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Member of the IDB Group



Supply and Demand Side Assessment of Impact Investment within the Caribbean

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ACRONYMS

CDB	Caribbean Development Bank
DFI	Development Finance Institutions
DOTS	Development Outcome Tracking System
ESCO	Energy Savings Company
GDP	Gross Domestic Product
GIIN	Global Impact Investing Network
GIIRS	Global Impact Investing Rating System
HIPC	Heavily Indebted Poor Countries
HNW	High Net Worth
IADB	Inter-American Development Bank
IIC	Inter-American Investment Corporation
IFC	International Finance Corporation
IRIS	Impact Reporting and Investment Standards
IRR	Internal Rate of Return
LIC	Low-income Countries
MIC	Middle-income Countries
MIF	Multilateral Investment Fund
PPP	Public-Private Partnerships
RFP	Request for Proposals
SEAF	Small Enterprise Assistance Funds
SIF	Social Investment Fund
WB	World Bank

EXECUTIVE SUMMARY

Impact Investing is a relatively new phenomenon, gaining attention within the last few years. While the multilateral development banks have been investing for many years with the expectation of a development impact, it is only recently that private investors have begun to be attracted to the concept of seeking to earn both a financial return, as well as creating a positive social and environmental impact.

While Asia, Africa and Latin America have become important investment destinations for impact investors, the Caribbean has been largely overlooked by existing players as a priority region. Several key factors for this have been identified. The level of socio-economic development in the Caribbean is generally high, which means that the traditional target group for impact investments is relatively small. This group, the lower income segments of the population commonly referred to as the “Base of the Pyramid,” is a small sub-set of an already small economy, which means economies of scale are difficult to achieve. Regional scaling up would also be difficult to create due to the heterogeneous and fractured nature of the Caribbean. Furthermore, an historic preference for debt instruments over equity instruments in the region means that it is difficult to identify opportunities of the appropriate size to attract “financial-first” impact investors. It is further acknowledged that “low hanging fruit” in other high population, low-income economies are creating more attractive opportunities, although Haiti has gained a great deal of attention as an investment destination recently.

However, despite the lack of impact investments registered with the Global Impact Investors Network (GIIN) in the region, it would be misleading to state that there are none occurring. The Development Finance Institutions (DFIs) like the World Bank and Inter-American Development Bank have long been involved in impact-style investing within the region, even if it has not historically been categorized as such. Private impact investors such as Leopard Capital, Portland Private Equity, the Small Enterprise Assistance Fund (SEAF) and the Calvert Foundation have also begun to actively pursue opportunities within the region. Other impact investors currently active in Latin America may also be attracted to the Caribbean as interest grows.

The purpose of this study has been to identify opportunities for impact investments in the Caribbean with a focus on five specific countries: Barbados, the Dominican Republic, Jamaica, Haiti and Trinidad & Tobago. These five highly disparate nations exemplify the opportunities and challenges faced by the region and investors within it.

The heterogeneous nature of the five countries in question makes any broad statements regarding market gaps between the availability of supply and the demand for impact investment somewhat difficult. Differences in population size, gross domestic product and unemployment levels can be vast. Barbados, one of the wealthiest countries in the Caribbean only has 257,000 residents while Haiti, one of the poorest nations in the world, has 9.9 million with an 8.1% and approximate 49% unemployment rate respectively. While there are some similarities, such as extremely high energy costs, each nation has distinct concerns and development needs.

Based upon undertaken consultations, eight sectors provide the most commonality and shared interest in the region – (i) Alternative energy, (ii) Agriculture and agribusiness, (iii) Transportation including ports, island roads, and inter-island transport, (iv) Tourism, (v) Cultural industries, (vi) Microfinance; (vii) SME development and (viii) Base of Pyramid basic needs. These sectors represent the greatest potential for impact investing within the region nearly across the board. It should be noted, however, that even within these sectors, needs vary greatly. For example, Jamaica has a booming tourism industry but is highly dependent on food imports with net food imports of about US\$450 mn in 2007. Trinidad & Tobago, on the other hand, employs most of its citizens in service industries but derives much of its income from oil and gas exports.

The non-financial gaps in the markets generally fall into three categories. (i) Lack of knowledge and awareness on the parts of both investors and investees have created a disconnect between the two parties. (ii) Impact investors have not been made adequately aware of the various channels of deal flow in terms of fully developed projects and those being developed. (iii) Many of the project opportunities within the region have not been adequately developed to be seriously considered.

The study, through consultations with public and private sector local stakeholders and impact investors coupled with country-specific research, arrived at several key findings which can be broadly applied to the Caribbean context.

- Stratification of impact investors by risk appetite, deal sizes, choice of investment vehicles, etc, is necessary to effectively match interests with opportunities.
- National Diaspora communities worldwide are an under-utilized class of impact investors whose close personal links give them a strong desire to make a difference in their countries of origin.
- There is a broad range of investment opportunities that exist in the Caribbean for impact investors.
- There is a significant need to cultivate an equity culture and relevant education within the region. Lack of understanding of the instrument

coupled with a traditional preference to debt capital limits the availability of private equity impact investing capital within the region.

- A formal process for identifying and developing potential impact investment opportunities needs to be developed.
- Impact investing needs local advocates that can influence both investors and investees in the public and private sectors to get involved.
- Very carefully selected, authentic impact investments should be pursued in order to create a history of success in the region. This demonstration effect could have a significant impact on the supply of impact investing in the long term.

Through all of these findings, one thing is apparent. There is potential for real, profitable impact investing in the Caribbean. The mismatch between supply and demand can often be blamed on poorly developed or overlooked opportunities, lack of knowledge and traditional misconceptions regarding the region and available instruments. Many of the hurdles in place can be removed through education, technical assistance and by improving the flow of information. As such, a number of recommendations on how to move forward are made, ranging from establishing a regional impact investing network to improving the enabling environment and leveraging diaspora communities worldwide. Traditional impact investors such as the various development finance institutions should continue to support and collaborate with global impact investors as they seek opportunities for social and environmental returns through private capital in emerging markets.

1. INTRODUCTION

The Multilateral Investment Fund (MIF), with the support of the Compete Caribbean Program¹, has commissioned this report on Impact Investing in the Caribbean. It builds on the extensive work done by the Global Impact Investing Network (GIIN) and aims to provide insight on current and potential opportunities for Impact Investments in the Caribbean region.

The overarching goal of this study is to help to generate interest in the Caribbean as a potential destination for impact investment by facilitating strategic interventions for private sector development. The specific objective is to conduct an assessment of the supply and demand of the current Impact Investment environment in the Caribbean region. The findings of this study will be used to formulate strategies for increasing the level of Impact Investing in the region.

The IDB is taking an institutional approach to the impact investment industry and this will enable the Bank to leverage the comparative advantage that the collective work of its divisions. The Office Partnerships (ORP) led internal impact investing group (involving eight offices – VPP, IIC, SCF, MIF, OMJ, TRY, ORP and EXR) is developing the IDB's institutional strategy. ORP is leveraging its resources and relationships to support the IDB Group's divisions and strengthen the IDB Group's position as the partner of choice for impact investing. Thanks to the MIF's leadership, the Bank will be the first MDB to become a Global Impact Investments Rating System (GIIRS) Pioneer Investor.²

The Terms of Reference for this study are laid out in Appendix A.

This report is aimed at the impact investment community, as well as the local policy makers within the Caribbean region. The study is designed to generate an awareness of the possibility to achieve both strong financial and social returns from prospective investments by providing information about the levels and recipients of impact investments in the

¹ The Compete Caribbean program is a new and innovative approach to private sector development. It collaborates with Governments and Private Sector groups to improve competitiveness and economic growth across 15 beneficiary countries in the Caribbean region. The five year program provides technical assistance grants and investment funding to support productive development policies, business climate reforms, clustering initiatives and Small and Medium Size Enterprise (SME) development activities. The program's estimated value is US\$40.0 million, and it is jointly funded by the [Canadian International Development Agency \(CIDA\)](#), the [United Kingdom Department of International Development \(DFID\)](#) and the [Inter-American Development Bank \(IDB\)](#).

² The GIIRS is based on a ratings approach to assess the social and environmental impact (but not the financial performance) of companies and funds (<http://giirs.org/about-giirs/about>)

Caribbean. In addition, the study focuses on what are the main sources of potential impact investment deal flow within the five target countries, namely Haiti, the Dominican Republic, Jamaica, Barbados, Trinidad and Tobago.

Several steps were taken to conduct this supply and demand assessment of impact investing in the Caribbean. A detailed Engagement Strategy was prepared and implemented to ensure that requisite information and market intelligence were obtained to complete this study. The Engagement Strategy was developed based on three desired outcomes: (i) increased knowledge of the current extent, level and return on investment of impact investments in the five Caribbean countries; (ii) increased knowledge of the potential level of demand for impact investment funds in the Caribbean; and (iii) insights on improved mechanisms for matching impact investors with potential investees to increase the level of impact investing in the Caribbean region. As such, relevant stakeholders were identified as those with current impact investments in the five core countries, those with potential interest and/or capacity for impact investments in the Caribbean, and others with valuable insight on the current and potential for impact investing in the region. Refer to Appendix B for a copy of the Engagement Strategy.

To meet the objectives of this assignment, the consultation process was conducted through a combination of face-to-face meetings and telephone interviews with the relevant stakeholder groups. Consultations were completed in two phases, with the first round of in-person and phone interviews completed and then a series of additional in-person meetings were conducted through in-country consultations in each of the five Caribbean countries. In-country consultations were conducted during the weeks of September 5th and 12th, 2011.

Efforts were made to ensure that the most relevant stakeholders were prioritized and consulted to obtain perspectives and valuable contributions from (i) the investor perspective, including private equity firms, local financial intermediaries such as commercial banks and national development banks, venture capitalists, foundations, the Caribbean diaspora and high net worth individuals, international financial intermediaries, multilateral development banks, and development finance institutions; (ii) sample investee companies and project proponents such as micro, small and medium-sized enterprises, large corporations, local commercial banks, sector networks, and industry representatives, and (iii) governing ministries, regulatory bodies, and national trade and investment agencies, including national governments and Embassy representatives. The results of this study as outlined in this report are based on the findings from this extensive consultation process and related research.

This initial supply and demand analysis provides insight on market gaps through segmentation analysis and is intended to provide a foundation for subsequent initiatives to address these gaps. Although not exhaustive, this report captures the main findings from an extensive consultation process with global impact investors and regional stakeholders. A complete list of the stakeholders interviewed as part of the consultation process is presented in Appendix C.

This report is divided into four main sections: (i) general background information on Impact Investing; (ii) insight on Impact Investing for the Caribbean region; (iii) country specific

analysis for each of the five countries of focus; and, (iv) recommendations to support increased Impact Investing in the Caribbean. Specifically, Chapter 2 describes the general background for Impact Investing from a global perspective and identifies recent developments and opportunities to engage a new type of investors. Chapter 3 summarizes Impact Investing in the Caribbean region, while Chapter 4 assesses the potential supply of and demand for impact investment. Chapter 5 follows with country specific analysis that outlines the supply and demand for Impact Investing in each of the five core countries. Chapter 6 concludes this study with a Summary and Chapter 7 provides specific recommendations to facilitate increased Impact Investments in the Caribbean region.

Special appreciation is extended by the Project Team of Diana Smallridge and Laura Dorling to Winsome Leslie and her colleagues at the Multilateral Investment Fund, the Compete Caribbean team, the Rockefeller Foundation, members of the Caribbean Impact Working Group, and the Global Impact Investing Network for their dedication to Impact Investing and their collective interest in the possibilities that lie within the Caribbean region.

2. BACKGROUND

2.1 Impact Investing

Impact Investment refers to investment with the *ex ante* intention of generating a positive development impact (either a social or environmental return), along with a financial return. A social return or positive environmental impact is targeted and then the outcomes are measured and monitored throughout the lifetime of the investment. Types of investments may include infrastructure projects which benefit the “Base of the Pyramid”³, climate-friendly projects and projects where there is significant and sustainable job creation, such as microfinance etc.

To date, the typical areas for Impact Investing are summarized in Table 1:

Table 1: Typical Areas for Impact Investing

Increase Incomes and assets for the Poor	Improve Basic Welfare for People in Need	Mitigate Climate Change
Employment generation	Conflict resolution	Biodiversity conservation
Access to energy	Disease-specific prevention and mitigation	Energy and fuel efficiency
Access to financial services	Access to clean water	Natural resources conservation
Access to education	Affordable housing	Pollution prevention and waste management
Income/productivity growth	Food security	Sustainable energy
Agriculture productivity	Generate funds for charitable giving	Sustainable land use
Capacity-building	Health improvement	Water resources management
Community development	Equality and empowerment	Biodiversity conservation

Source: IRIS. As defined at iris.thegiin.org.

As shown in the table above, there are three categories for Impact Investing: (i) increasing incomes and assets for the poor; (ii) improving basic welfare for people in need; and (iii) mitigating climate change. These areas represent the types of investments that provide either social or environmental benefits and can result from investments in developing countries and advanced economies. Many impact investments to date have supported investees providing access to finance or basic services to base of the pyramid populations considered as low-income and marginalized segments of the population. The specific

³ The BOP population segment is defined as those with annual incomes up to and including \$3000 per capita per year in emerging markets (2002 PPP). *The Next 4 Billion, World Resources Institute and International Finance Corporation, 2007.* http://pdf.wri.org/n4b_full_text_lowrez.pdf. BOP+ refers to the population in the more developed countries who live as the base of the pyramid in these countries.

objectives for Impact Investing are largely defined by the needs of the local population, the type of investee, and the nature of the investors. In many cases, multiple social and environmental objectives are supported through individual Impact Investments.

Table 2 below defines possible ways in which an investor can make an impact through the businesses in which it invests. There are two categories which are defined and these will form the basis of where opportunities for the Caribbean are best identified.

Table 2: Ways in which Businesses can deliver Impact

Means of Impact		
Process	Products for BoP+	
Job creation	Agriculture	Health
Energy efficiency	Water	Energy
Facilitating asset accumulation	Housing	Financial Services
Utilizing BoP+ suppliers	Education	

Source: The Rockefeller Foundation, J.P. Morgan

2.2 Impact Investing: As A New Asset Class?

There are some that argue that Impact Investing is a new asset class⁴. To some degree this may be true, but it is most certainly the case that “normal” investments that are not classified as “Impact Investments” are taking place which have very positive social or environmental impact. The difference between Impact Investing and investing with impact is essentially twofold: a) Impact Investment requires the investor to be intentional prior to making the investment to expect specific, measurable and targeted impacts which are then monitored and measured in a structured way; and b) that the framework established by the Global Impact Investing Network, including the IRIS, is broadly followed.

In reality, Impact Investing has been in existence for many decades but under a different name. Development finance institutions (DFIs) or Multilateral Development Banks (MDBs) have been making Impact Investments since their establishment and continue to support public and private sector projects through both sovereign and non-sovereign lending in developing countries. These development institutions focus on making financial investments that promote sustainable development and socio-economic growth by supporting positive social and/or environmental impacts in low and middle-income countries. These traditional Impact Investments are financed primarily through capital contributions and grants from member countries of the various development institutions. In more recent years, an increasing number of investors with private capital are seeking to achieve financial returns, in addition to social and/or environmental impact.

⁴ J.P. Morgan, Impact Investments: An Emerging Assets Class, Global Research: November 2010, p. 5

2.3 The Global Impact Investing Network in Action

Although Impact Investing is a relatively recent phenomenon for most private investors, momentum is rising and this approach is becoming more prevalent on a global scale. The recent article in *The Economist*, titled ‘Happy Returns: The birth of a virtuous new asset class’⁵, reflects a heightened interest and an increased level of awareness of Impact Investing as a virtuous way to make financial returns. Building on this increased global awareness, it is likely that Impact Investments will continue to take root in new global markets.

The Global Impact Investing Network, referred to as the GIIN, was initially conceived in October 2007⁶ and formally established as a not-for-profit, independent organization in 2009. The GIIN was created to increase the effectiveness of impact investing in order to optimize the use of profitable investments to address social and environmental challenges. The GIIN has quickly captured the attention of global investors with a shared interest in applying impact investments as a mechanism to achieve social and environmental impact. Since its inception, the GIIN has become the main vehicle for discussions in this space and has already helped to create industry standards for Impact Investing.

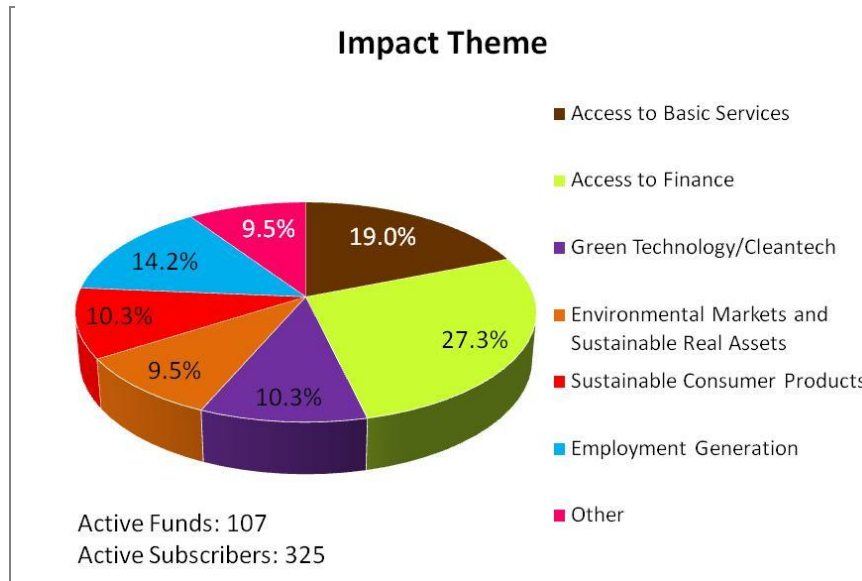
The membership of the GIIN’s Investors’ Council consists of diverse types of investors, including institutional investors, pension funds, specialized banks, targeted impact funds, large scale family offices, and private foundations. This global network is proving to be an effective way to expedite development of new impact investing opportunities and to share lessons learned and good practices through increased collaboration among members. (Refer to Appendix D for a list of current members of GIIN’s Investors’ Council).

The statistics compiled by the GIIN demonstrate that Impact Investments have been targeting several different types of thematic areas including both social and environmental impact. Figure 1 summarizes the main areas of focus based on responses to the GIIN’s survey of impact investors.

⁵ Happy Returns: The Birth of a Virtuous New Asset Class, *The Economist*, New York, Sep 10th 2011

⁶ Source: <http://www.thegiin.org/cgi-bin/iowa/aboutus/history/index.html>

Figure 1: Impact Theme

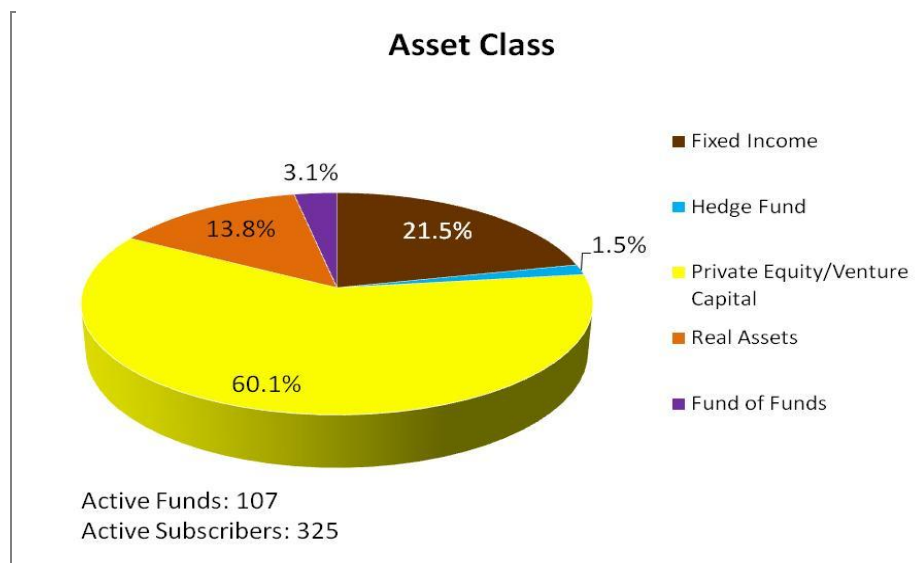


Source: Impact Base, <http://www.impactbase.org/>

2.4 Range of Investors and Instruments

Under the category of Impact Investing, there are a variety of instruments and structures which can be used, as reflected in the activities of the members of the GIIN. Figure 2 below depicts the breakdown of impact investments by asset class.

Figure 2: Asset Class



Source: ImpactBase, <http://www.impactbase.org/>

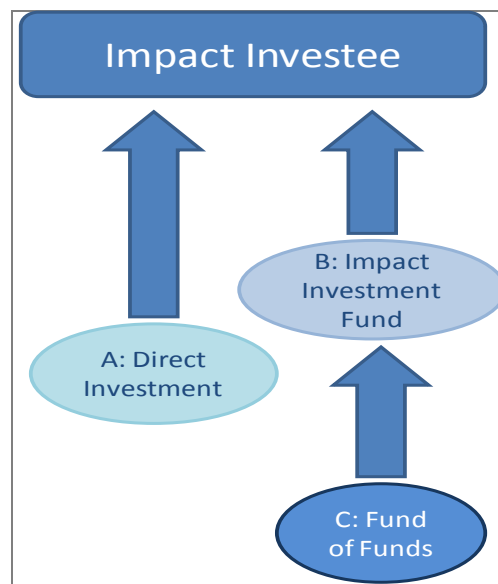
In terms of the largest proportions of impact investments, private equity/venture capital covers more than 60%. Impact Investors can be: direct investors, funds or funds of funds.

Figure 3 depicts the various approaches to private equity and venture capital which are used.

Category A is a direct investment into a project or company by an investor. Category B is a fund which focuses on impact investments and makes investments in a number of companies and projects. Category C encompasses funds of funds, i.e. those funds which do not invest in projects or companies, but place their capital with fund managers who can invest on their behalf.

There are investors which make direct investments into projects or companies without any intermediaries. Funds, which are designated as Impact Investment Funds, are members of the GIIN, such as Root Capital, which provides debt in Haiti. An example of a Fund of Funds which is (and has traditionally been) an Impact Investor is Sarona Asset Management.

Figure 3: Various Investment Structures



Source: International Financial Consulting Ltd.

Grants also play a role in Impact Investing. The idea is to bring together grant players to catalyze investments. New types of projects can be supported by applying grant resources to increase the bankability and investment grade of potential investees and project proponents. Technical assistance is an important element of Impact Investments that can be particularly useful to support financial returns derived by small and medium-sized enterprises.

2.5 Stratification of Investors: Financial First and Impact First

A wide range of investors are committed to Impact Investing, all of which are collectively dedicated to achieving a positive development impact in addition to financial returns. Two classifications of impact investors have emerged to reflect the overall objectives and most pressing interests of various impact investors. These are categorized as: financial first investors and impact first investors as described in Table 3 below.

Table 3: Impact Investors

Financial First Investors	Impact First Investors
<p>Primary objective is to maximize financial returns while achieving a minimum social and/or environmental impact. These investors seek to achieve competitive returns consistent with other investment options. In the some instances, the hurdle rate for investors may be defined by existing regulation and requirements for specific types of investments.</p>	<p>Primary objective is to achieve a positive development impact through social and/or environmental returns while yielding some level of financial returns. These investors are generally in a position to accept higher risks to reach the targeted development impact with a willingness to accept financial returns that are lower than market.</p>
<p><i>Types of Investors:</i> Private equity firms, commercial banks, pension funds, foundations</p>	<p><i>Types of Investors:</i> Foundations, development finance institutions, and the diaspora in the future</p>

2.6 Distribution of Impact Investments

The recent study of global Impact Investment completed by the GIIN and J.P. Morgan reviewed a total of 1,105 deals with a notional value of \$2,481 million. The following table summarizes the level of activity around the world. This data is cited from the GIIN/JP Morgan study⁷.

⁷ Unfortunately the report does not include an explanation or footnote to describe what is included in the “Global” category.

Table 4: Geographic Distribution of Impact Investments

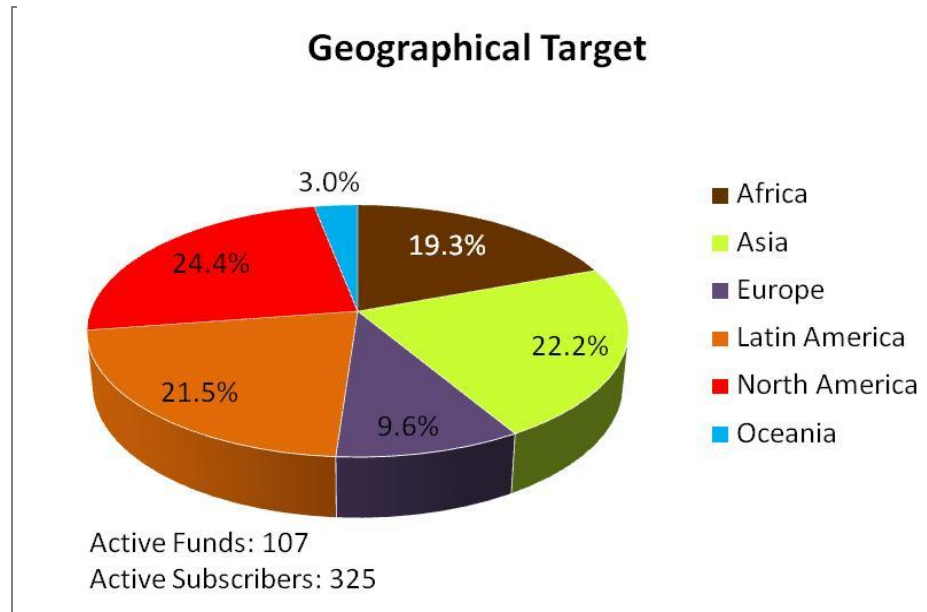
	# of deals	Notional (\$ mm)
US and Canada	411	1,381
Latin America	268	223
South and Southeast Asia	107	130
Sub-Saharan Africa	99	154
E. Europe, Russia & Central Asia	92	184
Global	63	239
Western Europe	52	129
Emerging markets	7	35
Middle East and North Africa	6	5
Australia & New Zealand	0	0
South Pacific	0	0
	1,105	2,481

Source: GIIN, J.P. Morgan.

To date, most impact investments have been dedicated to North America, primarily to support base of the pyramid activities in the United States, with 24.4% of the activity according to the Impact Base statistics⁸. Asia, Latin America, and Africa also account for a significant portion of global impact investments to date, with 22.2%, 21.5%, and 19.3% respectively. Many global impact investors active in developing countries have focused efforts on base of the pyramid population segments and less developed areas of the local economies.

⁸ Refer to <http://www.impactbase.org/>

Figure 4: Geographical Target



Source: ImpactBase, <http://www.impactbase.org/>

2.7 Measurement of Impact and Rating of Impact Investments

Significant effort is being made to establish a common language for social and environmental impact. In order to advance these efforts, the Impact Reporting and Investment Standards, commonly referred to as IRIS, is working with leading impact investors to create industry standards for reporting purposes.

The first dataset of performance was prepared based on voluntary contributions of more than 2,394 participating organizations and was launched in a report by IRIS in September 2011. This report reflects first of its kind findings. It is anticipated that this report will lead to the adoption of IRIS as the industry’s main performance indicators for social and environmental impact. This is a critical element that will help companies and investors consistently define their ex ante performance measures and subsequent monitoring and measurement of impact.

The Global Impact Investments Rating System is a project of the not-for-profit organization B Lab that is working in close collaboration with the GIIN and IRIS initiative. Based on a “ratings approach that is analogous to Morningstar investment rankings or S&P credit risk ratings, GIIRS has been established as a credible way to assess the social and environmental impact (but not the financial performance) of companies and funds⁹”. This is an important step forward that applies to investors actively involved with Impact Investments and will greatly

⁹ Source: <http://giirs.org/about-giirs/about>

enhance the ability to conduct benchmarking and longitudinal analysis, helping to formalize the Impact Investing environment.

2.8 Financial Returns for Impact Investment

Given the current global economic environment, there are increased opportunities for Impact Investments. In a low interest context where alternative investments to the bond and stock markets are being sought, Impact Investing offers a type of investment that can achieve competitive returns in emerging markets.

Based on consultations with Financial First impact investors, the financial return expected is in the area of about a 20% IRR.

An interesting recent discovery has been that, during the global financial crisis, the countercyclical nature of microfinance was observed. Although all types of investments in traditional financial markets experienced a significant loss in value, including mutual funds, private equity, mortgage-backed securities to real estate, analysts have observed that micro investments, including microfinance and micro credits, maintained value during the tumultuous global market conditions. As the world's most advanced economies continue to experience slow growth, it is expected that investors of all types will continue to invest heavily in emerging markets, increasing the opportunity for increased Impact Investing.

Box 1: Financial First Investor Expected Impact Investment Returns – Small Enterprise Assistance Funds

Based on SEAF's experience, what is your expected average returns and range of returns for impact investments?

SEAF funds target returns on individual portfolio company investments of at least 25% and more for pure equity investments in portfolio companies and high teens for mezzanine debt. When these are rolled up to the fund level and the higher than average costs of SME emerging market investing are taken into account, the net return expectations vary from low to mid teens to low twenties. To date our high water mark for a SEAF SME fund has been 19% **net** IRR for an SME fund in Romania that began investing in the early post-transition period there. Other early SEAF funds have had net returns in the high single digits or low teen. We have learned from this that we need to raise somewhat larger funds to better carry the costs of managing and growing the companies. Over time and with growing efficiency of our worldwide network, we are targeting net returns in the low teens on a consistent basis.

What returns would be expected for specific opportunities in the Caribbean?

Overall, we are targeting 15-18% returns on Mezzanine investments and 25% on equity with a goal of achieving a 15-16% net IRR on the portfolio for the Caribbean.

Source: Interview with SEAF

2.9 A Potential New Class of Impact Investors: High Net Worth Diaspora

There is a potential new class of Impact Investors who have not formally to date been involved in Impact Investing, although without doubt have been making investments with impact. These are the High Net Worth (HNW) diaspora population who feel strong loyalty and affinity to their home country and desire to “do good”, while earning a financial return. Their motivations are entirely aligned with the motivations of the GIIN members.

The challenge to date has been the lack of formality in arranging such investment opportunities. While it is considered that a significant part of the diaspora remittances streams is investment-related and not simply for consumption, these investments have tended to be more informal and less structured. Therefore, a key challenge is to facilitate the potentially significant diaspora supply of capital into Impact Investments.

A new initiative, under the auspices of the private equity firm Gravitas, called “Homestrings” (see Box 1 which follows) has been developed to channel diaspora investment into specifically developed and vetted investment opportunities.

Box 2: Harnessing the Diaspora for Increased Impact Investing

Homestrings was launched in 2010 as a UK-based company and global platform with the overall objective to attract a new era of diaspora investment in development finance. Homestrings is an investment tool designed to overcome the existing limitations of investment options by engaging a largely untapped source of investors, the High Net Worth diaspora. This initiative is gaining significant momentum as seen in the recent featuring of Homestrings in *The Wall Street Journal*, *Financial Times*, *Reuters*, *CNBC*, and *MoneyWeek*. For related articles, refer to <https://www.homestrings.com/Press>.

Homestrings is an initiative of Gravitass Capital Advisors (www.gravitasscapital.com), which is an investment management boutique. Gravitass is an SEC Registered Investment Advisor and has designed solutions for over \$2 billion in institutional investments.

This online platform provides a new way to exchange information with investors and sponsors in a transparent and cost effective manner. As such, Homestrings is playing a critical role in helping to identify and promote real investment opportunities while also engaging the High Net Worth diaspora in Impact Investments. Sizeable projects are considered with a minimum of US\$5 million per project required for fundraising. Homestrings currently offers long-term investments as private equity funds with dividends paid on an opportunistic basis over 5-7 years on average. Successful projects also return the principal investment with capital gains at the end of the investment period. To date, projects have included investments in small and medium-sized enterprises, commercial real estate, commercial banks, and exclusively offered mutual funds. It is anticipated that Homestrings will begin to offer other investment options including short, medium, and long-term investments so investors can select investments that best suit their portfolio and liquidity needs.

Investments can be made through Homestrings by registered institutional investors or high net worth individuals. Individual investors must meet the criteria for 'Qualified Investors' as defined by financial regulators. As explained on the Homestrings' website, this investor class entails individual investors with a net worth equal to US\$1 million+ (including residence) or reported income for each of the past three consecutive years equal to US\$250,000. Non-US based investors can review and select investments immediately after registration with Homestrings whereas US-based investors are required to wait 45 days prior to making the first investment based on existing regulation and related requirements.

Homestrings carefully vets project sponsors before they are able to register and list an investment. The selection process includes a review of the prospective sponsors adherence to Impact Investing and evidence of how past investments have benefited the lives of the people in the country or region of focus, in addition to a proven track record of profitability. Investment opportunities are available for viewing by registered members only.

As a first phase, Homestrings is helping fundraise for existing funds and fund managers. The current catalog of investments reflect funds and projects sponsored by leading organizations, such as Actis, SEAF, Summit Development Group, Ecobank, Insparo Asset Management, TLG Capital, among others. Consistent with other investment vehicles, investors analyze investment opportunities and conduct their own due diligence when making their investment decisions.

Homestrings is also developing the concept of Diaspora bonds as a next initiative to raise capital for the governments. Direct private equity investments may be considered as a third phase of activity.

The Founder and Chief Executive Officer of Homestrings, Eric-Vincent Guichard, initially focused on investments in the African continent; however, Homestrings has since expanded globally with a particular focus on the Caribbean region. For the Caribbean region, the focal point for Homestrings is Desmond Brunton, a member of the Board, who brings extensive experience in the region as the Former Vice-President of Operations of the Caribbean Development Bank.

Source: <https://www.homestrings.com/>

3. IMPACT INVESTMENTS IN THE CARIBBEAN

3.1 Introduction

As discussed earlier, there have been several recent developments in the area of global Impact Investing, including important strides to establish a common language to measure impact and advancements to create a global rating system for Impact Investing. There have also been an increased number of Impact Investments with a wide range of specific social and environmental impacts taking place in several regions around the globe.

Each of the five countries of focus for purposes of this study (Barbados, Jamaica, Trinidad and Tobago, the Dominican Republic and Haiti), represent a variety of opportunities for Impact Investment. Although some countries in the region are considered to have more advanced economies than lower income parts of the world, there remain important socio-economic challenges in the Caribbean that represent real deal opportunities for Impact Investments.



The Caribbean as depicted in Map 1 beside is often mistakenly referred to as one region, with the assumption that homogenous characteristics are present throughout the region. Although located in close proximity geographically, there are important differences from island to island. The Caribbean region constitutes a heterogeneous landscape with distinct cultural, economic, and social conditions that need to be carefully examined and understood for purposes of Impact Investing.

The Caribbean region presents a viable landscape for Impact Investments as global Impact Investors seek to expand their current activities and geographic scope of their portfolios. This section summarizes the general context for opportunities in the region, the role of additionality in Impact Investments in the Caribbean, and provides insight on the non-financial gaps that help explain why the supply of capital has not yet matched demand for capital.

This section summarizes the main factors that have contributed to the Caribbean region being overlooked to date, the general context for opportunities in the region, the role of additionality in Impact Investments in the Caribbean, and provides insight on the non-financial gaps that help explain why the supply of capital has not yet matched demand for capital.

3.2 The Caribbean: Overlooked and Underserved by Global Impact Investors

Global Impact Investors have to date not been active in the Caribbean. Table 4 shows that of the US\$2.5 bn of impact investing which has occurred, none has been directed at the Caribbean. This is not to say that impact investments have not occurred nor that traditional investments have not have impact. In fact, consultations in-country indicated that there are important investments being made in the Caribbean which, while non-designated as “impact investments”, have had significant impact. The issue is rather that the GIIN members have not focussed on the Caribbean as a destination for impact investments.

Based on consultations with global impact investors undertaken in the course of this study, (see Appendix E for a list of individuals consulted), several factors were identified that explain the rationale for why the Caribbean region has not yet been explored or considered at a level comparable to other regions.

Although it is dangerous to generalize about the Caribbean, the four main reasons that have been identified by global impact investors why the Caribbean has not featured in their investment plans to date are as follows:

Size and scale: The small size of these island economies has deterred the “traditional” global impact investors given the vast amount of opportunities elsewhere in larger economies. The populations – with the exception of Haiti, Dominican Republic and Jamaica – are small and economies limited in size. Global impact investors tend to be seeking investments where there can be large scale deployment to generate economies of scale which is the key factor in profitability. Regional economies of scale are often difficult to achieve given that there is a high level of fragmentation within the Caribbean region. The traditional sectors of impact investment, such as access to basic services like education, cannot be standardized and deployed regionally, given the language and cultural differences between, for example, Haiti, Dominican Republic, Jamaica etc. This fragmentation has also led to intra-regional transportation challenges and high energy costs.

Low hanging fruit in other places: it is generally acknowledged by impact investors that the tremendous social and environmental needs in the highly populated low income countries in other geographic areas where there exists solid growth opportunities in the “base of the pyramid” market segment have created ripe conditions that have attracted the attention of global impact investors. Therefore, the

focus has been where the needs and opportunities are deemed to be the greatest. That said, Haiti is now being seen by a number of global impact investors as an appropriate investment destination, given its large population and widespread development needs.

Level of socio-economic development: As is seen earlier in the Report, in high-income countries, Impact Investing focuses largely on the needs of lower income segments of the population, commonly referred to as the ‘base of the pyramid.’ Many countries in the Caribbean are considered middle- income and to have a high level of development. In the Caribbean region, therefore the Base of the Pyramid populations tend to be small, relative to the size of the BOP communities elsewhere. Yet, despite the higher level of GDP per capita in middle-income countries, important development challenges remain and Impact Investing can be applied to address social and environmental needs in such countries.

Historic reliance on debt instruments and lack of demand for equity: Private equity is the primary financial instrument being used by global impact investors. Within the Caribbean there has been both a lack of demand for private equity and a dearth of supply. On the demand side, companies in the Caribbean region have largely avoided equity for reasons of disclosure and control. From the supply side, global impact investors familiar with the Caribbean have noted that it is difficult to find appropriate and attractive deal size which will give “financial-first” impact investors the kinds of rates of returns that they would normally seek. However, there are signs that the value and benefits of equity are being appreciated more and “green shoots” are being seen, particularly though the huge success being ascribed to the new Jamaican junior stock exchange which is being touted throughout the region as a success story.

3.3 Existing Impact Investors in the Caribbean

Although no investments have been registered with the GIIN in the Caribbean, there has been a long history of impact investing in the region, whether by the multilateral or bilateral development finance institutions, or by private investors, seeking to have a positive social and environmental impact.

3.3.1 Development Finance Institutions

DFIs have been supporting Impact Investments in the Caribbean region since the early stages of their existence. These DFIs include multilateral agencies such as the World Bank (and its private sector arm, IFC), Inter-American Development Bank (or its related institutions, such as the MIF and the Inter-American Investment Corporation), Caribbean Development Bank, or the European Investment Bank. In addition, the bilateral agencies, such as the Commonwealth Development Corporation (CDC) or Agence de France (AdF), have been historically active. Finally, local development banks, such as Jamaica’s National Development

Bank, are active. All of these development finance institutions are tax-payer backed and seeking to generate a financial return, as well as development impact.

The Multilateral Development Banks (MDBs) have an overarching mandate to achieve socio-economic development and long-term sustainable growth. Although smaller in size than other regional development banks, the Caribbean Development Bank dedicates its financing and development efforts exclusively to the Caribbean region. The Inter-American Development Bank has historically been the largest lender in the Caribbean, with the Multilateral Investment Fund also facilitating sustainable development through private sector led initiatives. The Inter-American Investment Corporation also supports small and medium-sized enterprises in the region. The World Bank and the International Finance Corporation have also worked with government officials and private sector entities and have made significant contributions to support the region's socio-economic development. The development finance institutions continue to play a role in the design and implementation of innovative approaches and new instruments to support positive social and environmental returns through public and private sector initiatives. For instance, the Inter-American Investment Corporation has launched the Social Investment Fund (SIF) which is intended to improve loan accessibility while lowering the cost of credit for small and medium-sized enterprises operating in Haiti. Appendix F shows examples of where the MDBs have provided financing recently which reflects the development priorities of these countries and potential areas for deal flow for private investors.

The focus of these various development finance institutions on social and environmental impacts provides useful frameworks and experiences that are relevant for global Impact Investors. These institutions have spent decades identifying and measuring development impact in the Caribbean and elsewhere. For instance, the Development Outcome Tracking System (DOTS) was launched by the International Finance Corporation in 2005 and other monitoring and evaluation tools continue to be developed, tested, and improved upon.

3.3.2 Global Impact Investors with Private Capital

However, there are some global Impact Investors that have started to explore opportunities for increased Impact Investment in the Caribbean region. Below describes the main Impact Investors currently pursuing opportunities in the Caribbean. It is important to note that this list is not exhaustive, but provides a useful summary of the types of investments and funds being considered in the Caribbean through the use of private capital.

There are some global Impact Investors actively pursuing opportunities in the Caribbean region. Below is a short description of these recent initiatives:

Leopard Capital: As a financial first investor, Leopard Capital manages private equity in frontier markets. To date, the firm has been most active in Cambodia, with a new fund being created to support investments in Haiti aimed at generating an Internal Rate of Return consistent with other impact investments. Leopard Capital places its focus on a strong return for investors, while contributing extra impact by helping companies to develop and become more competitive. In Haiti, investments will focus on impact in the

areas of affordable housing, food processing, renewable energy, and tourism. Value is added to companies through improvements to corporate governance, which can help to create more jobs, while also increasing the firm's ability to access partners and international capital. <http://www.leopardasia.com/leopard-haiti/why-haiti.html>

Portland: Portland Private Equity is a fund manager which is developing the US\$100mn Haiti Impact Investment Fund, \$40mn of which is from impact investors and the remainder from DFIs and the Haitian Government. This is a private equity investment fund focused on equity and quasi-equity investments in Haiti that will make strong financial returns and deliver positive social and environmental impact. It is designed to be a catalyst to creating strong indigenous businesses in Haiti and act as a coordinating mechanism between “impact first” and “financial first” capital. The focus is to take a pro “small business” and pro “profit” approach to building Haiti back better by applying an integrated approach to delivery of technical assistance to promising Haitian businesses. <http://portlandpe.com/our-funds/other>

Small Enterprise Assistance Funds (SEAF): As an investment management group, SEAF provides growth capital and business assistance to SMEs in emerging markets. Investments are designed to achieve attractive returns for investors while also ensuring positive, measurable impact in local communities. With success in other markets, SEAF is seeking to establish a Caribbean Growth Fund. The Fund has a target size of US\$50-60 million and this pooled investment vehicle is designed to make equity and quasi-equity investments in SMEs in the region. International Finance Corporation has made an initial equity commitment to support the creation of this regional fund. <http://seaf.com/>

Calvert Foundation: The Calvert Foundation has been making Impact Investments as a non-profit organization for decades by providing ‘patient capital’ through lending activity intended to achieve financial returns while also supporting positive social and environmental impacts. An initial investment of US\$300,000 was made in Haiti by the Calvert Foundation to help post-disaster recovery efforts through this capital in support of microfinance. This newly created fund is called HELP Haiti and has been established in partnership with the Clinton/Bush Foundation and other organizations such as the Deutsche Bank Foundation and ELF.¹⁰ HELP Haiti provides targeted support to three microfinance institutions in Haiti known as ACME, MCN, and FINCA Haiti. <http://www.calvertfoundation.org/component/content/article/128>

Root Capital: Since its inception, this organization has provided credit for US\$256 million to 320 small businesses with growth potential. With experience in more than 30 countries in Africa and Latin America, they promote a ‘99% repayment rate from borrowers with a 100% repayment rate to investors’¹¹. A local presence in Haiti has recently been established to identify opportunities to support small businesses with export experience through loans and technical assistance. <http://www.rootcapital.org/>

¹⁰ Note: ELF is an emergency liquidity fund managed by Omrix in Costa Rica , supported by the MIF and other donors.

¹¹ Source: http://www.rootcapital.org/what_we_do.php

Grameen Creative Lab¹² and other partners are also establishing a local presence in Haiti and are actively pursuing opportunities to advance social entrepreneurship and the concept of social businesses.

Other Relevant Prospects:

There are several global Impact Investors such as Aureos Capital, the Avina Foundation, Western Union Foundation, among others which are currently active in Central and South America. These financial first and impact first investors may be interested in exploring opportunities for expansion into the Caribbean.

The Sarona Frontiers Market Fund is playing an important role in global Impact Investing as one of the original Impact Investors. It is a Fund of Funds focusing on SME funds in frontier markets. Although not currently active in the Caribbean, the Fund's experience in several sectors, including social housing, agribusiness, renewable energy and healthcare, provides a powerful demonstration effect for what could be considered and adapted for the Caribbean through this type of investment vehicle. <http://saronafund.com/portfolio.php#sfmf>.

Family Offices and High Net Worth individuals are not at the forefront of investments in the Caribbean yet, but initiatives, such as Homestrings, have the potential to attract this class of investors.

Based on the consultation findings, it is clear that global impact investments have not yet identified the Caribbean as a priority region. In some instances, impact investors focus exclusively on very targeted geographic areas, while others have intentionally broadened their geographic scope and have diversified in several regions worldwide. Appendix G provides a description of 50 active fund managers considered impact investors from the ImpactAssets listing available online. The geographic area of focus and the level of impact investment in the Caribbean for each of these global impact investors is also summarized in this Annex based on consultation findings.

3.4 Examples of Local Impact Investments in the Caribbean

Apart from the multilateral development banks referenced above, there are other examples of impact investment which have occurred in the Caribbean. Although not formally designated as “impact investments” from the perspective of the GIIN, these are existing initiatives which are taking place that have features of Impact Investments. Two such examples are presented below in Boxes 3 and 4.

¹² For more information, refer to <http://www.grameencreativelab.com/news/first-social-business-labs-in-haiti.html>.

Box 4: First Citizens Bank – Banking the Unbanked

As an example of an existing Impact Investment, the First Citizens Bank, which is owned by the Government of the Republic of Trinidad and Tobago started the Unemployment Relief Program (URP) Banking Initiative. The URP Banking Initiative focuses on bringing the workers of the Unemployment Relief Programme (URP) into the formal banking system. In the initial period, September to December 2007, approximately 27,000 URP employees were activated by this process through their retail branch network across Trinidad and Tobago. The programme continues to this day. At present First Citizens opens approximately 600 to 1200 accounts per month depending on need. Since inception, the URP Banking Initiative has processed circa 48,000 persons.

Source: First Citizens Bank

Box 3: Jamaica National Building Society – Investing in the Base of the Pyramid

Jamaica National Building Society has partnered with I-Support Jamaica to prepare and launch a new online initiative to attract increased Impact Investment to Jamaica’s base of the pyramid population.

There are many small entrepreneurs who are unable to realize their true business potential because they cannot access financing from the traditional sources, due to the inherent perceived risk, and their lack of adequate collateral. Isupportjamaica.com brings together entrepreneurs in Jamaica seeking funding and Lenders within the Diaspora and globally. Owned by JN Small Business Loans Limited, the website facilitates benefactors to lend to micro entrepreneurs to existing businesses in Jamaica. The website provides a way for persons to connect to their dreams and passions by assisting someone to achieve them through their business. It is an easy way to bring together different people who have a common passion to help others. JN Small Business Loans conducts the risk assessment and due diligence on the entrepreneurs.

Source: www.isupportjamaica.com

3.5 Potential Opportunities for Impact Investing in the Caribbean

Based on consultations, it is clear that most global impact investors have focused their efforts on those emerging markets and investees with high growth potential and an obvious level of development need. As noted in Figure 1 Section 2, the investments targeting the “base of the pyramid” population have had a particular profile in terms of access to basic services, as well as climate change mitigation investments and access to finance. Critical to the success of these investments has been the scalability to allow widespread deployment or dissemination of a particular technology or solution being financed by the investment to allow for economies of scale.

The next section assesses where the opportunities may exist for impact investments within the Caribbean region more generally.

4. ASSESSING THE MARKET GAP BETWEEN THE SUPPLY OF AND THE DEMAND FOR IMPACT INVESTMENTS IN THE CARIBBEAN

In attempting to “size” the market gap between the supply of and demand for impact investment, it is useful first to conceptually define what is the supply, what is the demand and what is the gap.

4.1 Concept of Market Gap

In the simplest terms, the market gap is the difference between the supply of impact investment and the unmet demand for capital to support impact investments. Conceptually, this is straightforward but in reality the market gap is a more dynamic concept which can be examined from the perspective of a country, a sector or a particular transaction.

The supply of impact investment is the amount of capital that is available – ready and willing – to be invested in opportunities. The key issue on the supply side is whether the supply is passive, i.e. prepared to receive investment proposals to consider investing, or active, i.e. seeking opportunities and helping to structure bankable projects.

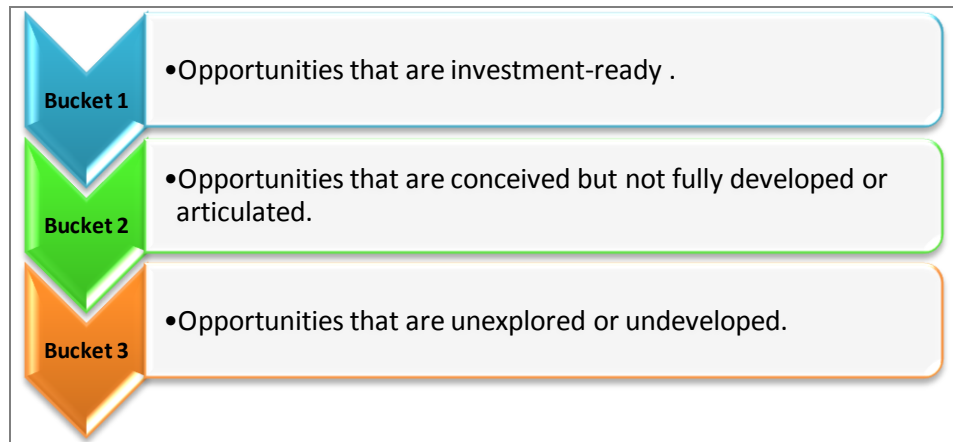
The demand side is also not entirely a straightforward concept as it consists of three main “buckets”:

Bucket 1: Impact Investment opportunities that are clearly defined and have investment proposals which are ready to be presented to the suppliers of capital;

Bucket 2: Impact investment opportunities that are conceived of but not fully developed. The proof of concept is not yet articulated. These are projects for which there may be a national clamour (such as upgrading infrastructure), and for which the government is already working towards establishing the necessary enabling conditions (such as tax, regulatory and in some cases, financial concessions) and legislation to attract private investment. They may also be opportunities that require some assistance such as development of business planning and training to help entrepreneurs prepare their financing proposals.

Bucket 3: Impact investment opportunities which are unexplored, undeveloped or latent, that have the possibility of significant economies of scale but which need project proponents to develop. The opportunities need assistance to be conceived and structured.

Figure 5: Demand for Impact Investment



4.2 Sizing the Supply of Impact Investment

It is difficult to get a definite figure for the supply of available capital for impact investments in the Caribbean.

Firstly, all of the investors who were interviewed said that, given the right opportunity, they would consider the Caribbean but, for reasons discussed in Section 3.2, they were not proactively seeking opportunities in the region, with the exception of Haiti. None will put staff on the ground until there is a real pipeline or possible deals. In other words, supply would exist if the demand was there – a classic “chicken and egg” issue.

Secondly, the supply of capital is always relative to other investment options which may exist within a particular asset class. Most large institutional investors, such as pension funds etc., are unlikely to have sub-allocations for sub-regions but might more generally have an asset allocation for impact investments globally. It is the case that few global impact investors have allocated any capital to the Caribbean but could be willing to do so if appropriate investment opportunities were presented to them.

Thirdly, within the Caribbean, the significant pool of capital that exists locally has been to a large extent focused on relatively high yield government Treasury bills. The Caribbean is considered a highly banked region with much available liquidity locally. The commercial banking sector is strong and highly liquid, and there is significant private money.¹³ A key issue

¹³ Within the Development Finance community, “additionality” or “incrementality” is considered an essential condition for approving investments. As a criteria for support, it must be shown that the funds are not crowding out private sources of capital which otherwise are willing to invest. Instead, the development bank’s support is to catalyze or facilitate private capital.

The same concept of additionality can apply to Impact Investing as between local supply of capital and foreign Impact Investment. Foreign investment which displaced local capital which is prepared to

is what it would take for the local sources of capital to make impact investments. Projects that attract foreign capital are more likely to grab the attention of like-minded local capital.

4.3 Sizing the Demand for Impact Investment

As discussed earlier, the concept of demand for impact investment can be divided into three buckets: 1) that which is investment-ready; 2) that which needs to be articulated and developed; and 3) that which is unexplored and undeveloped.

Bucket 1 Demand is ready for investment capital, with an articulate and defined investment proposal. These are fairly straightforward to identify the size and number. Bucket 2 Demand requires some efforts on the part of project proponents to develop the investment and, with some non-financial assistance and catalytic influence, can be developed to become Bucket 1 investment opportunities. Appendix G provides an illustrative list of Buckets 1 and 2 of the countries of focus.

Bucket 3 Demand reflects development needs and undeveloped opportunities for investments. Bucket 3 opportunities are still in the unexplored stage and would need some major funding to explore and develop the opportunities.

By our definitions of demand, JP Morgan develops a framework for sizing the market opportunity for Bucket 3 impact investments¹⁴, by taking a top-down approach based on development needs. The framework seeks to estimate the capital requirement and potential profit in selected businesses targeting the Base of the Pyramid populations.¹⁵ This framework is an attempt to estimate the size of the market opportunity for various impact investments in the BoP populations by identifying the main areas for development, such as education, housing, clean water, etc.

The JP Morgan report refrains from measuring market opportunity for the sectors most relevant for the Caribbean region and confirms that certain segments (including agriculture, energy, SME finance, ICT, infrastructure, BOP+ populations) were not measured due to the challenges and complexity of that task. The study refers to several specific challenges in measuring: "limitations in data availability, methodological challenges, and/or simply [keeping] manageable the scope of analytical work for this particular report".¹⁶ Therefore, the proposed methodology is not a realistic approach to estimate Bucket 3 Demand.

A more bottom-up approach, which identifies real deals with potential to attract impact investment, is a more modest and credible approach. The MDBs who have a long history in estimating development needs are usually themselves very careful to put specific dollar

invest is not additional and therefore cannot be credited with incremental impact. Foreign investment with the aim of unlocking local supply of capital is therefore desirable.

¹⁴ J.P. Morgan, *Impact Investments: An Emerging Assets Class*, Global Research: November 2010, p. 42

¹⁵ *Ibid*, p. 8

¹⁶ *Ibid*, p. 63

figures on development needs as a proxy for market size and opportunity. The BOP needs in developing countries can be calculated as these are typically derived from the absence of a particular amenity. As will be discussed in the next Chapter, the five countries under review have very different BOP profiles and levels of development.

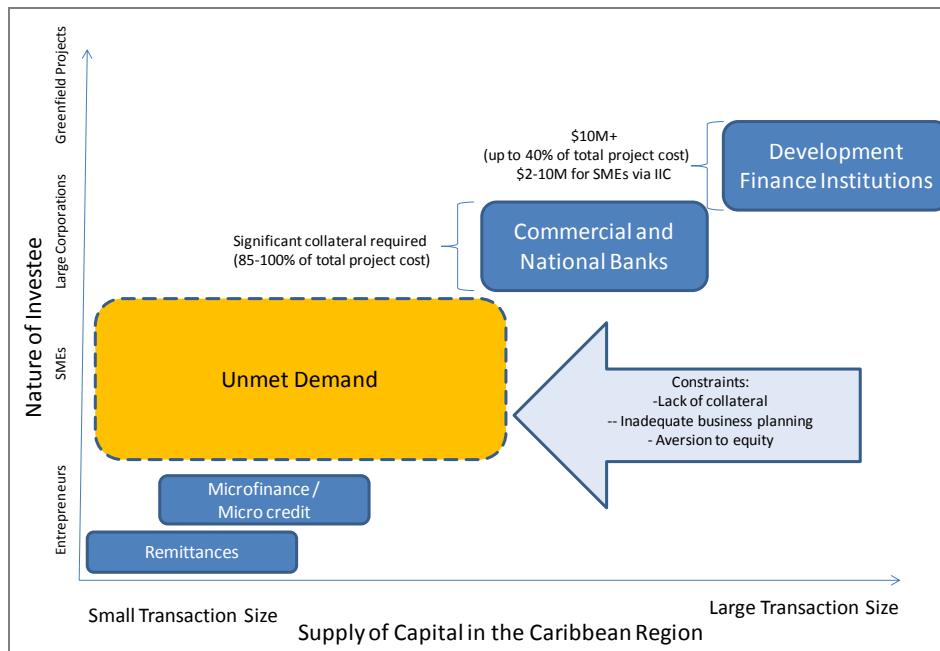
4.4 Sizing the Market Gap

In attempting to “size” the market gap between the supply of and demand for impact investment, it is important to bear in mind that the gap is not simply a financial gap which can be calculated by the “delta” between two discrete and definitive numbers. There are in fact important non-financial gaps, which if addressed, could help prepare the demand side to be more investment-ready, ensure a more conducive enabling or business environment or provide more information and support to the supply side to overcome any barriers that exist.

4.4.1 Financial Gaps

The financial gaps would be filled if supply of funding were available. Figure 6 below shows where much of the supply of capital is typically focused and the most significant financial gaps in the market, sometimes known as the “missing middle” where there exists unmet demand.

Figure 6: The Missing Middle



Attempts to estimate the actual size of this missing middle must be viewed with some caution as the unmet demand can be addressed through adjustments in the demand side

such as technical assistance and training, while the supply side can be facilitated through greater awareness and information.

4.4.2 Non-Financial Gaps

Some of these non-financial gaps which need attention in order for the existing supply of capital to be put towards impact investment may include:

Lack of Knowledge and Awareness

Global Impact Investors have not had the Caribbean on their “radar screen” for reasons discussed earlier. Moreover, governments as well as local project developers and companies, have not been aware of the possible availability of foreign Impact Investment as a potential source of funds. Efforts to build knowledge and awareness should be accompanied by creating networks and facilitating contacts.

Access to Deal Flow

Impact Investors have not been aware of the various channels for accessing deal flow both in terms of “investment-ready” opportunities, as well as those opportunities in the process of being developed.

Investment Opportunities are not sufficiently developed to be “investment-ready”

Many opportunities for Impact Investment exist but are insufficiently well developed for Impact Investors to be able to take a seriously look.

A key element in the demand equation is identifying “investment-ready” opportunities (i.e. moving from Buckets 2 and 3 to Bucket 1) which would be at the moment ready to receive investment. However, it must be acknowledged that far more potential impact investment transactions are in various stages of development and need some financial and/or technical assistance to bring them to the point of being investment-ready. Table 5 identifies seven areas or types of investments which could be considered which are potentially relevant where there are non-financial gaps (i.e. requirements other than debt or equity).

Table 5: Types of Non-Financial Gaps

	Investment Area	Non-financial Gaps
Projects	Greenfield without project sponsor	Often identified as government priority but concept needs further development to prepare feasibility study and then business plan to attract international technical sponsor.
	Greenfield with project sponsor	Need for help to better articulate business case and financial model
	Pubic Private Partnerships	Need for feasibility study, help to better articulate business case and financial model, identify government’s obligations, and assistance to prepare RFPs, generate international interest and conduct procurement

Corporates	Start-Up	Need for development of partnerships both locally and internationally
	Existing with cash flow for local expansion	Need for help to better articulate business case and financial model
	Privatisations	Need for assistance to prepare RFPs, generate international interest and conduct procurement
	Existing with cash flow and regional/international expansion	Need for help in developing internationalisation strategy

In terms of projects for which Impact Investments could be relevant, these could be greenfield projects of which the government has conceived but not yet found a private sector sponsor who could undertake the feasibility study and/or lead the project. There may also be greenfield projects for which a technical sponsor – either local or international – has conceived the project, proven its feasibility and is now ready to fund raise, but may need assistance to do so. The final category of projects are ones in which the government is prepared to work on the basis of a PPP and need a variety of support in order to achieve the desired outcome for the investments in typically infrastructure areas such as roads, ports etc.

Impact investments can also be into companies ranging from start-ups to existing companies seeking to expand locally or internationally or for privatisations as the government wishes to divest of commercial assets. Technical assistance can be of help to them. For example, **Technoserve** and other NGOs in Haiti are also focusing on priority sectors, such as agriculture and agribusiness, alternative energy, tourism, among others by providing technical assistance to develop entrepreneurs and small and medium-sized enterprises to support long-term recovery efforts.

Therefore the key in identifying the gap must be to understand not only what the size of the mismatch is between the types of investment opportunities and the appetite of the investors locally and globally, but also why this mismatch exists and how it can be ameliorated.

5. POTENTIAL REGIONAL IMPACT INVESTMENTS

5.1 Regional Overview

As a region, the Caribbean is a heterogeneous area representing varying degrees of economic activity and development needs, in addition to a wide range of population density and land mass. Based on input from the consultations and background research, this section summarizes some of the relevant macroeconomic conditions, important regional considerations, and general opportunities for Impact Investing in the Caribbean.

There are notable differences in the size of population and global ranking for each of the five countries of focus. As reflected in Table 6, 2010 figures reveal that the Dominican Republic and Haiti represent the most densely populated countries. Barbados has by far the smallest population with only 257,000 people, approximately one-tenth the size of Jamaica's population and one-fifth of that of Trinidad and Tobago.

Table 6: Size of Population and Base of the Pyramid in 2010 (millions)

	Population in 2010 ¹⁷	BOP *
Jamaica	2.7	2.2
Haiti	9.9	7.8
Barbados	0.26	N/A
Dominican Republic	10.2	5.6
Trinidad and Tobago	1.3	N/A

Source: World Development Indicators Database, World Bank, September 2011; Next 4 billion

From an economic perspective, important variations also exist in the Caribbean when considering levels of gross domestic product (GDP) and levels of unemployment. Table 7 shows that each of the countries of focus recorded year on year increases in GDP between 2005-2008. However, since the start of the global financial crisis, only the Dominican Republic and Haiti have continued to experience annual increases in GDP.

¹⁷ <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>

Table 7: Level of Gross Domestic Product (in Bn US Dollars)

Country	2005	2006	2007	2008	2009	2010
Barbados	\$3.5	\$3.2	\$3.4	\$3.7	\$3.6	\$3.2
Dominican Republic	\$34.4	\$35.9	\$41.3	\$45.5	\$46.6	\$51.6
Haiti	\$4.2	\$4.9	\$6.0	\$6.4	\$6.5	\$6.7
Jamaica	\$11.2	\$11.9	\$12.9	\$14.1	\$12.7	\$13.9
Trinidad and Tobago	\$15.9	\$18.3	\$21.7	\$27.1	\$19.6	\$20.4

Source: World Development Indicators Database, World Bank, September 2011

Levels of unemployment also vary quite dramatically within the region although the figures in Table 8 depict relatively high unemployment throughout the Caribbean. Despite some moderate improvements, unemployment figures have started to rise again in each of the countries of focus with the exception of the Dominican Republic which has continued to reduce its unemployment rate. Statistics are not readily available for Haiti, but it is understood that unemployment continues to be a challenge that hinders the long-term development of this nation. In the context of the Caribbean, similar to many other parts of the world, these numbers can be somewhat misleading given the number of people actively employed in the informal economy.

Table 8: Level of Unemployment

Country	2004	2005	2006	2007	2008	2009
Barbados	9.8	9.1	8.7	7.4	8.1	N/A ¹⁸
Dominican Republic	18.4	18.0	16.4	15.6	14.2	N/A
Haiti	N/A	N/A	N/A	N/A	N/A	N/A
Jamaica	11.4	10.9	9.6	9.4	10.6	11.4
Trinidad and Tobago	8.3	8.0	6.3	5.5	4.6	5.3

Source: World Development Indicators Database, World Bank, September 2011

Two important regional considerations pertaining to the level of financial intermediation are domestic credit provided by the banking sector and the level of domestic credit provided to the private sector. Tables 9 and 10 show these two indicators as a percentage of GDP for each of the countries of focus.

As will be discussed later in the Report with respect to individual countries, within the Caribbean there is significant liquidity and availability of capital. The crucial question is why there is a mismatch between supply of and demand for capital.

¹⁸ Note: N/A indicates data not readily available. 2010 data was also unavailable at the time of drafting this report.

It is useful to consider two metrics – domestic credit by the banking sector and domestic credit to the private sector – which help to explain the availability of credit and how much is being made available by the private sector as a proxy for the level of financial intermediation.

According to the World Bank, domestic credit by the banking sector, as shown in Table 9, “includes all credit to various sectors on a gross basis, with the exception of credit to the central government...”¹⁹. The World Bank also defines domestic credit to the private sector as “financial resources provided to the private sector, such as through loans, purchases of non-equity securities, trade credits and other accounts receivable, which establish a claim for repayment”²⁰. In some countries, credit to public enterprises can also be included in their domestic credit data.

Only Barbados ranks above average in terms of domestic credit provided by the banking sector when compared to the average for the Latin America and Caribbean region as a whole. When considering the usage of domestic credit by the private sector, Barbados is again the only country of the five focus countries that ranks higher than the average for the Latin America and Caribbean region. In fact, figures for Barbados indicate that more than twice the average has been recorded for these indicators since 2005. The other four countries rank below average in both categories when compared to the average for the broader Latin America and Caribbean region.

Table 9: Domestic Credit Provided by the Banking Sector

Country Name	Domestic Credit Provided by Banking Sector (as % of GDP)					Standing
	2005	2006	2007	2008	2009	
Latin America & Caribbean	48.4	54.0	58.2	60.2	67.0	
High Income: Non OECD	64.2	60.9	62.0	57.4	78.4	
Barbados	119.6	122.3	123.9	127.8	136.4	Above Average
Trinidad and Tobago	23.1	18.7	23.8	15.6	26.5	Below Average
Upper Middle Income	77.5	78.9	80.0	78.4	98.0	
Dominican Republic	33.9	37.7	39.2	39.1	40.6	Below Average
Jamaica	56.6	53.4	52.5	55.5	59.8	Below Average
Low Income	33.2	32.9	31.2	33.4	37.6	
Haiti	34.3	30.1	29.5	29.8	25.8	Below Average

Source: World Development Indicators Database, World Bank, September 2011

¹⁹ Source: <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS/countries>

²⁰ Source: <http://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS>

Table 10: Domestic Credit to the Private Sector

Country Name	Domestic Credit to the Private Sector (as % of GDP)					Standing
	2005	2006	2007	2008	2009	
Latin America & Caribbean	25.9	30.9	35.8	37.9	41.0	
High Income: Non-OECD	70.6	68.3	72.2	73.7	88.0	
Barbados	92.5	97.4	97.8	98.7	102.9	Above Average
Trinidad and Tobago	34.6	36.0	35.6	31.5	31.5	Below Average
Upper Middle Income	60.0	62.3	65.4	65.6	81.6	
Dominican Republic	23.3	19.6	21.6	20.9	21.3	Below Average
Jamaica	21.2	23.3	27.2	29.0	28.5	Below Average
Low Income	20.5	22.0	22.2	24.3	27.9	
Haiti	14.5	13.1	12.7	13.8	14.5	Below Average

Source: World Development Indicators Database, World Bank, September 2011

Remittances also present an important source of capital in the Caribbean. Efforts have been made in recent years to measure and estimate the level of remittances around the world. According to the World Bank, remittances to developing countries are estimated to have reached \$325 billion in 2010. These rather frequent transactions are considered small when viewed individually but collectively account for significant capital transfers, in some cases reaching hundreds of millions or billions of dollars in certain countries. As such, remittances have become an important source of funds in many developing countries including the Caribbean region.

Remittances are playing a valuable role in these small island economies and continue to support the livelihoods of lower income, base of the pyramid populations. As shown in Table 11, an upward trend reflecting increasing remittances is shown between 2005-2007 in four of the countries of focus in the Caribbean, with only Trinidad and Tobago decreasing slightly in 2006 and returning to higher amounts in 2007. Consistent with global trends, most countries experienced a decrease in levels of remittances at some point during the global financial crisis in 2008-2009; however, subsequent transfers have regained momentum and have again started to reveal upward trends in recent years.

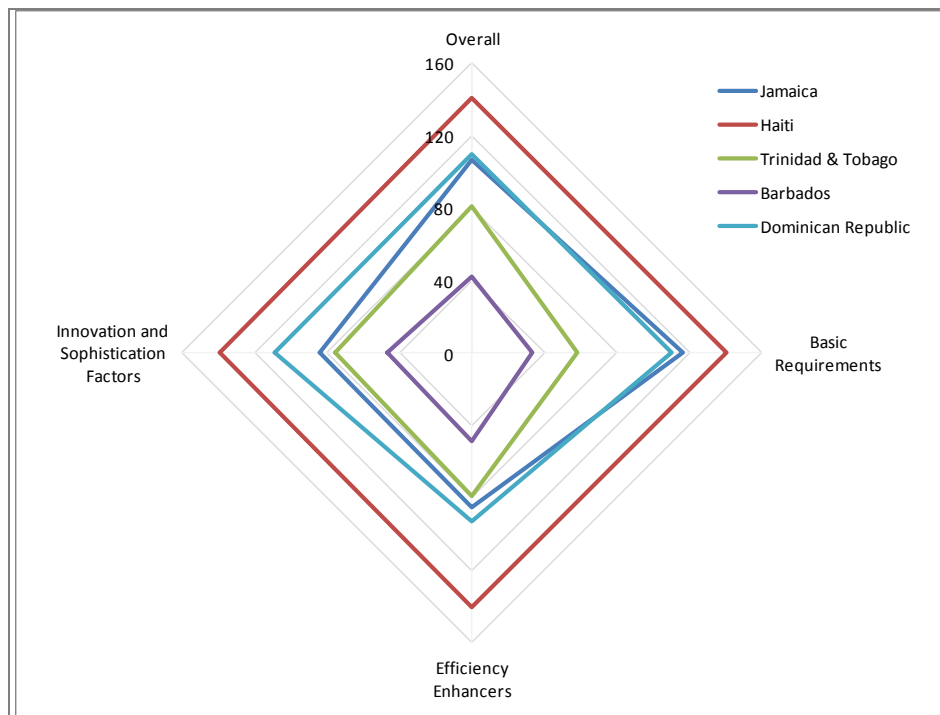
Table 11: Levels of Remittances in Select Caribbean Countries (in Million US Dollars)

Country	2005	2006	2007	2008	2009	2010
Barbados	\$134.8	\$138.6	\$141.2	\$101.2	\$113.3	\$123.0
Dominican Republic	\$2,719.2	\$3,084.3	\$3,426.9	\$3,667	\$3,466.7	\$3,368.6
Haiti	\$986.2	\$1,062.9	\$1,222.1	\$1,369.8	\$1,375.5	\$1,498.7
Jamaica	\$1,783.8	\$1,946.4	\$2,143.6	\$2,180.6	\$1,912.0	\$2,011.0
Trinidad and Tobago	\$92.4	\$91.2	\$109.4	\$94.5	\$109.3	\$119.9

Source: World Development Indicators Database, World Bank, September 2011

From a global competitiveness perspective, Barbados has ranked highest and Haiti lowest of these five countries in the categories identified by the World Economic Forum, including basic requirements, efficiency enhancers, and innovation and sophistication factors. Figure 7 demonstrates which areas are more advanced and least developed for these countries in the region with Haiti being considered the least developed (based on the indicators of competitiveness) while Barbados is the most.

Figure 7: Global Competitiveness Index



Source: Global Competitiveness Report 2011-2012, World Economic Forum

Most importantly, there are several development challenges that are shared amongst these five countries of focus and other countries in the Caribbean region. Given the close

geographic proximity and similar areas of opportunity, there are specific sectors and thematic areas that can be assessed for potential scalability and regional application.

5.2 Sector Overview

Based on the consultation findings, the main areas of common need and shared interests throughout the Caribbean are as follows:

- Alternative energy, including solar, wind, and geothermal;
- Agricultural development and agribusiness;
- Transportation, including port development, inter-island transport and on-island road development;
- Tourism, including renewal, expansion and diversification;
- Cultural industries, including artisanal handicrafts, music and entertainment;
- SMEs development;
- BOP basic needs.

5.2.1 Alternative Energy Sector

Customers in the Caribbean countries already face some of the highest electricity tariffs worldwide, and their governments are increasingly concerned about the environmental burden of the current power generation, especially in tourist-driven economies.²¹ Table 12 compares the electricity tariffs of the five countries of focus to that of the US and shows that electricity tariffs in the residential and commercial/industrial sectors are nearly 2.5 to 3 times that of the US in all countries but Trinidad which enjoys significant oil and gas wealth.

Table 12: Electricity Tariffs (US\$ per KWh)

	Residential	Commercial	Industrial
Barbados	\$0.29	\$0.31	\$0.31
Dominican Republic	\$0.24	\$0.25	\$0.16
Haiti	\$0.30		
Jamaica	\$0.27	\$0.33	\$0.28
Trinidad	\$0.04	\$0.07	\$0.06
United States	\$0.11	\$0.10	\$0.07

Source: CARILEC. Note that all figures are estimates and rates can vary based on usage, time of day or provider.

The high price of energy has not only put severe pressure on these economies and the hotel and manufacturing sector in particular, it also presents an important opportunity for alternative sources of energy and energy savings through implementation of energy

²¹ http://www.caricom.org/jsp/community_organs/energy_programme/interim_worldbank_report_gifs.pdf, page 2-1

efficiency measures and technologies. While no specific studies have been found about specific opportunities within the region, but there are some clear areas of interest that have been identified.²²

Renewable Energy

Wind, geothermal, small hydro, and biomass technology/fuel combinations have the potential, at a good site, to be considerably less costly than traditional power generation. The three lowest cost resources for operation are geothermal, wind (including the cost of backup generation), and small hydro. This assumes that high quality sites can be identified and acquired. Solar PV has traditionally not been competitive for bulk power generation, but as a result of the economic crisis and oversupply, we are told that the reduction in price by up to as much as 40% in recent years may make solar more viable.²³

Solar Water Heaters

Barbados enjoys international recognition as a leader in the development and use of solar technology for solar hot water systems, and is among the top five leading nations in the world in the penetration of solar hot water systems per 1000 households.²⁴ With proven technology, opportunities for wide scale diffusion across the Caribbean exist. With a price point of about US\$500 for residential and US\$1,900, energy savings opportunities can be significant, averaging 50-80% reduction in energy for water heating.

5.2.2 Agricultural Development and Agribusiness

One of the critical vulnerabilities of many Caribbean nations is food security. Of the five countries examined, the World Bank rates the Dominican Republic, Haiti and Jamaica among the most vulnerable in all of Latin America and the Caribbean.²⁵ The agriculture and agribusiness sectors of the Caribbean are largely geared towards traditional exports or, in the case of the poorer countries like Haiti, subsistence farming. This, coupled with less than ideal production levels and rising fuel prices, creates a significant drain on the local economy as food imports cost hundreds of US\$ millions more than the exports produce. Table 13 shows net food exports in US\$ millions. It is, however, important to note that Trinidad and Tobago is not considered food vulnerable due to the value of its oil exports and its ability, at least in principle, to compensate for the rising cost of imported food.

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http://www.caricom.org/jsp/community_organs/energy_programme/electricity_gifs_strategy_final_report_summary.pdf, page 1-23

²³ Williamson, Kari, "Solar PV system costs significantly down in 2010 and 2011", Renewable Energy Focus

Magazine, 20 September 2011. <http://www.renewableenergyfocus.com/view/20840/solar-pv-system-costs-significantly-down-in-2010-and-2011/>

²⁴ Perlack, Bob, William Hinds, Evaluation of the Barbados Solar Water Heating Experience, Washington D.C.: Oak Ridge National Laboratory and the Ministry of Energy and Public Utilities, Barbados, 2003.

²⁵ World Bank, *Vulnerability to Food Price Increases in LAC, 2011: A Preliminary Assessment*, January 13, 2011 http://siteresources.worldbank.org/INTLAC/Resources/LAC_FoodCrisis.pdf

Table 13: Net Food Exports (US\$ Millions)

	2004	2005	2006	2007	2008
Barbados	-139	-158	-161	-164	-211
Dominican Republic	No Data	No Data	No Data	No Data	No Data
Haiti	No Data	No Data	No Data	No Data	No Data
Jamaica	-193	-383	-322	-450	No Data
Trinidad & Tobago	-189	-218	-229	-317	No Data

Source: <http://webiica.iica.ac.cr/bibliotecas/repica/B0846i/B0846i.pdf>

Compared to the US, agriculture productivity is relatively low in these countries.

Table 14: Agriculture Value Added per Worker (Constant 2000 US\$)

	2006	2007	2008	2009
Barbados	No Data	No Data	No Data	No Data
Dominican Republic	3,902	4,053	3,989	4,579
Haiti	No Data	No Data	No Data	No Data
Jamaica	2,558	2,459	2,367	2,716
Trinidad & Tobago	1,265	1,374	1,553	1,502
United States	44,599	41,404	46,102	49,512

Source: <http://data.worldbank.org/indicator/EA.PRD.AGRI.KD>

High food prices and low productivity have created a significant burden on many economies. For the agricultural sector to survive, it needs to produce enough food to reduce import needs and/or increase export crop productivity to offset the increasing cost of living. The link to the tourism sector is also important to reduce dependency on imported food by improving the quality and reliability of local produce. Two areas of focus are:

Research & Development

Increasing productivity and protecting crops from natural disasters all require new technology solutions. This can include greenhouse technology, improving breeding stock of domestic animals, and seed quality engineering. There is also opportunity in identifying new products that can be effectively farmed locally to provide food or high demand exports at competitive prices.

Revitalization of domestic food crop industries

According to the Caribbean Agricultural Research and Development Institute (CARDI), there is a regional determination to increase the level of food production at the local and

regional levels to reduce food exports by at least 25%.²⁶ This is leading to a focus on crops like cassava, rice, and small ruminants for milk, meat and cheese production.

5.2.3 Transportation, including Port Development, Inter-Island Transport and On-Island Road Development

Transportation and infrastructure is the one of the most critical sectors for development. As IDB observes,

*The transport sector is of key importance for the socio-economic development of the Latin American and Caribbean Region (LAC). Governments are striving to bridge the gap between transportation demand and supply to facilitate access to health care, education, jobs and markets to all economic and social groups, with a wide geographic coverage, in a safe, environmentally friendly and affordable way.*²⁷

Since 1996, International Finance Corporation has invested two thirds of its infrastructure investments in the LAC region.²⁸ IDB committed \$650 million in 2010 alone.²⁹ Not all of this is going to infrastructure improvements however. Much of the recent funds have gone to recovery from the 2010 earthquake in Haiti. Damage to the Haitian transportation sector was approximately US\$595 million.³⁰

Opportunities:

Development of port facilities

A recent report found that there is significant need to more efficiently and effectively access the over eighteen million cruise visitors to the region every year. This includes upgrading existing ports, creating new ones, and developing the infrastructure to facilitate visitors accessing local products and services while in port.

Privatization of Air Travel

There is an ongoing initiative to liberalize air transportation in the Caribbean. Governments are seeking private investments, rather than the traditional public, to develop and strengthen the sector. Jamaica, for example, is currently seeking to privatize

²⁶ Caribbean Agricultural Research and Development Institute, CARDI Annual Report 2009, St. Augustine, Trinidad and Tobago: CARDI, 2009. <http://www.cardi.org/wp-content/files/annualreports/CARDI%20AR%202009.pdf>

²⁷ Sustainable Transport, <http://www.iadb.org/en/topics/transportation/sustainable-transport,2875.html>

²⁸ http://siteresources.worldbank.org/EXTTRANSPORTATION/Resources/app_d.pdf

²⁹ <http://www.iadb.org/en/topics/transportation/sustainable-transport,2875.html>

³⁰ United States Department of State, Background note: Haiti. <http://www.state.gov/r/pa/ei/bgn/1982.htm>

Norman Manley International Airport as well as seeking investors to develop a logistics center.³¹

5.2.4 Tourism, including Renewal, Expansion and Diversification

For many Caribbean countries, the service industry is the mainstay of the local economy. Over 20 million international tourists stay overnight every year. With another 18 million cruise visitors, it is also the world's top cruise destination.³² Tourism and the surrounding industries generate billions of dollars every year. Jamaica (27% of GDP), the Dominican Republic (16%) and Barbados (39%) are all rely heavily on the tourism sector³³ while Trinidad and Tobago is not. Haiti's tourism sector suffered significantly post-2010 earthquake.

Table 15: Tourist Arrivals (Stop-Overs)

	2007	2008	2009	2010
Barbados	572,937	567,667	518,564	532,180
Dominican Republic	3,979,582	3,979,672	3,992,303	4,124,543
Haiti	No Data	No Data	No Data	No Data
Jamaica	1,700,785	1,767,271	1,831,097	1,921,678
Trinidad & Tobago	449,452	430,513	342,091	158,117

Table 16: Cruise Passenger Arrivals

	2010	2009	Percent Change
Barbados	664,747	635,212	4.6
Dominican Republic	352,539	496,728	-29
Haiti	NA	NA	NA
Jamaica	909,619	922,349	-1.4
Trinidad & Tobago	71,802	83,709	-14.2

Source: <http://www.onecaribbean.org/statistics/>

Some areas of focus are:

Environmentally-friendly development

Resorts, airports and port facilities create a significant environmental impact. Water treatment and waste management are critical needs as these locations depend on their natural resources to draw tourists. Islands such as Barbados, which is water-scarce, have a critical need for water efficiency and processing technologies.

³¹ http://www.jamaicatradeandinvest.org/documents/Investment_Opportunities.pdf

³² Economic Commission for Latin America and the Caribbean, Economic Survey of the Caribbean 2009-2010: Fiscal Consolidation and Medium-Term Growth, October 2010.

<http://www.eclac.org/publicaciones/xml/9/42349/LCARTL.272.pdf>, 41.

³³ Ibid.

Improved Transportation

Barriers to tourism-based activity are often the result of poor access to activities and goods. Transportation infrastructure is critical to the development of tourism. Not only does it give tourists access to a broader range of the island, but it gives residents access to markets.

Rural Tourism

With the increasing interest in the “Fair Trade” brand and non-standard vacation packages, there is real potential for small rural tourism enterprises that can be hooked into larger travel packages. These enterprises also have the potential of tapping into domestic markets to offset the seasonality of the international market.

Haitian Tourism

Political unrest and the recent earthquake devastated the tourism sector in Haiti. However, tourism in Haiti was a bustling enterprise 25 years ago. Unknown to many, Royal Caribbean International maintains a cruise ship port in the city of Labadee, which is broadly well-received by those that participate. The potential for the sector should not be overlooked.

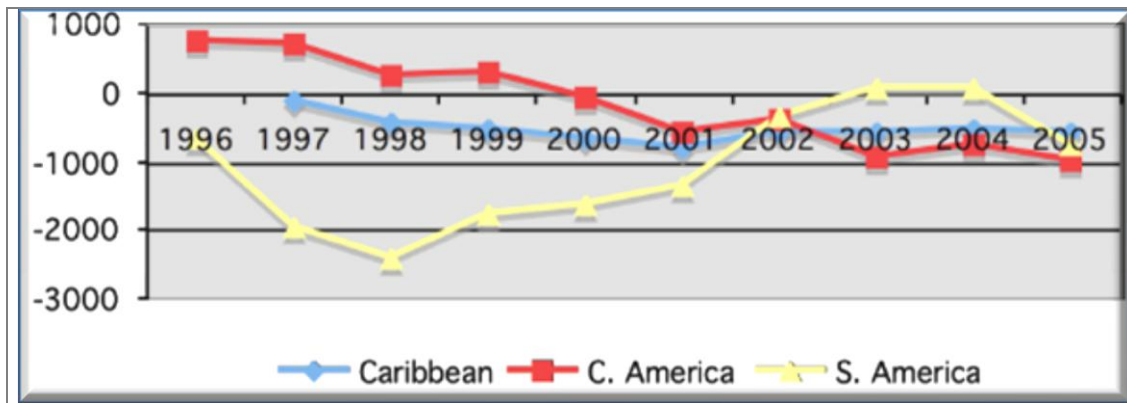
5.2.5 Cultural Industries, including Artisanal Handicrafts, Music and Entertainment

Cultural industries hold a great deal of promise for the Caribbean. Jamaica is already known worldwide for Reggae music, while Trinidad and Tobago is the birthplace of Calypso. More recent, film, fashion and animation are growing industries within the cultural sector, and according to IDB, careers in cultural vocations are becoming more popular within the region.³⁴ Aside from Jamaica –where the sector provides 5.1% of the GDP— there is unfortunately little to no data on the Creative industries’ contribution to local economy.³⁵ The lack of data gathering creates a challenge to investing in the sector. Figure 8 demonstrates this weakness, as the figures only account for merchandise trade and do not account for royalties, cultural festival tourism or services earnings.

³⁴ Peters, Winston, Strategies Implemented Towards Sustainability of Cultural Industries in the Caribbean, <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35394763>, 4.

³⁵ Nurse, Keith, The Creative Sector in CARICOM: The Economic and Trade Policy Dimensions, Cavehill, Barbados: CARICOM Secretariat, 2009. http://www.caricom.org/jsp/single_market/services_regime/concept_paper_creative_sector.pdf, 4.

Figure 8: Trade Balance of Creative Goods from the Caribbean, Central America and South America, 1996-2005 (\$m)



Source: The Creative Sector in CARICOM: The Economic and Trade Policy Dimensions

Opportunities within the creative sector include:

Education

As the sector becomes grows in popularity among the local population, there is a real need for education. Business and management skills, technology solutions, and artisan skills are all necessary to produce profitable, quality goods.

Improving distribution channels

One of the key challenges to artisans is access to markets. Cultural goods such as handicrafts and clothing can be produced in rural communities as supplemental income. Without a practical means to sell goods and receive compensation, a sustainable cultural industry is not possible.

Financial services

One of the key challenges discovered, particularly in rural settings, was capital flow. In poor rural communities, the delay between sale and receipt of remuneration increases the difficulty of obtaining materials to complete other orders.

5.2.6 Microfinance

The microfinance sector is relatively small compared to other regions within Latin America. There are currently only eight microfinance institutions operating in the Caribbean as compared to 87 operating in Central America, 52 in Mexico and 196 in South America.³⁶ According to the Caribbean Microfinance Capacity Building Project (CARIB-CAP),

³⁶ Microfinance Information Exchange Latin America, *Latin America and The Caribbean: 2009 Benchmarks*, <http://www.themix.org/sites/default/files/LAC%20Benchmarks%20Tables%202009%20EN%20%28Fina%29.pdf>

The development of Microfinance Institutions (MFIs) in the English-speaking Caribbean has been hampered by several factors including outreach to the 'poor', high delinquency rates and sustainability.³⁷

A higher portfolio risk could be concerning to many investors. There is, however, a great deal of potential in the Caribbean. Table 17 outlines some relevant statistics from 2009, comparing the Caribbean to other regions and shows the Caribbean performance of its MFIs to be very good.

Table 17: Microfinance Institution Benchmarks

	Caribbean	Mexico	Central America	South America
Age of MFI's	23	6	16	14
Total Assets (US\$ m)	12.3	7.4	6.5	13.9
Number of Active Borrowers	13,124	14,721	6,337	9,240
Percent of Women Borrowers	62.2%	85.0%	61.7%	56.7%
Avg. Loan Balance per Borrower	\$467	\$321	\$897	\$1254
Return on Assets	2.9%	-0.5%	-1.2%	-0.8%
Return on Equity	14.4%	-2.7%	-3.1%	4.8%

Source: Microfinance Information Exchange: 2009 Benchmarks

5.2.7 SME Development

SME development is another important area in need of additional support throughout the region. Although not all SMEs consist of an equal measure of entrepreneurial drive, the Caribbean region has concentrated areas of entrepreneurs in both urban and rural settings which are currently underfunded or under developed. Some self-employed people are not interested in expanding their businesses and growing to reach new markets; however, many other entrepreneurs and small businesses are interested in improving their capacity and ability to develop new markets. It is important to recognize this difference and target funding and technical assistance programs accordingly to focus on SMEs with leadership that consists of entrepreneurial traits to maximize the benefits of Impact Investments in the Caribbean.

5.2.8 BOP Needs

Another area is the underserved base of the pyramid population and related services. Regardless of where these countries rank in terms of the Global Competitiveness Index and per capita income, a range of products and services are needed to support the base of the pyramid in the Caribbean, including low-income housing and improved access to basic services ranging from water and sanitation to employment generation.

³⁷ CARIB-CAP: Capacity Building Plan, <http://www.caribcapmicrofinance.com/capacity.php>

6. COUNTRY SPECIFIC ANALYSIS

The scope of opportunities for Impact Investments can be largely driven by the motivation of the investors, but real deal opportunities are determined by the specific needs and profile of the investees.

The Caribbean region represents a diverse landscape for Impact Investing with potential opportunities facing varying degrees of sophistication and development of the project concept. A combination of financial and non-financial gaps exist that present opportunities for the right combination of financial first and impact first investors. The following sections highlight some of the key findings for each of the countries of focus.

The objectives of the country specific analysis are twofold: (1) to build on the regional analysis by developing case studies that provide deeper context and tangible examples of projects with high potential in terms of investment; and (2) provide more granular market analysis and insights.

The analysis below is based on the development needs for each of the five countries of focus.



Country Specific Analysis

Barbados

6.1 Barbados

6.1.1 Background

Barbados is one of the Caribbean’s most advanced economies in terms of GDP per capita of US\$11,713. The World Bank classifies the country as a High Income: non-OECD nation. Despite the global economic crisis, unemployment has been steadily declining since 2003 (8.1% in 2010) and primary school enrolment remains very high. However, it is not without its challenges.

Although considered “developed”, Barbados is still very vulnerable in critical areas. While World Bank does not maintain a strategy with regards to the country, IDB is still quite active. According to the bank’s country strategy, there are four major development needs that must be met in order to reduce Barbados’ economic weaknesses. Like many of its neighbors, the small island nation has significant challenges with regards to climate change, energy costs, and water scarcity. Developing an education system able to supply skilled workers for Barbados’ evolving and modernizing economy is also of prime importance.

According to IDB’s Country Strategy, there are several threats to the island’s economy³⁸. High energy costs and inefficiencies, water scarcity and vulnerability to natural disasters are high priorities for both the Government of Barbados and the IDB. These challenges have a significant impact on an economy that is almost entirely dependent on tourism. Furthermore, despite the high level of primary education, there is a disconnect between primary school and work training as well as technical and vocational training. As a result, a gap continues to exist between educational programs and the needs of the market.

The government’s fiscal position has been slowly deteriorating with the debt topping 110% of GDP in 2010, suggesting that there exists very little fiscal room for manoeuvre for the government. Since 2009, S&P has twice downgraded Barbados’ sovereign debt resulting in a reduction from BBB+ to BBB-.

Table 18 provides some key economic indicators.

Table 18: Barbados Key Economic Indicators

Key Economic Indicators	2005	2006	2007	2008	2009	2010
GDP growth (%)	3.9	3.6	3.9	-0.2	-4.8	-0.5
GDP per capita (USD)	13,478	14,177	14,698	14,486	14,117	14,326
Inflation (%)	6.0	7.3	4.0	8.0	3.8	5.0
Government revenue (% GDP)	34.6	36.5	39.0	40.1	38.0	37.9
Government total expenditure (% GDP)	40.9	40.0	47.9	47.8	45.3	44.5
Government gross debt (% GDP)	76.5	79.6	90.4	97.3	110.6	113.7

³⁸ <http://www.iadb.org/en/countries/barbados/country-strategy.1079.html>

Current account balance (% GDP)	-10.7	-6.9	-4.5	-9.6	-5.4	-7.3
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Source: World Development Indicators Database, World Bank, September 2011

6.1.2 Government Priorities

Given the fiscal imbalance and high dependency on energy, the government has placed special focus on foreign exchange generation. A special unit within the Ministry of Foreign Affairs and Trade, the Council for Investment, Exports, Foreign Exchange and the Diaspora (CIEX), is looking at expanding Barbados' principal foreign exchange earning sectors and strengthening the relationship with the Barbadian diaspora by providing enhanced incentives to attract their participation in the country's development effort. Among other initiatives, the government is in the early stages of developing the concept of a "diaspora bond" to help raise funds.

In terms of specific sectors, the government is focused on three main economic areas for investment and development:

- The green economy, particularly green energy
- The cultural industry and sports
- Redevelopment of Bridgetown now designated World Heritage UNESCO site

6.1.3 Main Findings

Some general observations can be made based on the analysis and in-country interviews conducted.

1. Barbados has the 3rd largest deployment of solar hot water heating in the world on a per capita basis. There is a significant opportunity to scale up to rest of Caribbean.
2. In terms of alternative energy generation, while there is limited scope for utility-scale solar PV given the current legislation, there is significant scope for individual installations to meet the energy needs and potentially feed excess electricity to the grid as the government has recently introduced concessions to encourage investment in solar PV systems.
3. It is recognized however that solar PV cannot be a full solution to Barbados energy needs, given the challenge of storing solar energy for use.
4. The manufacturing sector is facing challenges to be internationally cost competitive given the cost of energy.
5. The tourism sector in Barbados has suffered some decline in recent years and the traditional UK market has been squeezed. Investments in the industry have therefore

been limited, although a significant Four Seasons resort project is underway and seeking investment.

6. Bridgetown's historical center has recently been designated by UNESCO as a World Heritage site and there are plans for significant investments in upgrading the infrastructure on the basis of PPP arrangements. This includes port redevelopment and internal transportation.
7. The population is well educated and university tuition is free.

Given the high level of education, Barbados has some important value-added ICT activities, such as call centres and outsourced IT services, handling insurance claims, medical transcription, etc.

8. Entrepreneurship is encouraged and business plans are well articulated.
9. The cultural sector is enjoying a high profile, thanks to the success enjoyed on the world stage by the likes of Rihanna.
10. As with other Caribbean islands, the challenge of transitioning the sugar sector into a viable business area is an important focus. A feasibility study has been undertaken to consider a refinery to handle both high-end refined sugar/rum and a facility to turn waste to energy using the sugar bagasse.
11. Other energy concepts include deep water cooling systems for the south part of the island to supply the hotel sector. Some very preliminary thought has been given by a private project proponents of developing B\$50mn fund for this purpose.
12. There is a need to upgrade the sewer systems through the island.

6.1.4 Supply of Capital

Barbados is a highly banked country with a very well-developed, sophisticated banking system. It is estimated that the amount of local capital (institutional and private investment) is upwards of B\$8bn (US\$4bn) but the fiscal position of the government which has resulted in attractive interest rates of Treasury bills has focused liquidity away from the productive sector.

6.1.5 Areas for Impact Investing

- The low-hanging fruit is in the area of alternative energies, particularly solar PVs where the government is promoting via incentives the installation of PV facilities at the household and industrial level. There are good concessions from government being offered for investment in alternative energy.

- Regionalizing the very successful solar hot water heater deployment would be a very viable opportunity with the right mix of technical and local resources.
- Energy conservation efforts and schemes – via the establishment of ESCO-like entities – would be favourably supported by the government.
- Given that entrepreneurs are well educated, have access to business planning help and financial statements are professionally prepared, there are few requirements for additional resources in the entrepreneurship area, but further expansion of mentorship programs could be useful.
- Transportation such as inter-island fast ferries (to the OECS and even Trinidad) and local water taxis, is likely to have a receptive market given the ongoing travel challenges in the region.



Country Specific Analysis

Jamaica

6.2 Jamaica

6.2.1 Background

According to the Inter-American Development Bank’s (IDB) Country Strategy, Jamaica’s economy faces significant challenges. Longstanding structural issues and the global economic crisis have hampered economic growth. Poor vocational training and a rising unemployment rate (12.9% as of 2010), particularly among the young, are contributing to a high crime rate and low level of trust in society. Furthermore, Jamaica’s debt-to-GDP ratio is more than 120%, the fourth highest in the world and high energy costs are affecting individuals at the household level as well as businesses. This, coupled with vulnerability to natural disasters such as earthquakes and hurricanes, complicates social programs and related investments in areas such as housing and infrastructure.

These issues create a cyclical problem for the small island nation. With over 70% of their economy tied to tourism, poverty and crime have tended to reduce the attractiveness of Jamaica as a travel and investment destination which further decreases the availability of employment and contributes to rising poverty and crime rates. Nearly 88% of Jamaica’s national housing market falls within the “Base of the Pyramid” group.³⁹

Given Jamaica’s socio-economic condition, coupled with a sizable population of 2.9 million people the country presents opportunities for targeted Impact Investments.

While technically in a recession since the global financial crisis, GDP has still seen a rise in per capita incomes to a level of just over US\$5,000, ranking it as a middle income country. With inflation in the range of 10-12% and unemployment just over 10%, its population of 2.7 million places it as the second largest Caribbean country after Haiti.

Table 19: Jamaica Key Economic Indicators

Key Economic Indicators	2005	2006	2007	2008	2009	2010
GDP growth (%)	1.1	3.0	1.4	-0.9	-3.0	-1.1
GDP per capita (USD)	4,198	4,471	4,812	5,167	4,562	5,039
Inflation (%)	15.1	8.5	9.3	22.0	9.6	12.96
Government revenue (% GDP)	26.2	26.0	27.5	26.9	27.0	26.5
Government total expenditure (% GDP)	29.5	30.9	31.3	34.3	38.0	32.3
Government gross debt (% GDP)	120	117	114	126	141	140
Current account balance (% GDP)	-9.5	-10.0	-16.5	-17.8	-10.9	-8.1

Source: World Development Indicators Database, World Bank, September 2011

³⁹ *The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid*, Washington D.C.: World Resources Institute and International Finance Corporation, 2007, page 140.

The World Bank's recent Country Economic Memorandum on Jamaica states that the nation's economic growth is primarily being constrained by three major factors—crime, education and fiscal distortions.⁴⁰ Jamaica's notoriously high crime rate forces businesses to invest in security precautions rather than growth. A lack of quality education is leaving the island with an inadequately skilled workforce, which is further compounded by brain drain as a result of emigration. Finally, an inefficient and bloated public sector coupled with weak fiscal policies and budget management hinder improvements to infrastructure and other public services. These three factors work synergistically to create an environment of low productivity that is creating significant slowdowns to economic growth.

6.2.2 Government Priorities

To redress the fiscal imbalance, the government has placed significant priority on public sector reform, including privatization of a number of public sector assets and enhanced system for tax collection as a means of narrowing the fiscal deficit and reducing the unsustainable debt load. A voluntary debt swap conducted by the government in which nearly 100% of local debt holders opting for debt with a lower interest rate. This has had a series of ancillary benefits, such as making financial institutions put their liquidity towards more productive sectors as they are no longer enjoying such high rates of return on government paper.

The government has also been actively pursuing a privatization programme to shed commercial assets from its balance sheet. This privatization effort is being handled by Development Bank of Jamaica (DBJ). A publication has been produced by JAMPRO which highlights all the privatization opportunities available (http://www.jamaicatradeandinvest.org/documents/Investment_Opportunities.pdf).

A key priority for the government has been the energy sector. The rise in prices to the equivalent of US 0.77 cents per kW has had a serious impact on households and businesses. The government is actively seeking alternative energy sources and introducing a new Energy Plan for the period to 2030.

6.2.3 Main Findings

Some general observations can be made based on the analysis and in-country interviews conducted.

1. Jamaica has a strong entrepreneurial spirit and good business ideas with a relatively large local market from which to launch businesses.

⁴⁰ World Bank, Country Economic Memorandum: Jamaica, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/JAMAICAEXTN/0,,contentMDK:22950088~pagePK:141137~piPK:141127~theSitePK:338335,00.html>

2. However, these businesses often lack capital. The lack of capital is not only - or largely - due to the absence of supply of credit but often these entrepreneurs lack the skills and motivations to articulate a business plan and develop proper financial statements.
3. While there is debt financing available in the country for well developed business plans – even for start-ups – there is a dearth of VC money (and long memories of fund management failures from years ago).
4. The demand for VC or private equity is also limited as business owners are reluctant to share control and may resist the transparency required. However, there are good signs that the “culture” of debt is changing.
5. The reduction in interest rates and greater macroeconomic stability is leading to more liquidity within the banking system and more credit available to the productive sector in the formal economy.
6. Currently 95% of power is generated by petroleum products. With energy costs exorbitantly high and volatile, the manufacturing sector has been under threat and, thus, the push for alternative energy—such as solar, hydro, wind and geothermal—is significant. However, the government has yet to articulate a cohesive and clear policy framework which provides the right mix of investment incentives and feed-in tariffs (to permit or encourage alternative energy generation). Jamaica Public Service (JPS) is the sole distributor of electricity in Jamaica.
7. Wind is the most promising renewable resource for Jamaica. Detailed engineering is under way to expand Wigdon Wind Farm by 18 MW. Jamaica also has some limited potential for small hydro and biomass development. The current resource plan includes development of an estimated 20 MW municipal waste project in Kingston. Solar PV potential is estimated at 650 MW of installed capacity, but bulk power development would not be economic based on current estimates.
8. Unlike Barbados, the use of solar hot water heating is relatively low and an important and immediate opportunity exists to deploy this technology across households.
9. The Government’s push towards privatization of assets within the productive sector provides an important opportunity for potential impact investors. www.jamprocorp.org for list of assets.

Tourism has been the mainstay of the economy and although there has been substantial investments into this sector in recent years, there has been little in the way of backwards linkages, or supply from Jamaican sources and still a large proportion of inputs are sourced from abroad, including fruits and vegetables, due to insufficient quality and consistency of local produce.

6.2.4 Supply of Capital

The level of credit to the private sector in Jamaica is relatively high compared to other mid-income countries in the region and the business sector is considered to have fairly good access to credit. A credit bureau is on the drawing board to be set up which will help financial institutions better differentiate between risks and offer more differential pricing.

In terms of sources of capital, on the debt side, generally Jamaican companies have access to commercial banks and, for SMEs there are a number of credit unions. For microenterprises, there are microfinance institutions, e.g. Access Finance and JNBS which offer loans on short terms at fairly high interest rates (1% a week). The challenge companies face is to provide financial statements and business plans.

For equity, the recent establishment of the Junior Stock Exchange in 2009, providing tax concessions and a ready pool of investors is said to have had a very positive impact for the 11 companies so far listed, allowing expansion and further investment in their operations.

Private equity or Venture Capital, as in most Caribbean countries including Jamaica, is not very prevalent, not least because of the desire for business owners to retain control and limit disclosure of financial statements.

6.2.5 Areas for Impact Investing

- Jamaica's agricultural sector has some niche opportunities and a ready local market. One firm is currently producing hotel-quality Romaine lettuce with hydroponics, but further investment in this sector is needed.
- There has been a focus on the development of the creative or cultural industries (such as music, food, film etc.), for which Jamaica is well known.
- There is a significant need for low cost housing, particularly in the urban centres, to address the BOP housing needs.
- The deployment of solar hot water heaters across the country would bring significant benefit in the face of escalating energy costs.
- Other investments in alternative energies are under consideration and could prove to be of significant benefit, including geothermal, mini-hydro and wind.
- The size of economy and port capacity, given its location relative to North America, have opened up niche some opportunities in high end manufacturing but this is an area in which competitive pressures are very high.

- The ICT sector has seen investments by way of the establishment of call centres serving the North American market.

Box 5: Impact Investment Opportunity - Caribhomes

Going Green with Sustainable Housing: Green Building and Land Development for a Sustainable Future

Background

The Caribbean as a whole has not yet embraced the benefits that can arise from using alternative and renewable energy from solar, wind, and geothermal sources. As energy costs continue to increase in the region, there is increasing demand for the application of natural energy sources and energy saving building design and technologies. In Jamaica, high energy costs are already affecting individual households and businesses. Simultaneously, there is a need for additional housing stock to support mid- to lower income segments of the Jamaican population.

Objective

To address the shortage of mid-level housing and high energy costs in Jamaica by introducing affordable housing solutions with green technologies.

Project of Focus

The business model of Caribhomes is based on designing and building sustainable housing solutions in the Caribbean at a cost that is affordable to the middle-income segment of the population in Jamaica. Caribhomes has designed a project to meet these objectives, known as Cragstone Development. Situated on 2.32 acres in Plantation Heights in the Parish of St. Andrew, Jamaica, this project can be actualized with a relatively small investment of approximately US\$1.8-2 million. As a mixed residential development consisting of townhomes and apartments, a total of 32-40 residential units (depending on chosen design) with green features can be constructed. Caribhomes is seeking equity partners as the preferred form of capital and the project company is the investment vehicle that can facilitate subsequent liquidation.

Equity funding of US\$1.4 million for 32 units (50 habitable rooms per acre) has a gross profit of US\$1.2 million and projected return on investment of 83% over 2 years. Alternatively, equity funding of US\$1.5 million for 40 units (68 habitable rooms per acre) has a gross profit of \$2.1 million and a projected return of investment of 139% over 2 years.

It is estimated that the overall building costs are only 5-7% higher for these green technologies that will be fully recovered by the subsequent savings. As part of the green design, this housing development seeks to optimize the usage of green technology for maximum energy savings, such as solar electricity, domestic wind turbines, LED lighting, recycling and preservation of domestic and surface water. Additional green features include pre-engineered and pre-fabricated, porous materials that provide a high level of insulation to accommodate both warm and cool temperatures. The building design is in advanced stages and has been submitted to the National Environmental Planning Agency in Jamaica for approval. This green building project in Jamaica provides both social and environmental impact over both the short and long-term.

Conclusion

Caribhomes presents an opportunity for the right type of impact investor to introduce green technologies and sustainable housing design into the Caribbean market. Significant return on investment can be achieved through the implementation of green building and affordable housing options. The demonstration effect of this sustainable housing project also presents an opportunity for increased demand for similar initiatives in Jamaica and throughout the Caribbean region, thus amplifying the overall impact of the investment. This project is investment ready and represents the type of untapped potential for Impact Investing in the Caribbean region.

For more information: www.carib-homes.com

Caribbean
Sea



TRINIDAD AND TOBAGO



Country Specific Analysis

Trinidad & Tobago

6.3 Trinidad and Tobago

6.3.1 Background

Trinidad and Tobago, like Barbados, is one of the wealthier nations in the region. However, unlike many Caribbean nations, tourism is not the mainstay of its economy. Instead, oil, liquid natural gas, and other exports are the primary drivers. However, regional financial services and tourism are the major employers with over 60% of the workforce being in service industries.

Because of Trinidad’s energy wealth, two phenomena have distinguished it from other Caribbean countries: a) the impetus for pursuing alternative energy is less and b) the manufacturing sector is more vibrant as input costs are considerably less than elsewhere.

Table 20: Trinidad Key Economic Indicators

Key Economic Indicators	2005	2006	2007	2008	2009	2010
GDP growth (%)	6.2	13.2	4.8	2.4	-3.5	0.0
GDP per capita (USD)						
Inflation (%)	6.9	8.3	7.9	12.0	7.0	10.7
Government revenue (% GDP)	31.6	38.2	33.2	39.6	30.6	36.1
Government total expenditure (% GDP)	27.5	32.1	29.6	31.4	39.6	40.3
Government gross debt (% GDP)	36.8	32.6	28.9	25.4	34.4	39.8
Current account balance (% GDP)	22.5	39.6	24.8	31.3	9.0	17.6

Source: World Development Indicators Database, World Bank, September 2011

6.3.2 Government’s Priorities

There is recognition by the government that oil-dependence has some risks and efforts to diversify are under way. While manufacturing remain the best alternative to the oil and petrochemical sectors, additional consideration is being given to other high-value industries such as aluminum (with concomitant environmental concerns).

The government is actively pursuing a PPP programme (Public-Private Partnerships) to develop its infrastructure within the energy, telecommunications, transportation, port, manufacturing, health and tourism sectors.

6.3.3 Main Findings

1. While there is a high per capita income, there are pockets of urban poverty and rising crime, precipitating a state of emergency being declared by the government which is seriously cracking down on crime.

2. There is a need for affordable housing for the working poor. Low cost housing solutions are needed.
3. The population is generally well educated but entrepreneurship is perhaps less vibrant because of the opportunities offered in the oil and gas sector.
4. Trinidad enjoys a protected harbour from hurricanes on its west side in the Gulf of Paria, which can be further developed as a regional hub for ship repair and dry docking.
5. Because of its geographic location, Trinidad is being seen by the government as a possible gateway to South America, but mostly this is in relation to the potential which exists in Guyana and Suriname.

6.3.4 Supply of Capital

Although the banking system is not as well developed as Barbados, there appear to be fewer gaps in the availability of finance for SMEs. The private equity market has seen some activity and expansion funding is available for firms who need it.

6.3.5 Areas for Impact Investing

- Trinidad is a more challenging market for impact investments both because it is an oil-rich economy and it is high income, thus leaving fewer opportunities for such a focus. Alternative energy solutions are not viable given the low cost of conventional fuel.
- Low cost housing is an opportunity, as might be expansion of manufacturing sector, thus promoting job creation.
- Investment in port facilities, particularly the safe harbor, offer some possibilities.
- As a springboard to other markets, such as the OECD?, Guyana and Suriname, as well as Central and South America, Trinidad could be well positioned, but this would require significant and focused attention on diversifying away from the more straightforward oil and gas sector.

Box 6: Impact Investment Opportunity - Caribbean Information & Credit Rating Services Limited

Local Credit Rating Services: Supporting the development of a vibrant and integrated Caribbean Capital Market

Background

In the United States and other countries, the inclusion of ratings schemes in financial regulations has been a boon to the success of ratings agencies. The recent financial crisis has reinforced the necessity of utilizing credit ratings as part of the capital requirements of banks. Within the last couple of years, several Caribbean nations have begun examining new risk-based regulations that include credit ratings and increase scrutiny of the agencies that provide them.

Objective

To enhance CariCRIS' ability to provide products and services Caribbean Sovereigns, large corporations and SMEs that comply with the rigorous requirements laid out in current and imminent regulations within the region.

Project of Focus

Established in 2004, CariCRIS is the Caribbean's first credit rating agency. Primarily focused on Sovereigns and large corporate, it has successfully expanded into ratings and bond valuations for SME's. It also provides credit risk workshops for risk, investment and finance professionals throughout the region to enhance credit decision-making through hands-on sessions. It is currently seeking to reconfigure its organization and strengthen its human capital in anticipation of the imminent increase in stringency of regional compliance standards.

CariCRIS is seeking US\$2 million to be raised through the private placement of shares at US\$1 per share to its existing 26 shareholders and up to 8 new institutional investors. With a conservatively projected market share of 50%, a profit margin of 33% and a return on capital of 28% is expected to be achieved by 2013. With that in mind, the US\$1 share price represents a cash flow valuation at a discounted rate of 9%. CariCRIS, with the new investments, further proposes to maintain a minimum of US\$1 million in total shareholders' funds.

Conclusion

CariCRIS presents an excellent opportunity for the institutional impact investor. Its early establishment and market penetration place it in an ideal position to leverage new regulations throughout the region. Significant return on investment is possible through the agency's ability to provide ratings and valuation services in compliance with upcoming regulations and guidelines; in particular, those being considered in Trinidad and Tobago could result in an increase in revenue by nearly US\$1.5 million per annum.

For more information: <http://www.caricris.com/>



Country Specific Analysis

Dominican Republic

6.4 Dominican Republic

6.4.1 Background

According to IDB, the Dominican Republic has had one of the fastest-growing economies in Latin America for the last 20 years. Successful economic strategies have significantly reduced poverty and created a high degree of political and social stability. However, despite this progress, the Dominican economy faces challenges.

The Dominican Republic has enjoyed one of the highest economic growth rates in Latin America. The government's successful implementation of a macro-economic plan has reduced inflation, which was spiraling out of control until a financial collapse in 2003, to single digits and they are leveraging the Dominican Republic - Central America - United States Free Trade Agreement (DR-CAFTA) which went into effect in 2007.

Despite positive headway, there are still extremely high levels of poverty and inequality. The global financial crisis and the negative consequences of climate change have made the nation's tourism-based fiscal situation more difficult than it already was previously. Like many other Caribbean nations, there are also issues with cost and efficiency of the energy sector and little ability to implement counter-cyclical social policies. The nation still has significant needs in the realms of energy, social protection and public sector reform. Education and water are also key areas of focus.⁴¹

Table 21: Dominican Republic Key Economic Indicators

Key Economic Indicators	2005	2006	2007	2008	2009	2010
GDP growth (%)	9.3	10.7	8.5	5.3	3.5	7.8
GDP per capita (USD)	3,712	3,879	4,379	4,777	4,816	5,228
Inflation (%)	4.2	7.6	6.1	10.6	1.4	6.3
Government revenue (% GDP)	15.6	16.2	17.3	15.9	13.7	13.6
Government total expenditure (% GDP)	16.0	17.0	16.5	18.9	17.2	15.9
Government gross debt (% GDP)	25.6	22.7	20.3	25.3	28.5	29.0
Current account balance (% GDP)	-1.4	-3.6	-5.3	-9.9	-5.0	-8.6

Source: World Development Indicators Database, World Bank, September 2011

⁴¹<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/DOMINICANEXTN/0,,menuPK:337779~pagePK:141132~piPK:141107~theSitePK:337769,00.html>

6.4.2 Government Priorities

In the Dominican Republic, the government has prioritized its competitiveness agenda in recent years and has proactively sought ways to secure continued growth through trade and investment. Free trade zones and international trade agreements have helped to position the country as an attractive market for global manufacturers and investors. The government focuses on both export-driven and domestic-market driven activities.

As quoted by the President Leonel Fernández, “In the Dominican Republic’s search for progress and modernity, systemic competitiveness constitutes a strategic focal point from which to successfully confront the challenges of globalization and the market openings under the free-trade agreements with the United States, Central America and the European Union.”⁴²

The government is prioritizing efforts to sustain growth while simultaneously promoting human development through improved quality of life, better education, and higher per capita incomes. The country aims to be fully integrated in the world economy by 2020, seeking to create a support competitive, sustainable and equitable development in the Dominican Republic. There are three main pillars to the country’s 2020 development plan: (i) the exporting sector, (ii) the generation of foreign currency and competitive import substitution through the promotion of productive chains, and (iii) infrastructure, construction and housing development.

The President also recently declared natural gas in vehicles as a national priority and several companies have already been authorized to install the systems⁴³. The intention is to save funds that are used for the importation of petroleum.

6.4.3 Main Findings

Some general observations can be made based on the analysis and in-country interviews conducted.

1. The Dominican Republic continues to experience economic growth despite the recent global financial crisis; however, important social and environmental challenges remain.
2. There is limited fiscal space in the Dominican Republic and efforts are being made to reduce the government deficit.
3. The Dominican Republic is often considered to be playing a “hybrid” role as a Caribbean country which is also closely related to Central America due to its official

⁴² Source: <http://dr1.com/trade/articles/271/1/The-National-Competitiveness-Plan/Page1.html>

⁴³ Source: <http://www.dominicantoday.com/dr/economy/2011/7/27/40379/Dominican-leader-declares-natural-gas-in-vehicles-a-priority>

language and its geographic position. This creates unique trade and investment opportunities within the Caribbean to deal with the United States, especially Puerto Rico, and Central and South America.

4. The Dominican Republic also represents unique opportunities to support trade and investment in Haiti due to its close proximity and advanced level of transport and Information and Communication Technology (ICT) infrastructure.
5. Tax free zones and trade agreements have helped to attract foreign investment and have proven effective in strengthening the country's socio-economic development.
6. Tourism and agricultural production are important drivers for economic growth in the Dominican Republic.
7. With energy costs increasing and regular electrical outages, there is a rising demand for alternative sources of energy, including solar, hydro, wind and geothermal. Similar to other countries in the region, the government has yet to establish the necessary incentives to encourage energy saving and alternative energy generation for household and industrial use.
8. The government enacted a law in 2007 defining goals for future renewable energy development. The goal is to have 25% renewable energy by 2025. About 350 MW of wind projects have already been approved. In addition, there is significant additional wind potential based on provisional studies. There are also estimates of 2,899 MW of solar PV projects, but these would not be economic based on current estimates. Construction is under way, or contracts have been signed, for 356 MW of new hydro plants. In addition, several hundred MW of new hydro projects are in different stages of development. Small hydro would be marginally economic if good sites can be identified, but biomass would be marginally uneconomic.
9. The stock market in the Dominican Republic has experienced most activity in the secondary market, with expensive initial public offerings limiting the primary market and proving cost-prohibitive for SMEs to be listed. The absence of a junior market also limits the accessibility for SMEs.
10. Opportunities exist to build on ongoing initiatives supported by the Chamber of Commerce and other local industry leaders.

6.4.4 Supply of Capital

Access to finance is very limited in the Dominican Republic, especially for SMEs and entrepreneurs. While debt financing is available for well established firms, significant collateral is required. Although microfinance institutions provide small amounts of capital, there is an absence of finance to support more developed SMEs and entrepreneurs in need of higher levels of capital. Commercial banks and the international financial institutions are active in the Dominican Republic; however, this supply of capital is largely reserved for mature companies, firms that have proven sources of cash flows, or high levels of collateral.

There is a strong culture that has historically preferred debt financing or self-financed projects with little understanding of the benefits of equity, although this appears to be gradually shifting. Moreover, risk adjusted valuation is largely absent in the Dominican Republic, similar to other parts of the Caribbean, making it difficult to secure the requisite financing for viable investments.

Very little venture capital and minimum angel capital are available in the Dominican Republic, despite a high level of entrepreneurial pursuits and solid business ideas. Given the limited activity of the stock market, other exit strategies need to be considered when structuring equity deals. Some local private equity firms such as Vincini have proven to be very successful in the DR.

The informal nature of many sectors and businesses in the Dominican Republic creates a significant gap between the supply of capital and the demand for financing.

6.4.5 Areas for Impact Investing

There are a number of areas in which impact investing could be considered.

- SME support in terms of capacity building in areas such as corporate governance and financing to create jobs and increase socio-economic development.
- Tourism development and diversification of tourist attractions (e.g. ecological, heritage sites, etc.)
- The new port being created by Carnival for shared use with other cruise lines presents a unique opportunity to build businesses in a variety of sectors and entire communities in this rural area through Impact Investing.
- Renewable energy with some wind projects started and the need for solar energy.
- Education and health sectors



Country Specific Analysis

Haiti

6.5 Haiti

6.5.1 Background

Political instability, corruption, deforestation, extreme poverty and a staggering unemployment rate (40.6%) make Haiti one of the poorest economies in the world and the poorest country in the western hemisphere. Repeated natural disasters have exacerbated these problems. With more than \$11 billion in damage and losses from the devastating earthquake in January 2010, the World Bank and other development finance institutions restructured their portfolios to redirect resources toward urgent post-quake priorities such as water, sanitation, energy, transportation and infrastructure reconstruction. More than 200,000 people were killed and approximately 1 million people were left homeless. Despite efforts to date, tremendous work remains to be done to fully recover from the 2010 earthquake.

As the poorest nation in the Western Hemisphere, Haiti's needs are significant. Political instability and frequent, devastating natural disasters have crippled economic growth in the small nation. Haiti's primary concern at this point is recovery from the 2010 earthquake which devastated the nation's already inadequate infrastructure and redirected a significant portion of the earmarked funds away from other projects.

At the World Bank donor's conference in March, 2010, the Haitian government prioritized the reconstruction and development of growth-driving infrastructure, modernization and development of key industry sectors, increased availability of quality education and healthcare, and the re-establishment of core government services with increased transparency to deter corruption. Barring another significant natural disaster, it is hoped that these areas will stimulate growth.⁴⁴

Disaster recovery aside, Haiti has several significant challenges to economic growth. Quality and availability of education are significant concerns with only 53% of the population able to read. Soil erosion and poor farming techniques are problematic as 50% of the Haitian workforce is in agriculture. Deforestation and environmental degradation has continued to increase the country's vulnerability to adverse natural events such as hurricanes and floods, while the dense population in its capital city remains highly exposed to seismic risk. Haiti's financial sector has also proven inadequate to meet the need for private sector development.

⁴⁴<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/HAITIEXTN/0,,contentMDK:22251393~pagePK:1497618~piPK:217854~theSitePK:338165,00.html>

Table 22: Haiti Key Economic Indicators

Key Economic Indicators	2005	2006	2007	2008	2009	2010
GDP growth (%)	1.8	2.2	3.3	0.8	2.9	-5.1
GDP per capita (USD)	464	505	603	675	669	673
Inflation (%)	16.8	14.2	9.0	14.4	3.4	4.1
Government revenue (% GDP)	13.1	13.4	16.0	15.0	17.7	29.4
Government total expenditure (% GDP)	13.9	15.1	15.8	18.1	22.1	27.2
Government gross debt (% GDP)	43.6	39.3	35.0	37.6	24.7	15.7
Current account balance (% GDP)	2.6	-1.4	-1.5	-4.4	-3.4	-2.3

Source: World Development Indicators Database, World Bank, September 2011

6.5.2 Government Priorities

President Michel Martelly was recently elected in Haiti and the government is seeking to nominate a new Prime Minister. The realization of a new government in Haiti will further define priorities moving forward.

The recovery and reconstruction of Haiti after the 2010 earthquake continues to be the highest priority for the Government of Haiti. Significant efforts have been made to remove debris and to rebuild public infrastructure, yet tremendous work remains to provide housing solutions and basic services to the many who continue to live in temporary shelter.

The government's priorities continue to reflect the main components of the Action Plan for National Recovery and Development of Haiti which was developed soon after the 2010 earthquake. Specific action plans have been identified for four pillars: (i) territorial rebuilding, (ii) economic rebuilding, (iii) social rebuilding, and (iv) institutional rebuilding. Details are available at: http://www.haiticonference.org/Haiti_Action_Plan_ENG.pdf.

The Interim Haiti Recovery Commission (IHRC) was established to support recovery and reconstruction activities and continues to be co-chaired by the Haitian Prime Minister Jean-Max Bellerive and former President Bill Clinton. Approved projects reflecting national priorities can be viewed at: <http://www.cirh.ht/>.

The government considers foreign and national direct investments as key to the recreation of the Haitian economy. Commitments have been made by the government to help encourage these investments and it is understood that an adequate incentive policy is required to attract investment in the areas of manufacturing, industrial areas, and tourism. Priorities include agriculture, farming, textiles, tourism, urban housing development, SME development, higher education, integrated infrastructure, among others.

The Presidential Advisory Council for Economic Development and Investment was recently established by President Martelly in an effort to revitalize the national economy and promote job creation in Haiti.⁴⁵

6.5.3 Main Findings

Some general observations can be made based on the analysis and in-country interviews conducted.

1. Haiti continues to recover from the 2010 earthquake and significant investments are required to reconstruct and achieve the country's vision for its future level of development.
2. Significant debt relief initiatives have been put in place and little fiscal space remains.
3. The IDB remains the largest contributor to Haiti's development, with the World Bank, the International Finance Corporation, the Inter-American Investment Corporation, the Caribbean Development Bank, several UN agencies, many local and international NGOs, as well as several donor initiatives actively supporting projects and investments in Haiti.
4. The Interim Commission for Haiti's Reconstruction and the Bush Clinton Haiti Fund are playing lead roles in prioritizing and financing reconstruction efforts.
5. The President of Haiti announced a new Presidential Advisory Council for Economic Development and Investment intended to improve the national economy and attract increased investment.
6. Despite the election of a new President, the political process has been slow to elect a new Prime Minister which has delayed implementation of development plans and needed investments.
7. Haiti faces significant challenges which have been intensified by its environmental degradation and deforestation that contributes to soil erosion, increased exposure to adverse natural events, and further compromises the country's long-term development.
8. The private sector in Haiti plays an important role in supporting social programs. For instance, approximately 85% of primary education in Haiti is sponsored by the private sector. The private sector will continue to be called upon to advance the country's level of development.

⁴⁵ Source: <http://defend.ht/politics/articles/presidential/1646-formation-of-the-presidential-advisory-council-for-economic-development-and-investment>

9. The Haitian Government and the Dominican Government have a mutual interest in supporting Haiti's recovery and reconstruction and both countries are exploring ways to make effective use of investments along the border areas and in each country.
10. Haiti has not benefited from tourism and agricultural production as it could. The DR has strategically supported these sectors which have proven to be important economic drivers.
11. Only about 12% of the country is electrified. Generation, transmission, and distribution facilities are old and need rehabilitation. Operational capacity of generating units is only about 155 MW. About half of all demand may not be served due to load shedding.
12. Wind is the most promising renewable resource for Haiti. A Study of wind at three sites was conducted with good results. Haiti also has untapped resources of at least 50 MW in small hydro projects. Solar PV potential is estimated at 1,654 MW of installed capacity, but bulk power development would not be economic based on current estimates. Small hydro would also be economic, and biomass would be marginally economic, if good sites can be identified.
13. Opportunities exist to build on ongoing initiatives supported by local stakeholders and the global community.

6.5.4 Supply of Capital

In Haiti, access to finance is extremely limited, especially for entrepreneurs and small and medium-sized enterprises. Microfinance has played a valuable role in providing small amounts of capital to local entrepreneurs; however, much remains to be done to help small businesses and entrepreneurs to implement business plans and advance socio-economic development in the country.

Debt financing is the most prevalent source of capital in Haiti; however, commercial banks extend loans with as much as 100% of collateral required. This high level of securitization of loans ensures that lending instruments are available only to well-established firms, significantly restricting the supply of capital available to smaller companies or individuals in need of capital. There is an increasing interest in equity as debt remains largely unavailable to small and medium sized enterprises.

Significant grant resources have been committed to Haiti which is creating a 'grant' culture in certain instances whereby some SMEs and entrepreneurs would prefer to seek grant (non-repayable) or highly concessionary contributions rather than committing to debt or equity financing. This is an important factor that Impact Investors and donors need to be mindful of when supporting SME development in Haiti. As a result, some global Impact Investors are exploring ways to provide grant contributions through technical assistance coupled with lending or equity arrangements to overcome this challenge.

The informal nature of many sectors and businesses in Haiti also creates a wide gap between the supply of capital and the demand for financing. Technical assistance is required to address non-financial gaps in order for companies to become bankable so that business plans can be implemented.

In Haiti, risk adjusted valuation is largely absent, similar to other parts of the Caribbean, making it difficult to secure the requisite financing for viable investments, for both small and large scale investments.

An increasingly high number of Haitians are working as merchants and little focus is placed on the productive sectors. Although the various development banks are aiming to support productive activities, venture capital and other investors can play an important role in diversifying the economic activities and using the productive sectors as a way to reduce the country's reliance on imports.

6.5.5 Areas for Impact Investing

- Low-income housing: thousands of Haitians continue to live in tents
- Agriculture and agribusiness
- Tourism development
- Renewable energy in both urban and rural areas
- Education and health sectors
- Exportation of artisan products
- Products and services to support the industrial park being created
- Road infrastructure
- SME support in all sectors with technical assistance in several areas such as business plan development, corporate governance, and financing to create jobs and increase socio-economic development

Box 7: Impact Investment Opportunity - Entreprises Agricoles d'Haiti

Farming for Improved Food Security: Using Available Land for Agricultural Production and Rural Employment

Background

According to Haiti's National Coordination for Food Security¹, 3 million people in Haiti are experiencing food insecurity, compared to 1.8 million prior to the 2010 earthquake. The Haitian Ministry of Agriculture established a National Agricultural Policy combined with a multi-year investment plan which was submitted to donors in June 2010; however, much remains to be done to meet the demand for food and the opportunity to increase agricultural production in Haiti. Both the Inter-American Development Bank and the World Bank underscore the importance of agricultural productivity to food security and long-term economic development in Haiti, although many projects of varying sizes and investment readiness remain unfunded and would benefit from innovative sources of capital for greenfield projects.

Objective

To strengthen national agricultural production in order to improve food security and enhance self-sufficiency in Haiti.

Project of Focus

Entreprises Agricoles d'Haiti (Farming of Haiti), referred to as ENAH, was created in November 2009 as a consortium of five experienced agricultural entrepreneurs for the purpose of improving food security through agricultural production at the farm of Pernal, Calaroche, Belladère in the Lower Central Plateau in Haiti. With 38 hectares of land available for use, financing is required for 78% of total project costs to complement 22% local contribution. Loan or equity financing of approximately US\$ 3.2 million is needed to support the financial and budgetary management of the entire project such as the implementation of various farm activities, construction and purchase of the equipment that will serve the project. ENAH's local participation includes land use and expertise in the field of agriculture, livestock and animal health, in addition to the financial and budgetary management of the project.

38 hectares of land is available for this project which entails agricultural production, poultry farming and fish farming. The land use will be divided as follows: 30 ha for agriculture, 4 hectares for breeding goats and cattle, 1 ha in laying hens and guinea fowl meat, 1 ha for fish farming, and 1 ha for processing plants as well as 1 ha for project infrastructure such as the triage shed, cold room, laboratory, silos for storage of food, fuel depots, etc. Priority will be given to agricultural production of vegetables such as tomatoes, cabbage, carrots, eggplant, sweet pepper and hot pepper, onion, corn, beans and bananas.

Accounting for a higher loss of 40% in the first year, it is estimated that 11.26% of the total project cost would be recovered through agricultural sales, with subsequent years recovering project costs and yielding higher returns. The projected annual production is on average 85% of the total project cost over a period of 10 years. Based on the anticipated market price for the agricultural produce, high returns are estimated over the life of the project.

Feasibility studies have shown that each hectare of land can produce 30 tons of tomatoes, 30 tons of cabbage, 30 tons of onions, 30 tons of eggplant, 7 tons of sweet pepper, 7 tons of hot pepper, 20 tons of carrots, 3.64 tons of corn, 1.9 tons of beans and 15 tons of bananas, with modern techniques and the use of Barbary plant as fertilizer. Of the 30 hectares of land devoted to vegetable farming, five hectares will be allocated for banana production, ten hectares for tomatoes, and the rest dedicated to cabbage, corn, and the other types of viable produce. Training sessions will also be provided to adopt new farming techniques and usage of Barbary plant as a way to double production in a shorter timeframe while conserving the soil and protecting the environment. In addition, poultry and fish farming have also been integrated into the project design and land use to optimize returns and reducing exposure to risks associated with agricultural production.

Conclusion

With technical assistance and financial support, a strong return on investment can be achieved through the use of the available land resources and experienced team of agricultural experts. ENAH presents an opportunity for both financial first and impact first investors to support agricultural production and sustainable employment for farmers in a rural area of Haiti. Additional impacts of this project include job creation outside Port-au-Prince while also reducing the population's exposure to food crises and heavy reliance on food imports. This project also creates an opportunity for Haitians to increase activity in productive sectors while making significant contributions to local and national benefits over the long-term through this type of Impact Investing.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Summary of Main Findings

Stratification of Impact Investors

The motivations of Impact Investors are similar -- to provide capital to entities and projects where positive social and environmental impact is targeted, monitored and measured over time. However, what may not be similar is their risk appetite, required hurdle rates, deal size, choice of investment vehicles and local knowledge. Therefore, stratification or segmentation of Impact Investors is necessary to be able to match interests with opportunities.

New Class of Impact Investors: Diaspora

A particularly relevant class of impact investors in relation to the Caribbean is the diaspora which have long had close personal links to their home countries, have a desire to contribute to the economic development of their country but have not had a formal mechanism to serious investment capital. Two initiatives (isupportjamaica.org which is Jamaica focused, and Homestrings.com which is global) have recently been developed to channel diaspora funds into investment projects.

Range of Opportunities exist in the Caribbean for Impact Investing

Potential and existing Impact Investors may have relatively similar interests in terms of pursuing a positive impact that extends beyond financial returns; however, potential opportunities vary regarding deal size and specific impacts that will appeal differently to global Impact Investors.

There is a range of opportunities within countries in the Caribbean. Many opportunities exist for Greenfield projects, several of which have high return potential and strong social and/or environmental impact, yet extend beyond the risk appetite and type of capital currently available in the region. There are also opportunities to support various types of investee companies, ranging from start-ups to existing firms with established cash flows interested in local, regional, or global expansion. Opportunities also exist for global Impact Investments to support public-private partnerships and privatisation activities in several of these countries of focus.

Examples of priority sectors that address regional need and present opportunities for scalability in the Caribbean include: renewable and alternative energy, agriculture and agribusiness, tourism development and diversification, intra-regional transportation and cultural industries.

Undeveloped Equity Culture and Little Awareness of Equity Arrangements in the Caribbean

There is an absence of an equity culture in the Caribbean, partially due to the high prevalence of debt financing in the region and the conservative nature of the commercial banks. This is further amplified by the lack of risk adjusted valuation in the region and the largely absent supply of venture capital.

Increased promotion and general education to improve potential investees' understanding of equity arrangements would be helpful to strengthen the regional landscape for increased Impact Investments.

The general lack of awareness of equity arrangements and viable exit strategies in the region must be overcome to increase the demand for equity financing. Potential investees would benefit from a better understanding of various equity arrangements and exit strategies such as buy-back clauses and buy-out options. In most countries with the exception of Jamaica, the illiquid stock market limits the opportunity to exit through public offerings, although other exit strategies exist that could be more appropriate. Local and regional success stories of effective uses of equity can also increase the understanding and uptake of equity capital in the Caribbean.

Process for Identifying Potential Impact Investment Opportunities

Within the Caribbean, there is no formal mechanism to identify potential deal flow. This is in part due to the fact that the concept of impact investing is new to the region and therefore little attention has been paid to developing a pipeline. Within each country, there are a number of entities where projects could be identified such as: a) the local offices of the Multilateral Development Banks; b) the national Development Bank (such as Development Bank of Jamaica); c) the local Chambers of Commerce; d) the government Business Development Agencies, i.e. those agencies mandated to help support and develop SMEs; and e) Investment Promotion Agencies.

Need for Local Champions of Impact Investment

Impact investing needs a local champion, i.e. an individual or a firm who is able to act as cheerleader, facilitator and adviser. They should be strategically positioned to encourage local investors and financial institutions to get involved in impact investing. They should be able to leverage their credibility, whether through public speaking engagements or private meetings, to build momentum for impact investing as an important part of an investor's portfolio. On the investee side, they should be able and willing to help domestic businesses understand the requirements for receiving impact investments and build a business case to attract investors. Whether the champion is in the public or private sector is irrelevant. They must, however, have the confidence of both.

Need for Demonstration Effect

Very targeted, selective, and authentic Impact Investments should be pursued in the Caribbean to ensure a demonstration effect that can lead to additional investments. Failed attempts and inadequate results are often remembered for extensive periods of time which dampen the interest and commitment to subsequent attempts. Therefore, utmost importance needs to be placed on ensuring adequate due diligence, careful selection, and close management of Impact Investments in the Caribbean region to support the supply and demand for Impact Investments over the long-term.

7.2 Priority Areas for Impact Investment in Select Caribbean Countries

Based on the analysis, there are three types of “Buckets” of potential demand for Impact Investments:

Bucket 1: Impact Investment opportunities that are clearly defined and have investment proposals which are ready to be presented to the suppliers of capital;

Bucket 2: Impact investment opportunities that are conceived by not fully developed or articulated. These are projects for which there is a national clamour, and for which the government is already working towards establishing the necessary enabling conditions (such as tax, regulatory and in some cases, financial concessions) and legislation to attract private investment

Bucket 3: Impact investment opportunities which are unexplored, undeveloped or latent, that have the possibility of significant economies of scale but which need project proponents to develop. The opportunities need assistance to be conceived and structured. When considering priority areas for Impact Investment in the Caribbean, it is useful to assess opportunities in each country using a common language consistent with the main indicators identified by IRIS. Based on findings from the in-country consultations, Table 23 summarizes priority areas for increased Impact Investment in the five countries of focus. Using a scale of Low, Medium, and High, impact areas representing significant opportunity relative to the other islands are ranked as High priority areas. A Low ranking indicates that opportunities for impact investing were either not identified or are considered negligible.

Appendix H provides a list of potential deal flow based on in-country consultations in which Bucket 1 and 2 opportunities were identified.

Table 23: Priority Areas for Impact Investment

Impact Investment Area	Jamaica	Barbados	Trinidad	Dominican Republic	Haiti
Increase Incomes and Assets for the Poor					
Employment generation	High	Med	High	Med	High
Access to energy	High	High	Low	Med	High
Access to financial services	High	Med	Low	High	High
Access to education	Med	Low	Low	High	High
Income/productivity growth	Med	Med	Med	Med	High
Agriculture productivity	High	Med	High	High	High
Capacity-building	High	High	High	Med	High
Community development	High	Med	High	Med	High
Improve Basic Welfare for People in Need					
Conflict resolution	Low	Low	Low	Low	Low
Disease-specific prevention and mitigation	Low	Low	Low	Low	High
Access to clean water	Low	Low	Low	Med	High
Affordable housing	High	Med	High	Med	High
Food security	High	Med	Med	Med	High
Generate funds for charitable giving	Med	High	Med	Med	Med
Health improvement	Low	Low	Low	Med	High
Equality and empowerment	Low	Low	Low	Med	High
Mitigate Climate Change					
Biodiversity conservation	Low	Low	Low	Low	High
Energy and fuel efficiency	High	High	Low	Med	High
Natural resources conservation	High	Med	Med	Med	High
Pollution prevention and waste management	High	Med	Med	Med	High
Sustainable energy	High	Med	Low	Med	High
Sustainable land use	Med	Med	Med	Med	High
Water resources management	Med	Med	Low	Med	High

To bring these opportunities to the stage of investment-readiness, focused technical assistance is required that will help develop and structure projects to make them bankable. These non-financial gaps which help prepare the demand side to be ready to attract and receive impact investment are discussed in Chapter 4 and summarized below.

	Investment Area	Non-financial Gaps
Projects	Greenfield without project sponsor	Often identified as government priority but the concept needs further development to prepare feasibility study and then business plan to attract international technical sponsor.
	Greenfield with project sponsor	Need for help to better articulate business case and financial model
	Public Private Partnerships	Need for feasibility study, help to better articulate business case and financial model, identify government's obligations, and assistance to prepare RFPs, generate international interest and conduct procurement
Corporates	Start-Up	Need for development of partnerships both locally and internationally
	Existing with cash flow for local expansion	Need for help to better articulate business case and financial model
	Privatisations	Need for assistance to prepare RFPs, generate international interest and conduct procurement
	Existing with cash flow and regional/international expansion	Need for help in developing internationalisation strategy

7.3 Recommendations

This report on Impact Investing in the Caribbean attempts to answer questions regarding who are the potential recipients of impact investment capital and what is the extent of their demand for capital. It also examines what is the current supply of capital to impact investment projects and the types of impact investments which are currently taking place in the five focus countries of Jamaica, Barbados, Trinidad, Haiti and Dominican Republic and in which sectors. It is expected that this report will help impact investors to see the Caribbean as a destination for Impact Investing and make informed decisions that will increase grants and investments for the region.

Although impact investment is a new concept for the Caribbean, there are projects and funds which have the features of impact investment, but are not yet classified as such. For certain, opportunities across a range of sectors and with a range of investors are possible.

Based on the findings in this report, there are a number of recommendations that can be made to support the development of Impact Investing in the Caribbean.

Establish a Regional Caribbean Impact Investing Network

- Enable exchange of interests and provide a structure to facilitate the matching of supply and demand and therefore increasing impact investments in the region
- Effective way to lower transaction costs while increasing the ability of impact investors to identify and evaluate real deal potential
- Supported by several local and global investors currently active in region

Promote and expand existing impact investments in the region

- Identify and promote where appropriate examples such as Jamaica National Building Society's www.isupportjamaica.org initiative and Homestrings, etc.

Improve the enabling environment to attract more FDI

- Incentives in the energy sector and particularly an attractive feed-in tariff is required
- Identify, simplify procurement opportunities to maximize interest and value in privatization efforts of priority sectors
- Brand and demand investments as Impact Investments (e.g. Haiti's Investment Framework to include impact investment)
- Provide proper government concessions and incentives, particularly in the area of energy.

Provide enhanced technical assistance and capacity building measures for SMEs in the region

- Design new ways to link SMEs/entrepreneurs with requisite financing if projects deemed viable (e.g. make linkage between graduates of Technoserve's training and capacity building with funding for implementation)

Introduce and promote new mechanisms for the diaspora and high net worth individuals to contribute to Impact Investments in the region

- MIF and others to register as institutional sponsor for Homestrings to review types of impact investing opportunities

Support establishment of new Impact Investing funds in the region

- SEAF Caribbean Growth Fund, Leopard Capital's Haiti Fund, Portland's Haiti Fund, etc.)

Extend to other countries in region to increase scope of Impact Investments

- Consider inclusion of other countries in the region, including Belize, Guyana and Suriname

Develop and implement a regional venture capital fund to support Impact Investing at the local level

- Designed to fill existing gap between microfinance and bank lending
- Embedded mentoring role within VC (partnership role and mutual interest to succeed)
- More attractive to investee companies (less threatening) to be called impact investing

APPENDIX A: TERMS OF REFERENCE

TERMS OF REFERENCE SUPPLY SIDE AND DEMAND SIDE ASSESSMENT OF IMPACT INVESTMENT WITHIN THE CARIBBEAN

CONTEXT

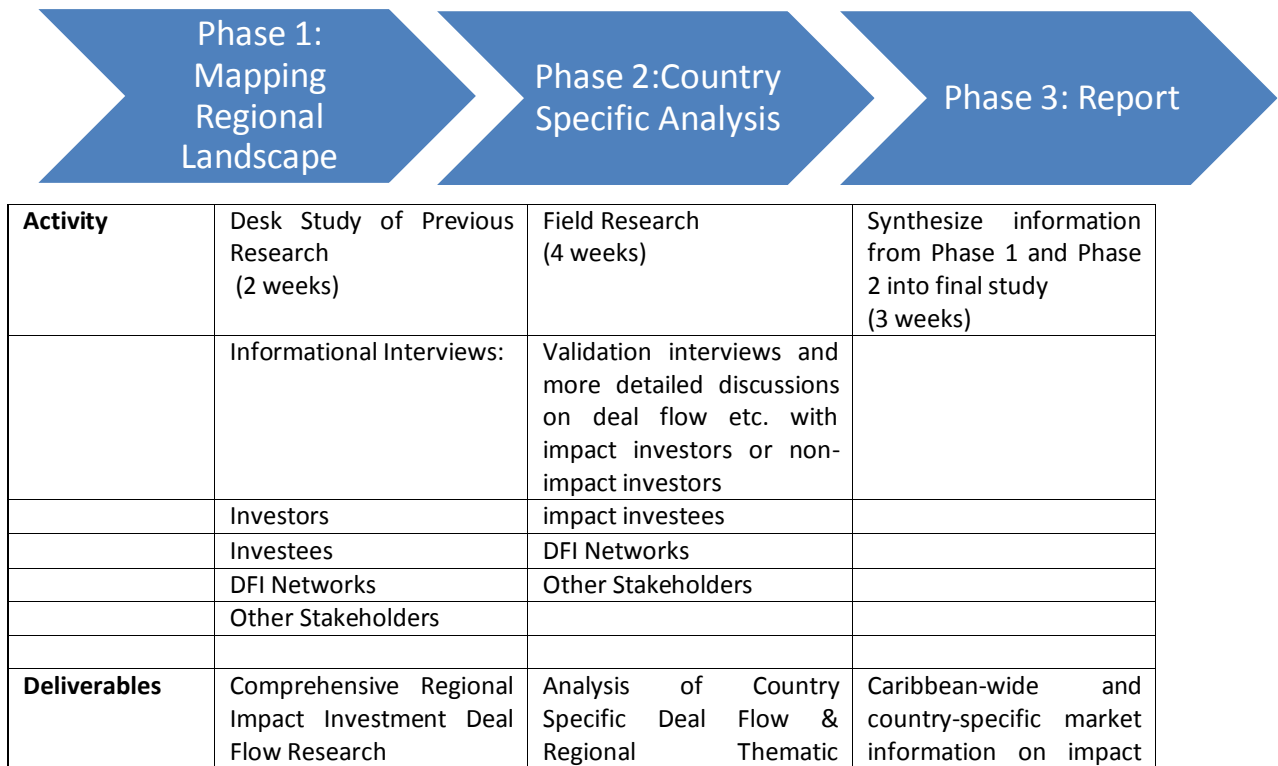
Impact Investment includes a wide spectrum of activity, ranging from socially responsible investment that seeks to create social value to financially focused investments that proactively seek to generate development impact. The Global Impact Investment Network (GIIN) defines impact investment as investments that help to address

- Impact Investment includes a wide spectrum of activity, ranging from socially responsible investment that seeks to create social value to financially focused investments that proactively seek to generate development impact. The Global Impact Investment Network (GIIN) defines impact investment as investments that help to address social or environmental problems while also generating financial return.
- Recent trends show that international organizations, development financial institutions, and investment and philanthropic foundations have demonstrated a clear and increasing interest in impact investments, while there has been a significant increase in new funds with impact investing components. While trends in this class of investment vary widely by sector and geography, one undeniable consistent trend is rapid growth. The leading institution on impact investing, the Rockefeller Foundation estimates that this sector could grow to \$500 billion in the next decade. The proposed study will assess the potential need for impact investment capital within the Caribbean.
- A Caribbean Impact Working Group has been established by a diverse group of interested organizations to determine the benefits and risks of bringing full-scale impact investing to the Caribbean. This group includes the US Department of State, the Rockefeller Foundation, the Multilateral Investment Fund of the Inter-American Development Bank (IDB), Virgin Foundation, Portland Private Equity, and others who will create a plan for the most effective methods to encourage economic development in the Caribbean. This Working Group has decided that given the vast opportunity for impact investing in the Caribbean, a detailed demand and supply side industry assessment is both timely and necessary to support the growth of the industry in the region. The Group is therefore seeking to hire an experienced independent international consultant to undertake this assessment.

II. CONSULTANCY OBJECTIVES AND SCOPE

- 2.1 **Objectives:** The overall objective of the project is to foster the growth of impact investing in the Caribbean. The specific objective is to undertake a demand and supply side assessment of current impact investment in the region, which will provide specific insights for and shape the future activities of the Caribbean Impact Group, in addition to other impact investment stakeholders in the region.
- 2.2 **Scope:** The study should focus on CARICOM Member Countries and the Dominican Republic with a focus on major Caribbean markets from an impact perspective (Haiti, DR, Jamaica, Trinidad & Tobago, Barbados)
- III. **ACTIVITIES, METHODOLOGY AND EXPECTED RESULTS**
- 3.1 **Activities:** The consultant will undertake the assignment in four phases, focusing on the following activities:
- A high-level mapping of the regional impact investor and investee landscape
 - Detailed and country-specific deal flow analysis
 - Completion of the written assessment study
 - Sharing of the study findings through stakeholder engagement
- 3.2 The following is an overview of the methodology for the first three phases, followed by a detailed description of the proposed approach for each phase.

Figure 1: Proposed work-plan for the study



		Analysis Sector analysis	investments
	High Level Insights		
	Database of Investors		
	Database of investees		
Outcomes	Compete Caribbean is more informed about the regional impact investment opportunities	Compete Caribbean is more informed about country specific opportunities and regional themes	Compete Caribbean and key stakeholders receive in-depth regional and country-specific insights into the impact investment opportunities within the Caribbean

Phase 1: Assessment of regional impact investee and investor landscape

The objective of the preliminary and high-level regional assessment is to provide:

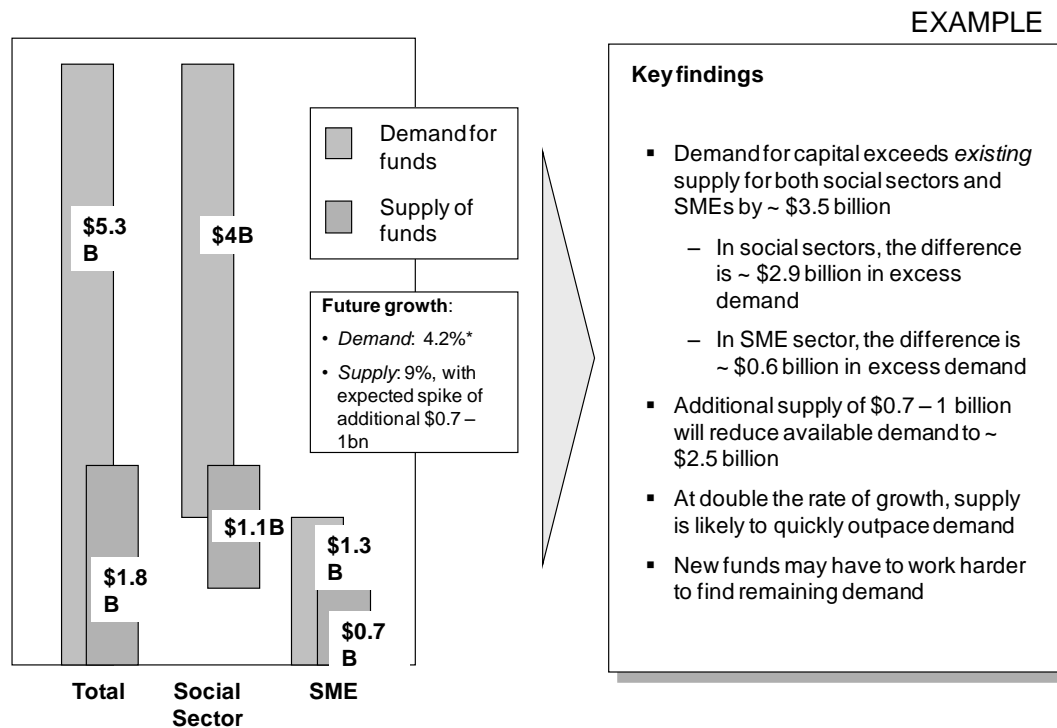
(1) Broad regional market information to serve as a basis for more in-depth analysis; (2) some initial insights derived from observations of trends; (3) a database of the investors, investees, and other impact investment stakeholders in the Caribbean

A key component of this exercise will be stakeholder mapping, which will synthesize data related to several distinguishing characteristics of impact investment stakeholders, both demand and supply side. Further analysis will identify prevalent activities, trends, sectors, market gaps, and other material considerations.

Phase 2: Country-specific analysis

The objective of the country-specific analysis is twofold: (1) to build on the regional analysis by developing 2-3 case studies that provide deeper context and tangible examples of project with high potential in terms of investment; (2) provide more granular market analysis and insights. In order to gather this detailed information, we propose field visits to conduct stakeholder interviews. The supply-demand analysis will be used to provide more specific insight to the market gaps identified through segmentation analysis.

Figure 2: Potential example output on demand-supply analysis of impact investment funds in the Caribbean market



Phase 3: Completion of written study

Synthesizing the analyses from Phases 1 and 2, the consultant will produce a comprehensive study that provides a macro-level regional overview followed by country-specific deal flow findings. The report will specifically answer the following:

- Who are the key impact investors in the Caribbean and what activities are they involved in within the region?
- Who are the potential recipients of impact investment capital and what is the extent of their demand for capital?
- What is the current supply of capital to impact investment projects?
- What types of impact investments are currently taking place? Are deals concentrated in particular sectors? What is the current pipeline?
- What is the average return on investment for impact investments? (What is the range in terms of return?)
- What is the potential social return on impact investments?

IV. DELIVERABLES

4.1 The consultant will produce the following deliverables:

1. **A Work Plan, which will include a proposed list of meetings/interviews (compiled in consultation with the Working Group), a timeline for fieldwork and for completion of the assignment, within one week of signature of the contract.**
 - A draft report for discussion with the Working Group, which will synthesize the findings of the mapping exercise and the field research, within two months of signature of the contract.
 - A Final Report incorporating comments from the Working Group, within two weeks after receiving the Group's feedback.

Presentation of the study's findings at U.S. Department of State's *Investing with Impact Forum* in the Fall 2011 (formal launch of the Caribbean Impact Investment Network)

APPENDIX B: ENGAGEMENT STRATEGY

A-Introduction

The purpose of this Engagement Strategy is to provide a framework and plan for ensuring that various stakeholders are consulted in a logical, consistent, comprehensive, and efficient manner. This, in turn, will help ensure that the objectives for the overall Caribbean Impact Investment (CII) initiative are achieved optimally in terms of resources, time, and cost.

Impact Investment refers to investment with the *ex ante* intention of generating a social return, along with a financial return. The social return is targeted and then the outcomes are measured and monitored throughout the lifetime of the investment. Types of investments may include: infrastructure projects which benefit the bottom of the pyramid, climate-friendly projects, projects where there is significant and sustainable job creation, etc.

The country focus of this CII study is: Trinidad, Jamaica, Barbados, Dominican Republic and Haiti. Stakeholders engaged will include those presenting both demand for and supply of impact investment, as well as other related parties in-country such as government officials, private sector associations, etc.

The sections below describe: (i) the desired outcomes of the Engagement Strategy; (ii) the stakeholders to be engaged as well as their respective interests or motivations for the CII initiative; (iii) the main engagement methods for engaging the various parties.

B-Desired Outcomes of the Engagement Strategy

The desired outcomes are directly linked to the outcomes of the overall study, namely⁴⁶:

b) Increased knowledge of the current extent, level and return on investment of impact investment in 5 Caribbean countries.

The study will be the first of its kind in the region and will supply invaluable quantitative and qualitative information about the levels and recipients of impact investments in the Caribbean.

c) Increased knowledge of potential level of demand for impact investment funds in the Caribbean

To date very little is known about the potential demand on the part of SMEs. The study should result in a renewed interest in investing in the Caribbean, and an increased ability to source deals, based on better information on the investing prospects and an awareness of the possibility to have strong financial AND social returns from prospective investments.

⁴⁶ From TOR

d) Improved mechanism for matching impact investors with potential investees (matching of supply and demand) in the Caribbean

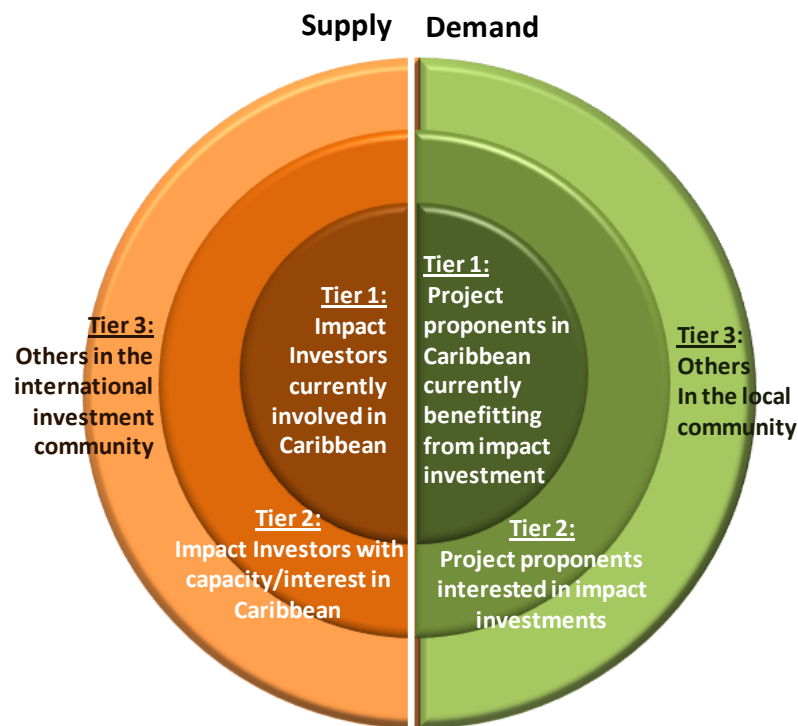
The study will become an important component of the body of knowledge on impact investing in the Caribbean, and help to frame the debate among key stakeholders on strategies to increase this type of investing. Donors will be more willing to team up with investors leveraging their funds to promote and increase impact investing, based on increased knowledge of the players in the region.

It is expected that the study will contribute to the establishment of the Caribbean Impact Investment Network of investors, development finance organizations, charitable foundations and other stakeholders, that will seek to attract a significant portion of impact investment opportunities to the region and place impact investment in high potential, high impact enterprises.

C-Stakeholders to be Engaged

There are various tiers of stakeholders who will be engaged in this process. They have been categorized for supply and demand as follows in Figure 1.

Figure 1: Supply and Demand Stakeholders



Tier 1: Current Involvement in Impact Investments in the Caribbean Region

Stakeholders in this category are those currently and actively involved in impacting investments in the Caribbean as either investors (such as Portland Private Equity) or investee companies and project recipients.

Tier 2: Current Involvement in Impact Investments with Interest and/or Capacity for Impact Investments in the Caribbean

There are two sub-sets of stakeholders in this category for suppliers of capital. These stakeholders are those who are either: (i) interested in the Caribbean as “traditional” investors but are new to the impact investment concept; or (ii) these are well-established impact investors who have not been involved in the Caribbean to date (such as Sarona Asset Management).

In terms of demand for capital, project proponents interested in impact investments will be identified and consulted. An effort will be made to select a variety of stakeholders from diverse sectors to ensure a comprehensive analysis of impact investment opportunities in the region.

Tier 3: Other Stakeholders with Valuable Insight on Impact Investing in the Caribbean

Tier 3 stakeholders are those stakeholders who are knowledgeable about impact investments as an emergent asset class and can provide information and intelligence about the local opportunities for impact investments within the Caribbean. This third category consists of relevant stakeholders involved with the international investment community on the supply-side as well as other regional and local stakeholders directly or indirectly involved with impact investments at the community or country level.

This Engagement Strategy will target all three tiers of stakeholders on both sides – the supply of capital and the demand for capital. For all tiers of stakeholders, particular focus will be placed on those stakeholders familiar with investment opportunities and business environments in the five countries⁴⁷ of focus as identified for purposes of this assignment.

For purposes of this study, suppliers of capital will be categorized as either Tier 1 based on current involvement with impact investments in the Caribbean region, or Tier 2 as stakeholders with the capacity and interest to support impact investments in the Caribbean yet no current impact investment activity in the region. For instance, the Overseas Private Investment Corporation (OPIC) of the United States is starting to engage with impact investments in other regions; however its role in the Caribbean to date has been managed through a private equity fund known as the AIC Caribbean Fund. Further research combined with the consultation process will enable the accurate categorization of Tier 1 and Tier 2 stakeholders on both the supply and demand side for impact investments in the Caribbean.

Based on the findings of this assessment and subsequent collaboration of the working group, it is expected that Tier 2 stakeholders will be better positioned to graduate to Tier 1 over

⁴⁷ As indicated in the TOR, the five countries of focus for purposes of this supply and demand side study are: Haiti, Dominican Republic, Jamaica, Trinidad and Tobago, and Barbados.

time as specific impact investments are designed and implemented in the Caribbean countries of focus. Consistent with the objectives and deliverables of this assignment, case studies will be developed to demonstrate real opportunities for impact investments in the region and will act as a useful tool to facilitate graduation of impact investors and project proponents from Tier 2 to Tier 1 through new impact investments in the Caribbean.

Table 1 summarizes the type of key stakeholders which may be consulted for each tier.

Table 1: Types of Stakeholders

Stakeholders	Suppliers of Capital	Demand for Capital
Tier 1 and Tier 2		
<p>Private Equity Firms:</p> <p>Actively involved with impact investments in the Caribbean (e.g. Portland Private Equity)</p> <p>Capacity yet not involved with impact investments in the Caribbean: (e.g. Sarona Asset Management)</p> <p>Local Financial Intermediaries:</p> <p>Local Commercial Banks⁴⁸ National Development Banks</p> <p>Pension Funds</p> <p>Venture Capitalists (Local and International)</p> <p>Foundations (e.g. Rockefeller, Clinton, etc.)</p> <p>Caribbean Diaspora in North America</p> <p>High Net Worth Individuals</p> <p>International Financial Intermediaries:</p> <p>International Commercial Banks</p> <p>Multilateral Development Banks:</p> <p>IDB/MIF/IIC Representatives in Country Offices and at headquarters, International Finance Corporation</p> <p>Development Finance Institutions</p>		<p>Investee Companies / Project Proponents</p> <ul style="list-style-type: none"> • Micro, Small and Medium-sized Enterprises (e.g. Access Haiti) • Large Corporations • Local Commercial Banks (e.g. First Citizens Bank) <p>Sector Networks</p>

⁴⁸ Note: Local commercial banks are listed as both suppliers of capital and investees given their role supporting SME programs as recipients of impact investments.

<p>(e.g. Overseas Private Investment Corporation - OPIC)</p> <p>Bilateral Agencies (as appropriate)</p>	
<p>Tier 3 - Other relevant stakeholders with valuable insight on impact investing in the Caribbean</p>	
<p>Caribbean Embassies as Link to Diaspora and Deal Flow Generation</p>	<p>National Governments (e.g. Ministries of Finance or Economy)</p> <p>Foreign Embassies in the Caribbean (as appropriate)</p> <p>Regulators at Country Level</p> <p>Regional Trade and Investment Organizations</p> <p>Stock Exchanges and Financial Service Commissions</p> <p>Local Trade and Investment Associations (e.g. Local Chambers of Commerce, etc.)</p>

Each category of stakeholders provides a unique set of insight essential to the completion of the supply and demand side assessment of impact investment within the Caribbean. There are specific issues relevant to each stakeholder group that will be expanded upon to develop interview guides prior to commencement of the formal consultation process. The relevance of each stakeholder group and key issues to be discussed are outlined below:

In-country Stakeholders:

1. Local MIF/IDB Offices

The involvement of the local MIF representatives will be crucial to the success of this project in two ways: a) by giving a perspective on the country and opportunities which exist; and b) by ensuring the right players are accessed and consulted locally. Additional consultation will be conducted with IDB/MIF/IIC staff at headquarters throughout the consultation process as relevant to benefit from input based on recent and ongoing activities to support the Caribbean region. Two areas of particular interest pertain to findings from the recent International Forum for Caribbean Investment and Development hosted at the IDB in June 2011, in addition to insight from the Opportunities for the Majority team based on existing

linkages to large corporations committed to base of the pyramid and potential impact investment opportunities.

Specific Issues:

- Identification of which partners have been most interested and/or successful in impact investments to date and why
- Introduction to key local partners and contacts with a vested interest in increased impact investments in the region
- Local insight on the demand for capital through impact investments in the Caribbean, on both a regional and country-specific basis
- Identification of specific investors actively involved (or interested) in impact investments in the region
- Strategies and efforts to date to promote and support impact investment in the Caribbean
- Discussion of the regulatory and business climate on a regional and country specific basis; challenges to date with impact investments in the region and identification of areas that would improve the enabling environment for more impact investment in the region
- The extent of interest of large corporations in Caribbean impact investments based on input from the “Opportunities for the Majority” team
- Insight on overall experience to date with impact investments in the Caribbean region
- For staff at headquarters, details of recent initiatives, relevant investments, and identification of partners and potential investees for purposes of assessing supply and demand-side for impact investments

2. US Embassies

The US Embassies in country will also be able to provide a macro perspective on the country and opportunities for impact investing as well as a network of stakeholders who could be accessed and consulted locally as part of this assessment. This information can be useful to identify other potential investors and investees of interest already active and/or interested in the region.

Specific Issues:

- Data and information on country-specific impact investments that will inform the high-level mapping exercise of the regional impact investor and investee landscape
- Insight on deal flow in the region and intelligence on priority sectors and key areas of focus for deal generation
- Perspectives on potential growth opportunities for impact investments at both the regional and country levels
- Insight on general and specific opportunities for potential impact investments in the region

- Identification of main stakeholders (investors, investees, and others) at a regional and country level involved with impact investments in the Caribbean that can be integrated into the database of investors and investees
- References to key resource material and information on current and future investment trends for the Caribbean region

3. National Governments via Ministries of Finance or Economy, Regulators and Stock Exchanges

In addition, these officials will understand the strategic priorities set by the Government and be able to give a perspective on where potential impact investment opportunities may exist.

Creating the appropriate regulatory and enabling environment for impact investments requires the strong support of the relevant parts of Government. For this to be achieved, it is necessary for the relevant officials to have a good understanding of impact investing, of what the CII initiative is about and why it is important to their country. Effective impact investment requires Government support. Their participation and active support for the initiative is vital.

The local stock exchange has insights into the vibrancy of the public equities market and whether exits from impact investments can be possible via IPOs.

Specific Issues:

- Identification of national development priorities and strategic sectors of focus that could benefit from increased capital through impact investments
- The role and level of activity of impact investments in other regions and insight on the potential for increased impact investment in the Caribbean
- Regulations at the regional and country level that positively (or negatively) influence investment flows and apply to potential impact investments
- Governing bodies involved with creating an enabling environment to support future impact investments
- Recommendations on how best to promote future impact investment in the region
- Relevant contacts for the creation of a Caribbean-focused impact investment network

4. Investee Companies and Project Proponents: Corporate Sector, including micro, small and medium-sized enterprises (MSMEs) and large corporations as well as other project proponents such as special purpose vehicles

As a source of potential deal flow, the corporate sector, encompassing large corporations and small and medium-sized enterprise (SMEs), is a very important stakeholder. Meetings with key representatives from both local and international businesses are critical to determine priority areas of sector/thematic focus for investments in the five Caribbean countries. Intelligence obtained from these sources will be invaluable to identify real opportunities and

related case studies, in addition to strategic approaches and solutions to maximize deal flow through impact investments in the region.

Specific Issues:

- Identification of existing market gaps and the extent of demand for capital for the Caribbean region and the five countries of focus
- Insight on current and potential deal flow for impact investments within country and regionally, and related requirements
- Insight on the social return on impact investments in the region to date and perspectives on priority areas for social return within each of the five countries
- Intelligence on the current project pipeline (i.e. priority thematic areas and proposed sectoral areas – also to be considered as case studies with high investment potential)
- The current supply of capital to impact investments in the Caribbean (i.e. the main type of investors considered to date by project proponents for impact investments)
- Awareness of and contact with new types of potential investors and their motivations/requirements to invest
- Experience with impact investments in the Caribbean, including successes and challenges to date
- Strategic approaches and solutions to increase growth of impact investments in the Caribbean region

5. Sector Networks and Trade and Investment Associations

Given the diversity of sector activity within each of the core Caribbean countries considered for this study, the various trade associations and sectoral focus groups in-country provide a useful link to a number of sectors and potential investees. Meeting with representatives of sector networks and relevant trade/investment associations will be a valuable way to maximize the intelligence obtained through in-country visits. Insight from these prospective investees or intermediaries will provide critical input into the overall findings and conclusions of the report, especially from the demand side for capital based on conditions of the current market environment.

Specific Issues:

- Identification of existing market gaps and the extent of demand for capital for the Caribbean region and the five countries of focus
- Insight on current and potential deal flow for impact investments within country and regionally, and related requirements
- Insight on the social return on impact investments in the region to date and perspectives on priority areas for social return within each of the five countries
- Intelligence on the current project pipeline (i.e. priority thematic areas and proposed sectoral areas – also to be considered as case studies with high investment potential)
- The current supply of capital to impact investments in the Caribbean (i.e. the main type of investors considered to date by project proponents for impact investments)

- Awareness of and contact with new types of potential investors and their motivations/requirements to invest
- Experience with impact investments in the Caribbean, including successes and challenges to date
- Strategic approaches and solutions to increase growth of impact investments in the Caribbean region

6. Local Financial Intermediaries

In the Caribbean region, there are two types of local financial intermediaries relevant to this assignment: (i) local commercial banks, and (ii) national development banks.

Commercial banks are an important source of information on potential deal flow and can also give a perspective on the general opportunities for impact investments within each country. This stakeholder group is of particular importance since commercial banks can play the role of both an investor/funder and investee in impact investments in the region. Commercial banks can also play a valuable role as an intermediary in transactions between investors and investees in the region.

National development banks play an essential role in helping countries to meet development objectives. With mandates to facilitate economic growth and development, these institutions are naturally positioned to support impact investments in their respective countries, while collectively helping to attract impact investments to the Caribbean region. Consultations with senior representatives of the relevant national development banks will provide strategic insight on priority thematic areas of activity as well as intelligence on the macro environment and potential deal flows.

Specific Issues:

- Detailed information on deal flow and requirement for increased deal flow generation in the region
- Referrals to specific clients and partners currently involved or interested in impact investments as either investors or investees
- Intelligence on current and potential impact investments in the Caribbean, including identification of key impact investors and the type of activities of interest in the region
- Reflection on the role of commercial banks and national development banks with impact investments in other regions and exploration of interest in similar approaches for the Caribbean region
- Insight on the required regulatory and business environment needed to support growth in impact investments in the Caribbean

7. International Financial Intermediaries (with local presence)

Globally, commercial banks have played multiple roles in extending the scope of impact investments. In some cases, international commercial banks have made impact investments

through SME programs that have reached several sectors. In other instances, commercial banks have also played an important role as financial intermediaries for impact investments. These approaches have helped to achieve both social and financial returns. Consultation with international commercial banks with a local presence in the Caribbean region will enable examination of current and potential interest in impact investments in the five countries from a dual perspective as both investors and investees.

Specific Issues:

- Detailed information on deal flow and specific requirements for increased deal flow generation in the region
- Referrals to specific clients and partners currently involved or interested in impact investments as either investors or investees
- Intelligence on current and potential impact investments in the Caribbean, including identification of key impact investors and the type of activities of interest in the region
- Reflection on the role of commercial banks with impact investments in other regions and exploration of interest in similar approaches for the Caribbean region
- Insight on the required regulatory and business environment needed to support growth in impact investments in the Caribbean

International Stakeholders:

1. Foreign Sources of Capital through Investment Funds (such as Private Equity Firms, Pension Funds, etc.)

Insight from foreign investors is essential to accurately conduct the supply-side analysis based on the current and prospective supply of capital from impact investors.

Given the number of experienced and new players providing capital through investment funds, such as private equity firms, pension funds, etc., global networks will be leveraged to ensure consultation with these important stakeholders. In light of its leadership role in the area of impact investments, the Rockefeller Foundation and specifically the Global Impact Investing Network (GIIN) will be considered strategic partners throughout this consultation process in order to maximize interaction with the most relevant investors of capital either actively involved in the Caribbean or with the capacity and interest to consider potential impact investment opportunities.

Specific Issues:

- Identification of the key impact investors globally
- Insights into investor motivations and experience in terms of average returns and range of returns
- Obstacles to impact investments, generally and specifically within the Caribbean
- Definition of possible incentives (e.g. first loss coverage, etc.) to make impact investments

- Priority areas for social returns for impact investors
- Examples/case studies of successful impact investments
- Intelligence on current and potential impact investments in the Caribbean
- The extent of interest in the Caribbean region and scope of interest for each of the five Caribbean countries

2. Foundations

In recent years, several foundations have securely positioned themselves as market leaders in key areas of development impact. Notably, the Rockefeller Foundation is playing a critical role to develop standards and advance impact investing through close collaboration with key partners and strategic stakeholders. Valuable insight from these practitioners will inform both the supply-side and demand-side of the assessment of impact investment potential for the Caribbean region. Foundations also work closely with several high net worth individuals actively involved with impact investments and related development initiatives.

Specific Issues:

- Referrals to specific members and networking opportunities that could be leveraged for increased intelligence on current and potential impact investment in the region
- Identification of specific thematic areas of interest for impact investment in the Caribbean
- Discussion of potential investment opportunities that could be showcased as case studies for the Caribbean
- Differentiation between investment opportunities pertaining to each country of focus
- Insight on preferred market conditions and requirements for increased capital contributions in the region
- Strategic opportunities to expand impact investments in the Caribbean through increased involvement of high net worth individuals
- Discussion of potential instruments, such as grants or guarantees, as incentives for catalyzing private capital

3. High Net Worth Individuals

It is important to recognize that many high net worth individuals are not formally tied to any particular foundation. With this in mind, efforts will be made to engage with representatives of this stakeholder group (generally and those with personal links to the Caribbean) in order to obtain insight on specific thematic areas of interest and to explore potential interest in the Caribbean region for future impact investments.

Specific Issues:

- Identification of specific thematic areas of interest for impact investment in the Caribbean
- Discussion of potential investment opportunities that could be showcased as case studies for the Caribbean

- Differentiation between investment opportunities pertaining to each country of focus
- Insight on preferred market conditions and requirements for increased capital contributions in the region
- Innovative approaches to both capital raising and deal generation
- Strategic opportunities to expand impact investments in the Caribbean through increased involvement of high net worth individuals
- Referrals to specific membership organizations and networking opportunities that could be leveraged for increased impact investment in the region

4. Caribbean Embassies as Link to Diaspora and Deal Flow Generation

Since Caribbean Diaspora reside in geographically disperse areas, the Caribbean Embassies act as an important link to these high net work individuals and can play a valuable role as intermediaries in deal flow generation. For purposes of this assignment, relevant contacts for the Caribbean Embassies in North America will be included based on the concentrated number of Caribbean Diaspora living in the US and Canada.

Specific Issues:

- Identification of leaders from the diaspora community investing in the Caribbean
- Macro perspective on general and specific interests of the Caribbean diaspora
- Market conditions that can help attract impact investments for the Caribbean region
- Reflection on challenges to date in attracting capital for impact investments for the Caribbean region
- Examples of specific investment opportunities for each of the five Caribbean countries
- Referrals and introductions to relevant colleagues and clients who could provide additional insight from perspectives of the investors and the investees

D-Engagement Methods

To meet the objectives of this assignment, the consultation process will be conducted through a combination of face-to-face meetings and telephone interviews with the relevant stakeholder groups. Depending on the type of information required and the role of the investors and investees, either in-person meetings or phone consultations will be conducted. Efforts will be made to obtain input from several Tier 1 and Tier 2 stakeholders from both the demand side (investee perspective) and the supply side (investor perspective). If necessary, an online survey may also be designed and applied to expedite the collection of necessary inputs.

To respect the condensed timeframe for completion of this assignment, MIF staff and local contacts will be relied upon for purposes of coordinating the in-country meetings (as either individual meetings or roundtable sessions with key stakeholders as appropriate). Members of the Caribbean Working Group will also be called upon to provide contact information for

relevant investors and investees to ensure that the database creation builds upon existing efforts of these key partners.

The working group will be provided with a list of proposed contacts for consultation purposes early on as an important area for feedback as the work plan progresses. In the interim, Table 2 provides a short summary of the type of methodology that will be applied for the main types of stakeholders.

Table 2: Engagement Methodology for Main Types of Stakeholders

Types of relevant stakeholders	Face-to-face meetings	Telephone interviews/ Email exchanges	Focus groups/ Roundtables
Private Equity Firms and Pension Funds:	✓	✓	
Actively involved with impact investments in the Caribbean (e.g. Portland Private Equity)			
Capacity yet not involved with impact investments in the Caribbean: (e.g. Sarona Asset Management)			
Local Financial Intermediaries	✓	✓	
Local Commercial Banks			
National Development Banks (as potential investor and investee)			
International Financial Intermediaries (with local presence)	✓	✓	✓
Caribbean Diaspora in North America		✓	
High Net Worth Individuals		✓	
Multilateral Development Banks (e.g. IDB/MIF/IIC Representatives in Country Offices and at headquarters, International Finance Corporation)	✓	✓	
Development Finance Institutions		✓	
Bilateral Agencies (as appropriate)		✓	
Stock Exchanges	✓	✓	
Venture Capitalists (Local and International)	✓	✓	✓
Foundations (e.g. Rockefeller, Clinton, etc.)	✓	✓	
Investee Companies and Project Proponents	✓	✓	✓
Small and Medium-sized Enterprises (e.g. Access Haiti)			
Large Corporations			

Local Commercial Banks (e.g. First Citizens Bank)			
Sector Networks	✓	✓	✓
Additional Stakeholders			
National Governments (e.g. Ministries of Finance or Economy)	✓		✓
Foreign Embassies in the Caribbean (as appropriate)	✓		✓
Regulators at Country Level	✓		
Regional Trade and Investment Organizations	✓		
Stock Exchanges and Financial Service Commissions		✓	
Local Trade and Investment Associations (e.g. Local Chambers of Commerce, etc.)	✓		✓
Caribbean Embassies as Link to Diaspora and Deal Flow Generation		✓	

APPENDIX C: LIST OF STAKEHOLDERS INTERVIEWED AS PART OF THE CONSULTATION PROCESS

Jamaica

Mayberry Investments

Mr. Gary Peart, CEO

Development Bank of Jamaica Ltd. (DBJ)

Mr. Milverton Reynolds, MD

Private Investor

Mr. Paul Soegaard MD

Inter-American Development Bank

Mr. Stefan Wright, Senior Investment Officer, Structured and Corporate Finance Dept.

Mr. Ancile E. Brewster, IDB Representative

Tel.: 876-764-0815

Amaterra Jamaica, Ltd - Hotel on North Coast

Mr. Keith Russell

Proven Wealth Ltd

Mr. Johan Heaven, Senior VP of Investment

International Finance Corporation

Ms. Judith Green, Senior Investment Officer, IFC - Latin America and the Caribbean

Jamaica Stock Exchange

Ms. Marlene Street-Forrest, General Manager

NCB (National Commercial Bank Limited)

Mr. Patrick Hylton, Group Managing Director

Jamaica Diaspora Institute

Mr. Earl Jarrett, Chairman

Professor Neville Ying, Executive Director

Ministry of Finance

Darlene Morrison, Deputy Financial Secretary

JAMPRO (Jamaica Promotions)

Mr. Claude Duncan

Churches Credit Union

Ms. Sophia Richardson, Micro Finance Manager

Access Financial Services (AFS)

Marcus James, Chief Executive Officer

Barbados

Mr. Desmond Brunton, Former CDB VP Operations

Cell: +1-246-823-4153

Barbados Public Workers Cooperative Credit Union

Mr. Levere Catlyn

Phone: +1- 246-430-5200

1-866-800-6146

levere.catlyn@bpwccul.bb

Barbados Stock Exchange Inc. (& Barbados Central Securities Depository Inc.)

Mr. Marlon E. Yarde, CEO and General Manager

Ministry of Finance

Mr. Grantley Smith, BCH, Director of Finance and Economic Affairs

Ms. Margaret Sivers-Carter, Permanent Secretary (ag.)

Barbados Entrepreneurs Venture Capital Fund

Dr. Springer, Project Manager & Mr. Hinkson

Fortress Fund Managers Limited

Mr. Roger Cave, Managing Director

Private Investor

Mr. James Blades & Mr. Peter Stevens

Barbados Investment and Development Corporation (BIDC)

Ms. Diana C. Brooks, Chief Executive Officer (Ag.)

Barbados Coalition of Service Industries

Ms. Lisa Cummins, Executive Director

Royal Bank of Canada, Corporate Finance

Mr. Horace Cobham, President and Country Head

Ms. Rae Skinner, Vice President Business Banking

Ms. Suzette McShine, Vice President Corporate Banking

Ministry of Foreign Affairs and Foreign Trade, Council For Investment, Exports, Foreign Exchange and the Diaspora (CIEX)

Mr. David Bulbulia, Deputy Permanent Secretary (ag.)

City of Bridgetown Cooperative Credit Union

Mr. Steve Belle, General Manager

Invest Barbados

Ms. Emmiline Taitt

Private Investor

Dr. Avinash Persaud, Private Investor & Executive Chairman

Office of the Prime Minister

Senator The Honourable Darcy Boyce

Caribbean Development Bank (CDB)

Mr. Adrian Debique, Director (Ag.), Finance and Corporate Planning Department

Ms. Yvonne Moses Grant, Director (Ag.), Projects Department

Trinidad & Tobago

FirstCaribbean International Banking & Finance Corp Ltd. (First Caribbean Limited)

Mr. Ian Chinapoo, Managing Director - Investment Banking

Ministry of Finance

Mr. Jerry Hospedales, Coordinator of Budget Execution and Implementation Unit

Caribbean Information & Credit Rating Services (CARICRIS)

Mr. Wayne Dass, Chief Executive Officer

Business Development Company Ltd

Ms. Annelle Joachim, Vice President, Business Development

Mr. Brian Benjamin, Manager, Projects

First Citizens Bank Ltd.

Mr. Sekou Mark, General Manager

Trinidad and Tobago Manufacturers Association

Ms. Natasha Mustapha-Scott (or Dominic Hadeed - President)

Trinidad and Tobago Coalition of Service Industries

Mr. Nirad Tewarie, Chief Executive Officer

The Energy Chamber

Dr. Thackwray (Dax) Driver, Chief Executive Officer

American Chamber of Industry and Commerce

Mrs. Desiree Gobin Seecharan, CEO

Trinidad and Tobago Chamber of Industry and Commerce

Catherine Kumar, Chief Executive Officer

Evolving Technologies Ltd (E-Teck)

Mr. Kelvin Mahabir, President

Arthur Lok Jack Graduate School of Business

Dr. Miguel Carillo, Executive Director

Dominican Republic

Emprende, Incubadora de Negocios

Mr. Marcos Troncoso, Director Ejecutivo

Cámara de Comercio y Producción de Sto.Dgo

Ms. Maribel Gassó, Presidente

ADOEXPO

Mr. Kai Schoenhals, Presidente

Consejo Nacional de la Empresa Privada

Mr. Manuel Diez, Presidente

U.S. Embassy in Santo Domingo, Dominican Republic

Ms. Megan A. Schildgen, Commercial Attache for the Caribbean Region

Mr. Jonathan Weyer

Bolsa de Valores de Santo Domingo

Mr. Ivan Carvajal, Gerente de Finanzas

Caribbean Export Development Agency

Escipión Oliveira Gómez, Director Adjunto ai / Deputy Executive Director a.i.

FONHADIC/ENAH

Emmanuel JEAN, Directeur des Relations Publiques

Sr. José GARCIA de la Compagnie ADVANCO, S.R.L. et 3 autres collègues Entrepreneurs dominicains

Haiti

Ministere du Commerce et Centre de Facilitation des investissements (Joint Meeting)

Mme Josseline Colimon Fethierre, Ministre du Commerce et de l'Industrie

M. Guy Lamothe, Directeur general, Centre de Facilitation des investissements

Groupe Croissance

M. Kesner Pharel, PDG

Grameen Creative Lab

Mme Claudine Francois, Country Director

American Chamber of Commerce

M. Philippe Saint-Cyr, Executive Director

Win Group

Gregory Mevs, Managing Director

FONHADIC / ENAH

M. Emmanuel JEAN, Directeur des Relations Publiques, with:

Ing-Pasteur Chavannes JEUNE de la FONDATION CHAVANNES

Fénold APPOLON; Joseph BRUNY: ENAH/ OPADEV; GUY LAURENT: ENAH/ OPADEV

Luciano PHARAON: ENAH / OPADEV; Betty JEAN-PIERRE: ENAH / FONHADIC

Capital Bank

M. Gerard Vaugues, Directeur Business and Group development

Root Capital

Christina Blot, Loan Officer

Canadian Embassy and Locally Engaged Staff of Canadian Govt

M. Emmanuel Choute, Trade Officer

Mme Lorraine Bélisle, Premier Secrétaire, Coopération

Chambre de commerce Franco-Haitienne

M. Gregory Brandt, President

TechnoServe Haiti

Mme Katarina Kahlmann, Haiti Country Director

M. Yves Andre Sejour, Program Manager - Haitian Business Accelerator

Inter-American Development Bank

M. Ericq Pierre, IDB Counselor for Haiti, Previous Haitian Prime Minister Designate

Lumas Kendrick, Senior Energy Specialist

M. Felipe Gomez Acebo, Coordonnateur general secteur privé

MIF

M. Jempsy Fils-Aimé

APPENDIX D: MEMBERS OF GIIN'S INVESTORS' COUNCIL⁴⁹

ACCION	Lundin For Africa
Acumen Fund	Morgan Stanley
The Annie E. Casey Foundation	National Community Investment Fund
Armonia (Lunt Family Office)	Omidyar Network
Athena Capital	Overseas Private Investment Corporation
The Bill and Melinda Gates Foundation	Packard Foundation
Calvert Foundation	Prudential
Capricorn Investment Group	The Rockefeller Foundation
CDC	Root Capital
33Citi Foundation	RSF Social Finance
Deutsche Bank	Sarona Asset Management
DOEN Foundation	ShoreBank International
Equilibrium Capital	Skoll Foundation
FMO	SNS Impact Investing
Ford Foundation	TIAA-CREF
The Gatsby Charitable Foundation	The Tony Elumelu Foundation
Generation Investment Management	Trans-Century
Gray Ghost Ventures	Triodos Investment Management
IGNIA	UBS
J.P. Morgan	W.K. Kellogg Foundation
Leapfrog Investments	Wolfensohn & Company

Source: <http://www.thegiin.org/cgi-bin/iowa/council/member/index.html>

⁴⁹ As of September 2011

APPENDIX E: OTHER CONSULTATIONS – LIST OF STAKEHOLDERS INTERVIEWED AS PART OF THE CONSULTATION PROCESS

Washington, DC

Inter-American Development Bank (IADB)

Richard Bernal, IDB Director for Caribbean
Susan Olsen, Opportunities for Majority Team
Ginya Truitt Nakata, Office of Outreach and Partnership

Inter-American Development Bank - Haiti Team

Peter Sollis, Agustin Filippo, Ady Beitler

Inter-American Investment Corporation

Orlando Ferreira, Chief of Strategy

Inter-American Investment Corporation

Fátima Fraile de Manterola, Program Officer
(Haiti Social Investment Fund)

Jamaica

Multilateral Investment Fund (MIF)

Mr. Wayne Beecher, Consultant

Multilateral Investment Fund (MIF)

Natasha Boyce, Operations Senior Associate

Embassy of Jamaica

Franz Hall, Minister-Counsellor

Inter-American Development Bank (IDB) Country Office

Julian Belgrave, IDB Country Department, Caribbean Group Office

Barbados

Caribbean Embassies in Washington, DC

Embassy of Barbados

Ambassador John Beale, Ambassador to the United States

CIBC FirstCaribbean International Bank

Mr. Daniel Farmer, Managing Director

Sagicor Financial Services Co.

Mr. Dexter Moe, Assistant Vice President - Asset Management

Trinidad

Embassy of Trinidad

His Excellency Ambassador (Tom) Neil Parsad

Inter-American Development Bank (IDB)

Kurt Kisto, IDB Caribbean Alternate Director

Dominican Republic

Multilateral Investment Fund (MIF)

Mr. Smeldy Ramirez/Ms. Julissa Holguin Nunez

Haiti

Leopard Capital

M. Rene Aubry

Multilateral Investment Fund (MIF)

M. Jempsy Fils-Aime, Specialist

TechnoServe Haiti

M. Yves-Andre Sejour, Program Manager - Haitian Business Accelerator

Other Stakeholders

Global Impact Investing NetworkGIIN

Sapna Shah and Kay Lankester

World Bank

Marie Lucie, Executive Director for Canada, Ireland and the Caribbean

LIFT Investments

Natasha Myles, Executive Director and Founder

Calvert Foundation

Caroline Bressan, Investment Team for LAC Region

Inter-American Development Bank (IDB)

Mr. Warren Weismann, Structured and Corporate Finance

Kristin Dacey, IDB Structured and Corporate Finance

Latin Idea Ventures (only Mexican Investments)

Alexander Rossi, Managing Partner

Impact Investment Partners (no activity in the Caribbean)

Varun Sahni

Initiative for Responsible Investment

Hauser Center for Nonprofit Organizations

Katie Grace

David Wood

Sarona Asset Management Inc

Gerhard Pries

Small Enterprise Assistance Funds (SEAF)

Mildred O. Callear, Executive Vice President and Board Member

Portland Private Equity

Douglas Hewson, Managing Partner

APPENDIX F: FINANCING PROVIDED BY MULTILATERAL DEVELOPMENT BANKS

Barbados

Bank	Name	Approval Date
IADB	Action Plan for C and D Countries	01-Jun-11
	Support to the Preparation of Program BA-L1021	23-May-11
	Barbados Public Sector Institutional Assessment and Expenditure Review	10-Dec-10
	Sustainable Energy Investment Program	10-Dec-10
	Strengthening of the Service Delivery Capacity of the Ministry of Agriculture	09-Dec-10
	Coastal Risk Assessment and Management Program	08-Dec-10
	Support for Sustainable Energy Framework for Barbados (SEFB) I	15-Sep-10
	Support to the Sustainable Energy Framework for Barbados	10-Mar-10
	Preparation of the Coastal Risk Assessment and Management Program	12-Feb-10
	Barbados Competitiveness Program	15-Dec-09
	Support Studies for the Upgrade and Expansion of the Natural Gas Network	10-Dec-09
	Education Sector Studies	07-Dec-09
	Agricultural Health and Food Control Programme	02-Dec-09
	Water and Sanitation Systems Upgrade	02-Dec-09
	Development of Tourism Micro Projects in Barbados (Joint Venture w/MOT & BSBA)	02-Nov-09
	Preparation for BA-L1015 - Water and Sanitation Upgrade Program	28-Jul-09
	Supporting the private sector take advantage of regional and global integration	05-May-09
	Project Digital in Brazil	24-Apr-09
	Sustainable Energy Framework for Barbados	03-Feb-09
	Comprehensive Information Portal for Entrepreneurs & SMEs	16-Dec-08
	Modernization of the Barbados National Procurement System	15-Dec-08
	PEF:Agricultural Health and Food Safety Program Preparation	10-Dec-08
	Modernization of the Barbados Statistical Service	28-Jul-08
	Housing and Neighbourhood Upgrading Program - Phase I	16-Jan-08
	Modernization of the Barbados National Standards System	19-Dec-07
	Strengthening the Capacity of Government of Barbados to Manage for Results	31-Aug-07
	Support for Procurement Capacity Building in Barbados	17-Apr-07
	Strategy to Strengthen Trade Logistics and Trade Facilitation	16-Feb-07
	PEF:BA-L1002 Housing and Neighbourhood Upgrading Program	13-Dec-06
	Mentoring Model to Develop Young Entrepreneurs	15-Nov-06
Strengthening of Airport Security	10-Mar-06	

CDB	Low-Income Housing Programme	01-Jan-10
	Policy-based Loan	01/01/2010
	Harrison's Cave Redevelopment Project - Additional Loan	01/01/2009
	Expansion Project - Cave Hill School of Business University of the West Indies	01/01/2006
	Harrison's Cave Redevelopment	01/01/2006

Jamaica

Bank	Name	Approval Date
IADB	Design and development of National Identification System in Jamaica	27-Jul-11
	Developing design concepts for climate change resilient buildings	11-Jul-11
	Microfranchise as a tool for economic promotion of at risk youth	07-Jul-11
	Integrated Management of the Yallahs-Hope Watershed Management Area (PPG)	05-Jul-11
	Action Plan for C and D Countries	01-Jun-11
	PPCR in Jamaica Phase I	23-May-11
	JNCB - Expansion of financial services for small enterprises	28-Apr-11
	Public Financial and Performance Management Programme III	05-Apr-11
	Implementation of Electronic Government Procurement in Jamaica	30-Mar-11
	Human Capital Protection Programme II	22-Mar-11
	Support for the Implementation of the Fiscal Responsibility Framework	02-Mar-11
	Support for the Expansion of the Citizen Security and Justice Programme II	19-Feb-11
	Support the Implementation of the Fiscal Consolidation Program	14-Feb-11
	Support for the Privatization of the Norman Manley International Airport.	20-Jan-11
	Fiscal Consolidation Program II	15-Dec-10
	Support for Implementation of Medium Term Action Plan to Manage for Results II	15-Dec-10
	Support the Design of Decentralized Road Maintenance	06-Dec-10
	Centralized Information Technology Systems for SMEs	18-Nov-10
	Agricultural Competitiveness Programme	03-Nov-10
	Study on Adolescent Dislocation in Jamaica	29-Oct-10
	Support for Education Sector Reform	29-Oct-10
	Extending Alternative Dispute Resolution Services to SMEs	12-Oct-10
	Establishment of GovNet	22-Sep-10
	Studies for agricultural sector policy priorities	09-Sep-10
	Child Cohort Study	16-Aug-10
	Fiscal Consolidation Program	03-Aug-10
	Study tour to CH and CO by a JA deleg to learn successful Citizen Sec initiative	20-Jul-10
	Understanding the Social Effects of the Financial Crisis	15-Jun-10
	Modernizing the School Feeding Program	11-Jun-10
	Study tour of Jamaican Farmers to Dominican Republic	21-May-10

Assessment and Implementation of Business Climate Reforms in Jamaica	07-May-10
Fortaleciendo y promoviendo mujeres emprendedoras en Jamaica	05-Apr-10
Sharing Experiences on Management of Road Maintenance.	19-Mar-10
Support for the Education Sector Reform II	24-Feb-10
Competitiveness Enhancement Programme II	17-Feb-10
Human Capital Protection Program	17-Feb-10
Public Financial and Performance Management II	17-Feb-10
Support to Agricultural Competitiveness Program	16-Feb-10
Citizen Security and Justice Programme II	14-Dec-09
Road Improvement Program	14-Dec-09
Support to Improving the Lives of Persons with Disabilities	11-Dec-09
Project to Improve Livelihoods in the Portmore Causeway Fishing Village	10-Dec-09
Support to Promote Energy Efficiency, Energy Conservation and Sustainable Energy	10-Dec-09
Flood Risk Management in the Highway 2000 Corridor	09-Dec-09
Expanding Access to Financial Services for Rural Microenterprises in Jamaica	01-Dec-09
Transjamaican Highway Project	30-Sep-09
Wind and Solar Development Program	24-Sep-09
Provision of Remittance & Other Financial Services for the Rural Poor in Jamaica	15-Sep-09
Using Intellectual Property to Improve the Competitiveness of Jamaican MSMEs	14-Sep-09
Civil Registration and Vital Statistics Systems Modernization Programme	28-Aug-09
Energy Efficiency and Conservation Technical Assistance	12-Jun-09
Increased Beef Production in Eastern Jamaica	19-May-09
Improving the Competitiveness of Family Businesses through Corporate Governance	13-Apr-09
Improving Access to Finance to Women Entrepreneurs	30-Mar-09
Kingston Metro Water Supply Rehabilitation	19-Jan-09
Liquidity Program for Growth Sustainability	14-Jan-09
Evaluation of Strategic Option for Reform of Development Bank of Jamaica's	18-Dec-08
Kingston Inner-City Competitiveness Initiative: A Social Capital Dialogue	17-Dec-08
Supplemental to the Primary Education Support Project (PESP)	17-Dec-08
Education Sector Reform	02-Dec-08
Public Financial and Performance Management Program	19-Nov-08
Strategy for the Divestiture of Air Jamaica	10-Nov-08
Assessment of the Regulatory and Legal Framework for Agricultural Insurance	06-Nov-08
First Caribbean International Bank Ltd. - TFFP	29-Oct-08
Youth Development Program - Phase I	29-Oct-08
Transportation Infrastructure Rehabilitation Program	08-Oct-08
Evaluation of the National Youth Service	28-May-08
Program to Support Implementation Medium Term Action Plan to Manage for Results	22-May-08

	Competitiveness Enhancement Program	01-Apr-08
	Pilot Enterprise Risk Management & Financing Program (ERMFP) for MSMEs	04-Mar-08
	Civil Registry Management	28-Feb-08
	Reliant Communications Expansion Project	22-Feb-08
	Financial Services through Mobile Devices	06-Feb-08
	Emergency Assistance in Response to Flood Damage	04-Feb-08
	Natural Hazard Management in Urban Coastal Areas	18-Dec-07
	Emergency Assistance Due to Hurricane Dean	23-Aug-07
	Education Sector Exchange, Mathematics and Interactive Radio Instruction	03-Aug-07
	Competitiveness Enhancement Program	02-Aug-07
	Land Titling and Registration	04-May-07
	Expanding Access to Rural Micro Credit in Jamaica	27-Mar-07
	First Global Bank Limited TFFP	22-Dec-06
	Competitiveness of Small Hotels	25-Oct-06
	Absenteeism in Jamaica's Primary Schools	07-Aug-06
	Country Environmental Assessment	22-May-06
	Strengthen Government Capacity to Manage for Results	25-Apr-06
	Documenting HIV/AIDS Intervention Programmes for Jamaican Children	21-Apr-06
	Financial Management for Small Tourism Entities	10-Mar-06
	Upper Rio Grande Valley and Holywell Commercial Development Project	20-Jan-06
WB	Jamaica Energy Security and Efficiency Enhancement Project	10-Mar-11
	Jamaica Conditional Cash Transfer Program	10-May-10
	First Programmatic Debt and Fiscal Sustainability Development Policy Loan	23-Feb-10
	JM Education Transformation Capacity Building	24-Nov-09
	TFSCB - Strategic Statistical Development Project for Jamaica	02-Oct-09
	Rural Economic Development Initiative	03-Sep-09
	Community-based Landslide Risk Reduction (JSDF Grant)	10-Jul-09
	Fiscal and Debt Sustainability Development Policy Loan	15-Jan-09
	Social Protection Project	13-May-08
	Jamaica Second HIV/AIDS Project	13-May-08
	Jamaica Early Childhood Development Project	13-May-08
	Jamaica Hurricane Dean ERL	20-Dec-07
	JM Inner City Basic Services for the Poor Project	29-Mar-06
CDB	Student Loan - Students' Loan Bureau	01-Jan-10
	Natural Disaster Management, Immediate Response Loan	01-Jan-08
	Community Investment Project	01-Jan-08
	Natural Disaster Management Response Loan - Tropical Storm Gustav	01-Jan-08
	Policy-based Loan	01-Jan-08

Upgrading and Expansion of Norman Manley International Airport - Additional Loan	01-Jan-08
Agricultural Support	01-Jan-08
Natural Disaster Management - Kingston Metropolitan Area Drainage Rehabilitation Work	01-Jan-08
Fifth Road (Washington Boulevard Improvement) Project	01/01/2007
Natural Disaster Management Hurricane Dean Rehabilitation Works	01/01/2007
University of Technology Enhancement Project	01/01/2007
Norman Manley International Airport Upgrading and Expansion	01/01/2006

Trinidad & Tobago

Bank	Name	Approval Date
IADB	Institutional Strengthening of the Auditor General's Department	21-Jun-11
	Improving Corporate Governance in Trinidad and Tobago	02-Jun-11
	Action Plan for C and D Countries	01-Jun-11
	Program to Support to Implementation of a new procurement framework in T&T	29-Apr-11
	Strengthening Social Service Delivery in Trinidad and Tobago	20-Jan-11
	Public Expenditure Management Program I	03-Dec-10
	Neighbourhood Upgrading Program	01-Dec-10
	Improving Access to Finance for Small and Medium Enterprises in Trinidad and To	16-Sep-10
	Improving the Delivery of Comprehensive Disaster Management	07-Sep-10
	ICT Innovations for the Development of the Masquerade Industry of TT	16-Jul-10
	Program to Promote Public Private Partnerships for Infrastructure in T & T	16-Jul-10
	Improving performance of SMEs through the application of ICT	11-Jun-10
	Mainstreaming climate change into national development	07-Jun-10
	Support for Health Transformation Program-Strengthening Health Services Delivery	10-Dec-09
	Preparation for Wastewater Rehabilitation Program	04-Dec-09
	Development of Traditional Crafts	30-Nov-09
	Value Chain Development	02-Sep-09
	Support for a Seamless Education System Program	20-May-09
	Implementation of Sustainable Farming Practices by Communities in the Northern R	16-Feb-09
	Improving Financial and Business Literacy of Small and Micro Entrepreneurs	27-Aug-08
	Improving Food Safety Standards among Street Vendors in Tobago	19-Mar-08
	Citizen Security Program	11-Mar-08
	Improving Labour Productivity through Internal Corporate Social Responsibility	18-Jan-08
	Awareness-Building and Baseline Research on Children with Disabilities	07-Aug-07
	Community Cottage and Kitchen and Enterprises	02-May-07
	Regional Procurement Capacity Development Workshop	13-Apr-07
Strengthening the Government Capacity to Manage for Results	20-Dec-06	
Electronic Government & Knowledge Brokering	29-Nov-06	

	Mentoring Model to Develop Young Entrepreneurs	15-Nov-06
	"Adopt a Farmer" Program	03-Jan-06
	Computer Programming Training for Development of Tobago's ICT Sector	03-Jan-06
WB	Trinidad and Tobago: Nariva ecosystem restoration and carbon sequestration	03-Feb-09

Dominican Republic

Bank	Name	Approval Date
IADB	Agrifood Health and Safety Program	25-Jul-11
	Program to Support the National Employment System	20-Jul-11
	Bani Wind Power Project	13-Jul-11
	PECASA Wind Power Project	13-Jul-11
	SCB TFFP Loan Banreservas	08-Jul-11
	Action Plan for C and D Countries	01-Jun-11
	Insurance Facility for Emergencies Caused by Catastrophic Natural Disasters	18-May-11
	Support for Preparation of National Tourism Program-Santo Domingo Colonial Zone	21-Jan-11
	Support Impact Evaluation of the Agricultural Innovation Supports Program	05-Nov-10
	Extension of financial services to small enterprises	04-Nov-10
	Program in Support of Subsidies for Innovation in Agricultural Technology	03-Nov-10
	INAPA Water and Sanitation Investment Program	27-Oct-10
	Potable Water and Sanitation Investment Program	27-Oct-10
	Program to Support Competitiveness Policy II	27-Oct-10
	Support for the Social Protection Program - Second Phase	27-Oct-10
	FINANCIAL ACCESS TO SMEs MEMBERS OF FONDAGRO	13-Oct-10
	Energy Efficiency analysis in Dominican Republic	21-Jun-10
	Food Price Crisis and Support to Social Protection Network	09-Jun-10
	Food Price Crisis and Support to Social Protection Network	09-Jun-10
	Support to the Competitiveness of Straw Craftsman Entrepreneurs	12-Feb-10
	Support for the 10-year Education Plan	03-Feb-10
	Study of Agricultural Public Spending and Agricultural Services Strengthening	09-Dec-09
	SUPPORT TO THE PREPARATION OF THE PROJECT OF WATER AND SANITATION RURAL: INAPA	08-Dec-09
	BHD Bank Lending Facility	07-Dec-09
	Dominican Republic Health Observatory	04-Dec-09
	Integrated MSWM in the Inter-Municipal Area of DR	30-Nov-09
	Program for improving the financial risk management of public fixed assets (II)	23-Nov-09
	Program for improving the financial management of public fixed assets (I)	20-Nov-09
	Support to Strengthening Fiscal Management	03-Nov-09
	Fiscal Strengthening Program	21-Oct-09
	Improving teacher training and educational evaluation	19-Oct-09

Biodiesel from Jatropha Project	30-Sep-09
Boulevard Turístico del Atlántico Toll Road	02-Sep-09
Support for the Social Protection Program First Phase	26-Aug-09
Instituting family protocols and spheres of governance in Dominican Republic PYM	06-Aug-09
Support to the SIRA of Santo Domingo's Metro	05-Aug-09
Support for the Implementation of a New Public Sector Salary Policy	13-Jul-09
Support to Infrastructure Study in Dominican Republic	17-Jun-09
Creating Market Instruments to Stimulate Higher Education Financing in the Dominican	10-Jun-09
Exchange of Experiences Costa Rica and DR	23-Apr-09
Clean Method Adoption of Batteries Recycle / Production on the Small Enterprise	18-Apr-09
Support to the Program "Labor Markets and Social Transfers, Phase I"	30-Mar-09
Banco de Reservas - TFFP	24-Mar-09
Liquidity Program for Growth Sustainability	20-Mar-09
Program to Support Policies to Enhance Productivity and Competitiveness	20-Mar-09
Dominican Republic / Mexico. Ministry of Finance Mexico / DIGEPRES DR	13-Mar-09
Bilateral Trade And Investment Promotion	03-Feb-09
Institutional Strengthening of ADOPEM Bank	16-Dec-08
Competitiveness of Small-scale Organic Cocoa Producers	12-Dec-08
Inst. Strengthening of Banco Ademi for the Expansion Small Business Financing	01-Dec-08
Tourism Management based on Cultural Resources-Puerto Plata	30-Oct-08
Electricity Distribution Network Rehabilitation Project	29-Oct-08
Strengthening Institutional Capacity to Promote Technological Innovation	17-Sep-08
Transfer of Best Practices: Portal Trámite Fácil	20-Aug-08
Development of a Franchise Model for the Business Sector	06-Aug-08
Institutional Strengthening Micro Credit Program MUDE	12-Mar-08
Support for Design and Implementation of Public Policies	15-Feb-08
Experiences in the Implementation of Agricultural Tech. Supports	31-Jan-08
Support for Dynamic Business Ventures	30-Jan-08
Support for the Establishment of a Wireless Technology Innovation Center	25-Jan-08
Emergency Assistance in Response to Tropical Storm Noel of October 2007	19-Dec-07
Highway Infrastructure Multiphase Program - Phase I"	12-Dec-07
Expenditure on Reproductive Health and Gender-based Violence	21-Nov-07
Support for Emergency Caused by Tropical Storm Noel	02-Nov-07
Industrial Innovation: Competing on Speed and Flexibility	24-Oct-07
Unified Business Start-up Management System	23-Oct-07
Facilitating access to financing for agricultural SMEs	10-Oct-07
Institutional Strengthening Internal Revenue Office	10-Oct-07
Creation New Microfinance Institutions to Increase Access to Micro-entrepreneurs	27-Jun-07

	Nostalgic Products and Export Promotion	15-Feb-07
	Strengthening Budgeting System Based on Results	08-Feb-07
	Market Access and self-Management for Small Farmers	01-Feb-07
	Modernization of Administration's Public Resources	29-Nov-06
	Social Management Reform Program	21-Nov-06
	Competitive Integration of Small and Medium-Sized Agro-forestry Enterprises	15-Nov-06
	Property Jurisdiction Consolidation	08-Nov-06
	Increased Nutrition for Children in the Province of Bahoruco	03-Nov-06
	Analysis of Potential Effects of Trade Agreements on Rural Households	26-Oct-06
	Opportunities & Technical Requirements for Gaining Market Access under DR-CAFTA	20-Sep-06
	Promoting Gender Equity in Education's Basic Level	14-Sep-06
	Rainbow Project: Health & Opportunities for Vulnerable Children, Youth and Women	29-Aug-06
	Strengthening E-Government Strategy of Directorate of Internal Revenue	08-Aug-06
WB	Second Performance and Accountability of Social Sectors Development Policy Loan	23-Nov-10
	Dominican Republic Municipal Development Project	21-Jan-10
	First Performance and Accountability of Social Sectors Development Policy Loan	17-Nov-09
	Public Finance and Social Sector Development Policy Loan	17-Nov-09
	DO Additional Financing Social Sectors Investment Program	17-Sep-09
	Health Sector Reform Second Phase APL (PARSS 2)	17-Sep-09
	Dominican Republic National Strategy for the Development of Statistics (NSDS)	28-Jul-09
	Water and Sanitation in Tourist Areas	02-Apr-09
	DO - Avian Influenza Prevention and Control	12-Aug-08
	DO Electricity Distribution Rehabilitation Project	20-May-08
	DO Emergency Recovery & Disaster Mgmt	01-May-08
	DO Social Sectors Investment Program	02-Aug-07
	Access to Information and Downward Accountability in the Dominican Republic	04-Jun-07
	Dominican Republic Youth Development Project	23-Mar-06
	Dominican Republic GAIN/WORLD BANK	02-Feb-06

Haiti

Bank	Name	Approval Date
IADB	Business Development and Training Services Program for Investment	02-Aug-11
	Integrated Control for Neglected Tropical Diseases in Port au Prince	28-Jul-11
	Infrastructure Program	25-Jul-11
	Institutional Transformation and Modernization Program of the Energy Sector I	25-Jul-11
	Merging Italian Fashion and Haitian Design	14-Jun-11
	Roundtable with the New Haitian Government	06-Jun-11

Action Plan for C and D Countries	01-Jun-11
Support to the Reconstruction of Hotels in Port-au-Prince	23-May-11
Support for Reconfiguration of the Education Sector	18-May-11
Increasing Access to Sustainable Energy Technologies Using Remittances as a Sour	25-Apr-11
Preparation of the Land Tenure Regularization Program	23-Mar-11
Support for Haiti's Reconfiguration of the Education Sector	17-Mar-11
Preparation for MIF actions in Haiti following the earthquake: Emergency Approval	31-Jan-11
Creation of a Human financing model for higher education in Haiti	18-Jan-11
Improving economic opportunities of vulnerable youth in Haiti	12-Jan-11
Support for Haiti's Reconfiguration of the Education Sector	06-Jan-11
Emergency Response for the Containment of Cholera	15-Dec-10
Emergency Response for the Containment of Cholera	15-Dec-10
Communication plan to promote Road Safety in Haiti	14-Dec-10
CP-Kotelam Development and implementation of financial products for housing for	14-Dec-10
CP-Marigot Development and implementation of financial products for housing for	14-Dec-10
CP:Fraternité- Development and implementation of financial products for housing	14-Dec-10
CP:Le Levier- Development and implementation of financial products for housing	14-Dec-10
Institutional strengthening of FINCA for the improvement of financial services	14-Dec-10
Strategic Port Study in Haiti	14-Dec-10
Support for the Business Development Services Program	09-Dec-10
Support private sector involvement in programmatic approach to develop the North	09-Dec-10
Connectivity in Haiti: Broadband Infrastructure for Economic Development and Tra	03-Dec-10
Support for Haiti's Reconfiguration of the Education Sector	22-Nov-10
Master Plan for Rehabilitation and Management of the Trutier Site	11-Nov-10
Emergency Shelter Provision for Earthquake-Affected Port-Au-Prince, Haiti	08-Nov-10
Partial Credit Guarantees Fund	08-Nov-10
UNQ:Haiti Emergency Spending Allocation Request(HESAR)	28-Oct-10
Support to Private Sector Investment and Export Industry	26-Oct-10
Fiduciary Support for the Partial Credit Guarantee Fund	06-Oct-10
Agricultural Intensification	29-Sep-10
Basic Education Program	29-Sep-10
Drinking Water and Sanitation Sector Reform	29-Sep-10
Ennery-Quinte Agricultural Intensification Project	29-Sep-10
Financial Sector Reform Support Program	29-Sep-10
Institutional Strengthening for Environmental Management	29-Sep-10
National Program of Flood Early Warning	29-Sep-10
Organization & Rationalization Health Sector	29-Sep-10
Program for Rehabilitation of Basic Economic Infrastructure	29-Sep-10

Program to Establish a Partial Credit Guarantee Fund for Enterprise Development	29-Sep-10
Rehabilitation of Electricity Distribution System in Port au Prince	29-Sep-10
Rural and Secondary Roads	29-Sep-10
Rural Supply Chain Development Program	29-Sep-10
Rural Water and Sanitation Program	29-Sep-10
Strengthening of Economic Governance Institutions	29-Sep-10
Support Human Resource Management in Public Sector	29-Sep-10
Transport Infrastructure Rehabilitation Program	29-Sep-10
Urban Rehabilitation Program	29-Sep-10
Vocational Training	29-Sep-10
Bioenergy Action Plan	26-Aug-10
BIOENERGY ACTION PLAN (COFAB component)	26-Aug-10
Developing the North Department as a Tourism Destination	04-Aug-10
Towards a Sustainable Energy Sector Haiti - White Paper	26-Jul-10
New Technologies and Institutional Capacity Building in the Government of Haiti	21-Jul-10
Port Au Prince Water and Sanitation Project	21-Jul-10
Port-au-Prince Water and Sanitation Project	21-Jul-10
Program to Support Transportation Sector Development in Haiti	21-Jul-10
Rehabilitation of the Electricity Distribution System in Port-au-Prince	21-Jul-10
ICEF-HAITI: Emergency Spending Allocation	20-Jul-10
HAITI-HESAR- Project Management for non profit organization	19-Jul-10
Support for the Implementation of the Education Plan	15-Jul-10
Support for the preparation of operation HA-L1044	09-Jun-10
Haitian Emergency Liquidity Program (HELP)	02-Jun-10
Mango as an opportunity for long-term economic growth	02-Jun-10
Fiscal Sustainability II	28-Apr-10
Rural Water and Sanitation Program (II)	28-Apr-10
Support to the Shelter Sector Response Plan	28-Apr-10
"Learning by doing" to build back a better Haiti	21-Apr-10
Un techo para mi pais: emergency and social inclusion	21-Apr-10
Administration of donor Resources for Haiti - UNASUR	14-Apr-10
FED: Haiti Emergency Spending Allocation Request(HESAR)	14-Apr-10
VIVA-RIO-HAITI-Emergency Especial Allocation Request (HESAR)	14-Apr-10
ANATRAF:HAITI-Emergency Especial Allocation Request (HESAR)	09-Apr-10
DID:HAITI-Emergency Especial Allocation Request (HESAR)	07-Apr-10
FHAF:HAITI-Emergency Especial Allocation Request (HESAR)	07-Apr-10
Strategic Plan for Solid Waste Management in Four Intermediate Cities	25-Mar-10
CARIFRESH:HAITI Emergency Spending Allocation Request(HESAR)	17-Mar-10

CCIH:HAITI Emergency Spending Allocation Request (HESAR)	17-Mar-10
Institutional strengthening of FHAPME	17-Mar-10
GEF Emergency Program for Solar Power Generation and Lighting	16-Mar-10
Support to Haiti's PDNA	16-Mar-10
ACME:HAITI Emergency Allocation Request(HESAR)	12-Mar-10
FHAPME:HAITI Emergency Spending Allocation Request (HESAR)	12-Mar-10
MCN:HAITI: Emergency Spending Allocation	12-Mar-10
Veterimed: HAITI Emergency Spending Allocation Request(HESAR)	12-Mar-10
INDEPCO: Haiti Emergency Allocation Request (HESAR)	09-Mar-10
SECCI: Emergency Program for Solar Generation	01-Mar-10
FONKOZE: HAITI EMERGENCY ALLOCATION	26-Feb-10
SOGESOL:HAITI Emergency Spending Allocation Request (HESAR)	26-Feb-10
Emergency response to earthquake in Haiti	14-Jan-10
Co-financing - Rural Chains Program - Animal & Plant Health Protection	04-Jan-10
New Technologies and Government Transformation in Haiti	10-Dec-09
Pilot Project to Provide Capacity Building for Cleft Lip and Palate Care in Haiti	10-Dec-09
Strengthening the Internal Debt Sustainability Analysis Unit	10-Dec-09
Support for Preparation of Civil Registry Project	10-Dec-09
Support for Teachers of XO-OLPC Project	10-Dec-09
Support to the Design of the HA-L1035 Program	08-Dec-09
Job Creation for Small-Scale Agricultural Producers through the Carifresh Fruit	04-Dec-09
Regional Indicators and Data for Readiness to Learn	03-Dec-09
Improving Child Survival and Building Blocks for Social Safety Nets	02-Dec-09
Improving Child Survival and Building Blocks for Social Safety Nets	02-Dec-09
Capitalization Fund for textile sector SMEs in Haiti	14-Oct-09
Water and Sanitation for Intermediate Cities (II)	30-Sep-09
Water and Sanitation for Intermediate Cities (II)	30-Sep-09
Sustainable Land Management of the Upper Watersheds of South Western Haiti	23-Sep-09
Improving remittance services and promoting investments in Haiti	18-Sep-09
Natural Disaster Mitigation Program in Priority Watersheds I	16-Sep-09
Expansion of financial services to secondary cities	15-Sep-09
Enhancement of Haitian Competitiveness in Key Economic Sectors	01-Sep-09
Fiscal Sustainability I	26-Aug-09
Development of the Industrial Park Model to Improve Trade Opportunities for Haiti	13-Aug-09
Business Plan Competition in Haiti	22-Jul-09
Support to Reconstruction of Education Infrastructure	24-Jun-09
Handicraft and Local Development in Ganthier	18-Jun-09
Support for the preparation National Tourism Program	09-Jun-09

Support to maritime fishing development	30-Apr-09
Support to the competitiveness of quality coffee value chain in Baptiste	16-Apr-09
Support to the competitiveness of quality coffee value chain in Thiotte	16-Apr-09
Support for Watershed Management Plans for Preventive Disaster Risk Management	09-Apr-09
Technical Assistance for National Program of Flood Early Warning System	09-Apr-09
Hand Pump Program in Rural Plain of Gonaïves	18-Feb-09
Programa de Bombas a Motricidad Humana para Gonives	18-Feb-09
Creating Sustainable Recycling Businesses in Bel Air, Port Au Prince	27-Jan-09
Business Competitiveness and Cluster Support	17-Dec-08
Support to training of trainers for the TVET system	17-Dec-08
Support to the Presidential commission on Education Reform	05-Dec-08
Péligre Hydroelectric Plant Rehabilitation Program	02-Dec-08
Support for the Strengthening of the DGI	30-Oct-08
Competitiveness and Profitability of Fruit-processing Microenterprises	22-Sep-08
Emergency Assistance Due to Hurricane Gustav	15-Sep-08
Emergency Assistance Due to Hurricane Hanna	15-Sep-08
Preparation of Full-Sized GEF Project HA-X1002	05-Sep-08
Support for CHPs Rehabilitation	21-Aug-08
Support for Export Quality Fruits	25-Jul-08
II Additional Co financing Rehabilitation Basic Economic Infrastructure Program	18-Jun-08
Strengthening Public Finance Management II	30-Apr-08
Promotion of Economic Opportunities in Rural Areas	17-Apr-08
Support for Planning, Programming and Monitoring Based on Results	05-Mar-08
Rehabilitation of Road Infrastructure for Integration of the Territory	21-Feb-08
Pilot of the One Laptop per Child Model	06-Feb-08
Supplemental Support for Preparation of Watershed Management Program	30-Jan-08
Promoting Micro Entrepreneurship in the Urban Slums in Haiti	18-Jan-08
Institutional Strengthening of the Ministry of Public Works	16-Jan-08
Third phase of the Household Survey 1-2-3 to Create the baseline for the PRSP	19-Dec-07
Competitivity and Profitability of Milk Processing Plants Lèt Agogo	18-Dec-07
Early Childhood Development Pilot	18-Dec-07
Promotion of Community Tourism in the North Department of Haiti	18-Dec-07
Promotion of Micro and Small Enterprises in Cap-Haitien	18-Dec-07
Support for Design EDH's Mid Term Investment Plan	18-Dec-07
Support for Design EDH's Mid Term Investment Plan	18-Dec-07
Education Sector Study - Assessing Education Quality	17-Dec-07
Feasibility Studies for a Second Landfill in Port-au-Prince	12-Dec-07
Rehabilitation of Road Infrastructure for Integration of the Territory	20-Nov-07

	Supplemental Financing for the Agricultural Intensification Program	20-Nov-07
	Executing Agencies Follow-up Support Program	20-Aug-07
	Trade and Investment Forum	14-Aug-07
	Strengthening Public Resource Management	01-Aug-07
	Collective Remittances and Social Service Provision in Haiti	29-Jun-07
	Additional Cofinancing for Rehabilitation Basic Economic Infrastructure Program	27-Jun-07
	Promoting Micro Entrepreneurship through Institutional Capacity Strengthening	27-Jun-07
	Support for the Integrated Mgmt of the Upper Parts of Priority Watersheds in HA	01-Jun-07
	Co-financing for the Vocational Training Program	12-Apr-07
	Support for the Haitian Parliament	09-Jan-07
	Policy and Forestry Action Plan for Haiti	20-Dec-06
	Policy and Forestry Action Plan for Haiti	20-Dec-06
	Rural Supply Chain Market Linkage Services	29-Nov-06
	Enhancement of the Remittances Services to and within Rural Haiti	11-Oct-06
	Economic and Project Work on the Development of the Rural Economy	04-Oct-06
	Technical Assistance in the Potable Water and Sanitation Sector of Haiti	03-Oct-06
	Improving Banking Supervision in Haiti	02-Oct-06
	Investment Promotion Initiative	29-Sep-06
	Basic Education Teacher Certification	28-Sep-06
	Enhancing Readiness to Learn Initiatives for Haitian Children	15-Sep-06
	Strengthening of Airport Security	31-Jul-06
	Assessment of Early Childhood Services	10-Jul-06
	Policy and Strategy for Integrated Watershed Management	14-Jun-06
	Support for Port-au-Prince Electrical Distribution Rehabilitation Program	28-Apr-06
	Communication Strategy for Sustainable Watershed Management	10-Apr-06
	Institutional Analysis of the Rural Supply Chain Dev Program	27-Feb-06
	Preparation of the Intervention for the Watershed Management Program	03-Jan-06
WB	Port au Prince Neighbourhood Housing Reconstruction	04-May-11
	Cholera Emergency Response Project	18-Jan-11
	Women and Girls in Haiti's Reconstruction: Addressing and Preventing Gender based Violence	13-Jan-11
	Haiti Post-Disaster Partial Credit Guarantee Program Support Project	14-Dec-10
	Housing Reconstruction - Urban Community Driven Development Additional Financing	26-Oct-10
	Household Development Agent Pilot	13-Sep-10
	JSDF Grant for Emergency Community Cash for Work Project	03-Sep-10
	Emergency Development Policy Operation	05-Aug-10
	Education for All Project - Additional Financing	27-May-10
	Rural Community Driven Development - Additional Financing II	27-May-10

	Haiti Education for All Fast-Track Initiative Catalytic Fund	19-May-10
	Emergency program for solar power generation and lighting for Haiti, as a consequence of the Earthquake in Port au Prince.	17-May-10
	Infrastructure & Institutions Emergency Recovery	18-Mar-10
	HT 3rd Econ. Governance Reform Operation	08-Dec-09
	Transport and Territorial Development Additional Financing	08-Dec-09
	HT (AF) Electricity Loss Reduction Project	08-Sep-09
	Strengthening the Management of Agriculture Public Services (GFRP)	25-Jun-09
	HT: Emergency School Reconstruction Project	05-Mar-09
	Community-Driven Development (CDD) Additional Financing	29-Jan-09
	Rural Water and Sanitation Project - SPF	25-Nov-08
	HT Emergency Bridge Reconstruction & Vulnerability Reduction Project	18-Nov-08
	AVIAN INFLUENZA CONTROL AND HUMAN INFLUENZA EMERGENCY PREPAREDNESS AND CONTROL	14-Jul-08
	Haiti - Urban Community Driven Development Project / PRODEPUR	03-Jun-08
	Supplemental EGRO-II Development Policy Grant	29-May-08
	HT - MEETING TEACHER NEEDS FOR EFA	29-Apr-08
	LICUS GRANT WB-UN/MINUSTAH MARTISSANT ROAD REHABILITATION PROJECT	22-Feb-08
	HT-Avian and Human Influenza (AHI)	07-Feb-08
	Haiti Emergency Recovery and Disaster Management (Additional Financing)	31-Jan-08
	HT Education For All Adaptable Program Grant Phase 1	26-Apr-07
	Haiti Catastrophe Insurance	08-Mar-07
	Haiti Economic Governance Reform Operation II	30-Jan-07
	Haiti Rural Water and Sanitation Project	30-Jan-07
	Port-au-Prince Area Community Driven Development Pilot Project (PCF) / PRODEPAP	22-Nov-06
	HT Electricity Project	03-Aug-06
	HT-School Feeding Program (TF056944 DGF)	27-Jul-06
	HT Economic Governance TAG II	20-Jun-06
	Haiti Transport and Territorial Development Project	11-Apr-06
CDB	Education for All Project	01/01/2007

APPENDIX G: 2011 IMPACTASSETS 50⁵⁰

Company	Overview	Asset Class	Impact Investment Focus	Geographic Focus	Total Assets	Geographic Areas of Investment	Investments in the Caribbean
Absolute Portfolio Management	Absolute Portfolio Management (APM) is a leading independent asset management company which specializes in asset allocation, analysis and management of alternative investments. The firm's investment philosophy does not measure success in comparison to other investments or indices but purely based on its real return. The aim of all APM products is continuous capital growth with a focus on security and risk minimisation. In rising markets the focus is on performance optimisation. In falling markets the focus is on active risk management in order to protect the consigned assets from heavy losses. The company was founded in April 2006 from the asset management division of Vienna Portfolio Management Inc..The office and management of Absolute Portfolio Management are located in Vienna. The business focus is on institutional clients and high net worth individuals. The goal of the firm is to increase the customer base in close collaboration with banks, online businesses and distributors and to expand into new markets in the coming years.	Bonds	Microfinance/Low-Income Financial Services	Africa, Asia, Latin America, Europe	\$250+ million	Latin America, Eastern Europe, Asia, and Africa (top 5 countries: Cambodia, Peru, Azerbaijan, Bolivia, Ecuador)	\$0
Accion International	ACCION International is a private, nonprofit organization with the mission of giving people the financial tools they need - microenterprise loans, business training, and other financial services - to help work their way out of poverty. ACCION was founded in 1961 and issued its first microloan in 1973 in Brazil. Over time, ACCION has helped build 62 microfinance institutions (MFIs) reaching millions of clients in 31 countries on four continents. In the United States, the U.S. ACCION Network is the largest microfinance lending network in the country and has served tens of thousands of clients with over \$275 million in loans since the inception of its pilot program in 1991. In the area of investing, ACCION provides early-stage equity, quasi-equity financing, and loan guarantees to help MFIs become independent of donor funds, build their capital base, attract deposits and attain financial leverage to expand their reach. ACCION began investing in 1984 with the launch of the ACCION Bridge Fund, which guarantees local currency borrowings and the issuance of fixed-income instruments that link MFIs to commercial banks and capital markets. In the ensuing decades, ACCION has launched, sponsored, and/or managed three equity vehicles: ACCION	Private Equity	Microfinance/Low-Income Financial Services	Latin America, Africa, Asia	\$250+ million	Latin America, Africa, South East Asia	N/A

⁵⁰ This table reflects the activities of 50 impact investment fund managers managing \$8.9 billion in assets as listed at <http://www.impactassets.org/impactassets-50/2011-impactassets-50>.

Note that only the final column has been added by International Financial Consulting Limited based on the consultation findings. The investments in the Caribbean are indicative and may not be exhaustive since not all 50 of these fund managers were interviewed given the scope of the assignment.

Gateway LLC fund, the Frontier Investments Group, and ACCION Investments. The ACCION Gateway Fund enables ACCION to invest in emerging market microfinance partners and currently holds shares in MFIs throughout Latin America, the Caribbean, and Asia. Through Frontier Investments, ACCION invests in the financial technology sector and disruptive business models that create impact by powerfully enhancing the way that financial services are delivered to the poor. ACCION Investments is a third party fund that invests in MFIs worldwide, and is managed by ACCION Investment Management Company, LLC (AIMCO). ACCION's Bridge Funds, Gateway, and Frontier Investment funds combined represent \$240 million under management. ACCION Investments has \$86 million under management.

Acumen Fund	Acumen Fund is working to create a world beyond poverty by investing in social enterprises, emerging leaders and breakthrough ideas. We invest patient capital in business models that deliver critical, affordable goods and services to the world's poor, improving the lives of millions. Since 2001, Acumen Fund has invested more than \$60 million in enterprises that provide access to water, health, energy, housing and agricultural services to low-income customers in South Asia and East Africa. And we are building a global community of emerging leaders that believe in creating a more inclusive world through the tools of both business and philanthropy. For more information on Acumen Fund's activities and investments, visit www.acumenfund.org and blog.acumenfund.org .	Private Equity	Housing, Health, Water, Energy/Clean Tech, Agriculture	Africa, Asia	\$25-50 million	East Africa, India, Pakistan	\$0
Bamboo Finance	Bamboo Finance is a commercial global investment advisory firm with offices in Geneva (Switzerland) and San Francisco (USA) specializing in the financing of social entrepreneurship. Its goal is to support innovative, commercially viable enterprises which are designed to generate significant social impact and solid financial return.	Notes, Private Equity	Microfinance/Low-Income Financial Services, SME Development, Housing, Health, Media/Tech, Clean Tech	Africa, Asia, Latin America	\$50-100 million	Global (top countries: South Africa, India, Mexico, Mozambique, Pakistan, Kenya, Laos/Vietnam, Panama)	\$0
Bank of America Capital Access Funds Management	BAML Capital Access Funds manages fund-of-funds focused on underserved markets and diverse emerging managers in the United States.	Private Equity	Small and Medium Business Development	North America	\$250+ million	United States	\$0

Beartooth Capital	<p>Beartooth Capital is a private investment management firm whose mission is to generate strong investment returns, real conservation results and community benefits. Beartooth Capital I and II provide investors with an opportunity to invest in a portfolio of western U.S. ranches to conserve important western landscapes generate important community benefits and yield competitive risk-adjusted returns for investors. Conservation serves as a competitive advantage, enabling the firm to create early revenue events from the sale of development rights and to access grant funding for restoration. The firm seeks to acquire select ranchland, improve and preserve it in various ways (including restoring habitat, enhancing accessibility, protecting landscapes and doing ecologically appropriate limited development) and then sell it at a profit. In so doing, it creates value for investors while preserving ranchland in the American West.</p>	Real Estate	Agriculture, Conservation	North America	\$50-100 million	United States (Western)	\$0
BlueOrchard Finance	<p>BlueOrchard is a leading commercial microfinance investment manager, providing loans to microfinance institutions through BlueOrchard Finance S.A. and investing in the equity of microfinance institutions and network funds through BlueOrchard Investments Sarl. It is a Swiss company with global outreach. The BlueOrchard multi-national teams in Geneva, New York, and Lima consist of qualified and experienced professionals with a passion for contributing to the development of the least privileged communities. BlueOrchard's flagship fund, the Dexia Micro-Credit Fund, has provided debt finance to microfinance institutions since 1998. BlueOrchard was founded on the belief that microfinance investments can simultaneously produce social progress and financial returns, making it a powerful tool to sustain economic development and alleviate poverty, as well as an attractive investment for a broad range of investors. By providing long-term debt and equity to financial institutions in all stages of development, BlueOrchard generates profitable returns on investments while supporting the development of millions of promising microenterprises.</p>	Notes, Private Equity	Microfinance/Low-Income Financial Services	Latin America, Asia, Europe	\$250+ million	Global (mostly Peru, Cambodia, India, Armenia, and Serbia)	\$0
Bridges Ventures	<p>Bridges Ventures is a sustainable growth investor whose commercial expertise is used to deliver both financial returns and social and environmental benefits. Bridges Ventures believes that market forces and entrepreneurship can be harnessed to do well by doing good.</p>	Private Equity	Education, Health, Conservation, SME Development	Europe	\$250+ million	United Kindgom	\$0
Calvert Social Investment Foundation*	<p>Calvert Foundation's mission is to maximize the flow of capital to disadvantaged communities in order to create a more equitable and sustainable society. Calvert Foundation was incorporated in September 1988 as an independent 501(c)(3) nonprofit corporation, though its current programs were launched in 1995, the result of a collaboration between Calvert Group, the socially responsible mutual fund company, and the Ford, MacArthur and Mott Foundations. Currently, Calvert Foundation has approximately \$280 million invested in 250 community organizations in all 50 states and over 100 countries. The portfolio comprises investments in a diversified mix of high-impact organizations whose missions cover a range of social causes and innovations, including affordable housing, microfinance, Fair Trade coffee, small business development, and the establishment of essential community facilities</p>	Notes	Microfinance/Low-Income Financial Services, Fair Trade, Nonprofit SE, SME Development, Housing, Agriculture, Conservation1	North America, Latin America, Europe	\$250+ million	Global (mostly United States, Peru, Ecuador, Georgia, and Azerbaijan)	US\$300,000 (Focus on Haiti)

such as charter schools, daycare centers and rehabilitation clinics. To date, Calvert investors and supporters have helped build or rehabilitate over 17,000 homes, create 430,000 jobs in the U.S. and in developing countries, and finance over 25,000 cooperatives, social enterprises, and community facilities.

City Light Capital	<p>City Light Capital is a venture capital firm investing in USA based, high-growth companies dedicated to tackling some of society’s toughest challenges. The firm looks for experienced entrepreneurs passionate about leveraging the power of technology and markets to create substantial economic, social and environmental value. City Light measures success as investors by the financial returns achieved and the impact companies create through improvements in the ways people, property and places are protected, and ways energy and environmental resources are consumed. City Light believes companies that have a clear, measurable mission have a competitive advantage and can attract the best people, partners and customers. CityLight also believes that three investment areas profoundly shape the world we live in – Safety & Security, Education & Information Services, and Energy & Environmental – and have found common ground in the types of entrepreneurs these areas attract, the ways technology can be leveraged and the scale of opportunities created by changing markets and public sector forces.</p>	Private Equity	Education, Conservation, Media/Tech	North America	\$25-50 million	United States	\$0
Community Investment Partners	<p>The mission of Community Investment Partners (CIP) is to build an industry for community investing by offering an array of advisory services to organizations seeking to channel capital to underserved communities. CIP is registered with the SEC as a Registered Investment Advisor. CIP offers customized portfolios designed to meet a wide range of institutional client interest in creating the right mix of social impact, risk, return, sectoral and geographic diversity.</p>	Bonds	Microfinance, Housing, Fair Trade, Community Development	North America, Latin America, Europe	\$100-250 million	Global (mostly United States, Peru, Ecuador, Georgia, and Azerbaijan)	\$0
Core Innovation Capital	<p>Core Innovation Capital invests in the most innovative companies serving underbanked consumers in America. Core Innovation Capital focuses on early growth-stage for-profit companies whose management shares the vision that scalable, technology-driven solutions focused on delivering the highest value to underbanked people can create great businesses and strengthen the American middle class. The firm was launched by and are strategic partners with the Center for Financial Services Innovation, the leader in underbanked strategy across the financial services landscape.</p>	Private Equity	Microfinance/Low-Income Financial Services	North America	\$25-50 million	United States	\$0

Creation Investments	<p>Creation Investments is an alternative investment management company committed to fighting global poverty through direct, for-profit investments in businesses which promote economic development. Creation Investments Capital Management, LLC currently manages Creation Investments Social Venture Fund I, a private equity fund which makes control equity investments in Microfinance Institutions, Small-and-Medium Enterprise lenders and Other Social Ventures in emerging markets seeking to maximize financial and social returns on investment. CICM also manages 4B Capital Fund A, L3C, a private equity vehicle established to invest in mobile money and branchless bankin initiatives. Investments in microfinance and social ventures create opportunities through access to capital and needed products and services for those living in poverty to engage in small-business activity, income generation, and significantly impact those living at the bottom of the economic pyramid. The firm seeks to create wealth for all of its stakeholders, especially the end clients.</p>	Private Equity	Microfinance/Low-Income Financial Services, SME Development, Health, Agriculture, Housing, Clean Tech, Conservation	Europe, Asia, Latin America	\$25-50 million	Global (mostly Russia, China, India, Mexico, Albania, Poland)	\$0
Developing World Markets	<p>Developing World Markets (DWM) is an asset manager and investment bank dedicated to making socially positive investments in order to promote sustainable economic and social development on a global scale. DWM believes that the private sector and capital markets can and should be utilized to create positive economic and social change, and are often the most effective catalysts for doing so. DWM structures transactions that provide microfinance institutions and other socially motivated organizations with access to international capital markets. DWM primarily invests in Microfinance Institutions (MFIs), which are economically sustainable financial organizations that provide small loans to low-income entrepreneurs, enabling them to create and sustain their own business. DWM is also committed to making sustainable investments in adjacent spaces such as small- and medium-sized enterprises (SME), low-income housing, and renewable energy. DWM's challenge is to deliver financial products to microfinance institutions and other socially responsible businesses in an efficient and affordable (financially sustainable) manner and at the same time deliver an appropriate risk-adjusted return for our investors, while ultimately serving as a catalyst for development.</p>	Notes, Private Equity	Microfinance/Low-Income Financial Services	Europe, Latin America, Asia	\$250+ million	Emerging markets (Top five countries: Azerbaijan, Peru, India, Cambodia, Bosnia)	\$0
E+CO	<p>E+Co is a non-profit that provides capacity building services and investment capital to small clean energy enterprises, with the goal of reducing the impact of climate change and alleviating poverty. E+Co provides seed and growth capital to clean energy entrepreneurs in developing countries, end-user financing for customers of clean energy enterprises, and services directly related to these investments.</p>	Notes, Private Equity	Clean Tech	Africa, Asia, Latin America	\$25-50 million	Africa, Asia, and Latin America	\$0
EcoEnterprises Fund	<p>EcoEnterprises Fund has spent the last decade supporting small sustainable businesses in Latin America, and has demonstrated that such businesses can be strong forces in biodiversity and environmental protection and help transform local economies. The first fund, launched jointly by The Nature Conservancy and the InterAmerican Development Bank's Multilateral Investment Fund in 2000, deployed \$6.3 million in 23 sustainable companies throughout Latin America. Its portfolio companies are market leaders that have introduced an array of cutting-edge,</p>	Notes, Private Equity	Agriculture, Conservation	Latin America	\$25-50 million	Meso-America, Northern Andes, Amazon Basin in Latin America	\$0

environmentally-friendly product, and have collectively have created 3,513 jobs, benefited 293 communities and conservation groups, generated \$281 million in sales, created over 3,500 jobs, leveraged \$138 million in additional capital, and conserved 860,773 hectares of land. EcoEnterprises Fund II (EcoE II) builds on this legacy and targets companies at the next stage of business growth, providing expansion capital to bring impact results to scale.

EKO Asset Management Partners	EKO is a specialized investment and advisory firm focused on discovering and monetizing unrealized or unrecognized environmental assets. The firm does this by investing in projects and companies that create environmental value, as well as advising landowners, companies, investors and government agencies that can benefit from existing and emerging environmental markets. In doing so, EKO hopes not only to harness the power of the capital markets and help allocate resources to their highest and best ecological use, but also to help preserve ecosystems for future generations. EKO was founded in January of 2008 by a team composed of professionals experienced in environmental markets, banking, and investment management. The founding shareholders include Wolfensohn & Co and several other family offices and investment firms with an interest in environmental assets.	Private Equity	Conservation	North America, Latin America, Asia	\$0-10 million	Primarily United States, minority Canada, Mexico, Indonesia and Brazil	\$0
Elevar Equity	Elevar was founded by Chris Brookfield, Maya Chorengel, Sandeep Farias and Johanna Posada, a team that collectively has over 50 years of experience in venture capital, private equity, emerging market transactions and microfinance. For the past five years, the partners have been active in the market defined by the underserved (in India, Latin America and South East Asia). Chris, Maya, Sandeep and Johanna have different backgrounds, nationalities and experiences and are able to leverage this diversity to partner with entrepreneurs to create the next generation of companies at the base of the economic pyramid. They have been actively involved in all phases of company creation and development of emerging industry. Elevar currently manages Elevar Equity II (launched in 2008) and the Unitus Equity Fund (UEF). In 2006, UEF was launched by Unitus, a non-profit organization focused on supporting market-based solutions to poverty.	Private Equity	Microfinance/Low-Income Financial Services	Asia, Latin America	\$50-100 million	Global but primarily South Asia and Latin America	\$0
EnerTech Capital	EnerTech Capital, a pioneer in energy and clean energy investing since 1996, is a firm focused on funding energy technology companies and energy infrastructure projects that address the multi-trillion dollar global opportunity for cleaner, cheaper and more efficient energy usage. The firm has committed nearly \$400 million to companies and projects worldwide. EnerTech is located in Philadelphia, Columbus, and Toronto.	Private Equity	Clean Technology, Alternative Energy, and Climate Change	North America	\$250+ million	North America	\$0

Equator Capital Partners	Equator is a Delaware registered limited liability partnership, owned by management and established as a Fund Manager in 2010 to take over the management of two funds from ShoreCap Management Limited. The entire ShoreCap Management Team joined Equator in 2010 and have worked together since 2003. Equator manages ShoreCap International Limited(established 2003) and ShoreCap II Limited (established 2009). Both Funds invest in regulated microfinance and small business banks in Africa and Asia. Financial and developmental returns are expected by investors and this element is fundamental to the overall Mission. In addition, Equator manages a US-based not-for-profit 501(c)3 company which facilitates the provision of capacity building services to Equator's portfolio companies. Equator has an average investment holding period of five years and the Funds under management have an overall 10 year life.	Private Equity	Microfinance/Low-Income Financial Services	Africa, Asia	\$50-100 million	Africa (Rwanda, Kenya) and Asia (Bangladesh, India, Sri Lanka)	\$0
Global Partnerships	Global Partnerships (GP) expands opportunity for people living in poverty by supporting microfinance and other sustainable solutions in Latin America. GP partners with innovative, mission-driven microfinance institutions that reach people traditionally left behind—such as women and the rural poor—with microloans and other services that can help families break the cycle of poverty. GP's investment funds offer socially motivated investors a fixed income return with well-managed risk and high social return. Since 2005 GP has raised and deployed four funds, totaling over \$55 million in affordable financing for high-impact microfinance institutions.	Notes	Microfinance/Low-Income Financial Services	Latin America	\$25-50 million	Latin America (mostly Bolivia, Ecuador, Peru, Nicaragua, El Salvador)	\$0
Good Capital	Good Capital is an investment firm that increases the flow of capital to innovative ventures creating market-based solutions to inequality and poverty. Using a high engagement model, Good Capital invests in the most promising social enterprises and give them the tools and guidance they need to succeed. In addition, Good Capital actively leads the development of the emerging social capital market. The firm shares a deep commitment to the creation of a new, informed, and passionate world of investing that strategically moves more capital to good. Good Capital's first financial product, the Social Enterprise Expansion Fund, is seeking to fill the risk-taking expansion capital gap for social enterprises while providing investors with an attractive blend of financial and social returns.	Notes, Private Equity	Fair Trade, Health, Nonprofit SE	North America	\$0-10 million	United States	\$0
Grassroots Capital Management	Grassroots Capital Management is an asset manager which mobilizes capital to help eliminate global poverty through investments in microfinance and adjacent sectors such as health, housing and education. Grassroots Management is dedicated to helping private investors find effective, reliable avenues to devote a portion of their resources to this objective and collaborates actively with others with shared values and approaches to create innovative and socially responsible solutions.	Notes, Private Equity	Microfinance/Low-Income Financial Services, Education, Housing, Agriculture	Asia, Latin America	\$100-250 million	Latin America, South Asia, South East Asia, including India, Indonesia, Peru, Bolivia, Mexico	\$0
Habitat for Humanity International - Flexible Capital Access Program	Founded in 1976, Habitat for Humanity International ("Habitat" or "HFHI") is an ecumenical Christian housing ministry. Since its inception, Habitat has built, rehabilitated and repaired over 90,000 houses in the U.S., and another 370,000 in foreign countries. Habitat seeks to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action. Habitat	Notes	Housing	North America	\$25-50 million	United States	\$0

invites people of all backgrounds, races and religions to build houses together in partnership with families in need. Habitat administers the Flexible Capital Access Program (FlexCAP). FlexCAP enables participating affiliates to borrow against selected mortgages in their portfolios, generating funding to serve more families. Although the operations of Habitat are international in scope, FlexCAP is available only to United States affiliates. Through FlexCAP, Habitat has developed a consistent secondary market for Habitat mortgages on a nationwide basis, providing qualified affiliates with a vehicle to borrow at favorable rates. The Program allows affiliates to borrow against their mortgages, and to use the funds to serve families in need by acquiring land, developing infrastructure and funding construction activities.

IGNIA Partners	IGNIA is an impact investing venture capital firm based in Monterrey, Mexico that supports the founding and expansion of high growth social enterprises that serve the base of the socio-economic pyramid in Latin America. IGNIA empowers entrepreneurship and generates social impact while creating attractive financial returns for its investors. IGNIA's founders, Alvaro Rodriguez Arregui and Michael Chu, are pioneers in the fields of microfinance and impact investing. Both bring over 50 years of collective experience in the application of market-based solutions to the constraints limiting the potential of the underserved majority of the population. Similarly, IGNIA's General Partners are leaders and pioneers of financial inclusion and socially oriented business practices in Mexico and Latin America. The Fund's LP's include the Omidyar Network, The Soros Economic Development Fund, the International Finance Corporation, the Inter-American Development Bank, and J.P. Morgan among others.	Private Equity	Microfinance/Low-Income Financial Services, Housing, Health, Agriculture	Latin America	\$100-250 million	Latin America (Mexico, Brazil, Colombia)	\$0
Incofin Investment Management	As a specialized microfinance fund management company, Incofin Investment Management invests in microfinance institutions that help enterprising people to set up their own business and thus get a chance to improve their living conditions.	Notes, Private Equity	Microfinance/Low-Income Financial Services	Latin America, Asia, Europe	\$250+ million	Emerging Markets (Bolivia, Peru, Cambodia, Azerbaijan, Ecuador)	\$0
LeapFog Investments	LeapFog is the world's first and largest dedicated investor in companies serving 'The Next Billion' consumers in Asia and Africa with insurance and related financial services. Launched with President Bill Clinton, LeapFog's \$135 million fund brings both patient capital and specialist expertise to portfolio companies, targeting robust returns for LeapFog's investors while bringing financial security to 25 million vulnerable people. This profit-with-purpose investment approach has been reported by The Financial Times, Bloomberg, Fast Company, and many global leaders as opening up new frontiers for alternative investing. Investors in LeapFog's high impact investment fund include global banks such as JP Morgan, Triodos, IFC, KfW, and EIB; leading funds such as Soros EDF, TIAA-CREF, Omidyar Network, FMO, and Calvert; global reinsurers SCOR, Haverford, and Flagstone Re; and development financiers including Proparco and Accion Frontier Investments group.	Private Equity	Microfinance/Low-Income Financial Services	Africa, Asia	\$100-250 million	Africa (Kenya, South Africa, Ghana, Nigeria), Asia (India, Indonesia, Philippines)	\$0

Living Cities Catalyst Fund	The Living Cities Catalyst Fund is a pool of patient, flexible debt capital directed specifically toward investment in catalytic activities that create opportunities and make markets work better for low income residents of America’s cities. The Fund, which blends socially motivated investments from investors including foundations and financial institutions, focuses on early-stage, proof-of-concept, and market-making investments in sustainable communities (transit-oriented development, green development financing), income and assets, healthy communities, and other domestic social impact areas. The Fund is managed by Living Cities, an innovative philanthropic collaborative of 22 of the world's largest foundations and financial institutions that was established in 1991. Living Cities members are not simply funders. They participate at the senior management level on the Living Cities Board of Directors and contribute time toward crafting and implementing the Living Cities agenda, which is focused on improving the lives of low-income people and the urban areas in which they live.	Notes	Education, Housing, Health, Clean Tech	North America	\$25-50 million	United States	\$0
Lumni	Lumni designs and manages funds that invest in diversified pools of students. Each student then repays his or her obligation as a fixed percentage of income for a set a period of time. The student’s obligation is complete at the end of that period regardless of the amount paid to date. For each fund, Lumni’s analysts forecast individual students’ income curves and align student selection and contract pricing with investors’ objectives for financial and social return. Lumni develops funds for individual investors, corporations, universities and non-profit partners.	Private Equity, Notes	Education	North America, Latin America	\$10-25 million	United States and Latin America (Chile, Columbia, Mexico)	\$0
Lyme Timber Company	The Lyme Timber Company is a private timberland investment management organization (TIMO) that focuses on the acquisition and sustainable management of lands with unique conservation values. Since its founding in 1976, the Company has followed a disciplined and value oriented approach to investing in forestland and rural real estate throughout the US. Lyme invests in North American forestland and rural real estate properties with high conservation value, often in partnership with conservation organizations and land trusts. Lyme works to monetize the non-timber values (such as development rights, public access and sensitive ecological areas) through the sale of a conservation easement. This permanently protects the land and ecosystem services, and reduces the cost basis of the investment. Lyme then manages the timber sustainably, usually under Forest Stewardship Council third party certification. The Company’s current portfolio includes 446,000 acres of forestland located in New York, Pennsylvania, Maine, Massachusetts, Tennessee, Virginia, Delaware, and Louisiana.	Real Estate	Conservation	North America	\$100-250 million	North America (US and Canada)	\$0
Media Development Loan Fund	Media Development Loan Fund (MDLF) is a mission-driven investment fund for independent news outlets in countries with a history of media oppression. MDLF provides low-cost debt and equity financing and technical know-how to help journalists in challenging environments build sustainable businesses around professional, responsible, quality journalism. Working in Africa, Asia, Latin America,	Notes, Private Equity	Media/Tech (Human Rights)	Asia, Latin America, Africa, Europe	\$50-100 million	Countries in Africa, Asia, Latin America, Southeast Europe, the CIS	\$0

	<p>Southeast Europe and the CIS, MDLF helps essential independent news providers to expand their audience, improve their news products and become financially self-sustainable. MDLF provides leading journalists with the support they need to create lasting institutions for change.</p>						and the Caucasus with a history of media oppression (top 5 countries: South Africa, Zimbabwe, Russia, Ukraine and Montenegro)	
MicroVest Capital Management	<p>MicroVest was created as a capital-mobilizing intermediary for microfinance institutions (MFIs). MicroVest was organized along commercial lines with a strong private sector board and the following objectives: a) To provide capital to low-income finance institutions, including microfinance institutions; b) To help build capital markets serving individuals at the base of the economic pyramid. MicroVest manages a family of funds that make debt and equity investments in promising, existing microfinance and other low income financial institutions across broad geographic areas. Since launching operations in 2003, MicroVest has provided over \$230m in financing to 72 financial institutions in 31 countries. An independent institution with a professional investment management team, MicroVest was founded by three non-profit institutions: CARE, MEDA, and Seed Capital Development Fund. MicroVest Capital Management, LLC is registered with the SEC as an investment advisor.</p>	Notes, Private Equity	Microfinance/Low-Income Financial Services	Latin America, Europe, Asia	\$100-250 million	Global (top 5 countries: Mexico, Georgia, Ecuador, India, and Azerbaijan)	\$0	
Mindful Investors	<p>Mindful Investors is a private equity fund which invests exclusively in companies providing sustainable and healthy living focused products to consumers. Mindful Investors sources scalable investment opportunities in the leading companies within the rapidly expanding \$60B natural, organic, and sustainable consumer products market. Key investment sectors are natural and organic food and beverages, personal care and household products, and technology platforms enabling the growth of healthy living companies. Mindful provides growth capital to leading, expansion stage companies, enabling them to broaden their distribution into mainstream retailers and become nationally recognized brands.</p>	Private Equity	Health	North America	\$10-25 million	United States	\$0	
Minlam Asset Management	<p>Minlam Asset Management LLC is an alternative investment advisor that manages investment products focused on financial institutions that serve small businesses, microenterprises and low-income clients in emerging markets. Minlam believes that investments in these financial institutions are characterized by attractive risk-adjusted returns, low correlation to traditional asset classes and less competition than other market opportunities. Minlam serves as investment manager for the Minlam Microfinance Fund, an emerging market debt fund with an investment strategy focused on providing debt capital to microfinance institutions globally.</p>	Notes	Microfinance/Low-Income Financial Services	Africa, Asia, Latin America, Europe	\$50-100 million	Global with emphasis on Africa, Asia and Latin America (top 5 countries: Sri Lanka, Azerbaijan, Tanzania, China, Mexico)	\$0	

Murex Investments	Murex is a venture capital impact investor with top-quartile returns and a well-developed track record. The firm invests in education technology and financial technology for the poor, with a "zoom-in" investment style.	Private Equity	Microfinance/Low-Income Financial Services	North America	\$10-25 million	United States	\$0
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APPENDIX H: DATABASE OF SAMPLE DEAL FLOW FOR IMPACT INVESTING IN THE CARIBBEAN (CONFIDENTIAL)

Sector	Project	Location	Sponsors	Investees	Investors	Contact	Stage of Development*	Status	Financial Requirements	Non-Financial Needs
Transportation	Water taxi service	Barbados					2			
Energy Savings	South Beach Deep Water Cooling	Barbados	local hotels			Avinash Persaud	2	Concept only	debt and equity	development of an Energy Savings model (ESCO)
Sugar Refinery/Energy	Refinery with bagasse production	Barbados	Government			Ministry of Finance	1	Feasibility study undertaken	~\$150 million debt and equity	
Property Development	Rehabilitation of Bridgetown Centre as UNESCO Site	Barbados	Government			Ministry of Finance	2	UNESCO Heritage Site granted; need to develop investment plan		
Basic Services	upgrade sewage system	Barbados	Government			Ministry of Finance	2	Discussions underway to define investment needs		
Energy	two 10 MW wind turbines in Saint Lucy	Barbados	BL&P			Stephen Worme, BL&P	1			
Energy	Solar Hot Water Heaters Energy	Barbados	Solar Dynamics			James Husband	2	Early stages	Debt and equity financing	
Multi-sector	Multiple Projects	Caribbean Region			Small Enterprise Assistance Fund (SEAF)	Mildred Callear	1	Investment ready Currently fundraising; 20% IFC commitment secured		

Multi-sector	Multiple Projects	Caribbean Region		High Net Worth Individuals / Diaspora via Homestrings	Desmond Brunton		Investment ready Currently identifying/analyzing/fundraising for deals Deal details undisclosed but available to institutional members		
Telecom	CORPORATE Wind Telecom, S.A. Project #: DR3632A-02	Dominican Republic		Inter-American Investment Corporation	Officer: Martin Corredera Silvan	1	Board Approval: August 3, 2011 Closing Phase - Signing	: Equity \$1,136,500	
Energy Generation	/Power CORPORATE Boca Chica, S.A. Project #: DR3641A-01	Dominican Republic		Inter-American Investment Corporation	Officer: Rodrigo Navas	1	Board Approval: Nov.15, 2011	Loan and Equity Financial Requirement: \$10,000,000	
Multi-sector	Various SMEs	Dominican Republic - Santo Domingo	To be confirmed			2	Some projects ready for investment/ Details undisclosed	Equity financing, including angel investments	
Artisanal	CORPORATE Caribbean Craft Project #: HA2757A-01	Haiti		Inter-American Investment Corporation	Officer: Luisa Mayorga	1	Finpyme Credit Closing Phase - Signing	Financial Requirement: Loan \$150,000	
Multi-sector	Multiple Projects	Haiti		Portland Equity	Douglas Hewson		Investment ready		
Agriculture/Agribusiness (Case Study)	Farming Production for Improved Food Security	Haiti - Belladère in the Lower Central Plateau	ENAH (Entreprises Agricoles d'Haiti)		Emmanuel Jean	1	Business plan, land, and team in place Feasibility study completed	Equity financing	SME technical assistance
Fisheries	Tilapia Farming	Haiti - Lake Bordering with the DR		Grameen Creative Labs		2	In development		
Multi-sector	Business Plan Competition	Haiti - Nationwide	Technoserve		Yves Andre Sejour	2	Business plan competitions in progress	Need equity/loan financing to support winning projects	SME technical assistance available for winning projects
Energy	15 MW Energy Project	Haiti - Northern Region		Private Company/Large Developer	Confidential	1	Ready for implementation Feasibility study completed	Majority Funded Available via Developer	Political Risk Insurance

Multi-sector	Multiple Projects	Haiti - Port-au-Prince		Leopard Capital	Rene Aubry	1	Investment ready Currently identifying/analyzing specific deals	
Agriculture/Agribusiness	Multiple Projects	Haiti - Rural Areas		Root Capital	Christina Blot	2	Projects in pipeline Starting slowly with a few projects	Loans available to support SMEs currently exporting
ICT	Access to Broadband	Haiti - Urban Centres and Rural Areas		Private Company/High Net Worth Individuals	Confidential	1		Details undisclosed
Agriculture/Agro-Processing	Wallenford Coffee Company Ltd. (WCCL)	Jamaica		Wallenford Coffee Company Ltd.		1		
Agriculture/Agro-Processing	Richmond Property - Cocoa Lands	Jamaica		Richmond District		1		
Transportation	Norman Manley International Airport & Select Aerodromes	Jamaica - Kingston		Norman Manley International Airport		1		
Real Estate	The Oceana Building	Jamaica - Kingston		The Oceana Building		1		
Real Estate	The Office Centre Building	Jamaica - Kingston		The Office Centre Building		1		
Multi-sector	iSupportJamaica.org (similar to kiva.org)	Jamaica - Nationwide		Jamaica National Building Society	Mr. Earl Jarrett	1	Recently launched Ready for additional investment	Debt financing to support individual projects Grant financing also used to support other projects
Housing (Case Study)	Green Housing Development	Jamaica - Plantation Heights, Parish of St. Andrew	Caribhomes	Caribhomes	Paul Soegaard	1	Investment ready	Equity funding of US\$1.4 mn for 32 units OR Equity funding of US\$1.5 mn for 40 units
Tourism	Font Hill	Jamaica - St. Elizabeth		Petroleum Corporation of Jamaica		1		

Agriculture/Agro-Processing	Richmond Property - Cocoa Lands	Jamaica	Richmond District		1		
Transportation	National Helicopter Services Limited	Trinidad & Tobago	National Helicopter Services Limited		2		
Multi-sector	Lake Asphalt (1978) Limited	Trinidad & Tobago	Lake Asphalt (1978) Limited		2		
Mining	National Quarries Company Limited	Trinidad & Tobago	National Quarries Company Limited		2		
Financial Services	Export-Import Bank of Trinidad & Tobago	Trinidad & Tobago	Export-Import Bank of Trinidad & Tobago		2		
Agriculture	National Flour Mills Limited	Trinidad & Tobago	National Flour Mills Limited		2		
Transportation	Point Lisas Industrial Port Corporation Limited	Trinidad & Tobago	Point Lisas Industrial Port Corporation Limited		2		
Financial Services	Trinidad and Tobago Mortgage Finance Company	Trinidad & Tobago	Trinidad and Tobago Mortgage Finance Company		2		
Services	Caribbean Credit Rating Services	Trinidad, all of Caribbean	CARICRIS	Wayne Dass	1	Information Memo available	Equity of US\$2 million

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