

HEKS/EPER Rural Livelihoods Investment Window

After years of traditional development and various impact investment activities, HEKS/EPER has launched its Rural Livelihoods Investment Window (the 'Window') to provide financing and business support to enterprises - primarily in Uganda and Senegal and other countries in Africa as opportunities arise - to help them grow their impact, especially in rural areas. The overall goal of the Window is to catalyze rural economic development, especially in regards to long-term employment and income opportunities to communities in rural areas.



Window Overview

Overall, the parameters of the Window are:

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Impact Objective > Economic development in peri-urban and rural areas
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Portfolio Assets (at launch) > CHF 3 million
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Portfolio Size > 10-15 SMEs
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Geography > Primarily in Uganda and Senegal and other countries in Africa as opportunities arise
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Instrument > Mostly loans (equity and guarantees may be used on an opportunistic basis)
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Time Frame > 5 years (2021-2025)
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Ticket Size > USD or EUR currency equivalent of approximately CHF 100-500K
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Target Sectors >
 - *Priority sectors:* Income and employment
 - *Secondary sectors:* Agriculture and food security, WASH, access to finance, natural resources/land tenure (including NTFPs), communications tech, energy, education, and health
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Target beneficiaries >
 - Rural, base-of-the-pyramid communities
 - Marginalized groups (youth, women, minorities, etc.)

A Focus on Growing Economic Opportunities in Rural Areas

The Window seeks to contribute to long-term improvements in quality of life for people in rural areas through making investments in relevant private sector enterprises that address critical impact gaps for rural economies. Specifically, the Window will employ a strategy to strengthen rural economies focused on the following impact areas:

Fostering decent work	Increase access to quality jobs (e.g. through direct employment or supply chains)
Building relevant capacities for employment	Provide appropriate and relevant training opportunities that match the local job market
Strengthening rural value chains	Contribute to productivity and increase incomes (including market access) for smallholder farmers
Supporting access to financial services	Increase access to financial services (e.g. small business loans, savings and insurance products, etc.)
Improving quality of life	Increase access to relevant goods and services in “quality of life” sectors, including WASH, education, health, tech, energy, etc.

Impact-First Focus

The Window uses both financial and social impact metrics as part of its due diligence and investment management processes. The core impact indicators for the Window are increased employment and income generation in rural areas. Additional deal-specific KPIs are employed to assess the unique nature, depth, and breadth of the impact of each investment.



The Investment Process

The Window follows a three-stage investment process:



Opportunity Identification: The Window is currently in the pipeline building stage and is seeking interesting investment opportunities across numerous sectors, including employment, agricultural, and rural livelihoods.



Due Diligence: Once a promising opportunity is identified, the investment team undertakes a rigorous due diligence process, which includes numerous interviews with management, field visits, expert interviews, bench marking to peers, and a legal and financial review.



Investment Execution: If an investment passes the due diligence process, negotiations will commence regarding the structure and terms of the investment. All documentation will then be submitted to the Window’s Investment Committee for approval and then the appropriate documentation will be signed. From there, impact monitoring and loan repayment will commence.

Get in Touch

iGravity, a Zurich-based company fully dedicated to impact investments with a regional office in Kampala, is serving as the investment advisor to the Window, in charge of sourcing, due diligence, deal execution and monitoring. Any questions regarding the Window – including sharing potential investment opportunities – can be sent to iGravity’s Impact Ventures team at impactventures@igravity.net.

