IMPACT REPORT 2022

INVESTING FOR THE SUSTAINABLE DEVELOPMENT GOALS IN EMERGING AND FRONTIER MARKETS

BAMBOO CAPITAL PARTNERS

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BAMBOO CAPITAL PARTNERS TODAY

Bamboo Capital Partners ("Bamboo") is an impact asset manager which provides innovative financing solutions to catalyse lasting impact. Bamboo bridges the gap between seed and growth stage funding through a full suite of finance options – from debt to equity – which we activate unilaterally or through strategic partnerships. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo aims to improve the lives of the world's marginalized communities while delivering financial returns. Since its inception, Bamboo has raised over $450m and invested in over 30 developing countries. Bamboo has a team of 30 professionals active across Europe, Latin America, Africa and Asia. Bamboo is the Asset Management arm of global impact firm Palladium, which operates in over 90 countries.

Latin America

Argentina
Bolivia
Brazil
Chile
Colombia
Ecuador
El Salvador
Guatemala
Haiti
Honduras
Mexico
Paraguay
Peru

Africa

Benin
Burkina Faso
Cameroon
Côte d'Ivoire
Ghana
Kenya
Mali
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Mozambique
Niger
Nigeria
Rwanda
South Africa
Tanzania
Togo
Uganda
Zambia

Palladium
MAKE IT POSSIBLE

Operating Principles for Impact Management

Our investee companies have positively impacted nearly 244 million lives, supported nearly 58,400 jobs including 20,600 jobs for women, and avoided 17.4 million metric tons of CO_2 emissions.

IMPACTASSETS

Bamboo Capital Partners included in the IA50 list of ImpactAssets for 12 consecutive years and recognised as an Emeritus Impact Manager

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BEST for THE WORLD 2017

Founder's message: A rewarding year

Jean-Philippe de Schrevel
Founder and Managing Partner

I am very thankful that 2022 has brought so many blessings to our team.

We have persevered in our mission to help entrepreneurs bring affordable and quality essential services to low-income populations, increasingly through the use of ground-breaking technology, so that they live a better life while adapting to climate change, preserving the environment and the biodiversity of our planet and fighting for greater gender justice.

We have deepened our partnership with our institutional investor – The Palladium Group – and with UN agencies and international NGOs, with Development Finance Institutions and governments and with trusted private sector investors and commercial banks. We have grown our work in access to off-grid solar energy in selected developing markets. Most importantly, we have planted the seeds of future partnerships that should materialize in the coming years.

We have also delivered on past promises by realizing very successful exits and I am particularly proud that our pioneer multi-sector Oasis fund, launched in 2007 against all odds and which has laid the foundations of our current expertise, has now a good chance of returning capital plus profit to its visionary investors.

We have continued to push for the creation of a truly system-change structure that would hopefully enable specialized impact investors to remain focused on their critical investment work with the missing middle segment of SMEs in emerging markets while collectively getting to scale by aggregation in order to finally tap into the institutional investor market.

Last but not least, we have maintained within our team and with our partners, a spirit of dedication, entrepreneurship and mutual respect without which none of the above would have been possible. I am hopeful that the future will see a further acceleration of impact investing globally and that Bamboo will continue to push boundaries and lead by innovation, never losing sight of its core mission and the reasons why it was created in the first place.

next billion

Bamboo Capital Partners Exits Banco Popular After Triple-Digit Growth

Bamboo Capital Partners ("Bamboo"), the specialist impact investor operating in emerging and frontier markets, today announces its successful exit from Banco Popular, a Latin American microfinance bank in Honduras. Banco ...

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venturebeat

STARTUPS · 30 Jun 2022

BLOC Smart Africa invests $360k in agritech start-up Afrikamart

See article

PRIVATE EQUITY WIRE

The Off Grid Electricity Fund invests USD230,000 in clean energy company Alina Enèji

The Off Grid Electricity Fund (OGEF), a renewable energy access fund for Haiti supported by the World Ba... provided a USD230,000 investment in the form...

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CROWDFUND INSIDER

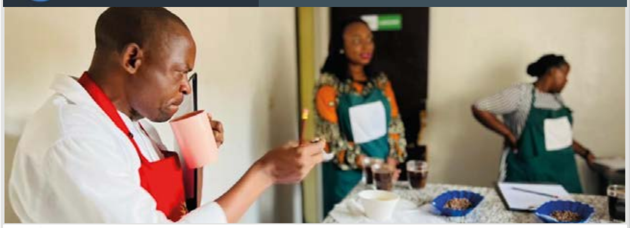
Home - Fintech

Impact Investor Bamboo Capital Exits Investment in Banco W

January 30, 2023 @ 11:01 am By JD Alois

Bamboo Capital, a VC impact investor, has exited its investment in **Banco W** based in Colombia, accordi... note from the firm.

See article



January 23, 2023 | Dealflow

Bamboo Capital's Build Fund backs Green Mountain Arabica Coffee in Rwanda

ImpactAlpha, January 23 — In Rwanda's Karenge region, women-owned ...

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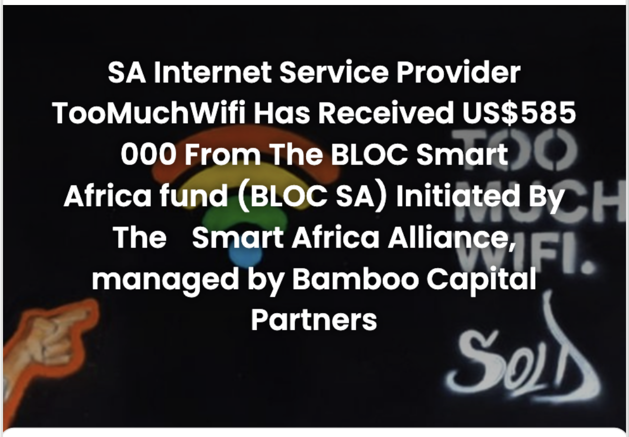
GF GetFundedAfrica



Story Highlights

BLOC SA led the US$1 million pre-series A round, catalysing additi...

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Delivering impact towards the Sustainable Development Goals

Across the Funds that we manage, Bamboo invests in companies that improve the lives of underserved populations in developing countries. Through their products, services or operations, investee companies generate lasting impact and contribute to the SDG's (Sustainable Development Goals).

- 43 microfinance institutions and 8 fintech companies financed
- 99.7 million people provided with access to financial services ´

- 3 farmer organizations and 14 agribusinesses financed
- 131,482 smallholder farmers supported by farmer organizations and agribusinesses

- 6 access to healthcare companies financed
- 3.9 million patients served by investee companies

- 2 access to education companies financed
- 3,200 children attended affordable schools in India
- 13,300 student loans provided in Mexico

- 20,631 women jobs supported within investee companies
- 3 companies providing financial services entirely dedicated to women have so far 4.1 million female borrowers

- 23 off-grid solar energy companies financed
- 144 MW installed clean energy capacity
- 104 million people provided with access to solar energy
- 111,000 businesses provided with solar energy systems

- 58,398 jobs supported within investee companies

- 8 fintech companies financed having served 3.4 million clients through digital technologies

- 110 companies serving low- to middle-income populations financed
- Almost 244 million lives impacted by investee companies

- 106,176 metric tons of agricultural production from investees in the agricultural sector during the year
- 201,326 hectares of agricultural land farmed by companies financed in the agricultural sector
- 3 Fairtrade certified farmer cooperatives representing 39,811 smallholder farmers
- Sustainability certifications generated 1.9 million EUR in price premiums

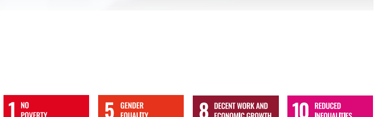
- 17.4 million tons of CO2 emissions avoided by investee off-grid solar energy companies

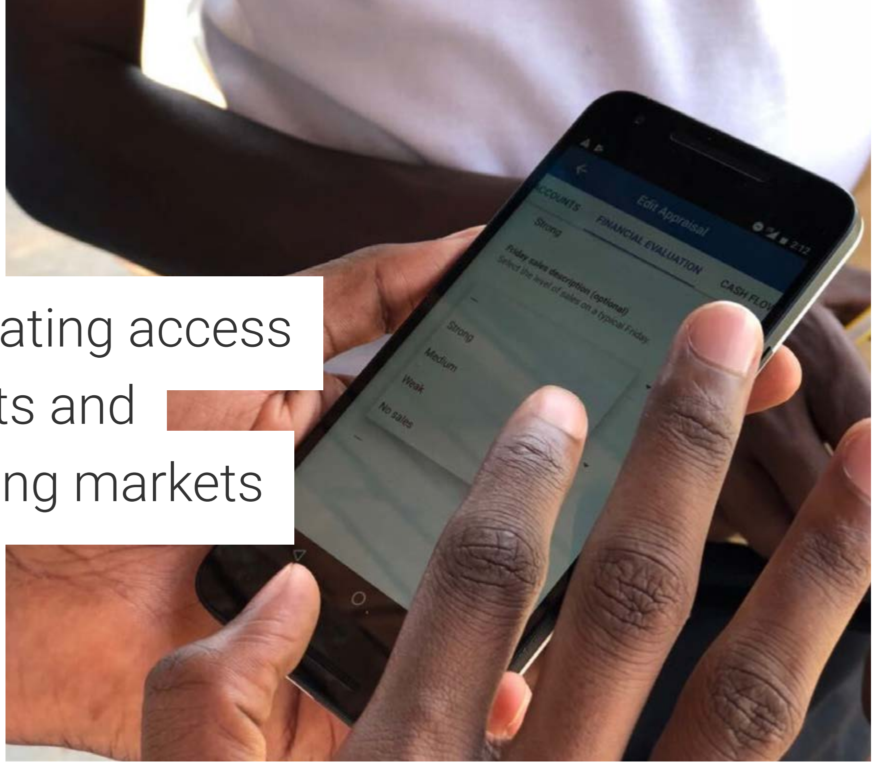
- Funds in partnership with the World Bank, the United Nations Capital Development Fund (UNCDF), CARE, the International Trade Centre (ITC), the International Fund for Agricultural Development (IFAD), Smart Africa.

Cumulative data reported by active investees as of December 2022 and latest data available at time of Bamboo's exit for divested companies. Scope: active funds managed by Bamboo as of December 2021 (Bamboo Financial Inclusion Fund I, Bamboo Financial Inclusion Fund II, Oasis, BEAM, ABC Fund, BUILD, BLOC Smart Africa, OGEF, OMDF).

BAMBOO
CAPITAL PARTNERS

TECH FOR IMPACT





TECH FOR IMPACT

Technology accelerating access to essential products and services in developing markets

Florian Kemmerich
Managing Partner

Technology is a harbinger, and accelerator, of change. At its most accessible, technology can be revolutionarily empowering: in underserved communities, the introduction of customer-oriented technology can improve quality of life with unparalleled efficiency. However, despite the fact that 2022 welcomed 336 million new smartphone mobile network subscriptions and 45% of the world worked remotely this year, roughly a third of the world still does not have access to the internet. Further, in 2022, the population without access to electricity is projected to increase for the first time in 20 years. For these communities which remain on the "other side" of the "digital gap", the rapid acceleration of global technology can exacerbate their isolation and resource scarcity: lacking access to technology can be a barrier to economic prosperity.

This year, tech stocks dove a remarkable 30%, a response to a conjunction of unfavorable conditions including swells in interest and inflation that caused shockwaves across the globe. This collapse hit emerging and frontier markets hard. Access to capital became more difficult for tech companies, stifling potential implementations of tech solutions and further deepening the "digital gap". Through the injection of capital into sustainable and customer-centric technological solutions for SMEs, agribusinesses, microfinance institutions, and communities in developing markets, Bamboo aims to outfit underserved communities with tech solutions to weather this crisis and flourish in the future.

The revolutionary potential of technology lies in its extension of affordable, transparent access to essential products and services, including energy, financing, education and healthcare, to last mile communities. BLOC Smart Africa, a blended finance tech impact fund managed by Bamboo, is directly dedicated to this mission. Founded with the intention to finance high-impact tech-enabled companies in Africa, BLOC Smart Africa has disbursed over EUR 2,264,000 to technology-based businesses in 2022. The fund invests in businesses using scalable technology-led solutions that create growth opportunities for underserved communities in Africa. BLOC Smart Africa is a partnership between Bamboo and the Smart Africa Alliance, a pan-African initiative to accelerate sustainable socioeconomic development, supported by the Governments of Luxembourg and Cote d'Ivoire. The Smart Africa Alliance supports investee fundraising efforts and deal flow sourcing, and connects investees into its technology ecosystems, including incubators and accelerators. The breadth and significance of the supported start-ups and early-stage initiatives, which empower services necessary for health and quality of life, cannot be understated.

An investee of the BLOC Smart Africa Fund is Waspito, a digital solution headquartered in Cameroon which extends vital healthcare access through an app that facilitates virtual medical consultations and lab services. The accessible digital tool targets the stark medical discrepancies in the country and surrounding areas: there is only 1 doctor for every 8000 individuals in Africa versus 1 to 300 in Europe. Waspito received an equity investment of USD$1 million to scale their operation, extending affordable and quality healthcare to 1 million new users into the Ivory Coast.

In 2022, Bamboo also invested in Afrikamart through BLOC Smart Africa, a Senegalese end-to-end supply chain platform which improves smallholder farmer access to markets in Senegal while ensuring transparency, precision, and efficiency in the market. ERP technology consolidates business functions and tasks into a single system that all supply chain players can directly learn from and inform. Afrikamart increases efficiency by directly providing more reliable market access to smallholder farmers and decreases the labor of retailers (80% of whom are women). It also increases transparency, which preserves marketplace trust and information symmetry. Further, optimized food ordering and delivery improves sustainability through the mitigation of food and fuel waste and decreases Senegal's reliance on imported foods. Through Bamboo, Afrikamart will benefit from Technical Assistance funded by the Smallholder Safety Net Upscaling Programme (SSNUP) to help scale its technology to 100,000 smallholder farmers and 300,000 retailers in West Africa by 2027.

In the microfinance sector, technology can streamline the distribution of vital financial services necessary to propel the growth of recipients' businesses and substantiate personal assets and credit history, especially for those previously underserved by the local banking system due to a lack of collateral or record of credit. UNI2, Colombia's fastest-growing microfinance institution, dissents against the inappropriate collaterals of most traditional local banking options to make financing accessible to low-income clients in emerging and frontier markets. As a recipient of a USD$3,000,000 loan from the Agri-Business Capital (ABC) Fund, UNI2 also received a tailored technical assistance program which designed an app that streamlines the client assessment process, allowing capital to be disbursed more accurately and efficiently. This speed and efficiency is imperative in emerging and frontier markets, where financial needs are often dynamic, time-sensitive and overwhelmingly unmet by traditional banks. With the digital tool, UNI2 can better serve its smallholder farmer client base, 40% of whom are women – extending flexible, reliable, and transparent capital to community-builders in Colombia.

Bamboo also supports the digitalization of business processes, which can catalyze an organization's success. Through an ABC Fund investment, UNACREP (the first microfinance institution in Benin, of which Bamboo was the first international lender) was equipped with Microfina, a centralized, automated Management Information System that allows managers to consistently access branch data. Instead of manually processing disparate, unstandardized Excel sheets on a daily or weekly basis, UNACREP headquarters can now immediately access data. Here, technology supported the scale of a venture, allowing UNACREP to more productively impact its 130,000 members.

Another frontier in technological infrastructure in which we invest is the implementation of sustainable and clean off-grid energy systems. Reliable access to electricity, which helps to ensure household and business safety, productivity, and improved quality of life, is a hallmark of everyday life for many. This year, however, nearly 775 million people went without it, the majority in sub-Saharan Africa. Ineffectual or unreliable electric grids, which disproportionately affect rural and poor communities, may be attributed to political turmoil, economic strain, or hard-to-reach or otherwise unforgiving geographies. This disparity in access is countered by organizations like Alina Eneji, who distributes revolutionary mesh grid solar systems in Haiti. Mesh grids, designed and constructed by OkraSolar, impressively combine the advantages of traditional single-home solar systems and mini-grids while conserving productive energy production and affordability. Through the use of this technology, Alina Eneji will have provided clean, reliable energy to over 4,000 Haitian homes by 2023, and aims to ultimately power 100,000 with their mesh-grid technology.

As we collectively weather global financial crises, embracing and investing in technology-based solutions focused on delivering tangible impact at scale is key. Technology is particularly well positioned to unlock access to essential products and services for people who were previously unserved as global innovations otherwise accelerated. Through the advance of affordable systems efficiency and resource access, technology facilitates unprecedented scale and depth in impact. Together with our strategic partner Palladium, who shares our vision and enthusiasm for digitalization, Bamboo is committed to support the growth of businesses that contribute to scaling connectivity and leveraging affordable, efficient and transparent technological solutions to ultimately improve the lives of the most underserved around the world.

afrikamart.

As of December 2022:

2200 Suppliers (farmers) registered on Afrikamart's platform

867 Clients (retailers) registered on Afrikamart's platform

37 Afrikamart's full-time employees

9 Afrikamart's female full-time employees

Afrikamart

Transforming the fresh produce supply chain in Senegal

Agriculture is a vital industry in Senegal, representing 16% of the country's GDP and employing 70% of the Senegalese population. In recognition of the sector's importance for the economy, the Senegalese Government has pledged $4 billion via the Program of Acceleration of the Rate of Senegalese Agriculture for the period 2019-2023. Despite this, 70% of food consumed in the country is imported and growth in the sector slowed from an impressive 23.4% increase in 2020 to a 4.6% increase in 2021. Senegalese farmers suffer from insufficient market access, limited market information and they most often face issues with late payments from intermediaries. Meanwhile, street vendors and small retailers - 80% of whom are women - rely on unreliable brokers and intermediaries who often inflate the price of the produce making it expensive for the final consumer.

Afrikamart, a Senegalese agritech startup co-founded in 2018 by two entrepreneurs – a software engineer and an agricultural commodity trader – aims to address these challenges by leveraging on technology to offer a distribution platform for smallholder farmers and a digital purchasing center for retailers. Afrikamart orders and sources fresh produce directly from farmers at market price and organizes the delivery to retailers through a quick and efficient process supported by its proprietary technology. The efficiency and convenience of delivery, with packaging provided by Afrikamart, allows street vendors and small retailers to reduce transit time for procurement of fresh produce. Afrikamart's software and physical services alleviate the inefficiencies which constrain the West African agriculture supply chain and, in doing so, provide value to each node of the production and distribution chain – from producer to consumer.

Afrikamart offers an agribusiness supply chain solution which helps smallholder farmers secure better incomes, retailers procure food products at a better price, and consumer access local food products. Afrikamart's end-to-end logistics from smallholder farmers to small retailers and their end customers introduce more consistent and prioritized price transparency. This was previously obscured by traditional intermediaries who usually imposed disadvantageous, and sometimes abusive, conditions on smallholder farmers such as late payments, failure to pay should they not move their inventory effectively, unreasonable price plasticity, etc. Afrikamart estimates that its product purchase, collection, and distribution system can increase supplier revenues up to 20%. By leapfrogging the traditional intermediaries of very fragmented, unorganized value chains such as the fresh fruits and vegetables, Afrikamart is also able to offer competitive prices to retailers, who appreciate its quick, flexible, and reliable access to a high-quality, appropriately priced array of fresh products.

To date, over 2,200 farmers have provided Afrikamart with fresh produce and up to 10 tons have been delivered per day to over 800 retailers across 4 cities in Senegal. Afrikamart's end-to-end solution allows a formalization of the fresh food value chain and the empowerment of small market operators. It enhances information and trust in the marketplace, while increasing the diversity and availability of local fresh produce in Senegal. Further, Afrikamart improves the sector's sustainability by significantly reducing food waste (up to 50% of fresh produces is typically wasted) and increasing the consumption of local produce which decreases carbon emissions due to international transport.

The company was among the top 10 impact tech startups (of 800 companies considered) to receive investment from the accelerator program Katapult Africa Group. Bamboo supported Afrikamart through a USD$360,000 equity investment from the BLOC Smart Africa Fund, as part of a USD$850,000 seed round of financing with other leading venture capital groups including Orange Ventures, Launch Africa and Teranga Capital. The proceeds from the financing will allow the company to ramp-up its purchases from smallholder farmers across the country and efficiently manage the logistics and last-mile delivery of 14 fresh types of vegetables directly to street vendors, small retailers and restaurants in Dakar and Mbour.

Bamboo also helped Afrikamart in applying to and successfully receiving funding for a technical assistance project from the Smallholder Safety Net Upscaling Programme (SSNUP). The program provided €110,000 to help advance and scale up Afrikamart's digital platform. SSNUP is an initiative supported and funded by the governments of Luxembourg, Switzerland, and Liechtenstein, which co-funds technical assistance projects that support agricultural value chains and smallholder farmers through the investees of member impact investors. Bamboo recently became a member of SSNUP, enabling our investees in the agricultural sector to submit applications for technical assistance projects.

Afrikamart projects significant growth in its near and long-term future: by 2025, the company hopes to onboard 39,000 smallholder farmers and 30,000 small retailers, purchase over 170 tons of vegetables per day and reduce food waste to under 5% of the volume purchased. Within the next five years, the company plans to expand to other countries in West Africa and connect 100,000 smallholder farmers to 300,000 retailers. "After launching our small retailer trading program late 2021, we have been overwhelmed by the demand for our solution. The annual fresh fruits and vegetable market in Senegal represents half a billion tons and a USD 1 billion market opportunity. Once we have successfully entered the Senegalese market, we intend to take our tech platform and knowhow to other West African countries" said Mignane DIOUF, Founder and CEO, Afrikamart.

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ENERGY ACCESS

ENERGY ACCESS

Off-grid solar innovation accelerating access to electricity

Christian Schattenmann
Head of Energy Access

Since 2010, more than a billion people have gained access to electricity. However, because of several factors including the pandemic, inflation and energy crisis, the number of people without electricity is increasing again for the first time in decades. According to the International Energy Agency (IEA), the number of people around the world who live without electricity is set to rise by 20 million in 2022, reaching nearly 775 million. The rise is mostly located in sub-Saharan Africa. For low-income households, lacking access to reliable electricity has consequences on health, comfort, and quality of life, but also on security, children's education, ability to access basic services and generate an income. The lack of access to electricity hinders investment and constrains the development of productive businesses.

Over recent years, the energy access sector made good progress in a few larger markets, providing access to clean energy to millions more people. However, off-grid companies serving the most hard-to-reach, low-income households are still struggling to make their business profitable. Even in larger markets, serving the poorest rural households still requires significant grant support or some sort of cross-subsidization.

Off-grid solar distributors are confronted to many challenges. First, in most cases the end-customer cannot pay upfront for the solar energy system, which means that they need to provide consumer financing, raise capital to prefinance the assets and be able to manage credit risk. The cost of capital is prohibitively high for most companies, especially when managing currency devaluation where the product is paid upfront in USD and cash collected from customers in local currency over a longer period. Currency devaluations have hit hard many of the developing countries where off-grid solar products are deployed and where companies are facing a lack of affordable local currency financing options. Moreover, gross profit margins are often too low because of margin pressure due to the low purchasing power of customers. Managing collection and good portfolio quality is important. However, many customers pay-as-they-go and do not pay when they do not need the product; others default because they have other spending priorities. As a result, the average collection rate in the industry is currently below 70% while our experience has shown that it should be above 80% to sustain the business. Many PAYGO solar companies also struggle with high overheads, with a fixed cost base set up for a massive scale which is hard to reach.

Those challenges are already difficult to address in large markets like Kenya and Nigeria. They are even more of a challenge in smaller countries, like Burundi or Niger, which cannot develop without subsidy. Grants need to come in to help the market develop and companies to scale. Results-based financing is one of the most effective ways of providing subsidies as it incentivizes companies to achieve specific quantitative targets. Beyond energy for lighting, mobile phone charging and small appliances, companies are expanding to productive use of off-grid solar solutions such as solar water pumps, cold storage and other products servicing public institutions. The use of catalytic and RBF grants can help those adjacent models to develop and expand. While typically grant programs try to help build an infant market and move it to some scale, the focus also needs to be laid on financial sustainability of companies – the worst result of a grant program would be to ignite a large

beacon that then collapses and permanently damages the market. To carefully design and manage sector support programs has become a core competency of Bamboo.

Bamboo has a long experience in investing in companies providing off-grid solar energy solutions to low-income households who do not have access to electricity, through the Oasis Fund launched in 2007 and the Bamboo Energy Access Multiplier (BEAM) Fund launched in 2018. Bamboo's pioneer, exploratory fund Oasis started to invest in clean energy access over a decade ago, recognizing the sector's strong potential to deliver long-term impact for low-income people. Over the years, Bamboo explored various business models, from pico-solar to mini-grids using biomass and solar power, as well as solar home systems relying on tech platforms with remote control and pay-as-you-go functioning. More recently, we started to deploy our expertise in clean energy in specific countries where we were selected as fund manager to support Governments' plan to build or develop the clean energy market. Bamboo was selected as the international fund manager of three funds focused on clean energy access in partnership with the World Bank and country Governments: the Off-Grid Electricity Fund (OGEF) in Haiti, the Off-grid Market Development Fund (OMDF) in Madagascar and the "Fonds d'Energie Solaire Et de Cuisson" (FESEC) in Burundi.

Supporting access to clean and reliable energy in Haiti

The Haitian Government established OGEF in 2019, with support from the World Bank, with the objective to address the severe lack of access to electricity in Haiti through the electrification of 200,000 Haitian households and SMEs within 10 years. The Fund aims to play a key role in transforming the underdeveloped, unreliable existing energy system in Haiti, centered on expensive fossil fuels, towards a modern and sustainable energy market with diversified energy sources through debt and grant financing made available to companies offering off-grid energy access solutions in the country. OGEF is jointly managed by Bamboo Capital Partners and the Haitian Development Finance Institution Fonds de Développement Industriel (FDI). The Fund is supported by the World Bank and funded by the Clean Technology Fund and the Scaling up Renewable Energy Program in low-income countries, which accelerate climate action by empowering transformations in clean technology, energy access, climate resilience, and sustainable forests in developing and middle-income countries.

In 2022, OGEF supported several companies providing solar energy solutions in Haiti through credit solutions. Solengy, which supplies solar solutions to residential, commercial, and industrial customers through a lease-to-own program improving affordability of renewable

power solutions, received a loan from OGEF to facilitate its expansion beyond Port-au-Prince. The OGEF loan will help the company expand to regions where larger proportions of households and businesses cannot afford the upfront cost of solar equipment and are subsequently forced to rely on expensive and polluting diesel generators to provide their electricity. Similarly, OGEF is supporting Digital Kap, a supplier of solar products and systems including mini grids that provide reliable, clean, and affordable energy to homes and businesses in Haiti. OGEF is financing the acceleration of Digital Kap's expansion beyond Port-au-Prince and the development of its offering for small- and medium-sized businesses. Alina Enèji was another recipient of OGEF's funding in 2022. The company's innovative model provides reliable, clean and affordable energy via innovative mesh-grid solar energy systems. The first loan provided to Alina Enèji aimed to enable the company to build and operate three mesh-grids in rural Haiti and connecting 300 households and small businesses using Okra Solar's technology. The subsequent loan provided by OGEF in 2022 aims to triple the size of Alina Enèji's mesh grids to serve 1,000 households with Okra Solar's support. Alina Enèji is targeting to electrify 4,000 households by the end of 2023 and believes there is potential to rapidly scale to serve 100,000 Haitian households. As access to finance for solar energy is limited and burdensome, inhibiting solar uptake, OGEF's strategy also includes supporting financial service providers who are offering solar credits. Paon Bleu, a leading digital lending start-up, received a loan from OGEF to expand its solar credit offer throughout Haiti in partnership with its network of distributors. Paon Bleu is an end-to-end, digitally native platform that provides loan origination, underwriting, processing, servicing and customer service.

In addition to its credit offering, OGEF's Results-Based Financing (RBF) grant program supports the distribution of products that meet the VeraSol quality standard. The RBF program launched in 2021 now holds contracts with four Haitian companies: Ekotek, Palmis Enèji, Haiti Green Solutions and Gold Energy. At the end of 2022, close to 20,000 products have been sold by the beneficiaries of the program. After consultations with key industry stakeholders, OGEF is further streamlining and accelerating the payment of RBF grants. This will be achieved by making administrative procedures more efficient while maintaining a higher grant level, making the program even more effective and attractive for solar distributors operating in the difficult business environment in Haiti. Within its grant program, OGEF is also providing catalytic grants to solar distributors to overcome critical hurdles in the launch and growth of their business. A call for proposals with up to USD$300,000 funding was launched in 2022 to further support companies enrolled in the RBF program. Three of them – Palmis Enèji, Ekotek and Haiti Green Solutions – have been selected to benefit from this catalytic financing.

The Off-Grid Market Development Fund (OMDF) in Madagascar

In Madagascar, only one third of the population has access to electricity, and in rural areas, electrification rates are as low as 10%. To address this challenge and significantly improve access to energy in Madagascar, the Government of Madagascar and the World Bank launched the Off-Grid Market Development Fund (OMDF), a USD$40 million renewable energy access fund for Madagascar, and appointed Bamboo as international fund manager in 2020. OMDF aims to increase access to electricity via off-grid solar energy solutions, from solar lamps to entry-level Solar Home Systems (SHS). The Fund's ambition is to support the electrification of at least 300,000 households and SMEs in Madagascar until June 2024. OMDF is part of the LEAD project ("Least-Cost Electricity Access Development Project"), an initiative of the Malagasy Government, led by the Ministry of Energy and Hydrocarbons (MEH) and financed by the World Bank. The Fund is managed by Bamboo Capital Partners in partnership with Société Générale Madagasikara.

OMDF offers an RBF grant program as well as a loan facility. The RBF grants support for off-grid solar distributors in developing their operations in Madagascar. The grants subsidise companies that offer VeraSol certified products, with additional incentives for those offering end-customer financing solutions via pay-as-you-go models or through MFIs. The grant facility also helps new market participants overcome entry barriers through a partial prepayment of the RBF grant. In parallel, OMDF is providing credit solutions to distributors and financial institutions active in the off-grid solar sector. OMDF's credit offering specifically finances working capital, stock building of quality products and end consumer financing. It will also contribute to creating credit history in the energy access sector in Madagascar to attract further private sector financing to solar distributors. As of December 2022, the beneficiaries of OMDF's result-based grant financing have sold over 86,000 off-grid solar products, reaching over 81,000 households and 4,500 small- to medium-sized businesses. These products have generated more than 540,000 kWh of clean electricity during the year, avoiding nearly 36,000 tons of carbon emissions (tCO_2eq).

Launching a Fund focused on access to clean energy and clean cooking solutions in Burundi

The Ministry of Hydraulics, Energy and Mines (MINHEM) of the Republic of Burundi recently launched the Solar Energy Project in Rural Communities (also called SOLEIL-NYAKIRIZA) financed by the World Bank, with the aim of increasing the rate of access to electricity and to efficient and clean cooking solutions. One of the components of the SOLEIL-NYAKIRIZA project is the Solar Energy and Clean Cooking Fund (Fonds d'Energie Solaire et de Cuisson – FESEC). FESEC is a USD 17 million fund aims to reach 65,000 households with off-grid solar products and 300,000 households with improved stoves for efficient and clean cooking. Bamboo Capital Partners was appointed in 2022 as the international fund manager of FESEC by MINHEM.

Cumulatively, as of December 2022, across all funds managed by Bamboo:

144 MW installed clean energy capacity

104 million people provided with access to solar energy

111,000 businesses provided with solar energy systems

17.4 million tons of CO_2 emissions avoided by investee off-grid solar energy companies

Alina Enji

Mesh grid innovation to accelerate electricity access in rural Haiti

Access to electricity is a major challenge in Haiti. Of the nearly 10 million people without access to electricity in Latin America and Caribbean, over 60% are in Haiti. Although nearly half of Haitians have access to the grid, which is mostly available in cities, electricity provided through the grid is highly unreliable and inconsistent: in 2022, the residents of Haiti's capital and most populated city Port-au-Prince could only utilize electricity for 4-6 hours a day due to grid instability and a lack of available electricity. Most of the country's grid electricity is produced using imported fossil fuels, which makes it vulnerable to fuel blockades, and the Haitian electricity distribution network has not been rehabilitated for more than 40 years, with many generation units and grid elements needing rehabilitation and repair work. Unreliability of the grid leads many businesses and urban households to install diesel generators, which generate 450,000 tons of CO_2 per year. In rural areas, the situation is even worse and extremely challenging as only 1.2% of the rural population has access to electricity, according to the World Bank. The very large majority of rural households rely on kerosene or biomass such as charcoal and wood as their main source of energy for lighting and cooking, which further contributes to deforestation and air pollution with impacts on health, safety, and security.

Solar generation offer a huge potential for Haiti, a country with abundant sunshine, but has not yet reached large-scale use. Until recent years, the only two alternatives for energy access in rural areas of Haiti not served by the grid were either mini-grids or solar home systems. However, these two options have their own challenges. Mini-grids are able to supply large amounts of energy but are highly expensive to deploy: as their expansion in rural areas would require subsidies of around $1,000 per connection to be financially viable, their high capital grant requirements currently prevent them from scaling up. On the other hand, solar home systems offer a flexible solution, fast and simple to install, adapted to basic household needs such as lighting and phone charging, but limited as they would not provide enough power for productive use.

Recently, various factors have favored the emergence of technological alternatives to overcome these barriers, including an unprecedented improvement in the efficiency of lighting equipment and appliances. Over the last ten years, the power needed for lighting, phone charging, using fans and running a TV has reduced from 50 kWh to 5 kWh per month. In the meantime, the price of solar panels and batteries has decreased by more than 80%. Moreover, the Internet of things (IoT) has enabled the development of sophisticated software that allows multiple power sources to be linked and remotely monitors and detects faults (e.g. dirty panels, shading at certain times of the day, potentially faulty wiring, or battery life issues) allowing maintenance staff to identify issues even before they impact the customer.

These trends have paved the way for the development of mesh grids, an innovative solution to the current challenges faced by both mini-grids and solar home systems. Mesh grids offer decentralized renewable energy systems where the generation of electricity is co-located with its use. With mesh grids, households produce electricity from panels installed on their roof and use it to power their home, while being linked with a 50V DC grid, allowing generation and use to be shared among nearby households – offering the back-up which would have been provided by a grid. Mesh grid solar systems are modular "plug and play" which allow economies of scale in manufacture and making it possible to easily reconfigure the grid if demand changes. For rural areas where typical household consumption is less than 5kWh/month, mesh grids combine the simplicity and ease of use of solar home systems, with the resilience of a grid.

By eliminating centralized generation, and the need to distribute all the power through overhead lines, mesh grids enable a significant cost reduction. They are fast to install and do not require land acquisition nor time-intensive engineering and construction work. Their deployment is simpler in terms of planning, legal and regulatory components. In a country highly exposed to extreme weather events, mesh grids also provide advantages in terms of resilience to natural shocks: if grid lines are blown down by a hurricane or disrupted by an earthquake, local generation and use can continue. Mesh grid are also less confronted to the risk of theft: with much less power being shared than on a regular grid, it almost impossible to steal electricity from overhead wires, and with the network monitoring it would be immediately detected.

Alina Enèji, a Haitian company established in 2021, seeks to tackle the challenges of energy access in the country by providing reliable and affordable electricity to rural households and SMEs through mesh-grid solar energy systems. Alina's mesh grids are designed specifically for remote implementation in rural, lower-resource regions. The electrical system is entirely powered via solar energy with a battery backup. Alina Eneji's mesh grid is using technology from its partner Okra Solar which Alina Eneji configures for the Haiti market. This IoT technology enables ease of set up as well as remote monitoring, operation and maintenance. Further, its pay-as-you-go payment scheme removes the discouraging barrier of larger upfront payments. Alina Enèji has committed to have no connection fee for new customers, resulting in almost 100% of potential customers seeking a connection in the areas covered. Alina Enèji aims to provide electricity to both low-income domestic customers with limited needs and to SMEs that help the local economy develop and bring jobs to rural areas.

With support from the Off-Grid Electricity Fund (OGEF) managed by Bamboo Capital Partners, Alina Enèji started piloting the introduction of mesh-grid technology to 300 households in the Marchand Dessalines area of Haiti. They found that the mesh-grid infrastructure can be deployed promptly and affordably, and that the technology was highly valued by the recipient. The pilot has proved encouraging, with installation done in two months from the equipment arriving in Haiti. The grid is meeting the electrical needs of the customers, both the majority of the customers that are consuming on average 3kWh/month and the high users consuming up to 100 kWh/month. The grid is delivering electricity 99% of the time.

Alina Eneji is now running a pilot of 1000 households and businesses which has shown promising results, with an ability to supply up to 100 kWh/month, which is sufficient for all the users in the area. The company is now testing a lease-to-own model for productive equipment, enabling customers to buy appliances. Alina Eneji is partnering with Fonkoze Foundation, a local microfinance company, to enable more productive use appliances to be offered by combining credit, advice and aftersales service. Following OGEF's financing, Alina Eneji benefitted from additional funding from Global Energy Alliance for People and Planet (GEAPP), which will allow the company to expand the pilot to 4,000 connections, serving 18,000 Haitian people.

Alina Enèji believes there is potential for the company to rapidly scale to serve 100,000 Haitian households. The company is working with the National Regulatory Authority of the Energy Sector (Autorité Nationale de Régulation du Secteur de l'Energie, or ANARSE) to evaluate how mesh grids can complement the Electricité d'Haïti (EDH) grid and accelerate the electrification of previously unreached regions over the next ten years. Alina Eneji is demonstrating that mesh grids offer a scalable model that could help meet the needs of the approximately one million households that lack access to reliable power in Haiti. By deploying mesh grid innovation in rural, unserved or underserved areas, Haiti can become a leader in energy access and demonstrate how solar technology can help increase resilience and accelerate access to electricity for last-mile, low-income communities around the world.

As of December 2022:

22,427 kWh solar energy generated during the year

31,397 kg CO2e- offset during the year

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FINANCIAL INCLUSION

FINANCIAL INCLUSION

2022, a turbulent year for the financial inclusion sector, with a good recovery perspective

Jorge Farfán

Investment Director,
Head of Financial Inclusion

Following 2020's COVID-afflicted global lockdowns and downturned markets, 2021 had marked a year with a remarkable rebound in investments driven by confidence in technology as a financial value driver. In 2022, however, the world almost fully returned to normality and the growth based on technology reduced as in-person interactions rebounded. Investors reduced investments in tech sectors, including those in fintech companies that were mostly focused on building a growth strategy without showing an immediate path to profitability. In addition, the high interest rates, high inflation and significant currency devaluations in emerging markets that characterized 2022 reduced the appetite of investors, which made fixed-rate, rather than equity, instruments more prominent.

2022 was a year of mixed results in the financial inclusion arena. One one hand, despite margin constraints and increasing financial costs, traditional and microfinance banks maintained steady income streams. On the other hand, fintech companies faced most of the challenges with a hard stop reduction in financing and valuations decrease. Under this scenario, fintech companies struggled to get financing for new rounds and some of them got a point where they had to either stop their operations or reduce growth.

During the year, traditional banking and microfinance banks worked closely with fintechs to provide each other valuable products and services. For instance, in some makets, new regulations for the implementation of the Open Banking framework were taking good shape. This framework enables secure interoperability in the banking industry by allowing third-party payment services and other financial service providers to access data from financial institutions. Additionally, many fintech companies were focused on creating white label services which would allow a technology solution to be customized and rebranded by financial institutions or other fintech companies as their own. This trend will probably continue during the following years with banks incorporating new technologies and fintech companies offering new services to the traditional financial industry.

The negative impacts of inflation, high interest rates and currency devaluations made 2022 a challenging year for Bamboo's current portfolio companies. Management of most investee companies was focused on maintaining efficiency while putting efforts into recovering the growth pace observed prior to 2022, especially with the use of new technologies enabling the creation of new products. In late 2022, our portfolio companies demonstrated figures which confirmed a strong recovery, and we expect this positive outlook to continue in 2023.

In 2022, Bamboo exited three specialized microfinance entities within our traditional microfinance portfolio: Kopo Kopo in Kenya, Banco Popular in Honduras and Banco W in Colombia. Through its investment in Banco Popular in 2012, Bamboo has positively impacted the development of local microfinance offering in Honduras. Bamboo exited Banco Popular after triple-digit loan portfolio growth and over seven times growth in savings portfolio. During this period, Banco Popular impressively extended its credit portfolio from USD 40MM to 144MM and grew its deposits from USD 16MM to 122MM. In addition, the number of microfinance clients almost tripled, from over 20,000 to over 59,000, while the number of depositors experienced a very high growth, from over 30,000 to nearly 183,000. During the last few years, Banco Popular expanded to rural areas where the need for financial services and credit for agricultural enterprises is more critical, and began a digital transformation process that facilitate data collection during the loan origination.

Similarly, Banco W, created in 2011, promotes financial and social inclusion through microfinance and other financial products and services in Colombia. During Bamboo's holding period, Banco W grew its number of clients twice. Bamboo's shares were acquired by Fundación WWB Colombia, an independent and autonomous institution that has been working for more than four decades to close inequality gaps for women and promote their economic empowerment.

Kopo Kopo, operating in Kenya, leverages payment data to digitize and extend credit to SMEs and offers a digital platform enabling small merchants in Kenya to accept digital payments. Kopo Kopo integrates SMEs onto Africa's most successful mobile money platforms and facilitates credit through its platform.to Since Bamboo's investment in 2012, Kopo Kopo doubled its portfolio, from around 10,000 SME clients in East Africa at the time of Bamboo's investments, to over 20,000 at exit. Additionally, in early 2023, we exited both Bai-Tushum Bank, one of the leading financial institutions in the Kyrgyz Republic, and TeakTree, a microfinance company in the Philippines.

While we conducted these exits from companies invested through Bamboo's first Financial Inclusion Fund, Bamboo also managed new debt investments in microfinance institutions via the Agri-Business Capital (ABC) Fund. In 2022, the ABC Fund provided loans to Success for People, a Ghana-based microfinance institution offering savings and credit opportunities to small and micro enterprises, Uni2 (formerly Finamiga), the fastest growing microfinance institution in Colombia, whose central emphasis is upon strengthening microbusiness and rural agricultural initiatives through productive credit loans; and Grace and Mercy, a non-bank microfinance institution in Nigeria addressing the financial needs of women working in small trading and micro-productive activities.

Cumulatively, as of December 2022, across all funds managed by Bamboo:

43 microfinance institutions and **8** fintech companies financed

99.7 million people provided with access to financial services

3 companies providing financial services entirely dedicated to women having served so far **4.1** million female borrowers

8 fintech companies financed having served **3.4** million clients through digital technologies

As of December 2022:

USD $23 M - UNI2's Gross Loan Portfolio

45,350 Loans Disbursed by UNI2 Since its Inception

15,250 Active UNI2 Clients

16,5% of UNI2 Clients Live in Vulnerable Conditions

2,8% of UNI2 Clients Live in Extreme Poverty

4,850 Smallholder farmer borrowers

USD 1,2 M Value of UNI2 Cultiva Portfolio

40,3% of Smallholder Farmer Borrowers are Women

Uni2

Microfinance solutions for Colombia's smallholder farmers

Colombia is one of the most unequal countries in the world. After decades of armed conflict, large numbers of Colombians live in poverty – but poverty rates are substantially higher in rural areas than urban areas. This inequality is also reflected in national credit provision: while the agricultural sector employs almost 17% of the country's population, agricultural credit represents just 7.3% of total credit issued (mainly because poor infrastructure has left many rural areas extremely difficult to access). With micro-, small, and medium-sized agricultural producers thus struggling to access financing, many are failing to reach their full potential – constraining the country's overall economic growth.

Founded in 2014 by two young entrepreneurs, UNI2 (formerly Finamiga) has been one of Colombia's fastest growing microfinance institutions for the past 2 years. Operating in more than 220 Colombian municipalities – amongst which forty-nine are post-conflict zones – the company focuses on lending to the country's poorest smallholder farmers, with a central emphasis on strengthening microbusiness and rural agriculture initiatives through productive credit loans. Amongst its four credit lines, its CULTIVA microcredits allow farmers to increase their productivity and income by enabling them to acquire supplies such as tools, fertilizer, and machinery, while its larger CARGA microcredits allows them to purchase vehicles to transport their goods. Committed to carefully monitoring the impact of its loans to ensure that they are associated with improved quality of life, UNI2 regularly conducts poverty assessments of all its clients (using a set of ten questions known as the Poverty Probability Index [PPI]). If they observe clients' PPI scores worsening, UNI2 seek to assess and, where possible, address causes to ensure a sustainable impact with their clients.

In May 2022, the ABC Fund managed by Bamboo completed a USD $3,000,000 loan to UNI2, providing the organization with additional liquidity and growth capital, enabling it to disburse an extra 4,000 agricultural loans and 1,000 vehicle loans for smallholder farmers. Despite the country's unstable and difficult financial environment, the Fund's financing has already helped

the company to achieve significant growth: from supporting 1,491 CULTIVA clients in December 2021, to reaching 2,105 by December 2022. In 2023 the company is currently reaching more than 4,847 small farmers with its products and services – 40% of whom are women farmers and 44% of whom are young people.

As part of the ABC Fund loan, UNI2 also received technical and advisory support through the Fund's Technical Assistance Facility (TAF), managed by Agriterra. Prior to investment, the ABC Fund's TAF team and Uni2 collaboratively identified several key areas requiring development in order to achieve maximum impact. The main one was the organization's technological architecture, which required improvements to ensure mid- to long-term infrastructure stability as well as improved efficiency. The ABC Fund's TAF supported UNI2's in building a digital application based on their online platform to allow the UNI2 team to fill in the forms used in assessing a client's business during the loan study process – making the loan assessment process faster and more accurate as all calculations are made automatically. As a result, the loan handling time will be reduced, and clients may receive their loans quicker. This is important because microentrepreneurs often need to have these resources as soon as possible. With the help of three expert developers from Rabobank, the design and groundwork for the new mobile application with offline capability was also completed. Once in operation, this new application will allow loan officers to complete forms and capture images when visiting clients in areas without internet. These can then be digitally submitted via the app once they have returned to an area with internet coverage.

One small business that received microfinance from UNI2 is Jorge, a young yoghurt producer. Like almost 84% of Colombians, Jorge's business was previously informal which meant he could not get a loan at a formal institution. However, UNI2 opened an opportunity for Jorge to acquire a loan through the 'Motoamiga' product, which enabled him to buy a motorbike so he could transport supplies and sell his yogurt with more easiness not only in local parks near his house, but also by delivering to clients' homes. As a result, Jorge has been able to scale his operation: he registered his business at the Chamber of Commerce, sells yogurt to gyms in the neighbourhood and employs five people who continuously help him with the current operation. Jorge recently finished paying off his motorbike and is currently applying for another loan with UNI2 to expand his business further.

With the support of funding from partners like the ABC Fund along with its essential TA processes, UNI2 has constantly expanded its operation to reach more clients while enabling them to grow their business sustainably through vital financial inclusion opportunities.

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AGRIBUSINESS

AGRIBUSINESS

Addressing the financing gaps in agricultural value chains

Susan Tirop
Fund Manager for the ABC Fund

Small and medium-sized enterprises (SMEs) constitute the majority of businesses within the agri-food sector in developing countries and have the potential to transform global food systems and to help achieve the Sustainable Development Goals by reducing poverty and promoting inclusive growth. But worldwide, many SMEs struggle to access the funds they need to develop and grow. Furthermore, in 2022, SMEs in the agricultural sector have faced external challenges that further affected their operations. The war in Ukraine, the ongoing repercussions of the COVID-19 pandemic, and the escalating climate crisis contributed towards deeply concerning trends. Amongst them, fertilizer shortages, decreased agricultural productivity, and rising prices of food and other essential items – all of which led to increased food insecurity and growing malnutrition rates.

Launched in 2019, the Agri-Business Capital (ABC) Fund, managed by Bamboo, aims to address the financing gaps constraining the growth of SMEs in the agricultural sector by offering investments opportunities specifically tailored to the needs of agribusinesses and farmer cooperatives in developing countries. The ABC Fund is a blended finance impact fund which provides financing to farmer cooperatives, agribusinesses and financial institutions supporting smallholder farmers. Initiated by the International Fund for Agricultural Development (IFAD) and funded by the European Union, the Organization of African, Caribbean and Pacific States (OACPS), the Luxembourg Government, AGRA, IFAD and Bank of America, the Fund is managed by Bamboo in partnership with Injaro as investment advisors. Its Technical Assistance Facility is led by the international NGO Agriterra. The ABC Fund supports agricultural companies with a broader vision of tackling rural poverty and food insecurity, and supporting sustainable and inclusive agricultural ecosystems. To achieve this, the Fund invests in underserved yet profitable segments of agribusiness value chains – and combines this with Technical Assistance to help organizations fulfil their potential. Through this unique two-pronged approach, the Fund aims to achieve meaningful and lasting change for smallholder farmers in the countries in which it operates. The ABC Fund not only provides direct investments to agri-SMEs and cooperatives, but also finances microfinance institutions delivering financial services to smallholder farmers, SMEs and cooperatives, to improve the local accessibility of financing options for the agricultural sector.

In 2022, the ABC Fund provided a total of EUR 14.7 million financing to companies operating in Benin, Burkina Faso, Colombia, Côte d'Ivoire, Ghana, Kenya, Mali, Nigeria, and Uganda. This included new investments in 7 companies – both agribusinesses and microfinance institutions active in the agricultural sector – as well as follow-on transactions with portfolio companies. The agribusinesses newly financed by the ABC Fund in 2022 included Matale Hill Brothers Ltd, a coffee processing company in Uganda, PromoFruits, one of Benin's largest pineapple juice producers, Africa Négoce Industries, a raw cashew nut processor in Benin, and Groupe Diakhate, a poultry feed manufacturer in Mali, sourcing raw materials locally and supporting higher egg-laying rates with its nutritional products. The Fund provided follow-on capital to the raw cashew nut processor Anatrans in Burkina Faso, and renewed its financing to Socak Katana and Ecookim, two cocoa cooperatives based in Côte d'Ivoire.

Beyond its financing, the ABC Fund also continued to deliver technical assistance both before and after investment to help investees become successful investment partners. By the end of 2022, the ABC Fund had invested over EUR 43 million in 28 companies cumulatively, including 3 farmer cooperatives, 12 agricultural SMEs, and 13 financial intermediaries. Together, these organizations represent almost 595,000 smallholder farmers – 200,000 of whom were directly impacted by the Fund's financing. To-date, 67% of smallholder farmers supported by ABC Fund's investees are women.

Other funds managed by Bamboo also invested in the agricultural sector in 2022. The BLOC Smart Africa Fund made an equity investment in Afrikamart, a Senegalese agritech which has developed a digital platform through which it collects products from thousands of farmers in rural areas of Senegal and sells them to small retailers and merchants in urban areas. By doing so, Afrikamart's technology creates efficiencies in the supply chains, enhances information and trust in the marketplace, eliminates late payments by intermediaries, and helps reducing food waste while making a diverse and quality offering of local produce available to local consumers. BLOC Smart Africa is a blended finance technology impact fund

managed by Bamboo Capital Partners, which invests in tech start-ups in Africa. BLOC Smart Africa was initiated by the Smart Africa Alliance in partnership with Bamboo and has received catalytic investments from the Governments of Côte d'Ivoire and Luxembourg to date.

The BUILD Fund provided financing to Green Mountain Arabica Coffee (GMAC), a producer and exporter of green coffee in Rwanda. The BUILD Fund is a blended impact finance vehicle designed to bring financing to SMEs that have the potential for strong development impact in Least Developed Countries (LDCs). The Fund is a partnership between the United Nations Capital Development Fund (UNCDF) and Bamboo, and is supported by the Government of Luxembourg, Global Affairs Canada (GAC), the Norwegian Agency for Development Cooperation (Norad), the Nordic Development Fund (NDF), the Swedish International Development Cooperation Agency (SIDA), the U.S. International Development Finance Corporation (USDFC) and the Swiss Agency for Development and Cooperation (SDC).

These achievements would not have been possible without the contribution of our partners whose relentless support, encouragement and financial backing has been critical to enable us to deliver much needed impact in agribusiness value chains.

Cumulatively, as of December 2022, across all funds managed by Bamboo:

3 farmer cooperatives financed

14 agribusinesses financed

131,482 smallholder farmers supported by farmer cooperatives and agribusinesses financed

Groupe Diakhate

Groupe Diakhate – Developing local animal feed manufacturing to support the poultry value chain in Mali

As of December 2022:

80% Percentage of employment generated by the agriculture sector in Mali

90% Percentage of chicken meat production that occurs in rural areas

70-75% Egg-laying rates supported by traditionally-made feed

88-92% Egg-laying rates supported by Groupe Diakhate's feed

250 Farmers supplying Groupe Diakhate

65% Percentage of women farmers supplying Groupe Diakhate

72% Percentage of young (15-35) farmers supplying Groupe Diakhate

Since crisis hit Mali in 2012, millions of people in the country have experienced food insecurity. It is estimated that each year during this period, an average of 3.6 million people, or 18% of the country's population, have struggled to access sufficient food. The country's poultry sector has significant potential to help address this challenge, as it is estimated that between 40% and 80% of the population raises poultry. However, many farmers lack reliable access to input such as chicks and feed, and face extremely high costs for veterinary services, leading to low output levels.

In 2022, the ABC Fund began financing Groupe Diakhate, a poultry feed manufacturer based in the country. Founded in 2014, the company originally imported and locally distributed nutritional feed that supports higher egg-laying rates than traditional feeds (88 to 92% compared to 70 to 75%). More recently, it has produced the feed itself, sourcing input and processing it locally. Offering attractive prices, as well as a customer loyalty program offering farmers a discount of up to 10%, Groupe Diakhate also has a team of veterinarians who are dedicated to assisting clients. These veterinarians help farmers to address issues such as breeding techniques and farm hygiene, and provide advice on medical issues such as the importance of vaccinations – significantly improving productivity. These veterinarians also offer a 3-week training program fully financed by Group Diakhate to farmers who plan to launch a poultry farming activity.

The ABC Fund provided a EUR 450,000 loan to enable Groupe Diakhate to purchase essential raw materials for poultry feed production, such as maize, soybean meal and cottonseed meal. This investment also supported the expansion of Groupe Diakhate's workforce. The loan was disbursed in May 2022 and has significantly contributed to Groupe Diakhate's growth. The company experienced a 5% increase in annual revenue, reaching

EUR 922,137 in 2022, and sold 1,267 tonnes of poultry feed. As of December 2022, the company is working with 26 cooperatives representing 250 maize and soy bean producers, 65% of whom are women and 72% are youth (15-35). The investment will also help Groupe Diakhate acquire more modern and efficient equipment – including a solar electricity generator to sustainably power their production activities. With much of Mali facing electricity cuts on a daily basis, company staff frequently have to work overnight to capitalize upon power availability ¬– a challenging working pattern that reliable energy provision would help address.

Groupe Diakhate will also benefit from the delivery of technical assistance from the ABC Fund TA Facility, tailored to support the growth and development of the company. The areas that have been identified for assistance include the creation of financial and administrative procedures and manuals, and roll-out of staff training in these areas; the selection and implementation of accounting software and the connection of this with an inhouse ERP system; and the development of formal job descriptions, complaint processes, and recruitment procedures.

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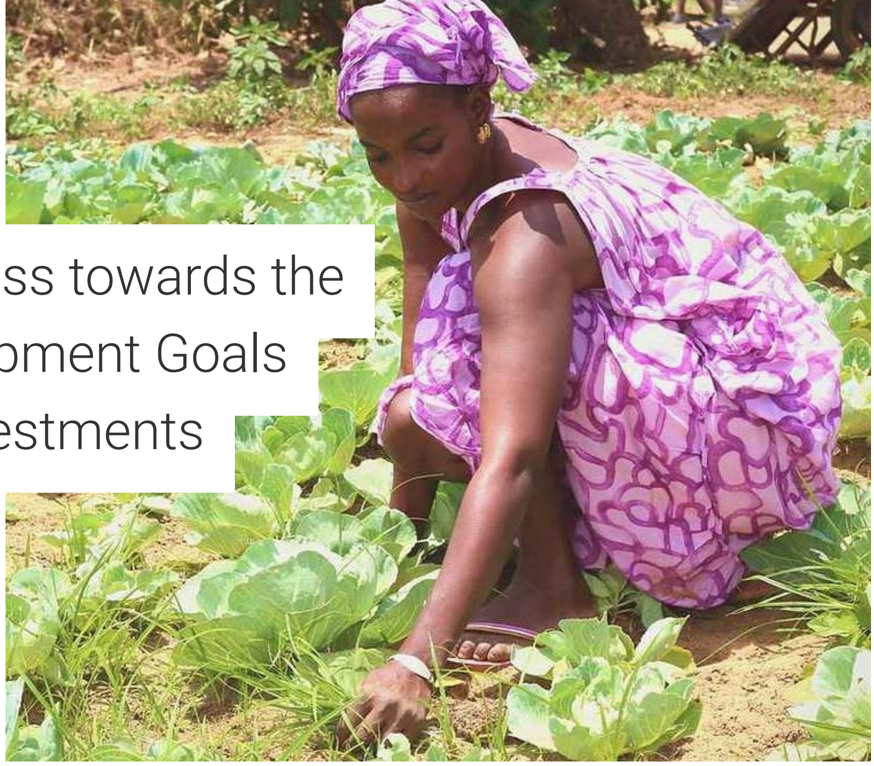
IMPACT MANAGEMENT



IMPACT MANAGEMENT

Accelerating progress towards the Sustainable Development Goals through impact investments

Marie Puaux
Head of Impact Management

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Impact Associate

As the world faces worsening and intertwined global crises and conflicts, progress towards the United Nations' Sustainable Development Goals significantly deteriorated in 2022. It is estimated that almost 2 billion people live in conflict-affected areas, and the war in Ukraine has also caused food, fuel and fertilizer prices to skyrocket, further disrupting supply chains and global trade and distressing financial markets. Climate change will only further deteriorate the situation, acting as 'crisis multiplier' and having further worsened in 2022, with planetary scale changes on land, in the ocean and in the atmosphere caused by record levels of heat-trapping greenhouse gases. Populations worldwide continued to be gravely affected by extreme weather and climate events. The Covid-19 pandemic and the global security context have further delayed the transition towards greener economies, and based on current national commitments, global greenhouse gas emissions are set to increase by almost 14% of the current decade . Against this backdrop, the current SDG financing gap in developing countries is estimated to have increased by at least 50% since the onset of the Covid-19 pandemic, totaling US$ 3.7 trillion according to latest estimates .

At Bamboo we believe that impact investments are critical in supporting the recovery of developing economies and contributing to the SDGs in a holistic way, by providing financing where it is most needed by those most affected by these crises. Bamboo offers innovative financing solutions to businesses in emerging and frontier markets serving the needs of low-to middle-income populations through essential products and services, provided at an affordable price. Each Fund that we manage has its own investment strategy but all aim to contribute to positive impact towards the SDGs in their target countries by supporting SMEs facing the 'missing middle' in terms of financing options. Through our historical funds BFIF I and BFIF II, we have contributed to financial inclusion by investing in sectors such as microfinance, fintech, small and medium-sized banks, money operators, correspondent banking and peer-to-peer lenders. In the access to clean energy sector, we are at the forefront in providing access to clean energy to off-grid communities through innovative distribution models and technology. Through the OGEF, OMDF and BEAM Funds, our investments as well as Result-Based Financing (RBF) programs are targeted at providers of pay-as-you-go solar energy systems as well as mini-grid developers and operators.

Over the last years, Bamboo has launched a series of blended finance vehicles in partnership with international organizations, NGOs and UN agencies, exploring new impact themes and sharpening our impact theses by combining our track record and expertise with those of partner experts in smallholder agriculture, gender equality, SME financing in Least Developed Countries, or African startup ecosystems. Beyond their domain expertise, our partners also bring regional footprint in their countries of intervention. Most of these blended finance impact funds include a Technical Assistance Facility that provides on-the-ground advisory support to reinforce investees' capacities and further strengthens the impact of our offering. The ABC Fund finances and provides technical assistance to underserved yet profitable segments of agri-business value chains, with the aim of improving rural livelihoods of smallholder farmers, especially women and youth. Another blended finance fund, the Bamboo-UNCDF Initiative for the Least-Developed (BUILD) Fund, a partnership between Bamboo and the United Nations Capital Development Fund focused on the Least Developed Countries, finances SMEs contributing towards the SDGs in low- and lower-middle-income countries. The BUILDER Technical Assistance Facility complements the financing offering of the BUILD Fund. BLOC Smart Africa invests in tech-enabled African businesses in a variety of sectors, including financial inclusion, access to energy, access to healthcare and medical services, access to education, ag-tech and digital infrastructure. The CARE-She Trades Fund will invest in businesses that empower women either within the company, as customers or as suppliers, and offer gender-focused technical assistance. We are also currently exploring and developing nature-based investment solutions. During the year and across our different funds, we accelerated our investments in key sectors with the aim of deepening our contribution towards achieving the Sustainable Development Goals.

During the year, Bamboo also joined the Smallholder Safety Net Upscaling Programme (SSNUP) as an impact investor. The SSNUP programme, which is supported by the governments of Luxembourg, Switzerland and Liechtenstein, aims to increase the productivity and resilience of smallholder farmers in Africa, Latin America and Asia by co-funding technical assistance projects that support agricultural value chain market actors who are investee or potential investees of Bamboo, resulting in improved risk management and the promotion of efficient, sustainable and climate-smart farming practices. By being part of SSNUP, Bamboo will be able to help agribusinesses scale up their services and strengthen their capacities, which in turn will help deliver sustainable jobs, income and positive impact for smallholder farmers.

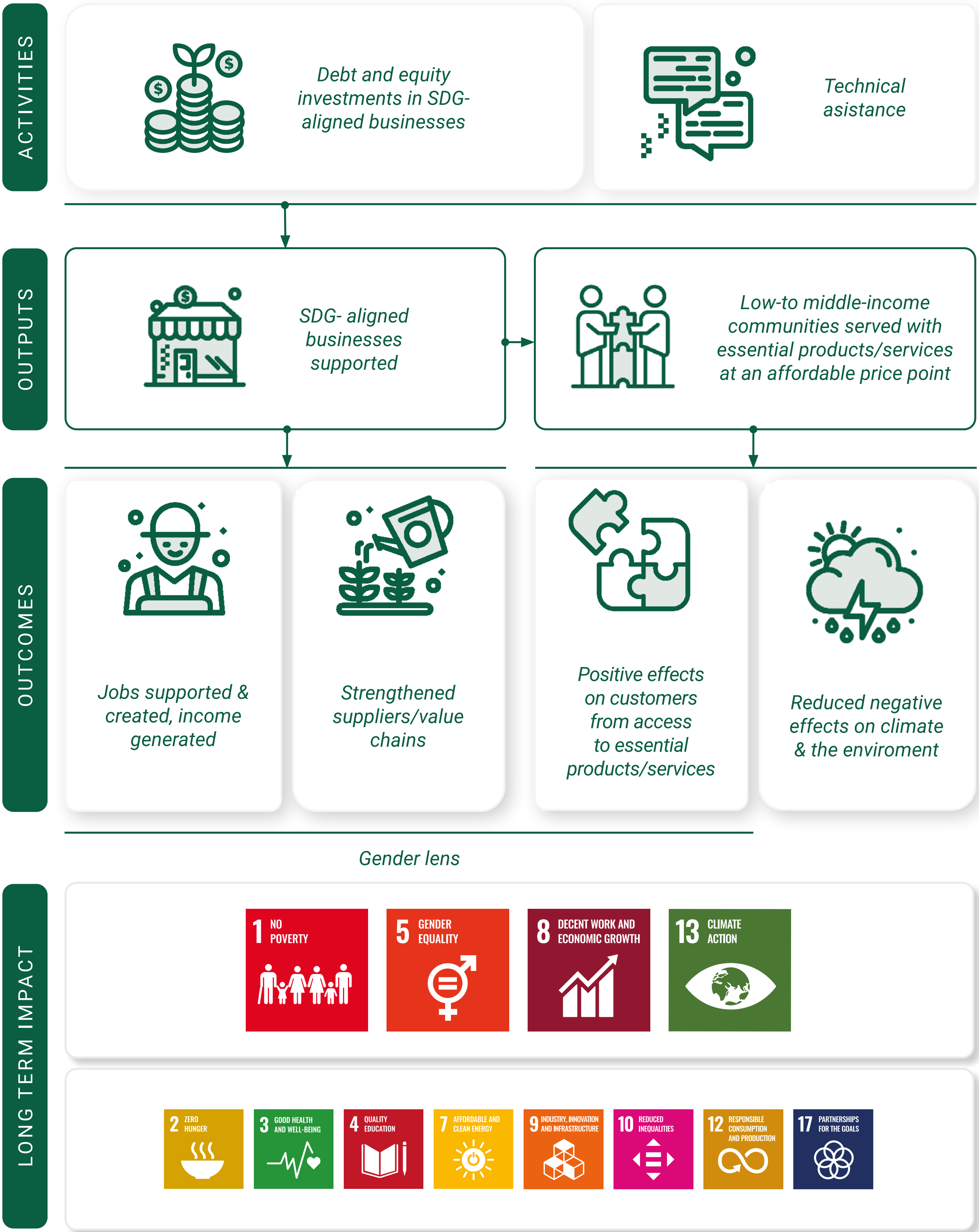
As we make progress in delivering and increasing the scope of our activities, we also continued to adapt and enhance our impact management processes together with our fund's partners. We continued to strengthen our gender and climate approaches and adapt our ESG risk management to new profiles of investees. We are also currently contributing to the creation of an industry tool to assess impact in agriculture through an initiative supported by the Swiss Development and Cooperation Agency, led by CERISE and the International Institute for Sustainable Development (IISD) with the participation of several impact investors. Bamboo is a signatory to the Operating Principles for Impact Management,

and since in 2021 we annually publish our disclosure statement showcasing our alignment with the Principles (more information on our website). We are continuously learning from and engaging with other impact investors, industry associations and academics to enhance our impact management and share knowledge among peers. Among others, we are part of the Global Impact Investing Network (GIIN) and the Impact Management Project (IMP), a forum to build global consensus on how to measure, manage and report impact, and we adhere to the best practices it promotes. Bamboo endorsed the UN Principles for Responsible Investments (PRI) for the first time in 2011 and has contributed year after year to this reporting effort which builds greater transparency in the sector. In 2022, we also adapted the pre-contractual disclosures of our Funds under management in line with the requirements applicable to "Article 9 Funds" under the European Sustainable Finance Disclosure Regulation (SFDR) and enhanced our impact reporting system to comply with new reporting obligations applicable from 2023 including the measurement of Principle Adverse Impacts.

Measuring the impact of our investments is central to our impact investing strategy. The regular impact measurement conducted by Bamboo includes monitoring of key impact data collected for each investment, in line with each Fund's Impact Framework, capturing the outreach of the Fund to its target beneficiaries, for instance smallholder farmers, women entrepreneurs, low-income customers, etc. – as well as its impact in terms of job creation and other key outcomes depending on its impact thesis. Going one step further, we aim to conduct impact studies that allow to measure improvements in the lives of the end-customers, end-users, or end-beneficiaries. In 2022, with funding from the ABC Fund's Technical Assistance Facility, an impact study of the investee EBO was conducted to further capture impact at the farmer level. The study, led by 60decibels, saw 293 clients interviewed and revealed that EBO is positively impacting its clients' quality of life – with 42% responding that their quality of life has "very much improved" (above 60decibels' benchmark) and 78% reporting that their quality of life has improved. On top of this, 61% of customers reported an improvement in business income, with 33% saying it has "very much increased." Among the customers reporting that their lives have improved, 46% talked about increased savings – however 8% of respondents also reported that they are living below the USD 1.90 poverty line. The study also identified areas where EBO could further improve – specifically, within the areas of customer service and the loan application process.

Our impact performance and impact management processes have been continuously recognized by third parties. At the beginning of 2023, we were named in the latest edition of the ImpactAssets50 (IA50) list for the twelfth consecutive year, and were further named as an Emeritus Impact Manager, a recognition of impact fund managers who have achieved consistent recognition on the IA50. The ABC Fund also renewed its ESG LuxFlag label, recognizing the fund's sound management of environmental, social and governance matters at every stage of the investment process. Overall, since Bamboo's inception, our investee companies have cumulatively impacted nearly 244 million lives, supported almost 58,400 jobs including 20,600 women jobs, and avoided 17.4 million metric tons of CO_2 emissions, and despite the global crises affecting our investees in developing countries, we remain committed to delivering impact investments contributing to the SDGs over the coming years.

Bamboo's Theory of Change



Our impact management process

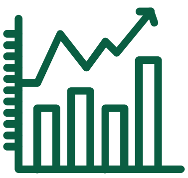
Impact management is at the core of our processes and is deployed across the lifecycle of our investments. Each of our funds has an Impact Framework which includes the fund's Theory of Change, its impact measurement process and the list of indicators that will be tracked at the investee company level and at the fund level, as well as the policy and processes related to the management of environmental and social risks.

Pre-Investment

Prior to investing in a company, we check that the potential investment is aligned with the impact thesis of the fund. During the due diligence phase, we conduct an Environmental, Social and Governance (ESG) risk assessment and further analyses on the expected impact of the company. These analyses are both part of the investment decision.

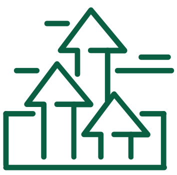
Investment

Upon approval and during the discussion on the terms of the investment, we define with the investee company the selected impact indicators to be monitored and reported on throughout the holding period. We also include conditions in the investment agreement related to the monitoring of ESG risks.



Post-Investment

During the holding period, we monitor the impact data reported by our investee company at the agreed upon frequency. Additional in-depth impact analyses may be carried out upon availability of resources. In case of specific ESG risks identified, we also monitor the progress reported by the company in monitoring and mitigating those risks. As an equity investor, we usually sit on the board of our investees, overseeing and contributing to impact performance alongside financial matters.



Divestment

We seek to divest to trustworthy investors who will allow and enable the companies to pursue their missions and visions. We also aim for organized, simple, fair and transparent divestment processes.

REFERENCES

We are constantly contributing to, and learning from, industry impact frameworks. Among others, our impact management system is aligned with the following standards, initiatives and best practices:

IRIS+

IRIS+ is a set of standardized indicators to describe an organi- zation's social, environmental, and financial performance. Bamboo Capital Partners started to adopt and align with IRIS indicators in 2011. We also track non-IRIS indicators in our impact reporting.

GOGLA

GOGLA, established in 2012, is the global association for the off-grid solar energy industry. Bamboo's impact measurement in the Energy Access sector is aligned with the Gogla standardized impact metrics for the Off-Grid Solar Energy Sector.

GIIRS

The Global Impact Investing Rating System (GIIRS), managed by B Corp, is an independent third-party assessment to rate funds and companies' social, governance and environmental performance. At Bamboo, we have rated our funds with the GIIRS assessments since 2013, until discontinuation of the ratings in 2020. For two years in a row, we were recognized as Best for the World Fund, in 2016 and 2017 (the Best for the World Fund's recognition was discontinued after 2017).

Guidelines for investing in Responsible Digital Financial Services

The Guidelines for investing in Responsible Digital Financial Services promote responsible investment in digital finance while managing risks with growth of digital inclusion. Bamboo is a signatory to the guidelines and actively promotes them.

Impact Management Project

Impact Management Project (IMP) is a forum aimed at building global consensus on how to measure, manage and report impact. As an IMP Practitioner, we are part of a community of practitioners sharing findings and challenges on impact measurement.

Operating Principles for Impact Management

The Operating Principles for Impact Management seek to establish a common discipline and market consensus around the management of investments for impact. Bamboo is a signatory to the Operating Principles for Impact Management and applies the principles throughout its portfolio and investment process.

Social Performance Task Force (SPTF)

The SPTF develops, disseminates and promotes high social performance standards and good practices for social performance management and reporting. Among others, amboo follows the Universal Standards for Social Performance Management, a comprehensive manual of best practices created by and for people in microfinance as a resource to help financial service providers achieve their social goals.

Smart Campaign

The Smart Campaign focuses on client protection and has articulated 7 basic Client Protection Principles. Bamboo endorsed the Smart Campaign and actively encourages financial institutions to implement the principles.

United Nations Principles for Responsible Investment (PRI)

Bamboo is a signatory to the Principles for Responsible Investment, which we endorsed for the first time in 2011, and contributes every year to this reporting exercise. We are also a founding signatory to the Principles for Investors in Inclusive Finance.

For more information about our ESG risk management process and SFDR disclosures, please visit our website: **www.bamboocp.com/esg-risk-management**

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