owing to the adoption of 'top-down' or 'one-size-fits-all' approaches. Lastly, funding contingent on activity-based annual cycles is detrimental to both efficacy and innovation. A qualitative and quantitative improvement in

livelihoods programming for humanitarian contexts is needed.

In 2016, we decided to explore a more effective combination of funding and service delivery and convinced Convergence and IKEA Foundation to fund our work towards the feasibility, design, fundraising and launch of a Development Impact Bond (DIB) for refugee livelihoods in relation to the Syrian crisis.

Our landscape analysis in 2017 concluded that the preference should be to focus first on Jordan and Lebanon, which then had the highest refugee-to-local population ratios.

REFUGEE DIB TIMELINE



WHY A DIB?

A DIB is best suited for catalytic programmes with a level of execution risk deemed too high for public actors. They offer to:

Outcome Funders

- » Risk sharing with investors
- » Paying only for what works

Delivery partners

- » Upfront multi-year funding
- » Empowerment to innovate with a sole focus on outcomes
- » External validation of results

Investors

- » Purposeful investment, 'double bottom line'
- » Diversification and uncorrelated returns

Following a rigorous multi-tiered screening process, we selected a women-focused micro-enterprise training and grants programme by Near East Foundation (NEF). In addition to the promising results of this programme's first few years, NEF has 100+ year history of addressing vulnerability and building resilience in fragile contexts. We also concluded that NEF had the ability to withstand intense investor scrutiny - a key requisite to harness significant multi-year upfront funding at risk.

Other fundamental steps in designing a structure with the potential to meet the requisites of potential donors and investors included:

- **Benchmarking the programme and devising strengthening elements** in collaboration with NEF to increase the probability of generating higher outcome targets than the pilot iterations of the programme.
- **Designing an evaluation framework** including payment outcome metrics closely aligned with the programme's theory of change while being objectively measurable.

The first tranche of the 'Refugee DIB' will finance NEF's programme in Jordan over 3.5 years. Women and youth are expected to respectively represent

at least 75% and 35% of the programme's direct beneficiaries. Local populations and refugees will represent respectively 70% and 30% of beneficiaries.

Activities include the provision of skills building, vocational training, business development, market facilitation, and start-up grants towards the development and growth of Micro, Small and Medium Enterprises (MSMEs) and new income-generating activities.

To support this DIB, investors have committed to contribute ~\$10 Mn upfront towards the delivery by NEF of its programme.



From the sewing business she started with the support of NEF's programme, Turkia brings in JOD 50 (\$70) in monthly profit, after helping her husband to cover the family's expenses. This has allowed her to save enough money to send her son back to school.

HOW DID NEF ADAPT TO THE PANDEMIC?

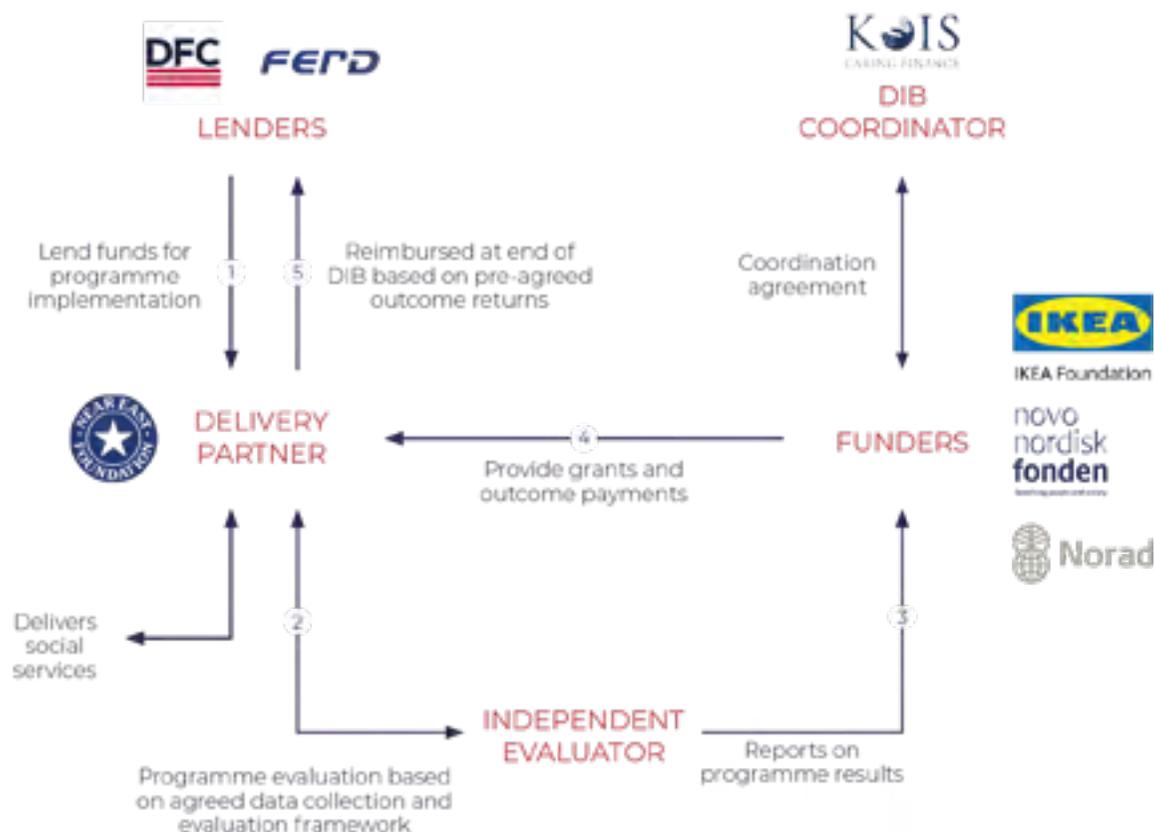
In 2015, NEF developed a model for community-based livelihoods support centres ('Siraj Centres') to deliver inclusive and integrated livelihood and protection services in hard-to-reach communities in Jordan, Lebanon, Iraq, and Syria.

When the COVID-19 pandemic hit, it rapidly adapted and accelerated the development of its interactive e-learning platform project. Since April 2020, Siraj Digital has graduated 2,097 entrepreneurs, working with 11 local partner organisations to co-deliver services.

Siraj Digital aims to enable tens of thousands of aspiring entrepreneurs to grow and sustain their businesses through tested training programmes, one-on-one mentoring, and networking opportunities. The platform is tailored to address technological disparities and varying user capabilities to ensure easy uptake and wide-scale use.

They will recoup 80 to 100% of their capital, plus a potential return, based on the level of achievement of impact targets. This will be paid by the DIB's outcome funders, IKEA Foundation, Novo Nordisk Foundation and Norad, who have together committed grants of up to \$14Mn towards investor repayment, DIB evaluation and management costs, an implementation success bonus, and currency risk.

All the parties of the DIB have agreed that the final evaluation report and the DIB learnings be publicly shared with humanitarian, livelihood, and blended finance funders and practitioners.



“ We are extremely happy and proud to have reached this significant milestone on KOIS' journey to support effective livelihood responses in humanitarian settings through blended finance. We aim to leverage the existing DIB framework and to access further investor and donor commitments to launch a second tranche soon, for NEF's programme in Lebanon. Beyond that, our dream is to grow the Refugee Impact Bond from the ground up. We want to do this by drawing on our research, evaluation and design work to enable faster deployment of funds for refugee livelihood programmes in other countries.

Béatrice Delperdange, Project Lead and Serena Guarnaschelli, Head of Advisory

EXPECTED IMPACT

10–17%

effect on household consumption

75%

of the beneficiaries are women

2,560

sustainable micro-enterprises created

CLIMATE & SUSTAINABILITY

'If COVID-19 has proven one thing beyond any doubt, it is that the costs of inaction do vastly outweigh the costs of action. The sheer value of the finance available has provided an opportunity to make the green transition irreversible.'

The Global Climate Change Alliance Plus Initiative, 2021

\$500Bn

Cost of adapting to climate change could hit \$500 billion per year by 2050

250,000

More annual global deaths expected in 2030-2050 due to climate change²

800%

Increase in population exposed to +35°C by 2050³

REVIVE II

In Belgium, demand for sustainable and quality residential areas rises every year. As a project developer and community builder, Revive regenerates some of Belgium's many polluted sites into quality, affordable residential areas. They do so by implementing sustainability at every stage. Their mission led them to be the first company in Belgium to receive the B-Corp accreditation.



2,165

Residential units built

25%

Average reduction in carbon impact based on the EPB standards

BELGIAN ECO ENERGY

Fighting climate change requires an energy transition, more efficient energy use and reuse of raw materials. To do this, BEE develops, finances, builds and operates renewable energy installations. It then supplies the energy generated to its B2B customers, and feeds the surplus into the grid. This results in a network of local production sites, each responsible for sustainable and clean energy production.



24 GW

of clean energy produced in 2020

21

Wind projects in the pipeline

GIST IMPACT

GIST Impact turns sustainability metrics into insights. Their purpose is to create a Sustainable Tomorrow: a world in which governments and corporations can measure and manage what matters. With their technology-enabled solutions, they empower policy makers to measure impact on a global, national and regional level, leading to the development and implementation of the right policies.



900,000

Data points captured

\$46Tn

in assets went through impact valuation

Revive project in Gentbrugge



IMPACT FUND**A SOCIAL HOUSING FUND ON THE STOCK MARKET: PUTTING IMPACT FINANCE IN EVERYBODY'S HANDS**

In September 2020, over 49,000 households representing 10.5% of the Brussels population were registered on the waiting list for social housing. For the past five years, Inclusio has been tackling the affordable and social housing availability issue in Belgium. The impact fund 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.

In 2020, Inclusio took a major step both for the fund, and for impact finance in general by going public with a successful IPO on the Euronext Stock Market.

**5.5 years**

Average wait times for a household to access social housing in Belgium²



Inclusio was KOIS' first impact fund, launched in collaboration with the Degroof-Petercam Bank, and Real Estate Developer, Revive. It was founded on the same principles as KOIS: that finance could positively affect our planet and society, and enable everyone to create a positive impact through their financial choices. And the fund's IPO serves that goal in three ways:

- > **Increased accessibility:** by making Inclusio's shares accessible to anyone on the stock market, the IPO allows every person, regardless of their wealth or of their ticket size to invest, buy and sell Inclusio shares, and thus actively take part in an impact finance product.
- > **Added flexibility:** Inclusio's original investors now have the flexibility to move in or out of their investment, without jeopardising the social impact of the fund. Through the IPO, liquidity will no longer be provided by selling assets that would then risk being taken out of the social market.
- > **Prospective growth:** the IPO will provide Inclusio with additional means, thus raising the number of social housing units Inclusio can offer, and the fund's general impact.

Inclusio's IPO was a resounding success, with a significant over-subscription and the stock price closing at a 4% boost on the first day of listing.

This achievement is a positive sign for the future, and encouragement for more impact investing projects to make their way towards the stock market.

TEAM

- » François de Borchgrave – Member of the Board and the Investment Committee
- » Marc Brisack – Chief Executive Officer and member of the Investment Committee



“ It is really encouraging to see traditional institutional investors and the larger public embrace a strong impact product providing housing to low-income tenants including homeless people, disabled people and refugees. At KOIS we see it as a great sign that the market is moving and is no longer rejecting investment opportunities because of their impact component: on the contrary, the market is embracing them.

François de Borchgrave, Managing Partner at KOIS and co-founder of Inclusio

- » Jean-Luc Colson – Chief Financial Officer
- » Lionel Van Rillaer – Chief Development Officer
- » Benoît Desutter – Acquisition Manager
- » David Vandermullen – Acquisition Manager

FUND'S IMPACT

898

Social housing units across 49 real estate projects

4.2%

Average gross rental yield provided on its real estate portfolio currently in operation

INNOVATIVE FINANCE ADVISORY

A FOOD SECURITY BOND ENSURING SUSTAINABLE FUNDING FOR THE CONSERVATION OF CROP DIVERSITY

Crop diversity is the foundation of sustainable agriculture. It enables it to evolve and adapt to meet the never-ending challenge of producing sufficient food for a growing population. This is especially true in the face of significant environmental challenges.

For the past 16 years, the Crop Trust has worked to conserve and promote crop diversity by supporting and strengthening the most important gene banks around the globe. Ensuring the sustainable funding of their activities is critical to help safeguard our world's crop diversity.

“ Food security is a cornerstone of a sustainable future in a world with a continuously growing population. The Food Security Bond is trying to challenge the paradigm of dependence on short-term donor support and create a self-sustaining financing model for crop preservation. This endeavour is of huge importance in the context of climate change, as exploring new financing models applicable to other non-commercially viable sectors is more crucial than ever before.

Roman Kovac, Project Lead, KOIS

1. FAO, 2017 2. FAO, 2020 3. FAO, 2010

10Bn

People are expected to live on Earth in 2050, putting further pressure on food security¹

2Bn

People are malnourished today (of which 750 m does not get enough calories)²

75%

Of crop diversity was lost between 1900 and 2000³

©The Crop Trust



15
LIFE
ON LAND

To fund gene banks over the long-term, the Crop Trust set up an endowment fund at its inception, which is invested in market securities. However, the returns generated from the endowment are not sufficient to fund Crop Trust projects, and the lack of resources is further exacerbated by increasing climate change, as well as the COVID-19 crisis. Given this urgency, the Crop Trust is no longer able to rely exclusively on conventional sources of donor funding to achieve the endowment target. Official development assistance is declining in many countries, and the COVID-19 crisis has emphasised the need to explore alternative funding sources.

Despite stable and predictable annual funding needs, the Crop Trust faces several financing challenges, such as:

- **Absence of cash flows** from the main activity, preventing the Crop Trust from borrowing in the market and leading to dependency on donor funding,
- **Low stability/predictability** of donor funds due to short-term donor budget commitments (typically 3–5 years) often tied to political cycles,
- **Earmarking and other restrictions** of donor funds limiting the Crop Trust's ability to allocate funds flexibly according to their needs.



©The Crop Trust - a Crop Trust seed vault

In 2020, The Crop Trust developed the Food Security Bond (FSB) as a unique opportunity to attract institutional investors to finance crop biodiversity conservation. The model consists of issuing a bond to raise capital to be invested in its endowment fund. This endowment fund would then generate returns to fund the Crop Trust activities.

“ This was a very valuable exercise for the Crop Trust to better understand the needs of investors and the innovative finance mechanisms that could be supported by potential donors (Governments and DFIs). The final study was an in-depth robust report that the Crop Trust can now use to continue bilateral discussions.

Janet Muir, Director of Finance, Crop Trust



©The Crop Trust

EXPECTED IMPACT

\$500Mn

Fund target size

The FSB will contribute to generate an extra \$15Bn a year for the Crop Trust's crop biodiversity projects around the world.

The FSB has the potential to engage private market investors as well as public donors in a combined effort to support the conservation of crop diversity forever. The Crop Trust's FSB gives donors and investors a chance to meaningfully contribute to protecting the planet's crop genetic diversity and secure the foundation of a nutritious, diverse and resilient food future for generations to come.

In 2020, KOIS helped the Crop Trust to redesign the original bond concept to better align incentives between public and private investors and ensure its success. Initial conversations with institutional investors suggest a strong appetite for such an SDG-aligned instrument, if sufficient security is provided by public investors.



WHAT'S NEXT?

Given the importance of its mandate, the Crop Trust is now engaging with potential donors to build the political momentum for such critical biodiversity protection.

HEALTH

'Health inequalities are not just unfair, they make the world less safe and less sustainable. As countries respond, recover and rebuild, it's vital for all governments to invest in better health and social services, and remove the barriers that prevent so many people from using them – so more people have the chance to live healthy lives.'

*Dr Tedros Adhanom Ghebreyesus,
World Health Organization Director-General*

18Mn

more health workers needed by 2030, mostly in low- and middle-income countries¹

2Bn

number of people globally use water contaminated with faeces generating a lot of severe diseases

250Mn

women globally have no access to contraceptives³

SALUD FÁCIL

In Mexico, many people suffer from a severe lack of quality healthcare access, and many healthcare centers lack the means to purchase necessary equipment. Salud Fácil finances the acquisition of medical equipment and the remodeling of offices, clinics and hospitals, offers low-cost credit to allow patients to enter hospitals and clinics with excess capacity. Its model addresses Mexico's growing need for affordable and quality healthcare.



MXP 45M
Patient loans since inception

1,053
Patients supported since inception

TRAINM

TRAINM is an outpatient neuro-rehabilitation clinic based in Antwerp, Belgium. Therapy is based on neuroplasticity, reducing neurological deficits from injuries to the brain and spinal cord. Patients who do not have sufficient financial means may be eligible to receive assistance from the TRAINM Foundation. TRAINM has the potential to offer life-changing therapy to people who otherwise would not have a viable chance of recovery.



13,000+
Robotics sessions in 2020

350+
Patients in 2020

EMOHA

India is home to over 80 million elders, yet elder care remains an under-supported area. Emoha builds communities around elders, to empower them to live comfortably at home, as long as is possible, with the support they need. Emoha uses advanced tech to connect elders with doctors' services, activities, home help and more.



MIDIAGNOSTICS

Today, ensuring a fast diagnosis of the high number of patients is critical. Unfortunately, diagnoses are highly time-consuming and hard to get for people in remote areas. miDiagnostics, based in Belgium, is developing a diagnostic test usable anywhere and by anyone, from the best hospitals to the most remote villages in developing countries



IMPACT FUND**CREATING BETTER HEALTH SYSTEMS FOR ALL WITH INDIA'S LEADING HEALTHCARE INNOVATION FUND**

Within ten years India will be the world's most populous country and its third-largest economy. The country's healthcare systems are struggling to keep pace, and already 700 million Indian citizens lack access to quality healthcare.

To address this issue, KOIS and Quadria Capital created HealthQuad in 2016. Since then, HealthQuad has become India's leading healthcare innovation fund, generating a considerable impact in its wake. HealthQuad notably completed the successful interim close of its second fund in December 2021, with commitments of \$150 Mn, 2x of the target amount of total fund.

The fund 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 ten new age businesses as of Jan'22. ((MB, THB, Neurosynaptic, Regency, AINU, Strand, Hilmpact, IG, Healthify, StanPlus)

**0.53**

Number of hospital beds per 1,000 people in India, compared to 4.6 in the European Union¹

1. The World Bank, 2018



“ There is no need to choose between financial and societal return. We are committed to creating an ecosystem of such category defining companies that improve accessibility and affordability and elevate the overall healthcare standards in India. We are pleased to be supported by like-minded global investors to deliver a transformative impact beyond superior financial returns.

Dr Amit Varma, Co-founder of HealthQuad



In India, 63 million Indians are pushed into poverty by health expenses each year, and 30% of its rural population travels 30 Km+ for primary healthcare.

To meet the desired healthcare standards, massive investment is needed in healthcare infrastructure and capacity building, amounting to an estimated \$256Bn.

Yet, India provides an endless talent pool of engineers, entrepreneurs and coders. The country is also seeing a rapid adoption of technology, with a 70% literacy rate, and the second highest number of internet users globally. Since 2013, data costs have also declined by 95%.

This puts India in a prime position to develop an ecosystem of disruptive business models for affordable healthcare solutions.

“ *If India is to fulfil its mission of ‘Healthcare for All’, it must focus on leveraging technology and digital health along with a focus on the promotion of wellness and preventative health. The healthcare industry needs to look for ways to disrupt existing operating models. The current pandemic has further stressed the need to leverage technology to cater to the healthcare needs of such a large population. Disruptive technological solutions have the potential to overcome some of these issues and push India towards a more robust and reliable healthcare system in the foreseeable future.*

Charles-Antoine Janssen, Co-founder and Chief Investment Officer of HealthQuad

In fact, transformative health tech models can greatly reduce the capital costs. For instance:

- **Preventive care**, meaning the early diagnosis of disease, enables timely treatment and fewer complications. This can lower bed requirements by over 1 million.
- **E-Health**, aka technology-enabled solutions, can reduce stress on hospital infrastructure, which could lower the number of physicians needed from three to two million.
- **Shifting points of care** to allow non-critical patients to recuperate at home and reduce the average length of stay in hospitals can help reduce capital costs by up to \$90Bn.

As India’s leading healthcare transformation fund, HealthQuad, wants to nurture those innovative models to transform healthcare in India. With each investment, the team intends to build an ecosystem of category-defining companies which help elevate healthcare standards, and drive change in this industry.

Since 2015, HealthQuad has demonstrated the ability to create a differentiated portfolio of companies, which has created a transformative impact in Indian healthcare.

We invite you to discover HealthQuad’s portfolio companies and their impact in the following pages.

INVESTMENT COMMITTEE MEMBERS

- » Charles-Antoine Janssen - Co-founder & Managing Partner, KOIS
- » Dr. Amit Varma - Managing Partner, Quadria
- » Abrar Mir - Managing Partner, Quadria
- » Sunil Thakur - Partner, Quadria
- » Neeraj Chandra - Ex-CEO, Emami Ltd.

INVESTMENT TEAM

- » Charles-Antoine Janssen - Chief Investment Officer
- » Dr Pinak Shrikhande – Director
- » Ajay Mahipal - Director
- » Manish Jha – Vice President
- » Divya Gulati – Senior Associate
- » Sakshi Bansal - Associate
- » Koel Kumar – ESG Head
- » Sakshi Gupta – Finance Manager
- » Shubham Jain - Senior Associate
- » Shivani Sahai - ESG Manager



ASIAN INSTITUTE OF NEPHROLOGY AND UROLOGY (AINU)

As the diabetes capital of the world, India has over 30Mn diabetes patients. This, in turn, contributes to the rise of chronic kidney diseases. AINU is a renal science hospital aiming to provide renal science services and minimally invasive robotic-assisted surgery to the high-risk Indian population.

~96,000

patient visits yearly

\$500,000

total amount of discounts given to patients in need in 2020



NEUROSYNAPTIC COMMUNICATIONS (NC)

NC covers 50Mn+ people, often living in remote areas with low healthcare penetration. Its telemedicine platform enables professionals to perform tele-consultations, tele-diagnostics, patient screenings and health camps in rural areas at extremely low bandwidths.

600,000+

tele-consultations conducted till date

5,000+

villages where the company has intervened



REGENCY HEALTHCARE

Regency Healthcare operates more than 600 beds across six facilities 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.

~340,000

average number of annual visits

16,300+

hours of training provided to physicians





MEDIKABAZAAR

Medikabazaar addresses medical supply issues for hospitals in remote regions by providing a simplified platform for product discovery along with transparent pricing.

35,000+
hospital customers

500,000+
units shipped



TECHNOLOGY, HEALTHCARE, BIG DATA ANALYTICS (THB)

THB aims to improve quality of care by making high quality patient data available throughout the entire treatment cycle. The company is also passionate about encouraging preventative medicine and improving compliance to therapies through its personalised engagement platform.

50Mn+
unique patient data

4,000+
therapy areas



HI-IMPACT CONSULTANTS

Hi-Impact Consultants identifies and places doctors in over 300 hospitals and 70 medical colleges across the country. The company plays a vital role in providing a talent pool across the country, especially in smaller Tier 2 and 3 cities.

200,000+
doctors on the platform

300+
hospital clients



IMPACT BOND

FRANCE'S LARGEST IMPACT BOND: OFFERING THE HOMELESS AN ALTERNATIVE TO IMPRISONMENT

Around the world, studies show that the homeless population suffering from severe mental illness and facing justice are likely to experience a street – prison – hospital 'revolving door' phenomenon. This vicious cycle is the source of distress for them and of recurring costs for the justice and health systems.

To offer a solution to this issue, Médecins du Monde launched a jail diversion programme in Marseille: AiLSi. The NGO turned to KOIS for the funding of an action research, structured as a Social Impact Bond.

SERVICE PROVIDER



OUTCOME FUNDER

FRENCH MINISTRIES OF HEALTH,
JUSTICE, SOCIAL ECONOMY,
HOUSING & RESEARCH

LAUNCH 2021

DURATION ~5 YEARS

AMOUNT ~ €6.5Mn

EXPECTED RETURN 4% IRR

MARSEILLE,
FRANCE

€105

Estimated daily
cost of detention¹

61%

Of those released
are sentenced again
within five years²

21%

Of the ~70,000
people held in prison
in France suffer from
psychotic disorders²



KOIS and Médecins du Monde are collaborating on the structuring of France's largest Social Impact Bond (SIB), to support the AiLSi programme. Through AiLSi, Médecins du Monde approaches homeless ex-convicts with signs of mental health issues about to face trial, and offers them an alternative to imprisonment: housing and intensive outpatient care for 24 months.

The objective of the programme is to break the revolving door phenomenon faced by the beneficiaries, thereby improving the quality of life of these patients and reducing prison and health spending for the French government, who is also the SIB's outcome funder.

“ *Initially, we weren't sure if a SIB was the appropriate tool. However, we realised that the impact measurement logic linked to SIBs made a lot of sense for this project. And 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

The €6.5Mn SIB will serve to finance a randomised research analysing whether this support programme for homeless ex-convicts facing trial can reduce re-incarceration rates. In total, 220 homeless people presenting signs of mental illnesses will be part of this research over the next 5 years.



WHAT'S NEXT?

SIB launched in October 2021

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 randomised control test.

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

“ *We're looking forward to the SIB's outcomes, as it will provide a level of detail and analysis sharp enough to draw precise conclusions on the impact of the programme and the possibility to scale it.*

Ladislav de Guerre, Project Lead, KOIS

IMPACT BOND**EMPOWERING WOMEN IN ETHIOPIA THROUGH IMPROVED MENSTRUAL HYGIENE AND HEALTH (MHH)**

Menstruation is an important part of any woman's life, yet it remains strongly taboo in many countries. Because of this, many girls have a very poor knowledge of the topic. In addition, sanitary infrastructure is not always available and sanitary products are not always readily accessible.

Supporting communities through a holistic approach (awareness raising, access to sanitary products and to MHH-friendly latrines) can have a significant impact on education, health, access to water and sanitation, early pregnancy, AIDS transmission and gender equality.

SERVICE PROVIDER**OUTCOME FUNDER**

FRENCH DEVELOPMENT AGENCY

LAUNCH

BEGINNING OF 2022

DURATION

~3 YEARS

AMOUNT

~ €3 Mn

EXPECTED RETURN

5% IRR



**ADAMA,
ETHIOPIA**



In Ethiopia,

70%

Of adolescent girls have never heard of menstruation before it first occurs¹

90%

Of students reported that their school did not have a separate sanitary facility for females²



To address this issue, KOIS is structuring a Development Impact Bond (DIB) in collaboration with the French Development Agency (AFD), the French Ministry of Foreign Affairs and the NGO CARE International. But why use innovative finance instead of traditional grant funding?

→ **Financing social innovation:** As opposed to traditional grants, DIBs are best suited for innovative projects that involve a level of operating risk deemed too high for public actors but acceptable to private investors. Impact bonds finance innovative programmes by focusing on predefined impact targets rather than predetermined activities.

The MHH DIB will test a new intervention model which integrates the three MHH components at scale.

→ **Generating evidence:** Using a robust evaluation framework, impact bonds are building a database proving the efficiency of social programmes that are often overlooked and underfunded.

The DIB aims to create a database to evidence the impact of integrated programmes on girls' and women's mobility and inclusion.



→ **Driving systemic change:** When successful, DIBs encourage replication of high-impact interventions by influencing public policies.

The MHH DIB aims to demonstrate the efficiency of the intervention model and engage the local authorities in new MHH public policies.

“ We are very excited to explore the DIB mechanism to tackle the neglected issue of menstruation. We expect that this performance-based finance mechanism which brings together different stakeholders will be a catalyst for change. This first-gender focused DIB will help demonstrate that good MHH is a key contributing factor to girls' and women's mobility and empowerment.

**Virginie Arnaud Le Pape
and Margaux Chinal, AFD**



EXPECTED IMPACT

53,000

Girls will receive all three MHH interventions

324,000

individuals will be exposed to MHH awareness-raising

The MHH DIB will finance interventions covering the three dimensions of MHH: (i) awareness raising (ii) provision of high-quality menstrual protection products and (iii) installation and maintenance of sanitary facilities adapted to MHH. These interventions will target a large panel of beneficiaries (including boys and men) through a diversified set of entry points to accompany changes in practices and beliefs at community level.

This will be the first DIB with a development objective focused on gender equality. As a result, the DIB evaluation will be largely based on indicators that reflect a change in practices and beliefs around MHH as well as gender equality overall. The evaluation will leverage existing measurement tools developed by MHH researchers and practitioners and will be based on a rigorous evaluation methodology in order to contribute to building the evidence base for MHH and contributing to the global MHH learning agenda.

WHAT'S NEXT?

The first tranche of the MHH DIB is expected to launch in Ethiopia by early 2022. KOIS will work together with AFD, CARE and additional potential funders to launch additional tranches from 2022 onwards, in other Ethiopian regions and other Sub-Saharan African countries

INNOVATIVE FINANCE ADVISORY

FOSTERING CORPORATE PARTNERSHIPS FOR SUSTAINABLE IMPACT IN GLOBAL HEALTH

The COVID-19 pandemic has highlighted the critical role of functioning health systems, and the extreme fragility of many health systems across low- and middle-income countries.

Building up strong and effective health systems remains a major challenge, however, especially in these countries where needs are highest. Investing in health systems requires long-term efforts and a patient approach. Beyond vertical approaches focused on short-term outcomes, there is a need for global health players to focus on strengthening the health system as a whole, and elicit meaningful, sustainable change.

As a global pharmaceutical leader operating across 80 countries and regions, and generating US\$30 billion in revenue, Takeda is a key player in global health. They partnered with KOIS to develop their ambition of fostering deep sustainable impact.

“ We [...] strive to increase health worker capacity and preventive care for patients everywhere, ensure reliable access to essential equipment and supplies and empower communities with knowledge, services and access to care.

Takako Ohyabu, Chief Global Corporate Affairs Officer, Takeda



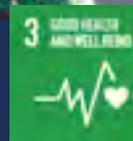
©Takeda

50%

of the world's population do not have access to essential health services¹

40%

of the countries in the world report to have fewer than 10 medical doctors per 10,000 inhabitants²



1. Tracking Universal Health Coverage, WHO and WB, 2017 2. WHO 2020

Through its Global CSR programme, established in 2016, Takeda has developed 16 multi-year partnerships, making donations to leading health organisations to fund programmes across various health areas.

Building on these achievements, Takeda wanted to increase its impact by focusing on the most critical health challenges and exploring innovative financing mechanisms that support this long-term orientation.

KOIS supported Takeda in redefining the core principles of its CSR and philanthropic effort, in

line with the company's values and mission, while highlighting the commitment to sustainable, long-term change.

Further, we supported the design of an actionable CSR strategy focusing on strengthening health systems, a critical yet underfunded area. We recommended tailored approaches to engage the employees and advised Takeda on innovative funding mechanisms to foster long-term sustainability. To ensure fast and effective implementation, we developed a concrete work plan and supported the adaptation of Takeda's tools and processes.

“*Takeda has a unique approach to CSR, and the company is a well-respected actor in the global health community. Our ambition was to help them build on their specific strengths and design an actionable strategy that will drive more sustainable impact in the long term.*

Colin Godbarge, Project Lead, KOIS

Throughout the project, KOIS engaged with a wide range of stakeholders across the company (including top executives), among programme beneficiaries, and within the global health expert community. We also analysed the CSR strategies of over 20 pharma and non-pharma companies.

WHAT'S NEXT?

As of 2021, Takeda's Global CSR programme is based on the redefined strategy. The programme is also transitioning towards deeper involvement of employees, who will take a hands-on role in analysing and selecting supported projects. Additionally, Takeda and KOIS continue to explore innovative financing approaches to further support health systems.

EXPECTED IMPACT

Starting from 2021, Takeda's Global CSR programme will fund ambitious multi-year projects focusing on key components of health system strengthening: health service delivery and emergency readiness, health workforce capabilities, access to health service technologies, efficient and impactful health funding, digital health solutions. Takeda aims to reach 17 million beneficiaries by 2025.



LOOKING AHEAD

KOIS is active in many areas, in many countries around the world. It would be impossible to fit them all on one page or even in a single report. We have ambitious plans for the next decade, and we are excited to share a few upcoming milestones with you. For more information on all KOIS projects, visit www.koisinvest.com.

Setting up a European Private Equity growth capital impact fund

In 2021, KOIS and Milestone, a buy-and-build specialist, will launch a new Impact Fund called Impact Expansion. The fund will invest in high growth impact companies in education, healthcare and the environment in Europe.

Supporting vulnerable families to prevent separation

In 2019, we launched a SIB which provides financing to 'Apprentis d'Auteuil' in France, a project working to prevent family separation for those suffering from educational difficulties. We expect to get the SIB's results in 2025.

Improving outcomes for mental health patients in rural India

Our India team is currently structuring and fundraising for a Development Impact Bond to improve health-seeking standards and access to mental health for rural communities in India.

Improving labour mobility & dignity for migrant populations

KOIS is currently exploring partnerships with stakeholders in the Employability, Entitlements & Empowerment ecosystem to structure on multiple source finance products on the topic in South Asia.

Financing climate-friendly water infrastructure in fragile contexts

KOIS is working with UNICEF on setting up a leading facility to finance WASH systems in fragile contexts. This is based on our 2017 feasibility study of a leasing facility to finance renewable energy sources for the humanitarian sector.

Completing the final close of our Indian healthcare Impact fund, HealthQuad II

After completing a very successful first close of its second fund at \$65M in 2020, Healthquad announced the interim close of the fund at \$ 150 Mn in December 2021.



And many more...

KOIS
CARING FINANCE

www.koisinvest.com

COLLABORATION FOR OUTCOMES, IMPACT AND SUSTAINABILITY

KOIS is dedicated to providing innovative solutions to the world's biggest and most intransigent problems. These problems are fully articulated in the UN's Sustainable Development Goals for 2030, now less than a decade away. In particular KOIS' efforts are focused on three major themes: Education & Employment, Climate & Sustainability, and Health. We are truly global, working in both developed and emerging markets, and offer both asset management and social finance advisory services.

We operate in a tri-sector environment, working with governments, philanthropic entities, corporations and investors focused on tackling the most difficult and complex problems in an inter-disciplinary and collaborative manner focused on outcomes, impact and sustainability. **Our objective is to catalyse capital towards its highest purpose across a range of countries and objectives.**

All over the world, pilot projects by social enterprises and not-profits are testing highly innovative development solutions. **Many of these early-stage pioneers will be the mass-scale solutions of tomorrow.** Identifying, nurturing and scaling these ideas nationally, and across borders, requires a network of partners with vision and a commitment to sustainable growth – with opportunities to deliver strong returns.



INVEST WITH KOIS

Early-stage social enterprises need the right investment to grow and scale. By investing through a KOIS fund, you both target private capital at key problems where impact is greatest, and de-risk that investment. We are adept in investing in areas that some consider non-investible by creating innovative new funding models designed to overcome these barriers and unlock returns to investors.

→ We have a range of funds available for impact investors – from the refugee impact bond in Jordan (soon to expand to Lebanon) to supporting Education & Employment, health and Climate & Sustainability projects in Europe or India to building sustainable agricultural systems in fragile environments across the globe.

→ KOIS has established a robust track record in managing both impact investment funds and blended finance projects including multiple impact bonds, and providing returns to our investors. We understand the contexts that make or break early-stage development finance projects and work with stakeholders to create economic models that are de-risked and value accretive.

COLLABORATE WITH KOIS

We also seek dynamic collaborations with not-for-profits, foundations, governments and think-tanks to pool expertise and to create systemic change. Often, existing reward systems have embedded harmful practices within an economy. For example, the widescale use of pesticides and fertilisers in agriculture is underpinned by an economic model that fails to account for the

full impacts of their use on biodiversity, water table pollution and soil degradation. **Changing the system to incentivise better practices is beyond the agency of a single project or company. It needs collaboration between multiple stakeholders. KOIS can catalyse such collaborations that bring governments, foundations and private capital together.**

For example, our work in India on improving mental health provision in partnership with large healthcare companies or addressing low-income worker livelihoods with an ecosystem of labour dignity stakeholders. Or our work in Western Europe with a transnational foundation on soil improvement strategies that can shift the systemic reliance on pesticides and fertilisers towards more regenerative agriculture.



Help us turn an idea into a global solution.
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