

→ EXPLORING THE IMPACT INVESTMENT ECOSYSTEM IN PERU

WITH EMPHASIS ON AGRIBUSINESS AND VALUE CHAINS

In Peru, there are multiple social and environmental gaps, and public resources as well as cooperation efforts are insufficient to cover them. In this context, impact investments are a key tool for mobilizing financial resources through innovative instruments involving all actors, both public and private.

In this scenario, understanding the characteristics of the actors and their needs is crucial for developing appropriate actions that invigorate the Peruvian ecosystem. Aliados de Impacto, the National Advisory Board (NAB) Peru, led a study from October 2023 to April 2024 with the aim of gathering evidence-based information on demand, supply, and best practices in the region, in order to develop a mixed financing instrument focused on the agro-industrial sector. Some of the findings obtained are illustrated below.

Impact investment demand analysis

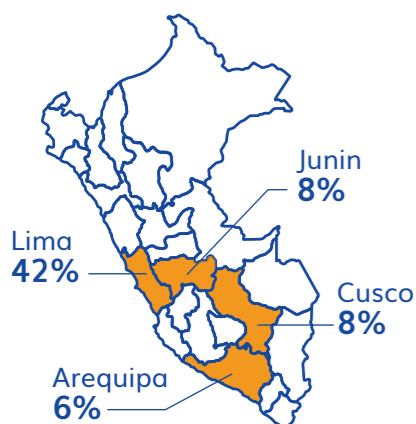
Exploring the business landscape in Peru

Methodology: Online surveys (n=116) and telephone interviews (n=50).

Business profile

40% of the entrepreneurs surveyed work mainly in the agro-industrial sector.

2 out of 5 entrepreneurs report that their organization is located in Lima.



75% of the organizations are microbusinesses and 17% are small businesses.

55% of entrepreneurs report that their organization has less than 5 years of formal operations.

38% are in the survival stage and 30% are in growth.

30% of organizations founded by women operate in the agribusiness sector.

Financing experience

73% have received some type of external financing intended mainly for working capital (52%).

Top 3 financing sources:

36% State competitive funds

25% Commercial banks

15% Private or impact investors

Perceived benefits by entrepreneurs

Recipients of funding from this source mention support for the growth and expansion of their businesses, along with better interest rates, networking opportunities, and training and assistance in obtaining financing.

Level of familiarity with impact measurement

59% are measuring the impact of their organization*, while 30% plan to do it soon.

Digging deeper into the results (interviews)
71% report facing challenges when measuring the social and environmental impact of their activities, among which the following stand out:

36% Logistical challenges of collection and communication

36% Lack of specialized resources

18% High costs associated with certifications

*Note: 83% of the entrepreneurs interviewed belong to MINAM and KUNAN bases, related to networks focused on sustainability.

Impact measurement tool

A tool has been designed based on the 5 dimensions of the Impact Management Project (IMP) and the extensive experience of 60 Decibels, which has developed more than 2,000 projects in 60 countries.

Access the tool here and start measuring the impact of your business.

Mapping of key actors and analysis of the financing offer

Identifying the actors of the impact investment ecosystem: prioritization in the supply of financing and other key actors in the agro-industrial sector

Methodology: Compilation of secondary sources, in-depth interviews (n=18) and strategic validation workshop

Mapping of actors

219 actors identified in the impact investment ecosystem

9% Capital providers

34% Financial intermediaries

24% Support organizations

16% Enabling environment

18% Businesses

Mapping in the agro-industrial sector

Database of 135 actors linked to the agro-industrial sector and value chains



Analysis of the financing offer

Three main routes of impact investment flows in the Peruvian agro-industrial sector.

1 Financing for companies in advanced stages

Concentration of financing to companies in advanced stages, leaving companies in previous phases behind due to the shortage of projects that meet investment requirements.

2 Financing for companies in the early phase via Intermediary Financial Institutions (IFIs)

IFI credits tend to be rigid and poorly suited to agricultural business cycles, added to the reluctance to take risks in the sector.

3 Financing for companies in early and intermediate phases with intensive technical assistance

Although this dynamic effectively coordinates technical assistance and financing, the funds that make it possible are finite and do not guarantee long-term sustainability.

! Bottlenecks were identified in the dimensions of the pipeline, the provision of capital, financial intermediation and the impact ecosystem that hinder effective access to impact financing in the sector.

Benchmarking in the agro-industrial sector for the development of innovative financial instruments

Exploring blended finance opportunities in the agro-industrial sector: a benchmarking analysis of successful cases

Methodology: Compilation of secondary information, in-depth interviews (n=4) and strategic validation workshop



- Coa, financing platform (México)
- Family Agriculture Financing Program (PROAF) 2.0 (México)

• Godmother Cow Program (Colombia)

• Amazon Business Alliance (Peru)

6 successful cases of blended finance were identified in the agro-industrial sector in Latin America.

• Developing a macaúba value chain (Brazil)

• Social Investment Fund (Paraguay)

Good practices identified to design and execute future blended finance operations in Peru.

- ▶ Design financial instruments adapted to specific needs.
- ▶ Promote collaboration between multiple actors.
- ▶ Strengthen the capacities of local financial intermediaries.
- ▶ Incorporate risk mitigation mechanisms.
- ▶ Prioritize technical assistance and capacity building for final beneficiaries.
- ▶ Promote beneficiary participation and local ownership.
- ▶ Promote transparency and accountability.
- ▶ Seek scalability and replicability of the operation.

To access the complete study, we invite you to visit our website <https://aliadosdeimpacto.com/category/recursos/>

This infographic summarizes the results obtained in a study led by Aliados de Impacto as part of the project "Tapping into Local Research Expertise to Deepen Evidence-Based Impact Investing". These results are based on studies commissioned to 60 Decibels (2024) – "Analysis of Impact Investment Demand in Peru and Development of an Impact Measurement Tool" –, and to the Group for the Analysis of Development GRADE (2024) – "Mapping of Key Actors and Analysis of Financing Supply; Benchmarking in the Agro-industrial Sector for the Development of Innovative Financial Instruments".