

2019

Impact Report

Sowing Impact

LETTERS
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PILLARS OF SUSTAINABLE SUCCESS
IMPACT STORIES



eco
business
Fund



Letter from the Chairperson

It is with great pleasure that I, on behalf of the Board of Directors, present the 2019 edition of the eco.business Fund Impact Report for Latin America and the Caribbean. We marked a number of milestones in the past year, which we are pleased to share with you in this report. We have expanded our reach in manifold ways – gaining partners, increasing investment volume, and entering new geographies.

Our official expansion into sub-Saharan Africa has been particularly exciting. This is a great example of how we were able to build on the momentum of our fund in Latin America to create scalable solutions that can now be adapted in new markets. Through this expansion, we will continue to advance green finance by supporting activities that contribute to biodiversity conservation, the sustainable use of natural resources, and mitigation and adaptation to the effects of climate change.

2019 was also the year that we hosted the first eco.business Fund conference, “Our Journey.” The event brought together more than 100 key players from the fund’s initiators, investors, partner financial institutions, and end-borrowers not only to showcase our role in Latin America’s green finance transformation; but also to share experiences, look back on our progress, and take measure of the present.

All in all, we are pleased with how the eco.business Fund has been able to leverage existing sustainability standards, utilize its network of financial institutions, and build knowledge and capacities around sustainable production and lending.



Thank you for your continued support in the work we do. We hope you enjoy this excursion into the fund’s innovative initiatives for sustainability.

Dr. Jens Mackensen
Chairperson of the Board

Letter from the Advisor

As the advisor to the eco.business Fund, Finance in Motion is honored to have journeyed with the fund since it was established in 2014. Today, we look back at a very successful 2019.

Over the year, the fund grew its outstanding portfolio from USD 242 million to over USD 330 million, investing this increased funding for impact across the following countries: Honduras, El Salvador, Nicaragua, Panama, Costa Rica, Ecuador, and Colombia.

A broad array of technical assistance measures supplemented the fund’s investments to promote sustainable practices. These measures ranged from carrying out trainings on sustainable water management using drip irrigation systems for agricultural producers, to supporting banks assess the impact of their operations by developing customized impact frameworks for their lending operations.

By promoting business and consumption practices that make a positive difference to the unique ecological landscapes of the region, including social and economic benefits, the eco.business Fund contributes to key international development goals, such as the U.N. Sustainable Development Goals, and the Aichi Targets for Biodiversity.

We have always placed a high value on targeted activities that achieve concrete, on-the-ground results, and are pleased to present some highlights of the eco.business Fund’s 2019 accomplishments in this report. We would like to thank the Board of Directors for their continued guidance in fulfilling the mission of the fund and its shareholders, and are looking forward to the next steps in our journey together toward sustainable impact.

Sandra Abella

Mario Torres

Camila Silva

Mario Jertz

KEY FIGURES*

Fund Data

USD 373.2 million

Total available funding

USD 872.8 million

Cumulative volume of sub-loans facilitated to end-borrowers

7 Countries invested in

19 Partner institutions the fund has invested in to date



ENVIRONMENTAL IMPACT



31,000 liters

Herbicide use avoided



4.2 million m³

Water saved



261,000 hectares

Farmland under sustainable management



7.9 million tons

CO₂ stored by agroforestry activities (absolute)

Development Facility Data



61

Technical assistance projects launched to date



USD 3.1 million

Cumulative technical assistance project volume



390,000

People reached through conferences & events



250

Partner institution staff members trained to date

*Cumulative figures as of December 2019

Our Investors



Federal Ministry for Economic Cooperation and Development



UK Government



Entrepreneurial Development Bank



Invest



PILLARS OF SUSTAINABLE SUCCESS



In operation for six years now, the eco.business Fund continues to work towards making a positive impact on the environment for both people and planet. In 2019, the eco.business Fund established four strategic pillars to guide its journey going forward to continue delivering on its mandate.

1. Scaling Impact

At the core of the eco.business Fund's operations is delivering on impact. Positive impact management is guided by a [Theory of Change](#), which provides a detailed mapping of how the eco.business Fund's activities lead to its final results. By demonstrating a successful track record where tangible impact can be realized, the fund paves the way for future expansion of green practices.

The eco.business Fund also manages and mitigates any potential environmental and social (E&S) risks associated with its investments through its Environmental and Social Management System. This involves incorporating E&S considerations into all aspects of decision making and operations. The fund is continuously revising its approach to E&S risk management in line with industry developments.



2. Consolidating Success

The eco.business Fund has forged numerous fruitful partnerships since inception and plans to consolidate this success. This entails deepening the fund's relationships with existing partners that have been identified as champions of green finance and sustainability, allowing the fund to deliver strong impact.

3. Diversifying Growth

Finding new avenues for impact means broadening the fund's horizons, investing in new geographies, collaborating with a diverse set of partner institutions, and engaging in new sectors. By the end of 2019, the sectors most supported by the fund were coffee, farmed shrimp, farmed fish, banana and forestry. Going forward, the fund plans to expand more into other countries: for example, Guatemala, where the fund expects to have its first partner in 2020.



4. Becoming an Agent of Change

Finally, the fund strives to become an agent of change. That means affirming the eco.business Fund's commitment to providing innovative, impactful, meaningful financing and technical assistance. But becoming an agent of change cannot occur in a vacuum: bringing about long-term transformation involves a dynamic ecosystem of stakeholders, from financial institutions to sustainability labeling organizations and agricultural producers, all working towards a collective goal of building a green financial environment in Latin America.



SMALL CROPS WITH A LARGE IMPACT

Ecuador



Shrimp is a valuable product in Latin America, with the second-highest export value on the aquaculture market. It is thus essential to ensure that sustainability practices are being implemented in this booming industry, and that measures are being taken in shrimp production to protect the environment.

The eco.business Fund aims to make a difference in this sector by providing financing to support sustainable shrimp farms through the fund's local network of partner financial institutions in Ecuador, **Banco Pacífico, Banco Guayaquil and Banco Pichincha.**

One such client is Industrial Pesquera Santa Priscila, a family-run shrimp exporter located in Ecuador. Established 40 years ago, the business is owned and run by Santiago Salem and his five children. Santa Priscila is the leading shrimp producer nationwide, providing employment to 9,000 families and exporting more than 77 million kilograms of shrimp each year.



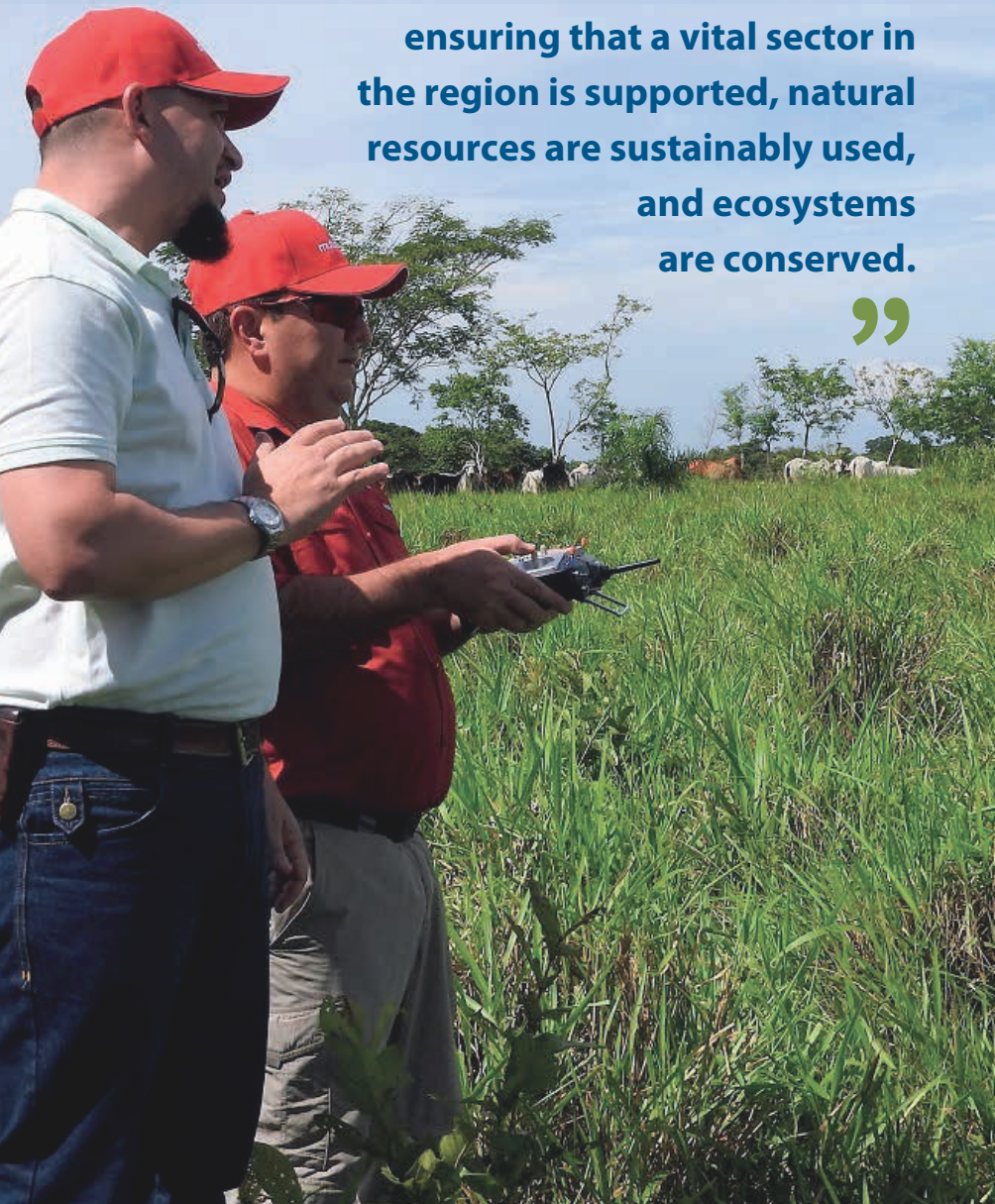
“Instead of turning to chemicals, Santiago Salem recognized the important relationship between economics and ecosystems”

Yet the road has not always been easy for Industrial Pesquera Santa Priscila. When an epidemic devastated Ecuador's shrimp ponds twenty years ago, the Salem family's farm was also heavily hit. Instead of turning to chemicals, Santiago Salem recognized the important relationship between economics and ecosystems: He chose an environmentally friendly tactic to fight the epidemic. By carefully selecting the shrimps who showed resistance to the disease, he regrew his shrimp population to be more resilient and even stronger than before.



“From decimated ponds to the biggest player on the market: the success of Industrial Pesquera Santa Priscila exemplifies how the health of a business is inextricably linked to the health of the surrounding environment.”

“This way, the eco.business Fund Development Facility has been contributing to sustainable agriculture initiatives in Latin American countries, while ensuring that a vital sector in the region is supported, natural resources are sustainably used, and ecosystems are conserved.”



DIGITALIZING CATTLE RANCHING

Panama and
Nicaragua

Cattle ranching is one of the fastest-growing agricultural activities in Latin America. In order to address the environmental risks of cattle farming, such as deforestation, the eco.business Fund has stepped in to finance measures that support the uptake of sustainable practices by cattle producers.

One significant project included the support of the eco.business Development Facility in helping financial institutions set up new technologies, such as drones and satellite imagery, to ensure the protection of forests in cattle activities and enhance environmental risk assessments in financial decision-making.



Thanks to the data collected from these high-tech systems, more than 175 cattle ranches in Nicaragua and Panama were analyzed and almost 100 management reports prepared throughout the course of 2019 for the respective farmers. With access to this information, the cattle farmers were then trained on how to utilize the data of their ranches, and mitigate environmental risks. Now they are able to identify potential forest loss in advance, and can respond with sustainable measures, such as preserving remnant forest and re-planting trees to avoid depletion of vegetation.





Find out more online at:
<https://www.ecobusiness.fund/>

Follow the eco.business Fund:



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