



# Impact Investing

**The growing impact investment market provides a range of alternative investment opportunities to investors seeking to achieve high impact social and environmental solutions through investments that also produce financial returns.**

Impact investments can be made across a variety of sectors, including sustainable agriculture, microfinance and financial services, renewable energy, and affordable housing.

Michelmores represents many investors who are active in this market, including development equity funds, development and other finance institutions, foundations and charities, and high net worth individuals. The returns these investors seek vary from commercial to below-market, depending on their strategic objectives.

We have significant experience, both advising on complex cross-border impact investment transactions and in assisting with the design and establishment of appropriate impact investment vehicles.

Our specialist impact investment team is made up of a cross-practice group of lawyers, and we have an established network of partners who provide additional expertise when needed. Sector-specific expertise includes renewable energy/clean tech, financial services/microfinance, agribusiness, forestry, insurance, real estate and manufacturing.



Rated for its clarity and understanding of emerging markets issues.



Legal 500, Emerging Markets



Closing a transaction in a new market is always challenging and, as in this case, greatly assisted by experienced advisers at Michelmores.



Hanna Skelly, Director, Finance In Motion

## Impact Invest Services include:

- Debt and equity investments
- M&A/Joint Ventures
- Establishment of appropriate vehicles
- Restructuring/Insolvency
- Arbitration/Disputes
- Employment
- Commercial Contracts/Intellectual Property
- Construction/Real Estate/Planning



Michelmores' is my 'go to firm'- they add real value and complete deals in an efficient and practical way.



Fund Manager - Bamboo Finance's  
Financial Inclusion Fund

## Recent experience

### Agribusiness/ Food

- Phatisa Fund Managers on a number of investments by the African Agriculture Fund, including (i) Farming and Engineering Solutions, a Malawi based agricultural engineering and equipment distribution company, and (ii) Feronia Inc, a palm oil producer in the Democratic Republic of Congo.
- AgDevCo, a social impact investor and project developer focused on the African agriculture sector, on a number of equity and debt investments, including (i) Eco Farm, a greenfield organic sugar and livestock project development in Mozambique, and (ii) Equity for Tanzania, a Tanzanian finance company which provides SME businesses with equipment leases.

### Financial Services / Microfinance

- Advising M-Birr Limited, who operate the leading mobile payments business in Ethiopia, in connection with a multi-\$m equity investment by the European Investment Bank, DEG and Finnfund.
- Global Innovation Fund on its growth finance investment in Paga, a leading Nigerian mobile money business.
- Three impact investment funds in connection with their disposal of a controlling stake in a Central African microfinance institution.
- Triodos Investment Management on two of the largest recent Asian microfinance exits, namely:
- (a) the sale of its stake in the Cambodian ACLEDA Bank plc to ORIX Corporation, Japan; and (b) the sale of its, and Bamboo Finance's, respective stakes in Mongolian XacBank to several buyers, including International Finance Corporation.
- FMO and Finnfund on their respective equity investments into mBank Philippines in order to fund the provision of microfinance services through mobile technology.
- Mauritius Commercial Bank on its multi-\$m loan facility

to an East African mobile microfinance company.

### Sustainable Forestry

- CDC, Finnfund and AquaVentures in relation to a debt facility to Miro Forestry.
- FMO, Finnfund and Norfund on the refinancing of their respective debt investments in a leading East African sustainable forestry company.
- Finnfund on its investment into Proteak, a sustainable forestry operation in Mexico.
- FMO and Finnfund on several debt investments into New Forests, an East African sustainable forestry group.

### Real Estate

- Advising the Pan African Housing Fund (managed by Phatisa) on a number of debt and/or equity joint ventures with property developers across sub-Saharan Africa for the development of lower income housing, including in Kenya, Rwanda, Zambia and Mozambique.

### Renewable Energy/ Clean Tech

- Social & Sustainable Capital LLP ('SASC') in relation to the funding of a community solar farm, operated by a community interest company. SASC provided the junior debt for the on-going project, with the senior debt being provided by a local authority, (whom we also advised). In addition, we advised SASC in a similar matter concerning Severn Community Energy One CIC, also a community solar farm project, where SASC was junior lender to Triodos Bank.
- Bamboo Finance and DOEN Foundation on two rounds of investment by each of them into BBOX Ltd, a designer, manufacturer and distributor of solar powered battery packs used to improve access to energy across the developing world.
- Finnfund on its senior loan facility (alongside Deutsche

Bank) in Mobisol, a leading player in decentralized solar electrification in rural Sub-Saharan Africa.

- Sunbird Bioenergy on the acquisition from AOG of a controlling stake in a pioneering bioethanol and green electricity operation in Sierra Leone by a group of global investors led by Sunbird.
- Triodos Corporate Finance in respect of the exit of its EIS fund investments, River Cottage, Hammars Hill and Sunroof Solar.
- Thrive Renewables Plc on a £10 million bond issue, raising funds for investment in renewable energy projects across the UK. Thrive worked with Abundance and their crowdfunding platform for a portion of the bond, raising money both through crowdfunding and through their traditional investment routes.

### Renewable Energy/ Clean Tech

- Finnfund in relation to its project financing of Methax, an LNG fired power station in Argentina.
- AgDevCo on its project financing of a run-of-river hydroelectric plant in Tanzania.

### Fund Formation

- Advising Gatsby with regard to the establishment of Msingi, an East African innovation fund established by Gatsby and the UK Government.
- Assisting AgDevCo with the establishment of Lending for African Farming (LAFCo), a facility to finance agricultural enterprises that work with smallholder farmers.
- Advising Phatisa, the manager of the Pan African Housing Fund (investors include AfDB, CDC and FMO), with regard to the restructuring of PAHF.
- Currently advising on a number of impact investment fund initiatives targeting sub-Saharan Africa.
- The establishment of the Sierra Investment Fund, and its subsequent investment into Splash Mobile Money, Sierra Leone's first mobile payment system.



# Impact Investing

Get in touch



**Joe Whitfield**  
Partner,  
Head of Emerging Markets

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Head of Emerging Markets. Previously General Counsel at CDC Group plc (the UK government's development finance institution) and a corporate partner at Steptoe & Johnson, Joe has built a leading impact investment practice in frontier markets over the last 20 years (with particular focus on sub Saharan Africa).

Joe advises impact investment and development equity funds, development finance institutions (DFIs), lenders, project sponsors, foundations, and high net worth individuals making impact investments in the Emerging Markets across a range of sectors (including agribusiness, financial services, FMCG,

forestry, real estate, and renewable energy).

Clients include BRAC, Finance in Motion, Phatisa (managers of the African Agriculture Fund and the Pan African Housing Fund), FMO, Finnfund, Norfund, AgDevCo, Triodos, Global Innovation Fund, Gatsby Foundation, Lundin Foundation, Triple Jump, Bamboo Capital, Development International Desjardins, DSM Venturing, M-Birr and SafeBoda.

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Specialises in debt and equity investments, private mergers and acquisitions and private equity/ venture capital investments in the Emerging Markets. Harry has particular experience of advising DFIs on downstream investments. Jurisdictions in which he has advised in the past 12 months alone include Sierra Leone, Liberia, Ethiopia, Mozambique, Rwanda, Tanzania, Uganda, Zambia and Pakistan.

Get in touch



**Ian Holyoak**  
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Ian heads our Energy team and has particular experience in corporate and funding transactions for investors in the sector. He is familiar with the UN Clean Development Mechanism and emissions trading; having documented funding structures for energy projects based on carbon credit in jurisdictions as diverse as Thailand, Mozambique and Cape Verde Islands.

Get in touch



**Henry Taylor**  
Partner

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Henry is a partner in the Corporate team. He specialises in mergers and acquisitions and private equity/venture capital investments, both in the UK and cross-border. He has particular experience in the emerging markets. He has recently advised the African Agriculture Fund on various projects, including its investment in the Meridian Group, whose main focus is on the manufacture and distribution of specialised fertiliser blends with operations in Mozambique, Malawi, Zimbabwe, Zambia and Mauritius; its investment in General Plastics Limited, a leading manufacturer of packaging products servicing well-known brands in Kenya and the broader East Africa region; and its acquisition of a majority stake in Malawi-based agricultural engineering and equipment distribution company, Farming and Engineering Services.