

# ECOSYSTEM BUILDING FOR AN IMPACT ECONOMY WITH IMPACT-BY-DESIGN

## THE PLAYBOOK


B-BRIDDHI Scaling Impact Enterprises of Bangladesh

A programme by

Supported by Switzerland

Roots of Impact

LightCastle PARTNERS

# Prologue

B-Briddhi was built for Bangladesh. When we began designing the programme, we combined two things: the context of the local ecosystem, and what we had seen work in enterprise development and impact finance in other parts of the world. The very specific Bangladesh context set the direction, and we adapted the international ideas to fit it.

Over the past seven years, we built B-Briddhi together with our partners, the Swiss Embassy in Bangladesh, LightCastle Partners, and many others. With it, we introduced our Impact-by-Design approach. Capital and support were designed to create impact from the outset, and accountability for results was a guiding principle throughout. Enterprises and Enterprise Support Organizations were rewarded for what they achieved, not for the activities they reported. We are proud of what we created together, and even prouder of what the entrepreneurs achieved. Much of it happened in conditions none of us expected, and adapting became as much a part of the work as the design itself. This is why we wanted to share our experience in this Playbook.

We do not believe the lessons in these pages can be transferred to other contexts without adaptation. But I am confident they hold ideas that can inspire others. Take what is useful, question what does not fit, and adjust what we learned to your own environment.

It is important how a programme ends. We wanted to leave the market in the most responsible way possible, and passing on what we learned is part of that. We are confident that strong local players will carry this work forward.

Along the way, we fell in love with Bangladesh, with its entrepreneurs, and with the many actors who support them. We look forward to seeing them build a Bangladesh full of innovation and impact.

Bjoern Struewer
Founder & Co-CEO, Roots of Impact

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*“B-Briddhi has become a model for what an impact-by-design approach to ecosystem building can achieve.”*

# Glossary of Terms

This glossary defines the key terms, abbreviations and organisations referred to in this Playbook.

| | |
|---|---|
| **Additionality** | Impact that would not have happened without an intervention. For SIINC, this means impact achieved beyond business-as-usual. |
| **Alternative Investment Rules** | Rules introduced by BSEC in 2015 that gave impact funds in Bangladesh their first legal recognition and definition. |
| **Alumni TA** | Follow-on technical assistance offered to selected enterprises that had completed an IRMF or SIINC transaction in Phase I, delivered through the local service provider Bopinc. |
| **B4B Online Incubation Platform** | Online incubation platform run by Bridge for Billions and used in Phase I with local incubators to give early-stage impact enterprises a structured curriculum and mentorship. |
| **BIISAP** | Bangladesh Impact Investment Strategy and Action Plan, developed by Roots of Impact and LightCastle Partners at the request of the NAB. |
| **BoP** | Bottom of the Pyramid: the lowest-income population segments, typically underserved by mainstream markets. |
| **Capacity building** | Programme pillar that strengthens the quality and availability of support services for impact enterprises, working with enterprises directly and through ESOs. |

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|---|---|
| **Catalytic funding** | Programme pillar that addresses financing constraints through Impact-Linked Finance instruments (SIINC and IRMF), which require enterprises to raise repayable capital to unlock funding. |
| **Concessionality** | The degree of financial return a funder is willing to forgo in exchange for greater impact. |
| **DFI** | Development finance institution: a government-backed institution that invests in private-sector activity in developing countries. |
| **ESO** | Enterprise support organisation: an incubator, accelerator, university entrepreneurship hub or other business support provider serving enterprises. |
| **Funnel concept** | The Phase II approach that connected capacity building and catalytic funding into a single pathway, ordered by enterprises' commercial and impact maturity. |
| **Gender lens investing** | Investing that deliberately considers gender-based factors, such as women's ownership, leadership or benefit, in investment decisions. |
| **Holdco-opco structure** | Corporate set-up in which a holding company is registered abroad (often in Singapore) to raise foreign investment, while an operating company runs the business in Bangladesh. |

| | |
|---|---|
| **IIR** | Impact investment readiness: an enterprise's preparedness to raise and absorb impact investment. |
| **ILF** | Impact-Linked Finance: financing that links financial rewards for an enterprise to the verified social or environmental outcomes it achieves. |
| **ILF Readiness Bootcamp** | Advanced capacity-building offer, introduced towards the end of Phase I, in which Roots of Impact helped commercially viable enterprises strengthen their IMM systems, align impact and business KPIs, and prepare for Impact-Linked Finance. |
| **IMM** | Impact measurement and management: identifying, measuring and managing an organisation's effects on people and the planet, and using this information to improve performance. |
| **Impact-Linked SAFE** | A Simple Agreement for Future Equity whose terms, such as the valuation discount, adjust according to the impact metrics the enterprise achieves. |
| **Investor Deal Book** | A curated presentation of investment-ready impact enterprises shared with investors to surface pipeline. |
| **IRMF** | Impact Ready Matching Fund: non-repayable matching funding for early-stage enterprises, paid in tranches on completion of IMM deliverables and conditional on raising external investment. |
| **KII** | Key informant interview. |
| **KPI** | Key performance indicator. |
| **LDC** | Least Developed Country: a United Nations classification for low-income countries facing severe structural barriers to sustainable development. Bangladesh is due to graduate from this status in 2026. |
| **LMS** | Learning Management System: the online platform used to deliver TTT learning materials by the Social Finance Academy. |

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| **MFI** | Microfinance institution. |
| **Phase I / Phase II** | B-Briddhi's two implementation phases. Phase I ran from 2019 to the end of 2023; Phase II runs from 2024 to December 2026. |
| **SIINC** | Social Impact Incentives: an Impact-Linked Finance instrument that pays enterprises a time-limited premium for additional impact achieved against co-created, independently verified metrics. |
| **SME** | Small and medium-sized enterprise. |
| **TA** | Technical assistance. |
| **Theory of Change (ToC)** | A description of how and why a set of activities is expected to lead to the intended outcomes and impact. |
| **TOC-TOC Card Game** | Phase II tool giving early-stage enterprises a lightweight, playful introduction to IMM and helping them develop an initial Theory of Change. |
| **TTT** | Train-the-Trainer: B-Briddhi's three-month programme training ESOs in IMM and IIR, leading to SFA certification. |
| **Valley of death** | The financing gap faced by early-stage enterprises seeking roughly USD 50,000 to 1m: too large for grants or microfinance, but too small or risky for most investors. |
| **VS** | Voucher Scheme: vouchers that let selected enterprises buy IMM and IIR services from TTT-trained and certified ESOs, with enterprises paying a share of the cost. |

# Organisations and Initiatives

| | |
|---|---|
| **2X Global** | Global membership organisation for gender-lens investors and host of the 2X Global Summit. |
| **Access to Green Finance Programme (A2GF)** | USD 20m programme that carries Impact-Linked Finance forward on an investor-incentive model. |
| **Accelerating Asia** | Singapore-based venture capital firm and accelerator for early-stage startups; co-investor in B-Briddhi-supported enterprises. |
| **Bangladesh Bank** | The central bank of Bangladesh. |
| **BSEC** | Bangladesh Securities and Exchange Commission: the country's capital market regulator. |
| **Embassy of Switzerland in Bangladesh** | Funder of B-Briddhi. |
| **ILFF** | Impact-Linked Finance Fund: Netherlands-based not-for-profit foundation through which Phase II disbursements were routed. |

| | |
|---|---|
| **Impact Management Project (IMP)** | Global forum that built consensus on how to measure, manage and report impact, including the five dimensions of impact. |
| **Legal Circle** | Bangladeshi law firm and B-Briddhi's legal partner. |
| **LightCastle Partners** | Bangladeshi management consultancy and co-implementer of B-Briddhi. |
| **NAB** | National Advisory Board for Impact Investing in Bangladesh, founded in August 2018. |
| **Roots of Impact** | Impact-by-design advisory firm specialising in Impact-Linked Finance; co-implementer of B-Briddhi. |
| **SDC** | Swiss Agency for Development and Cooperation. |
| **SFA** | Social Finance Academy: the impact intelligence and educational arm of Roots of Impact. |
| **USAID** | United States Agency for International Development. |



*"Our organisation is now better equipped to train others, ensuring that the principles of effective impact management are embedded across all levels."*

*– Al Zihanur Rahman, Head of Investment Analysis and Portfolio, Turtle Ventures*

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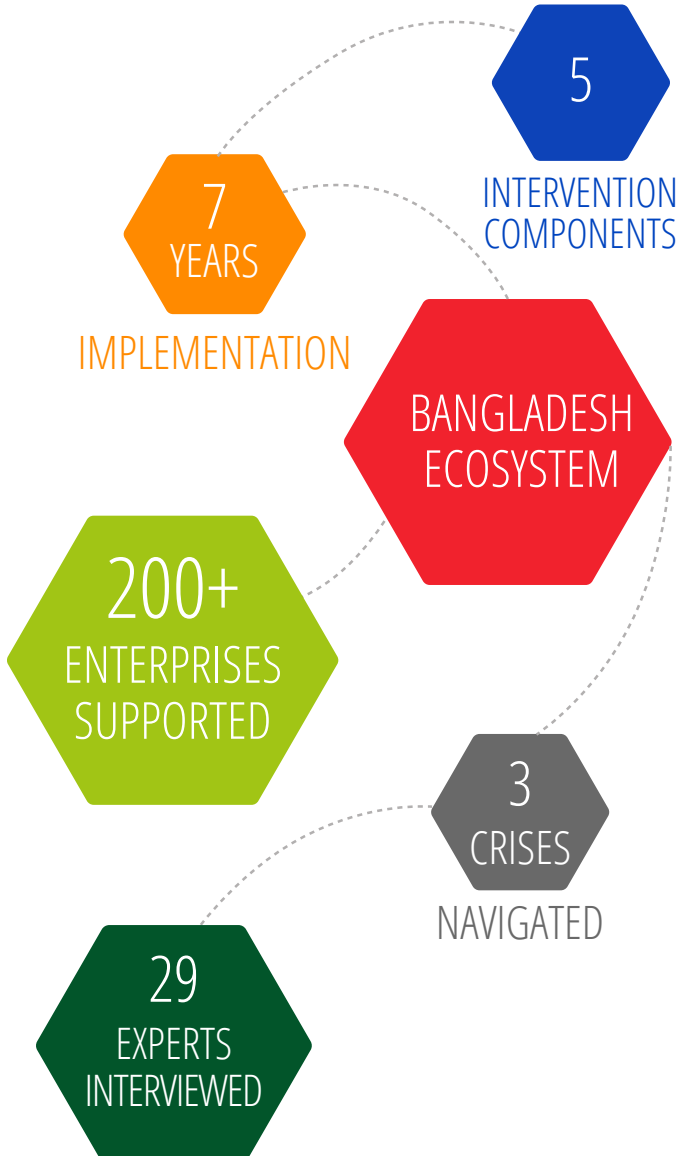
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# How to Use the Playbook

## WHY AND FOR WHOM THE PLAYBOOK IS WRITTEN

B-Briddhi set out to help build an impact investment ecosystem in one of the world's most dynamic emerging markets, and in doing so has become a model for what an impact-by-design approach to ecosystem building can achieve. Through a pandemic, a political transition and a prolonged investor pullback, the programme funded sixteen enterprises with two Impact-Linked Finance instruments, built a market of trained and certified local service providers, and **helped move Bangladesh's ecosystem from fragmented beginnings to a market that is now attracting new, locally driven funds.**

Over the last seven years of implementation, the Biniyog Briddhi ("B-Briddhi") programme in Bangladesh has gathered a wealth of insights that are valuable, not only for local actors, but also for other ecosystem builders – philanthropic funders, investors, public entities and programme implementers alike – in similar country contexts. The intention with this Playbook is to share **practical insights from Roots of Impact's approach and learnings from implementing the B-Briddhi programme.**

As ecosystem builders, we, at Roots of Impact, have gathered insights not just from our own experience in Bangladesh but also from other experts through consistent engagement with publications produced by ecosystem actors, and through key informant interviews with 29 experts and practitioners from different funders, investors, impact enterprises and enterprise support organisations (ESOs). **Our effort has been to learn and iterate through our and other ecosystem practitioners' reflections.** This has ensured that with this Playbook, we not only share from our own experience but also reflect on how certain challenges, tactics, and successes of ecosystem building are common to other emerging and nascent markets.

*"The results described in this Playbook were achieved in a far less stable environment than the one the programme was designed for, and its capacity to adapt is as much a part of the story as its interventions."*

## SETTING THE SCENE – BANGLADESH AND B-BRIDDHI

B-Briddhi was designed during scoping missions in July 2018 and January 2019 and launched in December 2019, shortly before the Covid-19 pandemic reached Bangladesh in March 2020, which meant that much of the programme's early design and delivery took place under conditions none of us had planned for.

In this regard, the pandemic shaped decisions that remained in place for the rest of the programme, most visibly the need to deliver most of the programme online and the choice to disburse SIINC and IRMF payments in tranches so that enterprises would have more reliable funding during periods of disruption.

The years that followed brought a succession of external pressures, as post-pandemic inflation and the effects of the war in Ukraine raised costs for enterprises and their customers, while equity investment, which had rallied after the pandemic, contracted between 2023 and 2025 and left many entrepreneurs prioritising cash preservation over growth.

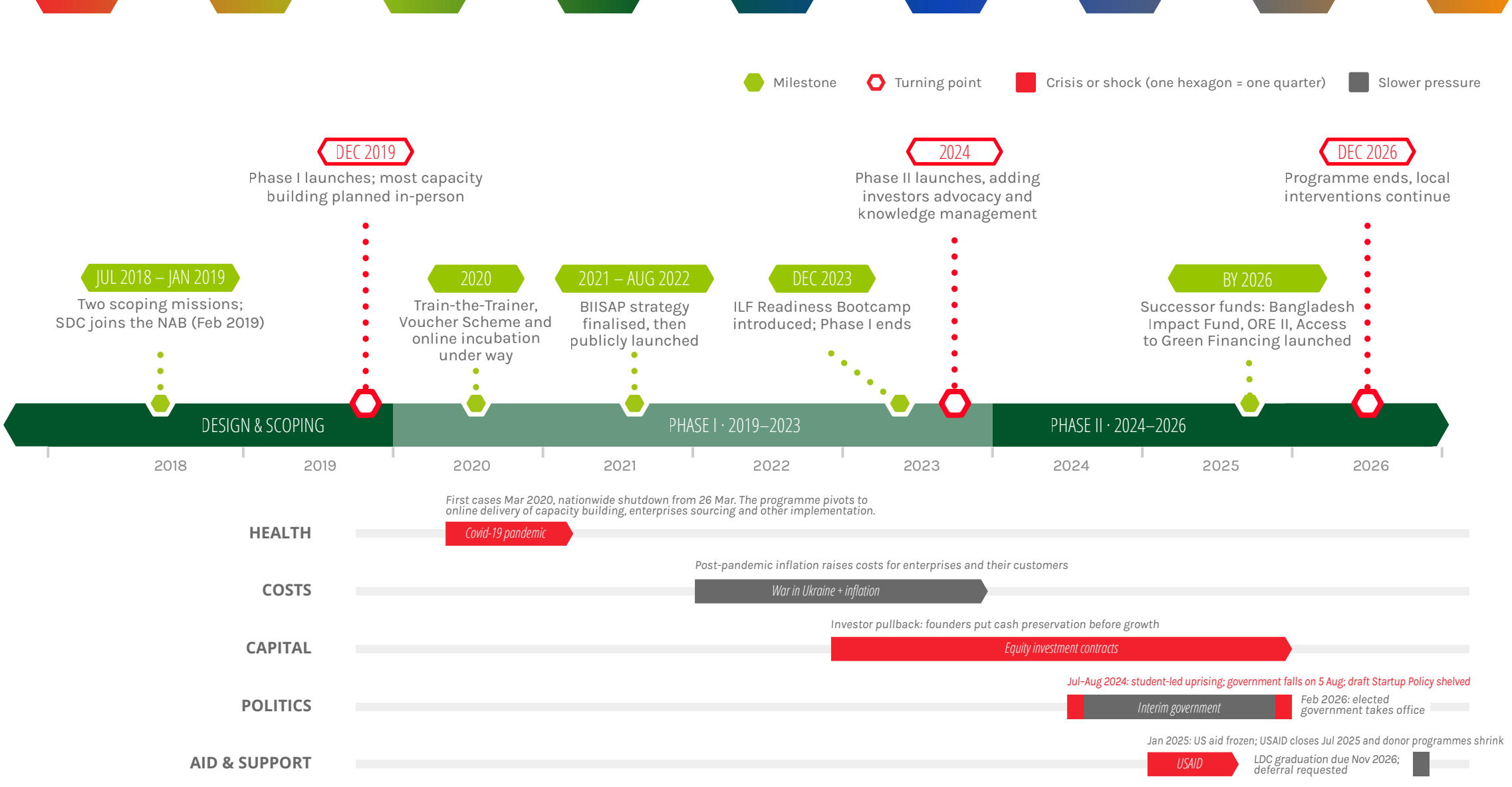
Meanwhile, in 2025, the closure of USAID and other donor-funded programmes narrowed the wider pool of support available to the enterprises B-Briddhi worked with, and the approach of Bangladesh's graduation from Least Developed Country status in 2026 began to change the terms on which capital was provided to the country.

The political unrest followed by the transition in August 2024 added a further layer of uncertainty, as the interim government that followed faced pressing macroeconomic challenges and initiatives relating to startups and impact investment, including the draft Startup Policy to which the programme had contributed, were set aside. Research on the period found that the entrepreneurial ecosystem passed through cancelled investments, weakened confidence and a broad wait-and-see posture among capital providers (Harima et al., 2026), and even after the election of a new government in February 2026, focus on startups and impact investments had not resumed.

Taken together, these conditions mean that the results described in this Playbook were achieved in a far less stable environment than the one the programme was designed for, and that its capacity to adapt is as much a part of the story as its interventions.



*Photo by Nahmad Hassan from Pexels.*


Milestone
Turning point
Crisis or shock (one hexagon = one quarter)
Slower pressure
JUL 2018 – JAN 2019
Two scoping missions; SDC joins the NAB (Feb 2019)
DEC 2019
Phase I launches; most capacity building planned in-person
2020
Train-the-Trainer, Voucher Scheme and online incubation under way
2021 – AUG 2022
BIISAP strategy finalised, then publicly launched
DEC 2023
ILF Readiness Bootcamp introduced; Phase I ends
2024
Phase II launches, adding investors advocacy and knowledge management
BY 2026
Successor funds: Bangladesh Impact Fund, ORE II, Access to Green Financing launched
DEC 2026
Programme ends, local interventions continue
DESIGN & SCOPING
PHASE I · 2019–2023
PHASE II · 2024–2026
2018
2019
2020
2021
2022
2023
2024
2025
2026
First cases Mar 2020, nationwide shutdown from 26 Mar. The programme pivots to online delivery of capacity building, enterprises sourcing and other implementation.
HEALTH
Covid-19 pandemic
Post-pandemic inflation raises costs for enterprises and their customers
COSTS
War in Ukraine + inflation
Investor pullback: founders put cash preservation before growth
CAPITAL
Equity investment contracts
Jul–Aug 2024: student-led uprising; government falls on 5 Aug; draft Startup Policy shelved
POLITICS
Interim government
Feb 2026: elected government takes office
Jan 2025: US aid frozen; USAID closes Jul 2025 and donor programmes shrink
AID & SUPPORT
USAID
LDC graduation due Nov 2026; deferral requested

## INTRODUCTION TO B-BRIDDHI

Biniyog Briddhi ("B-Briddhi"), or Scaling Social and Impact Enterprises of Bangladesh, is a multi-year programme supported by the Embassy of Switzerland in Bangladesh and implemented by Roots of Impact and LightCastle Partners. The programme supports the growth and scale of local impact enterprises so that underserved groups in Bangladesh can gain improved access to essential products and services. It brings together key ecosystem actors, including investors, incubators, accelerators, ESOs, and other stakeholders, to strengthen the impact entrepreneurship ecosystem in Bangladesh.

B-Briddhi's Phase I was launched in 2019 and lasted until the end of 2023; Phase II was launched in 2024 and will end in December 2026. Phase II aims to tackle similar constraints faced by impact enterprises in Phase I, such as addressing the impact management capabilities and investment readiness of the enterprises, and to offer catalytic funding, but additionally extends the mission to incorporate the demand side – capital providers and regulators – by including investor capacity building and regional investor outreach as an objective.

The Embassy of Switzerland's contribution to the programme was ~USD 9.9m for 7 years of implementation. This budget mobilised an additional contribution from private actors and co-investing into the impact enterprises that amounts to ~USD 35.4m.[1]

## PROGRAMME COMPONENTS

The programme operates through four pillars, with each pillar focusing on specific stakeholders. The rest of this Playbook makes references to different components and interventions made by the programme which are described below.

### CATALYTIC FUNDING

The catalytic funding pillar addresses financing constraints by introducing Impact-Linked Finance (ILF) instruments. Impact-Linked Finance links financial incentives to the verified impact outcomes created by an enterprise. This approach was adopted by the programme as it makes capital more

*1 "This figure refers to the total private capital mobilised by the programme, which includes USD 29.5m raised as private investment by impact enterprises supported or funded by B-Briddhi. Additionally, in-kind and cash contributions made by other partners are included.*

*~USD 9.9m over 7 years of implementation mobilised ~USD 35.4m from private actors and co-investors into the impact enterprises.*

*Corinne Henchoz Pignani, Head of Cooperation, Embassy of Switzerland in Bangladesh, speaking at the launch of B-Briddhi Phase II.*





*Signing ceremony for B-Briddhi's first IRMF cohort, Dhaka, March 2021*

suitable for enterprises that create impact and improves their risk profile, making them more attractive for investors. The programme used the following two main instruments; both require the enterprises to raise repayable capital to unlock the funding:

- **Impact Ready Matching Fund (IRMF):** A matching funding instrument for early-stage enterprises that integrates capacity building. It rewards enterprises through milestone-based payments linked to the development of robust impact measurement and management systems.

- **Social Impact Incentives (SIINC):** An outcome-linked payment instrument that rewards early- and growth-stage enterprises raising investment with payments for achieving predefined social outcomes. The instrument is designed to meet different use cases, including improving the enterprise's impact performance and/or helping them attract additional investment.

## CAPACITY BUILDING

The capacity building pillar strengthens the quality and availability of support services for impact enterprises. It works both with enterprises directly and through local incubators, accelerators, and other ESOs. It includes:

- **The Bridge for Billions (B4B) Online Incubation Platform (Phase I only):** This platform partnered with local incubators to provide early-stage impact enterprises with a structured, online curriculum and mentorship.

- **Train-the-Trainer (TTT):** Training for selected ESOs on investment readiness and impact measurement and management, enabling them to support impact enterprises more effectively.

- **Voucher Scheme (VS):** Vouchers for selected enterprises to access investment readiness and impact management services from TTT-trained and certified ESOs.

- **Impact-Linked Finance (ILF) Readiness Bootcamp:** Introduced towards the end of Phase I where Roots of Impact worked with enterprises to strengthen their impact measurement and management systems, align impact and business KPIs, and prepare for potential impact-linked funding and investment.

- **Theory of Change Card Game or TOC-TOC Card Game (introduced in Phase II):** Based on the learnings from Phase I and to further widen access to IMM capacity building and develop the impact management mindset early in an enterprise's journey, the programme introduced this tool, which acts as an early, lightweight touchpoint and helps young enterprises understand the basics of IMM through playful dialogue and exchange and develop their initial Theory of Change.

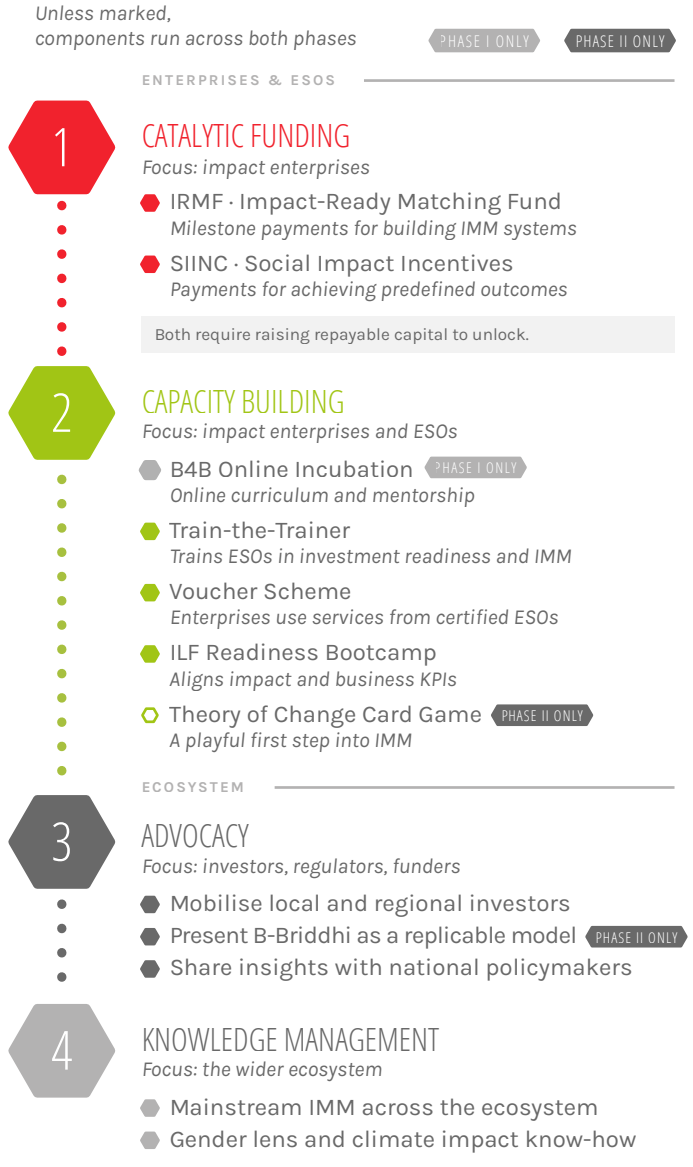
The intended direct outcome of this pillar is that impact enterprises become more resilient, investable, and better able to understand, manage and communicate their impact. Additionally, capacity building is also aimed at developing a stronger local market of ESOs with specialised, complementary expertise in impact enterprise support.

## ADVOCACY AND KNOWLEDGE MANAGEMENT

The advocacy and knowledge management pillars address actors at the ecosystem level, most notably, investors, regional conveners, regulators, advocacy bodies, and philanthropic funders. The programme identified the following as key priorities:

- **Advocacy:** Mobilising local investors to include impact considerations in their investment decision-making, and outreach to regional investors and ecosystem players to invest in impact enterprises from Bangladesh. Demonstrating B-Briddhi as a replicable model for building the pipeline of enterprises and the enabling infrastructure for similar contexts to philanthropic funders and investors. Sharing insights with national advocacy and policymaking bodies to inform their action and initiatives.

- **Knowledge Management (introduced in Phase II):** Mainstreaming impact measurement and management practices among enterprises, incubators and accelerators, investors, funders, and other ESOs in Bangladesh, alongside know-how and global expertise on gender lens investing and climate impact management.



# Playbook structure

Designed for philanthropic funders, investors, public entities and implementers of ecosystem building and entrepreneurship support programmes alike, this Playbook is a repository of practical insights drawn from designing, implementing and phasing out a multi-year programme designed to support the growth of an impact investment ecosystem.

Each chapter is shaped around a key design and implementation decision that the Embassy of Switzerland in Bangladesh and Roots of Impact adopted, based on the six stages of our ecosystem development and exit methodology, and which fundamentally shaped not just the manner in which interventions were made but also how outcomes were created.

As the intention is to share practical learnings and replicable recommendations, the Playbook includes useful insights, questions, case studies, and a separate implementation recommendations section based on the learnings from the implementation of the programme that can support the design and implementation of similar ecosystem building initiatives.

While the Playbook as a whole covers different facets of the programme, each chapter addresses a specific topic and is self-contained, that is, each chapter can be read and drawn on as a standalone piece. To assist clarity and understanding, we recommend referring to the glossary of terms as you go through the chapters.

The Playbook has six chapters in all: the Diagnose and Align phases of an ecosystem development programme are covered in **Chapter 1 – Impact as the Northstar**. The Design phase is covered across **Chapter 2 – Fit-for-Purpose Funding** and **Chapter 3 – A Funnel Approach to Enterprise Support**. The Implement phase is covered in **Chapter 4 – Strengthening the Market for ESOs**. The Convene phase is covered in **Chapter 5 – Accelerating Awareness and Adoption** and **Chapter 6 – Responsibly Exiting the Ecosystem.** Finally, the Transfer phase is covered in **Chapter 6 – Responsibly Exiting the Ecosystem.**

*Investors, enterprise founders and ecosystem players co-develop the Theory of Change for B-Briddhi Phase II, 2023.*



## A DIAGNOSE

Read the market: who is here, what is missing

## B ALIGN

Agree with funders, enterprises, investors and intermediaries on intended outcomes

## C DESIGN

Build the instruments and the support offer to fit

## D IMPLEMENT

Deliver through local actors, not around them

## E CONVENE

Build a shared identity and a community that recognises itself

## F TRANSFER

Hand over capability, then exit

## CHAPTERS & WHAT THEY COVER

### 1 Impact as the Northstar

- Diagnose what local actors need before choosing any intervention
- Test perceived gaps against evidence from several sources
- Map the support and capital already available
- Co-develop an ecosystem-level Theory of Change with stakeholders
- Write the mandate around outcomes, not components
- Give local partners a steering role from the design stage

### 2 Fit-for-Purpose Funding

### 3 A Funnel Approach to Enterprise Support

- Map the pipeline by impact intentionality and maturity
- Match an instrument to each segment; pay only for verified outcomes
- Join capacity building and catalytic funding into one pathway

### 4 Strengthening the Market for ESOs

- Invest in local ESOs, not only in enterprises
- Pair training of trainers with a paid market mechanism that promotes quality and accountability
- Include providers with an investment arm, who stay most engaged

### 5 Accelerating Awareness and Adoption

### 6 Responsibly Exiting the Ecosystem

- Contribute to policy as a knowledge expert, leaving ownership local
- Build investor demand locally and regionally
- Nurture a shared local identity and informal spaces to exchange

### 6 Responsibly Exiting the Ecosystem

- Choose components for the capabilities they leave behind
- Codify and localise learning in the final years
- Judge the exit by what runs without the programme

**ENGAGE** Listen, build credibility and keep relationships active

**LEARN** Collect evidence at every touchpoint with stakeholders

**ADAPT** Change the design and delivery on what the evidence shows

RUNNING THROUGHOUT ALL SIX STAGES

# Consolidated Insights for Funders and Implementers

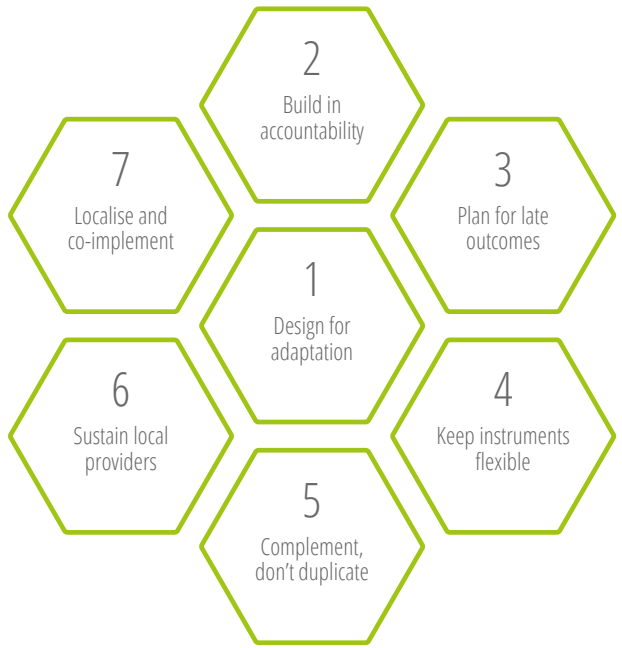
B-Briddhi offers a unique, end-to-end view of how an ecosystem can be built with design principles that embed impact across different stages. The insights that follow capture what made this journey possible, so that funders and implementers elsewhere can build on its successes rather than starting from scratch.

Across its two phases, B-Briddhi generated lessons that recur throughout this Playbook and are consolidated here for funders and implementers designing comparable programmes in nascent ecosystems. The recommendations below synthesise the chapter-level insights into seven cross-cutting priorities, each drawn from the programme's experience of deploying impact measurement and management (IMM) capacity building and Impact-Linked Finance (ILF) instruments, and leading advocacy and knowledge dissemination for influencing the impact investment ecosystem in Bangladesh. They are intended as transferable guidance rather than a prescriptive blueprint, as the right intervention always depends on the specific context, its actors, and their shared goals.

- **Design for adaptation –** Adaptive and iterative design gives the ecosystem a measure of continuity when large external shocks, such as the Covid-19 pandemic and political turmoil, disrupt implementation. Programmes nonetheless operate with limited budgets and reach, which means fundamental challenges like supply-chain disruption and constrained private capital cannot be resolved through programme interventions alone. Implementers should therefore assess and report the effect of unanticipated changes on outcomes regularly, using tools such as a risk matrix, so that funders and implementers stay aligned on likely challenges and calibrate results accordingly.

- **Build accountability into every layer of the programme –** Accountability works best when it is designed into incentives rather than enforced through reporting obligations alone. B-Briddhi applied this principle across its components, as enterprises chose their own Voucher Scheme provider, providers earned performance-based bonuses linked to enterprise satisfaction, IRMF and SIINC payments were released only for verified milestones or impact, and the local co-implementer, LightCastle Partners, was eligible for a performance-linked bonus. Implementers should therefore look for ways to reward every actor for results rather than

*Seven cross-cutting priorities for funders and implementers building an ecosystem for an impact economy*



activity, since aligned incentives create a stronger and more durable performance orientation than contractual obligations on their own.

- **Plan for outcomes and systems change that materialise late –** In dynamic markets where many actors and factors interact, attributing outcomes to a single intervention is rarely feasible, particularly for systems-level change in the short term. B-Briddhi's work to embed an impact management mindset produced visible behavioural shifts only after four to five years, while regulatory change typically arrives at the very end of the process, once stakeholder behaviour has already aligned. Implementers should treat delayed outcomes as a feature of genuine systems change rather than a failure, monitor early signals such as growing awareness among capital allocators and policymakers, and exchange progress openly with funders to stay comfortable with results that often materialise after a programme concludes.

- **Maintain instrument flexibility to maximise additionality –** Business model pivots and enterprise closures are expected among early-stage impact enterprises, so rigid selection and disbursement rules risk forgoing opportunities for maximum impact. Retaining flexibility allows programmes to adapt while underway, as B-Briddhi did through follow-on funding to previously selected IRMF enterprises, which tied additional capital to a gender-focused impact metric and required external investment of at least three times the ticket size. Because outcome-based instruments such as SIINC generate variable, results-dependent payments, funders should be fully briefed on these dynamics from the outset to avoid mismatch with philanthropic compliance and budget requirements.

- **Design complementary, modular interventions rather than duplicative ones –** A funnel creates a stewarded journey between components while each remains valuable as a standalone, modular intervention, which gives stakeholders greater flexibility to engage with the programme. Interventions should complement rather than duplicate the technical assistance and capital already available in the market, since an oversupply can distort the ecosystem and obscure otherwise healthy results. Programme design should therefore minimise overlap between service offerings, outline deliverable requirements clearly, and communicate selection criteria transparently, so that entrepreneurs understand each component and can be routed to the intervention best matched to their commercial and impact maturity.

- **Strengthen and sustain the local service-provider market –** ESOs in emerging markets often depend on donor funding rather than fee-for-service work, leaving their business models fragile and their expertise vulnerable to staff churn, a dynamic that market shocks only exacerbate. B-Briddhi responded by awarding dual certifications to individuals and their organisations, which allowed talented professionals to keep delivering technical assistance through the Voucher Scheme even after leaving an ESO. Implementers should also convene providers as a neutral party to encourage collaboration over competition, invest in structured onboarding for ESO-entrepreneur pairings, and sustain engagement through booster workshops that reinforce concepts beyond the formal programme calendar.

- **Localise knowledge and co-implement for durable impact –** Localisation should be embedded into design from the start rather than added as an afterthought, with local partners progressively given greater ownership over delivery. Structuring the global partner's role as long-term, hands-on co-implementation transfers skills through the work itself, as seen in the upskilling of LightCastle Partners, who went on to structure an impact-linked SAFE transaction themselves. Regular documentation of insights and their dissemination through reports, webinars, blogs and social media further institutionalises learning, since repeated communication across multiple channels drives stronger exposure and adoption than any single medium.

CHAPTER

1

# Impact as the Northstar

How to align funders, implementers and local actors on outcomes before designing anything

A DIAGNOSE · B ALIGN · C DESIGN · D IMPLEMENT · E CONVENE · F TRANSFER

## WHO IT IS FOR

Funders and programme designers at the outset of a programme.

## AFTER THIS CHAPTER YOU CAN

Scope a market without presupposing the answer, and agree measurable outcomes with every stakeholder group.

### SECTIONS


- Scope the Gaps Before Designing the Programme
- Build Governance Around Outcomes
  - *Programme Governance: Measuring What Matters and Iteration*


### BOXES


- **Practical Insight** · Scoping and Design
- **Practical Insight** · Align and Commit to Outcomes
- **Case Study** · Four Lessons from B-Briddhi's results

# Scope the Gaps Before Designing the Programme

Ecosystem programmes should begin with a diagnosis of what local actors need, rather than with a predefined set of interventions.

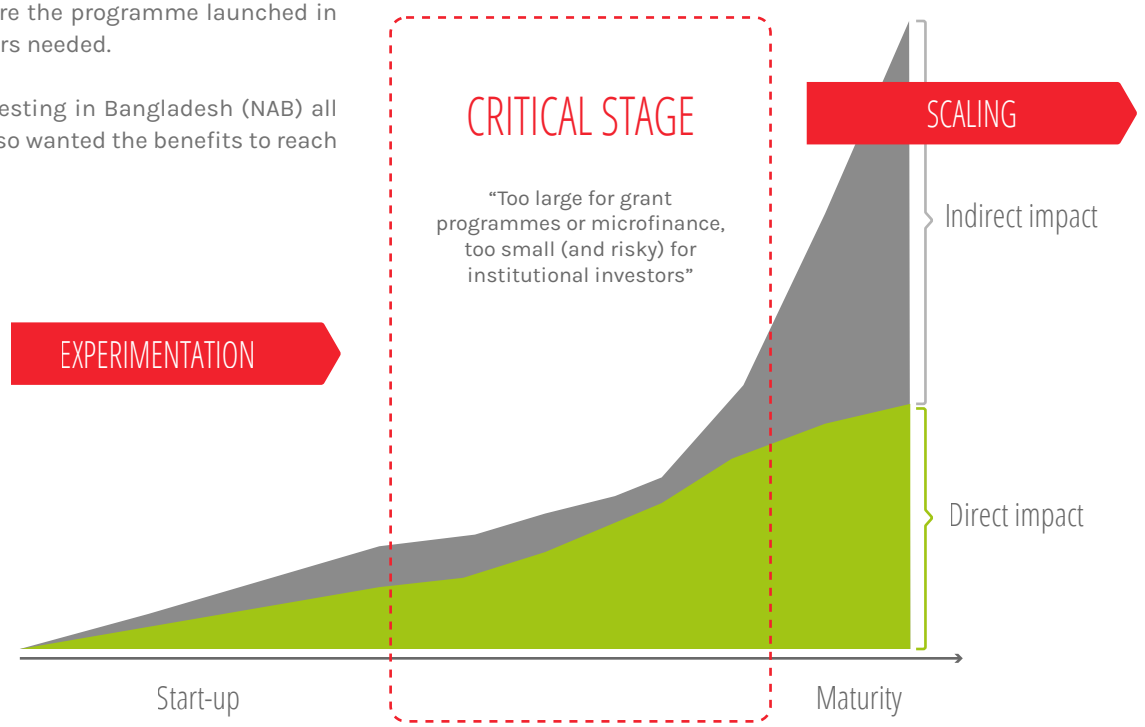
In B-Briddhi's case, the Swiss Agency for Development and Cooperation (SDC) set out to help Bangladesh's impact enterprises and investment sector grow, so that enterprises could serve underserved customers more effectively. Before the programme launched in late 2019, Roots of Impact ran two scoping missions to diagnose what enterprises and other stakeholders needed.

Startups, impact enterprises, incubators, accelerators and the National Advisory Board for Impact Investing in Bangladesh (NAB) all pointed to the need for orchestrated support to connect disparate activities and actors. Stakeholders also wanted the benefits to reach beyond a handful of enterprises and to change the system in ways that would outlast the programme.

A credible scoping exercise tests perceived gaps against evidence from several sources. In Bangladesh, this fact-finding surfaced three gaps:

- In 2019, impact investing as a concept and the definition of 'impact' were neither well understood nor adopted in practice by most capital providers, intermediaries, and impact entrepreneurs.
- Given Bangladesh's strong tradition of social businesses and NGOs, the idea that a for-profit entity could also produce positive social and environmental impact and be accountable, as well as incentivised for it, was not commonly understood. Therefore, IMM suited for early-stage enterprises and its adoption as an organisational process that supports the operational performance of a business was not widely known, practised or supported through incubation and other efforts by local intermediaries. At a workshop Roots of Impact convened with the majority of active incubators in Dhaka in January 2019, only one of the eight participating incubators had heard of the Impact Management Project framework, and most had no impact measurement system in place even for their own work.

*Figure 1: "Valley of Death"*



- There was limited capital available for impact startups and SMEs in Bangladesh. While Bangladesh was already the third most active impact investing market in South Asia, with development finance institutions (DFIs) having deployed over USD 830m and other impact investors a further USD 120m in the last few years, the ticket sizes and conditions of that capital did not fit early-stage impact enterprises' needs. Around 70% of impact finance came as debt, over 90% originated from DFIs seeking larger and more mature deals, and only one of twenty-eight deals was below USD 1m. Available capital for startups and SMEs was also typically domestic. Stakeholders considered the risk perceptions associated with the nascency of the ecosystem and the enterprises, together with regulatory barriers like the limitation on debt provision by foreign investors to Bangladeshi enterprises, to be too onerous for foreign investment. As a result, most early-stage enterprises seeking amounts in the range of USD 50,000 to 1m found themselves in the so-called 'valley of death': too large for grants or microfinance, but too small or risky for the investors active in the market.

Implementers should then translate these gaps into shared outcomes by co-developing an ecosystem-level Theory of Change. B-Briddhi workshopped its Theory of Change (see Figure 2 below) with intermediaries, investors, funders and other stakeholders, and together they agreed on two outcomes that reflected the needs of all relevant stakeholders:

- Building a support system around impact enterprises, spanning the supply side (impact enterprises), the demand side (capital providers), and the intermediaries (ESOs) between them, such that they are able to scale and grow, and reach more underserved customer groups;

- Supporting all stakeholders in the sector to increase the uptake of impact investing in Bangladesh, exploring and recommending potential policy changes and mobilising private capital to create positive outcomes for enterprises.

PRACTICAL INSIGHT

## SCOPING AND DESIGN

As each context, its challenges, and therefore the correct interventions for the desired goal are distinct, the scoping and design phase should focus on the unbiased discovery of needs and priorities of relevant local actors.

**DO THIS**

Treat scoping as discovery, and establish what local actors need before deciding what the programme will offer.

**HOW**

Map the impact organisations in the geography or sector, the support and capital already available to them, and the outcomes they want to achieve.

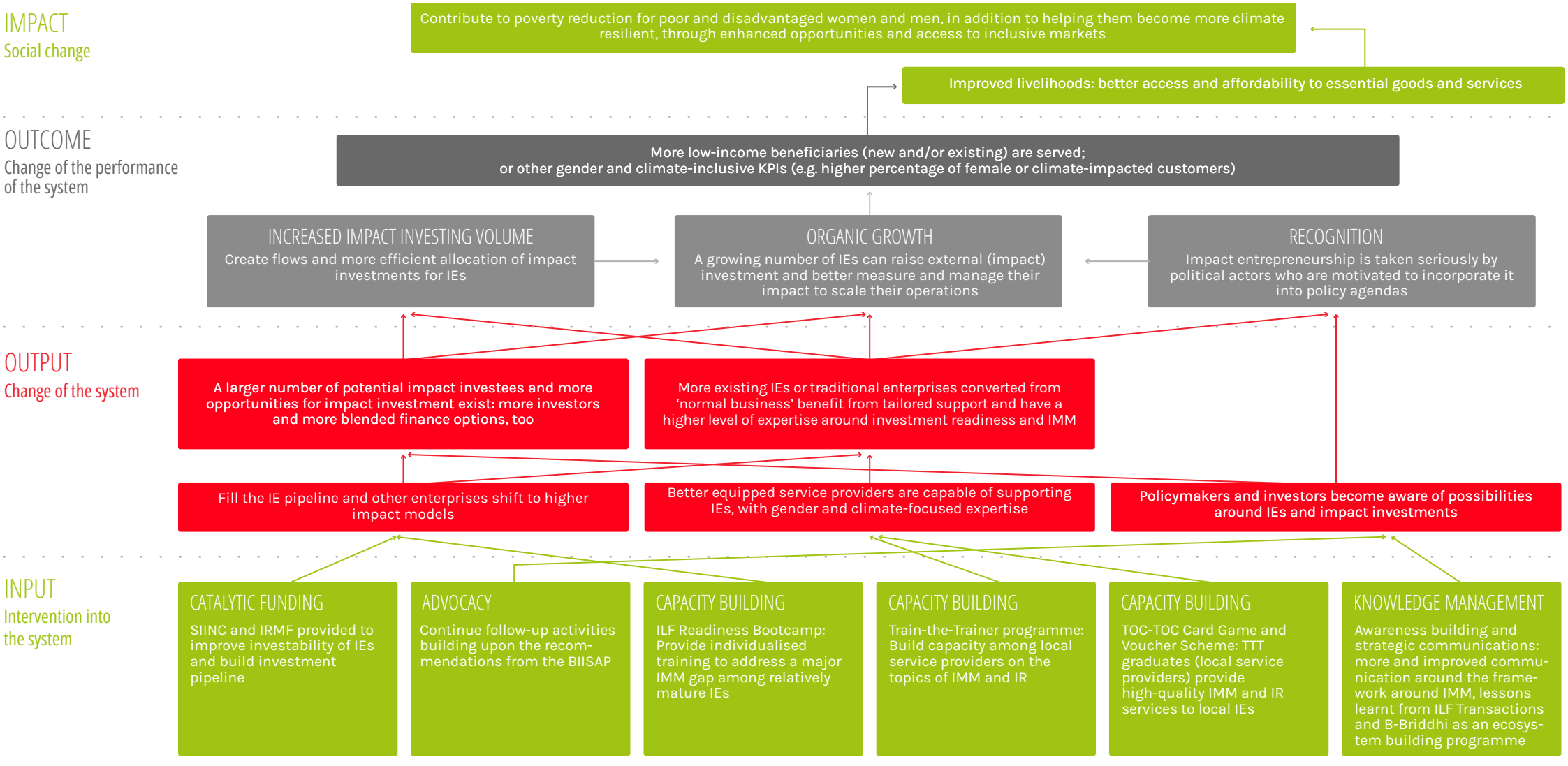
**WATCH OUT**

Arriving with an intervention already in mind turns scoping into confirmation rather than discovery.

### DECISION CHECKPOINTS

- What are the different types of impact organisations within the specific geography or sector?
- Which types of training and capacity building support are already available in the context? Which ones are missing?
- Which types of capital are available for impact enterprises at different stages of their journey?
- What are the systemic outcomes that key stakeholders want to achieve?

*Figure 2: Programme's Theory of Change*



# Building Governance Around Outcomes

Programmes that aim to create outcomes should design every component to manage for impact, not only to report on it. In B-Briddhi, effective impact measurement and management (IMM) was essential to achieving and tracking both programme goals. As many of the programme-level results measured in the Results Framework of the programme are linked to the outcomes achieved by enterprises, this also helped establish credibility of the programme's results and successes.

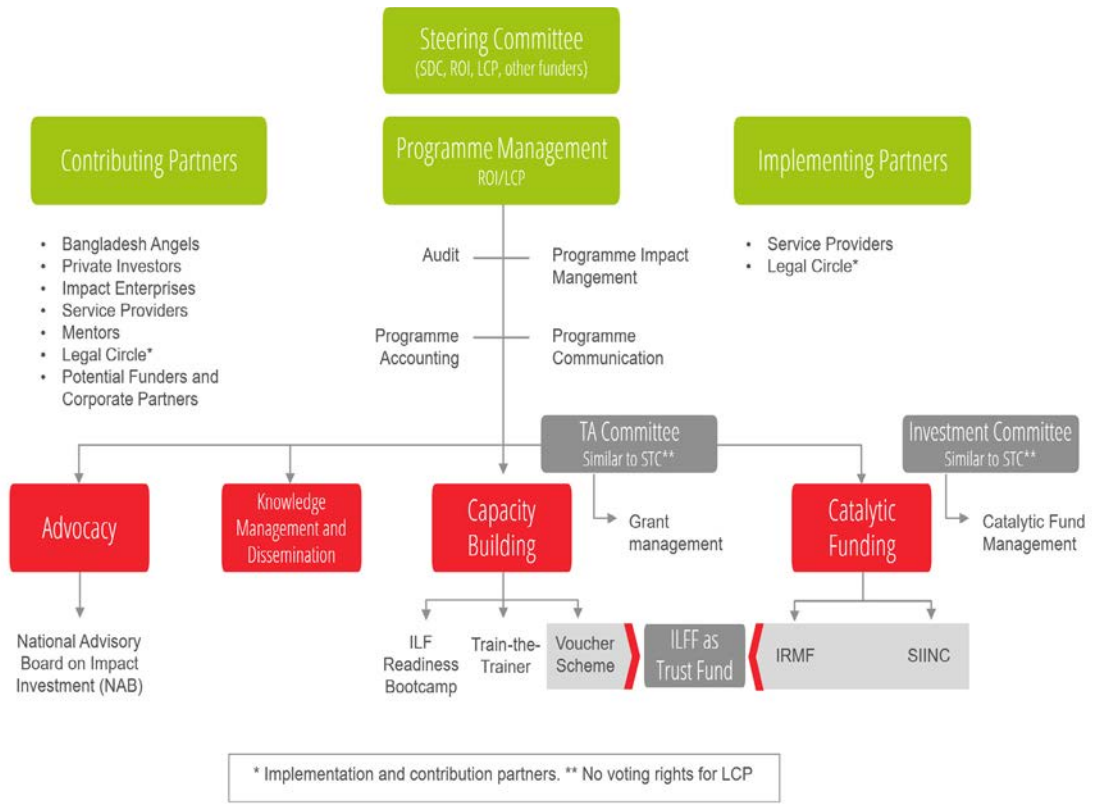
## PROGRAMME GOVERNANCE: MEASURING WHAT MATTERS AND ITERATION

As is the case with any funded mechanism, contractual and reporting obligations create a level of transparency and accountability for all parties involved. However, that is not enough for fostering improvement and adaptiveness as a practice.

In multi-stakeholder programmes that aim to shift systems rather than deliver isolated results, feedback loops and the possibility of iteration based on learnings are key. Implementers should therefore agree with funders from the outset that evidence will be gathered throughout implementation and used to adjust course, as B-Briddhi did with the trust of its funder, SDC Bangladesh. For example, every TTT cohort where incubators and accelerators were trained on investment readiness and impact management support for impact enterprises was followed by a feedback survey on participants' experience and their ability to apply the learning with impact enterprises, and the results were used to improve the curriculum.

One such intervention was the introduction of a Learning Management System (LMS) platform with a focus on audio-visual learning materials alongside discussion-based engagements. This proved to be more engaging for the learners from ESOs to follow along, discuss with other peers, and refer to as needed when they worked with impact enterprises.

*Figure 3: B-Briddhi's Governance Structure in Phase II*



Local partners should be given a role in steering and decision-making from the design stage, not just in delivery.

In B-Briddhi, Roots of Impact used the scoping to identify and engage LightCastle Partners, a Bangladeshi management consultancy, as co-implementer. As the locally embedded co-implementer, LightCastle Partners made recommendations for tailoring solutions to the local context and gave the programme local legitimacy.

Crucially, the team went beyond execution: it sat on the investment, technical assistance, and steering committees. This gave local judgement a direct voice in investment and programme decisions, and kept funders and implementers aligned.

Legal structures should be settled early with local counsel, since regulation can constrain how foreign-funded programmes pay local enterprises. In Bangladesh, limits on foreign debt to local enterprises required structures that were compliant yet agile enough for early-stage enterprises. With its legal partner Legal Circle and SDC in Dhaka and Berne, Roots of Impact settled on a simple solution: service contracts, rather than investment contracts, to engage impact enterprises and ESOs, keeping payments transparent and accountable.

In Phase II, disbursements were routed through the Impact-Linked Finance Fund (ILFF), a Netherlands-based not-for-profit foundation. Because the ILFF acts as a trust fund, it carries stricter fiduciary duties, adding a further layer of transparency.

Accountability should run through every layer of a programme rather than through its reporting lines alone, and B-Briddhi deliberately built it into the incentives of each actor it worked with. In the Voucher Scheme, enterprises were free to choose their own service provider, and providers earned a performance-based bonus linked to enterprise satisfaction, so that quality was rewarded by the market rather than assigned. In the catalytic funding pillar, IRMF payments were tied to the completion of IMM milestones and SIINC payments to independently verified impact, with funding released only for results and never in advance. The same principle extended to the programme's own partnership, as LightCastle Partners, the local co-implementer, was also eligible for a performance-linked bonus.

Taken together, these mechanisms meant that every actor in the system, from enterprises and service providers to the implementing partners themselves, was rewarded for results rather than activity, which is what impact by design looks like in practice.

PRACTICAL INSIGHT

## ALIGN AND COMMIT TO OUTCOMES

Agree the intended outcomes with each stakeholder group at the outset, and publish them from the start, so that everyone works from a shared reference point.

**DO THIS**
Write the funder's mandate around those outcomes rather than purely around specific programme components, so implementers can drop or redesign what isn't working with the funder's consent

**HOW**
Budget time for data collection and assessment from day one, and choose indicators that enterprises can realistically report.

**WATCH OUT**
That flexibility only holds if outcomes are measured credibly and shared periodically.

**IN B-BRIDDHI**
Two headline indicators: additional underserved customers reached, and investment raised by supported enterprises.

### TWO CHALLENGES TO PLAN FOR

- **Data quality:** Most results are reported by early-stage enterprises with limited systems, so figures need capacity building and independent verification before they can be relied on.
- **Attribution:** Enterprise results are shaped by many factors beyond the programme, so headline numbers show contribution, not proof of cause.

### AGREE WITH FUNDERS UPFRONT

- **Contribution and course correction:** How contribution will be presented, and how evidence will trigger a course correction, particularly when external challenges such as Covid-19 or political unrest disrupt the plan.







CASE STUDY

## FOUR LESSONS FROM B-BRIDDHI'S RESULTS

**201** enterprises supported through capacity building

**16** enterprises funded with SIINC and IRMF

**191,000+** underserved customers reached by funded enterprises

**USD 29.5m** private investment raised by supported impact enterprises

**1:10.5** leverage of B-Briddhi funding to private capital

## FOUR LESSONS FOR IMPLEMENTERS

1. ### MATCH THE INSTRUMENT TO THE ENTERPRISE'S STAGE
   IRMF for earlier-stage enterprises still building impact systems; SIINC for growth-stage enterprises with a proven impact track record.

2. ### BUDGET FOR INDEPENDENT VERIFICATION
   Verifications are important not just for reliable results but for enterprises to learn from them and optimise their operations. Verification by LightCastle Partners to DCED standards found Apon Bazaar had underestimated its customers' savings, and the metric was adjusted upward.

3. ### MOBILISE CAPITAL THROUGH LOCAL RELATIONSHIPS
   Referrals by LightCastle Partners and local incubators, and co-financing by Accelerating Asia, opened routes otherwise closed to early-stage enterprises.

4. ### SHARE OWNERSHIP OF RESULTS TO BUILD A MARKET
   SDC, Roots of Impact, LightCastle Partners, co-investors and trained ESOs each get to contribute to the programme result, so the programme works as a marketplace.

CHAPTER

2

# Fit-for-Purpose Funding

How to choose and structure instruments that match the market you actually have

A DIAGNOSE · B ALIGN · **C DESIGN** · D IMPLEMENT · E CONVENE · F TRANSFER

## WHO IT IS FOR

Funders, fund designers and programme managers choosing financial instruments.

## AFTER THIS CHAPTER YOU CAN

Match an instrument to the market's maturity and the funder's risk appetite, and structure it so that payment follows verified results.

### SECTIONS

- Capital Strategies for Maximum Impact
- How the Design Choices Made the Instruments Effective

### BOXES

- **Case study** · SIINC in the Bangladesh context
- **Case study** · IRMF: a pioneering hybrid solution
- **Practical Insight** · Impact Fund Design

# Capital Strategies for Maximum Impact

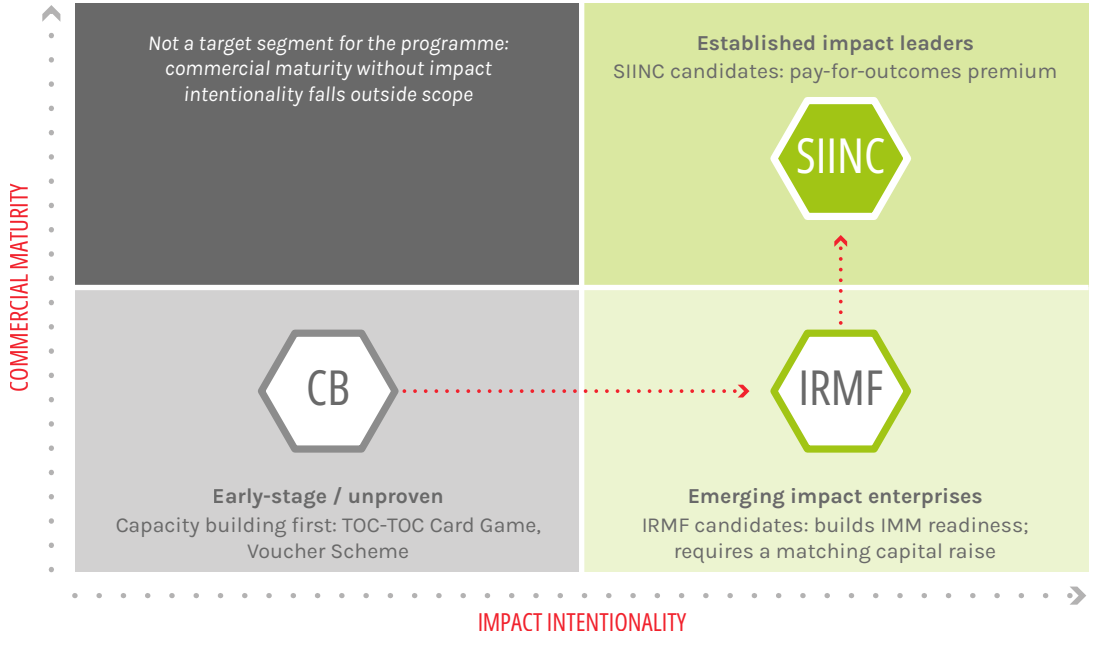
Design catalytic instruments around the business models and maturity of the enterprises in your pipeline, rather than deploying a fixed suite of off-the-shelf products. B-Briddhi took this bottom-up approach in Bangladesh, finding and adapting instruments that fit business models and commercial maturity stages of typical impact enterprises within the ecosystem. Through market diagnosis and scoping, four types of impact entrepreneurs were identified at programme outset, classified by impact intentionality and commercial maturity:

Map your own pipeline by impact intentionality and commercial maturity before choosing an instrument, since in B-Briddhi this exercise showed that the pipeline did not have one funding need, but several. Not every enterprise fit neatly into a single quadrant, yet the mapping was clear enough to show what each group needed and which instrument could meet that need.

Enterprises in the top-right quadrant combined strong impact intentionality with proven business models. They were close to raising growth capital, but their most impactful activities, such as serving low-income customers, often earned thinner margins, which made them less attractive to investors than purely commercial peers. For this group, the programme chose Social Impact Incentives (SIINC), an Impact-Linked Finance (ILF) instrument that Roots of Impact and the Swiss Agency for Development and Cooperation (SDC) first piloted in Latin America in 2016. SIINC pays enterprises a time-limited premium for additional impact they achieve against co-created, independently verified metrics. Because the premium payment rises and falls according to an incentive scheme, social impact performance feeds directly into the enterprise's revenues and, in turn, its attractiveness to investors. If an enterprise falls short of its impact targets, it receives a proportionate payment rather than nothing at all.

Enterprises in the bottom-right quadrant were equally committed to impact but earlier in their commercial journey. Their most pressing gap was not an impact premium but the ability to measure and manage impact in the first place. Few had a Theory of Change, baseline data, or reporting systems

*Figure 4: Matching instruments to enterprise profiles by commercial maturity and impact intentionality*




*Note: Arrows show the intended progression; not every enterprise followed every step. IRMF's primary aim is building IMM readiness (TA and funding tranches are tied to IMM deliverables); the required matching repayable debt/equity raise and programme credibility stamp also gives enterprises a secondary commercial boost towards future fundraising.*

that an investor could rely on. Where no existing instrument fits a gap, be prepared to design a new one, as B-Briddhi did with the Impact Ready Matching Fund (IRMF). IRMF is non-repayable funding, paid out in tranches as enterprises complete IMM deliverables such as a Theory of Change and an impact report. Its primary purpose is to build IMM readiness.

The two remaining quadrants called for different interventions. Earlier-stage enterprises in the bottom-left quadrant were not yet ready for either ILF instrument and were supported through capacity building instead, first through the Voucher Scheme and, in Phase II, the TOC-TOC Card Game. Enterprises in the top-left quadrant, commercially mature but with limited impact intentionality, fell outside the programme's scope, and defining such exclusions early keeps catalytic funding focused on additional impact.

**Whatever instruments you choose, consider building in the design principle that SIINC and IRMF shared and that mattered greatly to the programme funder: funding is released only for verified results, never in advance, and for the achievement of additional impact.** For SIINC, the result is additional impact beyond business-as-usual. For IRMF, it is the IMM capability an enterprise needs to demonstrate impact at all. In both cases, growing commercially and improving impact became mutually reinforcing goals rather than the competing priorities they so often are in emerging markets. **Using the two instruments, B-Briddhi funded sixteen enterprises with USD 2.4m over the course of two phases.**

PRACTICAL INSIGHT

## IMPACT FUND DESIGN

Start with market scoping before choosing instruments. Each entrepreneurial ecosystem has nuances.

**DO THIS**
Scope the market before choosing any instrument.

**HOW**
During the initial market scoping, be clear about the unit of analysis and how instrument design decisions will be made.

**WATCH OUT**
Standardised instruments deployed without in-depth local market understanding are unlikely to gain traction.

### DECISION CHECKPOINTS

- How ready is the market for absorbing impact investment?
- What is the right entry-point to achieve maximum impact given the funder's preferred risk appetite?
- Are there any existing local and international players that can help accelerate impact capital uptake?

CASE STUDY

# PROVIDING SOCIAL IMPACT INCENTIVES (SIINC) IN THE BANGLADESH CONTEXT

B-Briddhi brought SIINC, an instrument first piloted by Roots of Impact and SDC in Latin America in 2016, to Bangladesh and showed that paying for verified impact can work in a fast-changing emerging market. The case below of Apon Bazaar shows how the instrument was adapted to local realities and the results it helped the enterprise achieve.

## HOW SIINC WORKS

1. **CO-CREATE METRICS**
   The outcome funder and the enterprise agree a small set of impact metrics.
2. **ACHIEVE OUTCOMES**
   The enterprise delivers the predefined social outcomes.
3. **VERIFY**
   An independent verifier confirms the results before any payment.
4. **GET PAID**
   Payment in proportion to results adds revenue, improves the risk-return profile and helps raise investment.

**USD 250k**
maximum premium, for enterprises raising investment

**Time-limited**
premium for predefined social outcomes

**Verified**
independently, before any payment is made

## TWO LESSONS TO PLAN FOR

### BUILD BASELINE DATA EARLY

Few candidates had the baseline impact data to set credible targets, so the programme launched the ILF Readiness Bootcamp earlier in the pipeline to help develop this baseline.

### LOCALISE METRIC DESIGN

Metrics need local due diligence, which LightCastle Partners provided, and targets should be reviewed as a transaction progresses.

## AMONG THE FIRST RECIPIENTS

### APON BAZAAR

Runs discount stores inside garment factories for low-wage workers and offers health insurance linked to in-store purchases by customers.

### ITS SIINC REWARDS THREE OUTCOMES

1. Higher average savings among customers
2. Wider health insurance coverage
3. A larger share of women among its customers

**USD 225k**
available over three years, depending on performance

### WATCH THE FULL STORY




*How a SIINC works · Where it has been applied · SDC's case study on the model*

# How the Design Choices Made the Instruments Effective

Pay only for verified results where you can, since in B-Briddhi this gave the programme funder stronger accountability, with a clear line of sight from spending to results, and gave enterprises a sustained performance orientation throughout their contracts. The design also suited the context. Impact enterprises in Bangladesh operate in a volatile economy where execution has to respond to market changes, and results-based payments adjust to what an enterprise achieves rather than locking the funder into commitments made at the outset. While every funder has a different orientation when it comes to concessionality (how much financial return one is willing to sacrifice for greater impact), ask whether the instrument(s) designed for the market intervention are both suitable to address the ecosystem's existing unmet needs and sufficiently risk absorbing for the funder.

Beyond results-based payment, both instruments were designed with the ecosystem's needs in mind. Four further design elements are worth considering, as each proved critical in this regard:

- **Non-dilution:** This helped to build stronger trust amongst entrepreneurs and position both SIINC and IRMF as a winning alternative contrasting with heavily dilutive international and local venture capital.

- **Tranche-based payments:** Global market volatility and local political risk led to an investor pullback between 2023 and 2025. With limited options for raising fresh growth capital, most entrepreneurs pivoted towards cash preservation in hopes of achieving overall profitability.

  Having begun programme implementation during the Covid-19 crisis in 2020, the team had anticipated this kind of macro risk, and both SIINC and IRMF were intentionally built to act as a counterweight by offering more reliable and steady payments disbursed in 5 SIINC tranches (over a 3-year period) and 3 IRMF tranches (over 12–18 months). Impact-driven entrepreneurs greatly appreciated this feature, as it helped 'keep the lights on' during difficult times, improve profitability pathways, and ensure strong impact continuity.



- **Required investment raise:** Both instruments required enterprises to raise external private investment, be it from debt or equity providers. While challenging for some portfolio enterprises, this requirement – which was a prerequisite for any fund disbursement to occur – incentivised enterprises for further commercial growth. Moreover, it also enabled the funder to achieve maximum leverage with their concessionary capital, ensuring that every dollar spent on paying for additional impact performance led to 3–10x in simultaneous investment growth.

- **Legal financial flows:** Most Bangladeshi impact enterprises maintain a holding company in Singapore and an operating company in Bangladesh, primarily for ease of raising funds from foreign investors. This holdco-opco structure is very common in other emerging markets. However, unlike other foreign investors, B-Briddhi deliberately decided not to fund the holding company located outside of Bangladesh. Instead, both SIINC and IRMF instruments were set up as service contracts (rather than investment contracts or any other legal form) to honour the funder's and implementers' commitment towards ensuring that each dollar spent is used to create outcomes in Bangladesh. This legal contract set-up was made possible thanks to the support of a local legal partner, helping to ensure compliance with all local laws and tax regulations.

SIINC and IRMF played a complementary role in building B-Briddhi's portfolio and enabling deeper impact additionality by supporting impact enterprises in different stages of their journey. SIINC-supported enterprises had already built a baseline of evidence of their impact. The IRMF, by contrast, recognised that earlier-stage enterprises first needed capacity building to create the organisational systems to gather impact data. Taken together, the two instruments show that sequencing instruments by enterprise maturity reaches more of the pipeline than any single instrument could.

*Virtual signing ceremony during the pandemic with Apon Bazaar, shown under its earlier brand name, Apon Wellbeing.*




*Some of the signing ceremonies once impact enterprises received a SIINC or IRMF*












CASE STUDY

# IMPACT READY MATCHING FUND (IRMF): A PIONEERING HYBRID SOLUTION TAILORED IN THE BANGLADESH MARKET

The IRMF is one of B-Briddhi's signature innovations, designed from scratch when existing instruments did not fit the needs of early-stage impact enterprises in Bangladesh. By rewarding enterprises for building robust IMM systems, it turned impact measurement from a reporting obligation into a foundation for growth and investment.

## HOW IT WORKS

### PAID FOR RESULTS, WITH HANDS-ON IMM SUPPORT

1. **MATCH**
   Private investment, raised or being raised, matches the programme funding.
2. **THEORY OF CHANGE**
   A Theory of Change with impact metrics releases the first tranche.
3. **DATA SYSTEM**
   A working data system reporting against those metrics.
4. **IMPACT REPORT**
   A published impact report completes the IMM system.

**USD 100k**
maximum non-repayable funding

**12–18 months**
sized for early-stage enterprises

**3**
tranches, each tied to an IMM building block

## IRMF FOLLOW-ON · PHASE II

**USD 65k**
per enterprise, over a ten-month measurement period

For high-achieving IRMF graduates: rewards improvement on a single gender-focused "golden metric", set above business-as-usual, and paid only after independent verification. It works much like a mini-SIINC and was awarded to Agroshift and Shomvob.

## AMONG THE FIRST RECIPIENTS

### HISHABEE

Hishabee

*"Having gone through a rigorous impact measurement process, we can now walk into a room with impact investors and speak their language. We have the data. We have the framework. That credibility matters enormously."*

**Rakin Savi**
**Founder and CEO, Hishabee**



**200%**
month-on-month growth in Hishabee's lending book since the programme ended

CHAPTER

3

# A Funnel Approach to Enterprise Support

How to sequence support so enterprises progress across different stages with support from multiple ecosystem actors.

A DIAGNOSE · B ALIGN · **C DESIGN** · D IMPLEMENT · E CONVENE · F TRANSFER

## WHO IT IS FOR

Programme designers building support for enterprises at different stages of maturity.

## AFTER THIS CHAPTER YOU CAN

Design a staged support offer that moves each enterprise to the intervention that fits its commercial and impact maturity.

### SECTIONS


- Tailored Interventions for Every Commercial Stage


### BOXES


- Practical Insight · Ecosystem Building through Multiple Touchpoints
- Case study · Supporting Aunkur through its growth

# Tailored Interventions for Every Commercial Stage

Connect capacity building and catalytic funding into a single pathway, so that enterprises can move from one form of support to the next as they mature. B-Briddhi reconfigured its support in this way for Phase II (2024 onwards), based on what it had learned in Phase I. In Phase I, capacity building and catalytic funding were linked, but together they reached enterprises at only some stages of their growth. Phase II unified them through what became known as the 'Funnel Concept'.

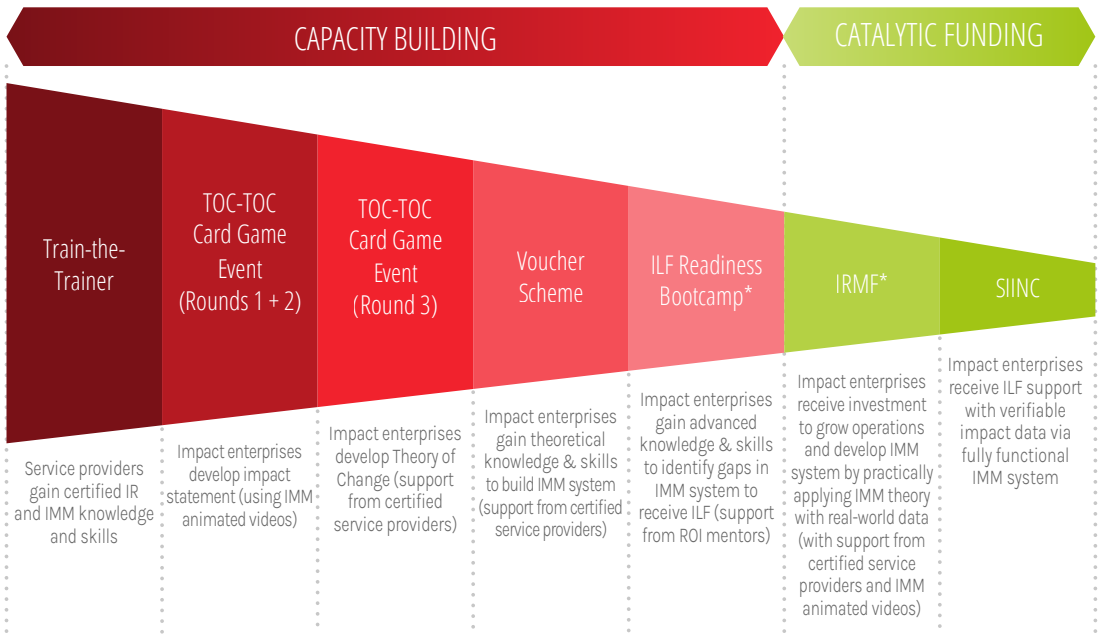
The logic was that if B-Briddhi could support enterprises for longer and in a more connected way, it could offer value that fits each enterprise's situation and strengthens their commercial and impact performance. Moreover, due to its integrated approach, the Funnel Concept also aimed to present more clearly defined opportunities for participation from various local stakeholders (including partners) – an essential pillar of enabling sustainable continuity post-programme.

The funnel is organised from left to right based on commercial and impact maturity levels of potential enterprises. The Train-the-Trainer programme targeted local ESOs (such as incubators and accelerators), while all other pillars of the funnel targeted impact enterprises.

Beginning with the TOC-TOC Card Game, enterprises at the earliest stages of their journeys could benefit from developing their impact strategy with clarity and support from locally trained ESOs. Then, when they matured and gained commercial traction, participation in the Voucher Scheme programme became suitable, offering a more extended IMM and IIR support opportunity from ESOs.

This form of capacity building positioned enterprises for receiving more in-depth support from Roots of Impact directly via the ILF Readiness Bootcamp, the most advanced stage of capacity building, aimed at commercially viable enterprises that need only minor IMM improvements to become SIINC-ready.

*Figure 5: The B-Briddhi Funnel Concept*




** Sequencing can be interchangeable*

Track how enterprises move through the pathway, since this shows whether integration is working. In B-Briddhi, beyond reaching enterprises at every stage of their journeys, the closer integration of capacity building and catalytic financing opportunities also led to the creation of a stronger pipeline of resilient enterprises, as the data shows:

- 20 of the 48 enterprises that received Voucher Scheme support raised external capital afterwards, totalling USD 20.9m (excluding B-Briddhi's own capital)
- 90% of enterprises preliminarily selected for either an IRMF or SIINC in Phase II received previous capacity building support
- Participation in Voucher Scheme was found to provide enterprises with a 43% greater chance of being selected for IRMF later

One enterprise that travelled the full journey from capacity building to catalytic funding was Aunkur, a tech-enabled agricultural enterprise disseminating valuable data and holistic support to smallholder farmers.

Support should not end when funding does, so consider follow-on support for enterprises that have completed a catalytic transaction. Beyond the Funnel Concept, B-Briddhi offered such support to portfolio enterprises that had already received an IRMF or SIINC transaction in Phase I of the programme. The programme selected two enterprises to receive this 'Alumni TA' offering. Deliver such support through local providers where possible: rather than provide this TA directly, the programme team partnered with a local service provider, Bopinc, specialised in supporting enterprises selling products or services to customers at the Bottom of the Pyramid (BoP) with marketing, design, and business modelling support. This months-long, localised technical assistance helped ensure that impact to the most underserved customers could be sustained over time, even though direct financial rewards provided through ILF transactions had been completed.



PRACTICAL INSIGHT

## ECOSYSTEM BUILDING THROUGH MULTIPLE TOUCHPOINTS

Design interventions that complement, rather than duplicate, existing technical assistance and/or funding in the market.



**DO THIS**

Map the support and funding already available before designing, and position each intervention as a complement to it.



**HOW**

Answer the checkpoint questions during programme design, including whether local partners could be involved or trained to deliver the intervention instead.



**WATCH OUT**

An oversupply of impact capital or of one type of technical assistance distorts the market, as enterprises jump from programme to programme without being held to commercial growth targets, Programme funders should also be mindful of this risk, which can hamper entrepreneurial ecosystem development and obscure otherwise healthy-looking results figures.

### DECISION CHECKPOINTS

- How do the targeted interventions intended to benefit the growth of the ecosystem compare with existing opportunities available in the market?
- In what ways are the targeted interventions complementary, rather than duplicative, for entrepreneurs at the vanguard of creating positive change?
- Would the intervention(s) be more effective if delivered by a (suite of) local partner(s) instead?
- Are there avenues to (re)design my interventions so that they're more inclusive? If so, what are they?

CASE STUDY

# FROM VALIDATION TO SCALING: SUPPORTING AUNKUR THROUGH ITS GROWTH TRAJECTORY

Aunkur's story captures the B-Briddhi funnel at its best, as an enterprise that travelled the full journey from capacity building to catalytic funding. Its growth from early validation to scaling shows how connected, well-timed support can help a young enterprise reach more smallholder farmers with valuable data and holistic support.

**23,000+** smallholder farmers receiving data-driven advice

**USD 100k** IRMF in 2022 matched by USD 100k in private investment

**300 km** from farms to the Dhaka HQ, now linked in real time




READ THE CASE STUDY

**2018 — FOUNDED**
Formerly iPAGE: strong impact ambitions, without a structured way to measure relevant data.

**2020 — VOUCHER SCHEME**
With Truvalu, a TTT-trained provider. Learned how impact data could inform strategy.

**2022 — IRMF**
Each tranche tied to an IMM deliverable over 18 months. Developed a concrete impact management strategy.

**EXCEL TO IOT CLOUD**
About 10 months into IRMF, started tracking real-time field data and developed an internal impact dashboard.

**2023 — GROWTH**
Has turned impact data into a revenue source. Sells insights to banks and NGOs; next institutional investment received from JICA.

**THE LESSON**
With sequenced support, enterprises can turn impact data into a source of commercial growth, so each stage should prepare them for the next.

## AMONG THE FIRST RECIPIENTS

### AUNKUR

*"B-Briddhi was the first global institutional support we received. It brought us the capacity to articulate what we're doing more effectively, and it brought so much credibility."*

**Mashrur Shurid**
**Co-Founder and CEO, Aunkur**






WATCH THE FULL STORY

# THE TOC-TOC CARD GAME

Introduced in Phase II, the TOC-TOC Card Game gives early-stage enterprises a lightweight, playful introduction to impact measurement and management (IMM). Through role-play and dialogue, a team develops its first Theory of Change, guided by a certified local service provider.

## THE GAME HELPS TEAMS

- Build a Theory of Change
- Discuss, understand and articulate their vision for impact
- Develop a systematic framework to understand, monitor and achieve their desired impact

## WHO PLAYS

- Early-stage impact enterprises, with at least three team members playing together
- Facilitated by certified local service providers acting as referees




GET THE CARD GAME

## THREE ROUNDS TO A THEORY OF CHANGE

ROUND 1

### Problem and solution

Make explicit the problem and the enterprise's solution, with elaborate context

ROUND 2

### Impact model and statement

Describe the impact model and record it in an impact statement template

ROUND 3

### Impact chains

Capture inputs, activities and outputs as SMART indicator statements

YOUR THEORY OF CHANGE

Players answer questions individually and together, using templates and examples, with referee guidance if needed.

## WHAT'S IN THE BOX




Character cards




Rule cards

### PLUS GAME TEMPLATES

Impact model, indicator statements using SMART principles, and a Theory of Change template, to download and fill in during play.



> *"The TOC-TOC Card Game taught us to think from different perspectives and solve problems, helping us see important aspects of our company's impact."*
>
> *– MD. Shamiul Islam Shopnil, Relaxy Limited*

CHAPTER

4

# Strengthening the Market for ESOs

How to build an independent market for impact services that outlives the programme funding

A DIAGNOSE · B ALIGN · C DESIGN · **D IMPLEMENT** · E CONVENE · F TRANSFER

## WHO IT IS FOR

Programme designers working through local service providers, and the providers themselves.

## AFTER THIS CHAPTER YOU CAN

Decide on training and certification processes for local providers, and set up a paid market mechanism with built-in quality assurance, in which enterprises choose the provider they work with.

### SECTIONS

- Building a Paid Market for IMM and IIR Support

### BOXES

- Case study · IMM durability with SAJIDA Foundation

# Building a Paid Market for IMM and IIR Support

Invest in the local organisations that support enterprises, not only in the enterprises themselves, since in nascent ecosystems enterprise support organisations (ESOs) provide critical support to early-stage enterprises before they grow and receive downstream funding.

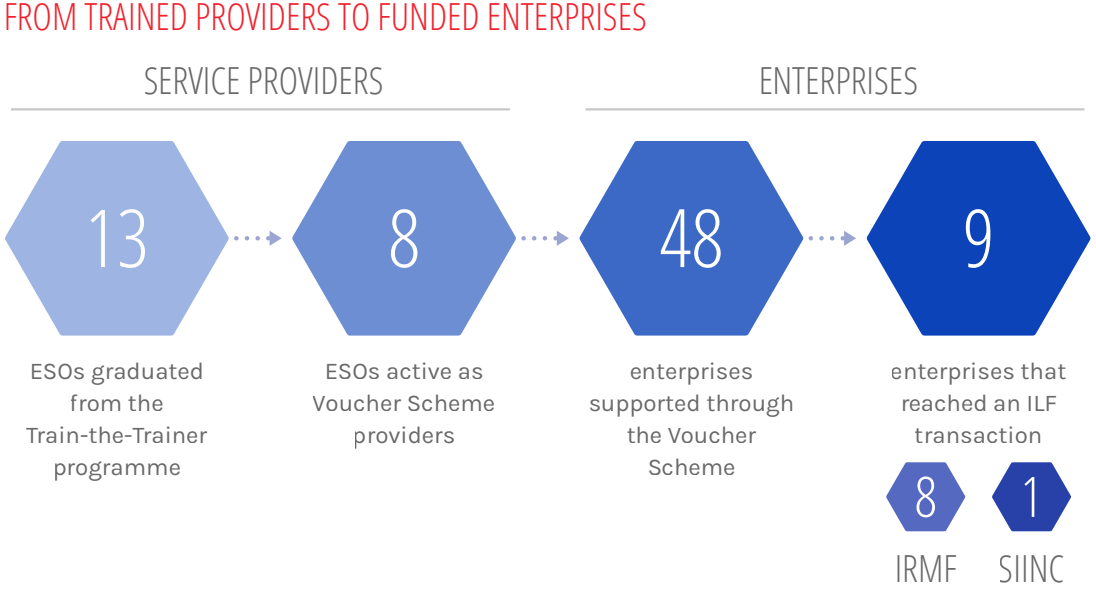
In Bangladesh, the ESO landscape was relatively active before B-Briddhi began, with many organisations born from the rich tradition of social business and microfinance in the country. However, few ESOs, incubators, accelerators, university entrepreneurship hubs, and other business support services were offering IMM support and impact investment readiness (IIR) training. These services complement each other but were unavailable for early-stage entrepreneurs to benefit from as a standalone service package.

Recognising this market gap and related opportunity, the programme team intentionally widened B-Briddhi's capacity building pillar beyond enterprises, focusing on how ESOs could be strengthened through a locally led and market-driven model. The funder also saw the IMM and IIR Train-the-Trainer (TTT) programme as a key lever to reach more impact-driven enterprises, especially at earlier commercial stages and in a more inclusive manner.

With locally embedded ESOs at the helm, B-Briddhi could tap into existing market players who already have local networks, language skills, and a pipeline of enterprises ready to support. Critically, IMM and IIR expertise became embedded into the core capabilities of local ESOs over time.

Programmes that equip local trainers to pass on specialist skills, widely known as Training of Trainers (ToT), are common across emerging market startup ecosystems, but pair yours with a paid

## FROM TRAINED PROVIDERS TO FUNDED ENTERPRISES



route to market so that trained providers can turn new skills into revenue. B-Briddhi's version, the TTT programme, did this by pairing it with the IMM and IIR Voucher Scheme (VS). Service providers who graduated from the hands-on 3-month TTT programme could then deliver voucher-funded TA to impact enterprises, turning their new skills into paid work.

During B-Briddhi's implementation, a total of eight ESOs trained by B-Briddhi wound up delivering a combination of IMM and IIR support to 48 enterprises across four cohorts. What made VS more compelling was the market mechanism embedded within it: enterprises were free to choose their own service provider, and their satisfaction was assessed as part of a performance-based bonus for providers, so quality was rewarded by the market rather than assigned. With providers also receiving a partial voucher stipend for their work, early-stage entrepreneurs without large budgets could access world-class training at a fraction of the price. This had a positive dual effect, as it made critical support more accessible to the wider ecosystem while also strengthening the operational capabilities and revenue streams of high-performing ESOs.

Given the programme's focus on inclusivity, impact enterprises based in a rural location had to pay a lower share of the voucher, only up to 10%, which incentivised access for entrepreneurs based outside the major cities. Consequently, with services extended further afield, the programme team was able to reach more BoP customers in line with the funder's target, proving how an innovative VS model can also reinforce broader programme objectives.

To make this combined TTT + VS model scalable, Roots of Impact used its in-house IMM expertise to further develop resources for Social Finance Academy (SFA) – the impact intelligence and educational arm of Roots of Impact. SFA became the entry point for training ESOs on a thorough IMM curriculum aligned with international frameworks and best practices. The IMM TTT programme was delivered remotely by Roots of Impact trainers through SFA, complete with tools, templates, and adjacent resources to equip ESOs far beyond what the live group workshops covered. After completing individualised and group assessments at satisfactory levels, SFA certified the ESOs by issuing certificates that enabled them to participate in VS.

Meanwhile, the programme also deliberately empowered ESOs to source enterprises that they wanted to work with (and vice-versa), rather than relying solely on Roots of Impact to source pipeline. This resulted in a more sustainable programme with high satisfaction rates. This is exemplified through the following quote from an ESO:

*"[Pair training] with a paid route to market so that trained providers can turn new skills into revenue."*

## HOW THE TTT + VOUCHER SCHEME MODEL WORKED

1

### TRAIN

3-month Train-the-Trainer programme delivered by SFA; ESOs certified after individual and group assessments.

2

### EARN

Enterprises choose their provider and vouchers cover part of the fee; rural enterprises pay up to 10%.

3

### REWARD QUALITY

Providers earn a performance bonus linked to enterprise satisfaction, so the market rewards quality.

4

### CONTINUE

Truvalu, SAJIDA and other trained ESOs will keep offering these services from 2027.

*"The Impact Measurement & Management Train-The-Trainer programme has been a pivotal addition to our organisation's toolkit. It provided us with a comprehensive framework to not only assess our impact but also to continuously improve it. Guidance from the SFA team was key in helping us understand the nuances of impact measurement and how to translate these into actionable strategies. Our organisation is now better equipped to train others, ensuring that the principles of effective impact management are embedded across all levels. This programme is a must-have for any organisation committed to long-term, measurable impact."*

– **Al Zihanur Rahman,** *Head of Investment Analysis and Portfolio for Turtle Ventures (IMM and IIR TTT participant in 2024)*

Likewise, early-stage entrepreneurs receiving VS support also benefitted by building foundational IMM capabilities and figuring out how to position their business to attract growth capital. One service provider and key ecosystem player, Minhaz Anwar from BetterStories, remarked on this point across their portfolio:

*Sample certificate, 2024 cohort. Each service provider received a certificate after graduating from the Train-the-Trainer programme.*




*Across the years, during the Voucher Scheme call for applications, we have featured all certified service providers on the B-Briddhi website*



*"BetterStories' journey with the Social Finance Academy by Roots of Impact began in 2020. Through this partnership, twelve members from the BetterStories team have been trained to offer investment readiness and impact management support. Additionally, twelve startups—including Shuttle, Sheba, and Hishab—have been supported in building their data room and impact management system. The programme has significantly contributed to the growth and success of our portfolio companies, attracting more impact investments to the country and effectively growing the entire startup ecosystem in Bangladesh."*

– **Minhaz Anwar,** *Founder and CEO (quote from 2024 after TTT participation)*

When recruiting ESOs, look in particular for service providers with an investment arm, since in B-Briddhi these proved the most engaged. Investor-service providers – two examples being Truvalu and SAJIDA Foundation – participating in VS were more engaged throughout the programme's duration, participating in multiple cohorts. This is understandable given the added incentive for such service providers to deliver strong IMM and IIR VS support to early-stage enterprises, as it acts as a pre-funnel to conduct deep due diligence and help strengthen their business models before signing any equity or debt deal.

There is initial evidence that IMM and IIR services will continue to be offered in the market after B-Briddhi concludes. Multiple B-Briddhi-trained ESOs will continue offering such services from 2027 onwards, including Truvalu and SAJIDA. This experience showed that pairing training with paid demand, as TTT + VS did, expanded service offerings amongst ESOs and strengthened the broader marketplace for early-stage entrepreneur support, paving the way for more positive impact to be created and sustained over time.



*Trained service providers refresh their impact management skills at an in-person IMM booster workshop in Dhaka, 2023.*

CASE STUDY

# HOW B-BRIDDHI CAPACITY BUILDING ENABLED IMM DURABILITY AND IMPACT SUSTAINABILITY WITH SAJIDA FOUNDATION

SAJIDA Foundation's journey is one of the clearest signs that B-Briddhi's capacity building has taken root in Bangladesh's market. What began as TTT certification for several of its employees has grown into an impact management practice that now shapes how SAJIDA selects, supports and funds enterprises.

**MFI to investor** — Evolved during the programme, from microfinance into impact investing

**Runs 3 funds** — Climate Innovation Fund, OCBIF and Beyond S Ventures

**IMM Embedded** — Now part of SAJIDA's own impact framework.

## HOW THE LOOP WORKED

1. **CERTIFIED**
   Several SAJIDA staff graduated from the Train-the-Trainer (TTT) programme with SFA certification.
2. **DELIVERED**
   Certified staff delivered Voucher Scheme support directly to enterprises SAJIDA would later go on to finance.
3. **FINANCED**
   Relaxy first received Voucher Scheme support, then secured funding through Beyond S Ventures.
4. **EMBEDDED**
   SAJIDA embedded elements of the Roots of Impact-designed IMM curriculum into its own impact measurement framework.

**WHEN RECRUITING ESOs:**
Look for providers with an investment arm. In B-Briddhi they proved the most engaged, as Voucher Scheme work doubled as a pre-funnel for due diligence.

## AMONG THE NETWORK

### SAJIDA FOUNDATION

*"We took a lot of learnings from the SFA IMM Toolkit and designed our own programmes to measure impact, because we're also impact investors at SAJIDA. ...We make sure the best companies are the ones getting funded based on it."*

**Ahmed Jawad Yusuf**
**Technical Specialist,**
**SAJIDA Foundation**



**ABOUT SAJIDA FOUNDATION**
A major healthcare NGO in Bangladesh whose role grew over the programme:
Microfinance institution > Climate Innovation Fund > OCBIF > Beyond S Ventures

CHAPTER

5

# Accelerating Awareness and Adoption

How to collaborate with and convene investors and policymakers in emerging ecosystems

A DIAGNOSE · B ALIGN · C DESIGN · D IMPLEMENT · E CONVENE · F TRANSFER

## WHO IT IS FOR

Implementers working with investors, regulators and advocacy bodies.

## AFTER THIS CHAPTER YOU CAN

Learn approaches to build investor demand locally and regionally, and contribute to policy, in an ecosystem with few long-standing convening bodies.

### SECTIONS


- Shaping the Growth of the Impact Investments Market


### BOXES


- **Case study** · Mainstreaming Impact Through the BIISAP
- **Case study** · Crowding in Regional Capital
- **Practical Insight** · Influencing Systems

# Shaping the Growth of the Impact Investments Market

Financing individual enterprises does not, on its own, build an impact investment market, so if your programme aims for systemic change, plan from the start to mobilise private capital and shape the enabling policy environment alongside enterprise support, as Roots of Impact, LightCastle Partners and the Embassy of Switzerland in Bangladesh did in B-Briddhi.

In 2018–19, investor enthusiasm had not yet translated into the conditions needed for investment: stakeholders were not yet aligned on priorities, the regulatory framework was still under development, and the bodies that could champion impact investment were still young.

The Alternative Investment Rules, introduced by the Bangladesh Securities and Exchange Commission (BSEC) in 2015, had given impact funds their first legal recognition and definition, but few funds had yet been launched under them. Encouraged by the laying of this foundation, between 2015 and 2021, 17 impact fund managers registered under BSEC.

The National Advisory Board for Impact Investing in Bangladesh (NAB), founded in August 2018, was equally new, and in practice, instruments beyond debt and equity, such as convertible notes, revenue-share agreements and mezzanine structures were largely absent from the legal framework and rarely used.

For the programme, the implication was that accelerating adoption would depend as much on shaping the enabling environment and creating replicable models as on financing individual enterprises. In this regard, the funding instruments used by the programme, Social Impact Incentives (SIINC) and Impact Ready Matching Fund (IRMF), were deliberately structured as service agreements rather than regulated financing instruments, allowing them to operate within the existing framework while showing regulators and investors a working model of impact funding.

*"[SIINC and IRMF were] deliberately structured as service agreements rather than regulated financing instruments, allowing them to operate within the existing framework while showing regulators and investors a working model of impact funding."*

*Investors and ecosystem players discuss how to define and measure impact at a B-Briddhi ecosystem dinner in Dhaka, 2022.*



## POLICY ADVOCACY IN NASCENT ECOSYSTEMS

Where the bodies that should lead impact investment advocacy are still forming, as they were in Bangladesh when the programme began, contribute as a knowledge builder and leave decision-making and ownership with local players. Roots of Impact took this role deliberately as an external expert, while NAB membership and decision-making remained with local players. This approach culminated in the NAB appointing Roots of Impact and LightCastle Partners to develop the Bangladesh Impact Investment Strategy and Action Plan (BIISAP), described in the box below.

Sequence your advocacy, using the early phase to engage stakeholders and agree shared policy priorities, and then shifting to disseminating replicable examples and building awareness through engaged, active individuals and intermediaries rather than through formal bodies alone. In B-Briddhi, Phase I served the first purpose and Phase II focused more on the second, with the programme working through individual NAB members and intermediaries such as Truvalu to mainstream IMM adoption and gender lens investing among capital providers, including banks. Look, too, for existing regulation you can build on, as B-Briddhi did when its gender lens work drew on a regulation that caps interest on loans to women business owners at 5% per annum.

At the same time, expect policy work to stall for reasons outside your control: B-Briddhi contributed to the draft Startup Policy of Bangladesh, which would have officially recognised impact investing as a distinct investment strategy. Developed under the previous government, the policy was neither finalised nor formally adopted before the political transition of July and August 2024. With the interim government focused on macroeconomic stabilisation, startup and impact investment initiatives were deprioritised, and drafting and consultation had not resumed even after the election of a new government in February 2026.

**This experience showed that hard-won policy progress in a nascent ecosystem remains fragile to unrelated macroeconomic and contextual challenges. You should therefore treat formal policy change as an upside rather than a programme milestone and invest instead in local champions who can carry the agenda forward in due time.**

## THREE SIGNALS THAT THE MARKET IS GROWING

1

### PUBLIC CAPITAL CO-INVESTS

Startup Bangladesh Limited, the government's venture capital fund, co-invested in B-Briddhi-supported enterprises.

2

### INVESTORS ASK FOR TRAINING

Investor associations and individual investors requested training on impact management themselves.

3

### INVESTORS WITH THEIR OWN TOC

Six investors in Bangladesh developed their own impact theories of change with the programme.

CASE STUDY

# MAINSTREAMING IMPACT THROUGH THE BANGLADESH IMPACT INVESTMENT STRATEGY AND ACTION PLAN

The BIISAP stands as a landmark in B-Briddhi's advocacy work, as the NAB entrusted Roots of Impact and LightCastle Partners with developing the country's strategy for mainstreaming impact investment. The case below shows how a programme that acts as a knowledge builder, while leaving ownership with local actors, can help shape the direction of a market.

## RECOMMENDATIONS

1. Implemented with Truvalu through awareness workshops, and impact-management guidance for investors, bankers, and enterprises.

2. Standardising IMM, the strategy's highest-rated recommendation Implemented IMM training for local investors, and the Innovative Finance Toolkit put to work in published transaction case studies.

**15** in-depth interviews with key stakeholders for developing the strategy

**35+** stakeholders in deep-dive sessions

**9** Recommendations developed to help develop the impact investment market

**5** Recommendations identified as priority areas in the action plan

**2** priority areas the programme committed to advance

**2020**

**NAB APPOINTS**
Roots of Impact and LightCastle Partners to develop the strategy

**2021**

**FINALISED**
Nine recommendations developed across five priority areas

**AUG 2022**

**LAUNCHED**
Bangladesh's first shared impact investment roadmap

**Since 2022**

**PRIORITY RECOMMENDATIONS IMPLEMENTED**
With NAB members and other ecosystem players

**THE LESSON**
If your ecosystem has a national strategy, commit to the recommendations that you and programme partners can credibly advance, and take them forward directly with organisations who can start implementation.

DOWNLOAD THE REPORT



## BUILDING INVESTOR DEMAND LOCALLY AND REGIONALLY

Before designing any catalytic instrument, map who is actually investing, at what ticket sizes and under what mandates, because understanding the shape of the market is critical to effective outcomes. In Bangladesh, both the number of investors and the available capital were thin in the programme's early years. Development finance institutions accounted for more than 90% of impact capital and sought larger, more mature deals, such that only one in twenty-eight transactions fell below USD 1m, leaving early-stage impact enterprises without capital of the right size.

Bangladesh Angels Network, the country's first angel network, had been established only in 2018, and few institutional investors carried an explicit impact mandate. Accelerating adoption therefore meant building a shared understanding of impact among investors and designing instruments that matched the ticket sizes and risk appetite of local, diaspora, and regional investors.

The programme matched each of its two catalytic instruments to a distinct segment of the investor market, defined by ticket size and by the type of investor active at that scale. The IRMF targeted transactions of up to USD 100,000 and offered matching capital without diluting ownership, which often appealed to angel investors interested in co-investing. SIINC, by contrast, addressed larger transactions where the enterprises were raising around USD 1m in investments, by tying an additional revenue stream of up to USD 250,000 to independently verified impact. This also improved an enterprise's risk-return profile for more established local and regional investors operating at that scale.

Involve local investors in sourcing candidates for catalytic funding as well, as B-Briddhi did with Startup Bangladesh Limited, so that the pipeline reflects what private investors are also willing to fund and the programme becomes embedded in the local investment community. By 2026 the local capital base itself was visibly deepening with new local impact funds coming in and the establishment of the Bangladesh Bank-backed USD 52m venture fund.

At a regional level, the programme played an active role in building the relationships and visibility of impact entrepreneurs in Bangladesh with Accelerating Asia and Impact Investment Exchange (IIX). This led to co-investments in many of the enterprises supported by the programme, including Agroshift, Aunkur, iFarmer, Hishabee and MedEasy. **At the level of the portfolio, these efforts have contributed to B-Briddhi-funded and supported enterprises raising ~USD 29.5m in investments.**

Do not stop at persuading investors that impact matters; help them build impact management into the way they themselves invest, which proved the programme's most consequential intervention with

## EACH INSTRUMENT FITTED TO A DISTINCT SEGMENT OF THE MARKET




### THE MARKET GAP B-BRIDDHI ADDRESSED

Only one in twenty-eight transactions fell below USD 1m, while DFIs held over 90% of impact capital and sought larger deals.

### IRMF

Non-dilutive matching capital that often appealed to angel investors interested in co-investing.

### SIINC

Co-investment of around USD 1m for USD 250k in SIINC revenue tied to verified impact outcomes for established local and regional investors.

investors in Bangladesh. Start by convening investors around a shared language, as B-Briddhi did, using ecosystem dinners and workshops to introduce the Impact Management Project's dimensions of impact and to surface an investment-ready pipeline through Investor Deal Books.

As these engagements clarified the needs of the field, the programme responded with a first-of-its-kind training on portfolio-level impact management for investors. Because investor associations and individual investors requested this training themselves, the programme read it as a direct return on its consistent messaging on standardising impact management and as a sign that local capital providers were beginning to treat impact management as a discipline**. Policy changes and formal fund launches may occur beyond your programme's timeline, so focus your role as an expert on planting the idea, building awareness and transferring the knowledge that will inform future action.**

Look beyond the domestic market as well and use regional platforms both to position your programme as a replicable model and to connect your enterprises to a wider pool of capital. Through a knowledge partnership with the Aspen Network of Development Entrepreneurs (ANDE), B-Briddhi delivered webinars on building an impact-investment ecosystem with ILF and participated in an Investment Management Training for thirty fund managers from South and Southeast Asia, co-sponsored by the Australian government's KINETIK programme.

A parallel partnership with the Centre for Sustainable Finance and Private Wealth carried the programme's approach to private wealth holders across Europe, Asia and the United States, including in a panel at the EPIC Wealth Holders Conference in Singapore shared with the Embassy of Switzerland.

Prioritise platforms where your enterprises are presented directly to investors, since in B-Briddhi's experience these generated the most tangible capital connections. A roundtable at the AVPN Southeast Asia Summit in Singapore opened conversations for the featured enterprise, Agroshift, while a session on mobilising Impact-Linked Finance for gender outcomes at the 2X Global Summit in Manila, featuring Shomvob, generated several investor leads and drew the interest of regional gender-lens funders.

In sum, the programme found that investor demand for impact is built on two foundations at once: locally, by making impact management part of domestic investors' consideration, and convening them around a credible pipeline of commercially viable yet high-impact enterprises that received programme support. Regionally, it was built by presenting a replicable model that draws capital to Bangladesh's enterprises and positions the country as a template for other emerging markets.

*"Prioritise platforms where your enterprises are presented directly to investors."*

*The programme designed and updated an Investor Deal Book of the B-Briddhi portfolio companies to help showcase investment-ready impact enterprises. Here is an example from February 2025*



Ecosystem change is slow and rarely visible in a single headline figure, so decide early which signals will tell you that the market is moving, and track them alongside transaction volumes and capital mobilised. In B-Briddhi, three signals proved most telling, each reflecting a change in behaviour by actors outside the programme.

The first was Startup Bangladesh Limited, the Government of Bangladesh's venture capital fund, co-investing in B-Briddhi-supported enterprises, which showed that public capital was prepared to back the programme's pipeline. The second was investors themselves requesting training on impact investment, as described above, which indicated that demand for impact management was beginning to come from the market rather than from the programme. The third was six investors in Bangladesh developing their own impact theories of change with the programme, a sign that impact was being built into investment strategy rather than treated as a reporting requirement. When choosing your own signals, favour those that show other actors changing how they invest, since these offer the clearest evidence that adoption will continue after the programme ends.

PRACTICAL INSIGHT

## INFLUENCING SYSTEMS

A systems change programme cannot achieve its outcomes alone: it depends on capital providers, policymakers and other stakeholders acting together.

**DO THIS**

Identify which actors need to act together for the outcome to result, and which outcomes they already share as priorities.

**HOW**

Work through the checkpoints in order, ending with the role the programme itself should play.

**WATCH OUT**

In nascent ecosystems, the regulation and convening bodies that would normally support coordination are missing or still forming.

### DECISION CHECKPOINTS

- Who are the relevant actors, especially in the absence of clear decision-makers?
- What is the level of awareness and alignment on goals of the relevant actors? What are the actions being taken by them?
- Given the answer to the previous questions, which are some of the outcomes that are shared priorities for the actors?
- Which role should the programme itself play, whether convenor or knowledge builder, and which roles should remain with partners and other local actors?

CASE STUDY

# CROWDING IN REGIONAL CAPITAL

Among B-Briddhi's proudest achievements is the regional capital it has helped bring to Bangladesh's impact enterprises. Through sustained relationship-building with regional investors like Accelerating Asia, enterprises that once struggled to raise early-stage capital are now attracting co-investment from across Asia.

The design of several programme interventions, notably, the Voucher Scheme, ILF Readiness Bootcamp, Catalytic Funding and Advocacy, is aimed at mobilising more private capital for impact. The concerted efforts show, not just in terms of the enterprises supported by notable regional investors but also in the amount of capital mobilised. **By Q2 2026, the programme had supported the mobilisation of USD 29.5m to enterprises that received B-Briddhi funding and training.**

**THE LESSON**

Treat catalytic funding as a feeder, not an endpoint: in B-Briddhi, enterprises that came through SIINC and IRMF became credible candidates for regional accelerators and private investors.

## FROM CATALYTIC FUNDING TO PRIVATE INVESTMENT

### 1 RECEIVED B-BRIDDHI FUNDING

SIINC IRMF




### 2 JOINED A REGIONAL ACCELERATOR

ACCELERATING ASIA

### 3 BACKED BY OTHER PRIVATE INVESTORS

LOCAL INVESTORS

- Bangladesh Angels
- STARTUP BANGLADESH LIMITED™
- ANCHORLESS BANGLADESH

GLOBAL INVESTORS

- SOSV
- Tenity
- COCOON
- village capital

CHAPTER

6

# Responsibly Exiting the Ecosystem

How to hand over capability, so that local interventions can continue

A DIAGNOSE · B ALIGN · C DESIGN · D IMPLEMENT · E CONVENE · F TRANSFER

## WHO IT IS FOR

Funders and implementers planning the end of a programme.

## AFTER THIS CHAPTER YOU CAN

Plan an exit that leaves local capability, a shared ecosystem identity and market confidence behind.

### SECTIONS

- Strengthening Local Champions
- Nurturing a Shared Ecosystem
- Codifying and Localising Learning

### BOXES

- **Practical Insight** · Localisation of Knowledge
- **Case study** · Evolution of the ecosystem, 2019–2026

# Strengthening Local Champions

In 2019, Bangladesh's impact investment ecosystem was more a collection of separate efforts than a coherent market. Incubators and accelerators ran their own programmes, a handful of investors pursued their own theses and development partners funded discrete interventions, but there was no shared definition of impact, no common standard for measuring it and little coordination among these actors, a picture the Phase I Mid-Term Review confirmed.

Design your programme from the outset so that, once it ends, the next phase of the ecosystem's development can be led entirely by local actors, as B-Briddhi was designed to do. This became more urgent in the programme's final two years, when new knowledge materials and training were planned specifically to institutionalise its key learnings locally. Plan your exit as a transfer rather than a withdrawal, deliberately handing models, capabilities, knowledge and market confidence to local actors working towards a common goal, which is how Roots of Impact and SDC understood responsible exit in B-Briddhi.

Phase I also showed how deep this fragmentation ran and how much effort collaboration would require. For implementers, the lesson is to choose each component as much for the local capabilities it will leave behind as for what it delivers during its term, which is how B-Briddhi approached Phase II.

As the Mid-Term Review noted, B-Briddhi worked at three levels at once, each designed to seed a capability that could outlast the programme. At the micro level, it tested ILF models calibrated to the Bangladeshi context that others could replicate. At the meso level, it built a market for trained local ESOs offering IMM and IIR services. At the macro level, it contributed to policy and market infrastructure, including neutral convening that aligned actors on impact investment priorities across the ecosystem.

Trust in a foreign-funded initiative could not be assumed; it had to be built, so treat branding and communications as part of your programme's design rather than a layer added afterwards. From the outset, the programme carried a Bangla name, Biniyog Briddhi ('fostering investments'), chosen to resonate in the local market.

Messaging and visual identity were shaped by local context rather than a global template, select outreach materials were translated into Bangla, and content was amplified through implementing partners' own channels, including LightCastle Partners and SDC's Bangladesh office, under shared attribution. Communications also led with enterprise and beneficiary stories rather than programme mechanics, so the market came to associate B-Briddhi with impact rather than with any single implementer or funder. As a result, B-Briddhi became seen as a collective, localised initiative.

## WORKING AT THREE LEVELS

Each level designed to leave a capability behind




Tested Impact-Linked Finance models calibrated to the Bangladeshi context that others could replicate.

Built a market for trained local ESOs offering IMM and IIR services.

Contributed to policy and market infrastructure, including neutral convening that aligned actors on impact investment priorities.

CASE STUDY

# FROM PROGRAMME NAME TO ECOSYSTEM BRAND: HOW COMMUNICATIONS FOLLOWED IMPLEMENTATION

B-Briddhi became a recognisable ecosystem brand because communications was never bolted on once the programme was approved. It was built into the programme strategy from the outset: its first job was to simplify complexity, and its rhythm was set by the programme's own milestones.

## THE REAL UNLOCK: A CADENCE SET BY MILESTONES

When and how something was communicated depended on the milestone itself. Four types of content, each with its own rhythm:

| | |
|---|---|
| BRAND | **All along:** a local identity the ecosystem recognised as its own. |
| OPPORTUNITIES | **On each call:** clear entry points, so audiences knew when and how to take part. |
| ACHIEVEMENTS | **Quarterly:** a steady drumbeat that made the programme's traction visible. |
| LEARNINGS | **Built to last:** knowledge that keeps working long after it is published. |

## WHAT MADE IT A BRAND, NOT A CAMPAIGN

1. **CONSISTENCY, RELENTLESSLY**
   The same pillars, visual identity and tone across every channel and partner, for years.
2. **LOCAL KNOWLEDGE SHAPED THE STRATEGY**
   Built for Bangladesh, from the Bangla name to the visuals, not adapted from a global template.
3. **PARTNERS' CHANNELS, SHARED CREDIT**
   Larger partner audiences amplified content under one attribution guideline.
4. **STORIES BEFORE MECHANICS**
   Enterprise and beneficiary stories made 'impact' the word people associated with B-Briddhi.
5. **CONVERSATIONS, NOT ANNOUNCEMENTS**
   Gatherings, webinars and events built two-way exchange, with stakeholders as speakers and storytellers.
6. **A BRAND OTHERS WANTED TO JOIN**
   As a visible thought leader, B-Briddhi made other actors want to be seen as part of it.

## THE NARRATIVE FOLLOWED IMPLEMENTATION

| | PHASE I | PHASE II |
|---|---|---|
| WHO WE TALKED TO | Impact enterprises | Partners who reach new regions |
| WHAT WE EXPLAINED | What impact investment means | The impact on end beneficiaries |
| HOW WE SAID IT | New terms, repeated the same way | Stories, in simpler language |

### SHARED TOOLS FOR EVERY PARTNER

- Brand guidelines and standard boilerplates
- Attribution guideline for all stakeholders
- Shared glossary and communications handbook
- Crisis framework with a rapid-response team

**SIGNS IT WORKED**

"Impact" became the word people linked to B-Briddhi. Stakeholders saw it as their programme too, and many still see it as a local investor.

# Nurturing a Shared Ecosystem

The programme's interventions worked almost exclusively with Bangladesh-based organisations, but just as important to localisation was its role in getting those organisations to work with each other. Incubators, accelerators, investors, verifiers, advisory firms and other ESOs that had previously operated in isolation were gradually drawn into a common impact investing community, working towards shared standards and goals. Investors such as Startup Bangladesh Limited, the government-backed VC fund, began to apply an impact lens, and providers who had worked only with startups or non-profits became part of a wider market.

Measure your progress on localisation accordingly, since the real shift lies less in what any one organisation achieves than in a once-scattered set of actors working towards shared goals and seeing themselves as one ecosystem.

Do not rely on formal governance alone to produce this shared identity, since informal spaces for exchange matter just as much. In B-Briddhi, a programme-wide WhatsApp group and in-person convenings, including two ecosystem workshops on holistic leadership for impact creation, gave these actors an ongoing, informal space to exchange directly.

Meanwhile, a shared glossary and communications handbook, used consistently by all implementing partners, meant that even technical vocabulary reinforced the sense of working within one framework rather than several parallel ones.

This coalescence also gave the ecosystem resilience when the wider environment turned unstable. Research on Bangladesh's entrepreneurial ecosystem during the political unrest of July 2024 described a disruptive period of cancelled investments, weakened confidence and a wait-and-see posture among capital providers. What carried the ecosystem through was the relational continuity, transparency and inclusive convening its actors had built between them (Harima et al., 2026).

1

### MEASURABLE IMPACT

Making measurable impact a part of the mainstream conversation – among investors, enterprises and partners

2

### ILF AS A MODEL

The 16 ILF transactions structured and implemented in B-Briddhi serve as replicable models for incentivising impact.

3

### COLLABORATION LEADING TO A COHESIVE IDENTITY

The programme has created opportunities for multiple stakeholders to collaborate with one another and built opportunities for the future.

4

### KNOWLEDGE EXCHANGE

The programme has approached knowledge management and exchange with an iterative lens – responding to the needs and demands of the ecosystem.

The same study concludes that the most useful role for ecosystem actors and policymakers in such moments is to act as conveners who sustain shared spaces for reflection and coordination, which is a close description of the infrastructure B-Briddhi had spent years assembling and a strong argument for investing in convening long before a crisis arrives.

Expect knowledge transfer and the shift towards a shared identity to take hold unevenly across actors, especially in nascent or fragile ecosystems, where organisations are young and have had little time to embed new practices. Interviews and surveys conducted by the programme team showed that how deeply individual enterprises adopted IMM depended on their stage, their scale, and their founder's motivation.

The smallest enterprises, particularly those whose business models were still uncertain and prone to pivots, often struggled to sustain thorough impact measurement. Enterprises that could not clearly link impact to commercial performance were also at risk of losing motivation without focused, ongoing support. External shocks common in nascent ecosystems, such as Covid-19, political unrest and regional conflict, put further strain on already fragile early-stage enterprises. In such conditions, set differentiated expectations for adoption from the start and concentrate ongoing support on the enterprises whose stage, scale and founder motivation make sustained IMM practice most likely.

PRACTICAL INSIGHT

## LOCALISATION OF KNOWLEDGE IN NASCENT ECOSYSTEMS

Because programme implementers are not always prominent actors in policy or investment decision-making, institutionalise the knowledge products and insights they generate during implementation rather than at the end.

**DO THIS**

Make localisation a natural part of the process by design, by including co-implementation and local partnerships a part of the implementation.

**HOW**

Build it into the three practices below while the programme is running.

**WATCH OUT**

Localisation practised only as passive knowledge sharing can lead only to awareness. Co-implementation and partnerships for execution are critical for thorough localisation of knowledge in ecosystems.

### PRACTICES TO BUILD IN

- Partner closely with key local stakeholders so that learning happens hands-on.
- Produce knowledge pieces in response to the signals received from local stakeholder interactions.
- Foster collaboration between local actors through formal and informal convenings, such as peer-to-peer exchanges.

# Codifying and Localising Learning

Reserve the final years of a programme for consolidating its learning into durable, transferable forms, as B-Briddhi did when, after years of focusing on local co-implementation, it shifted its last two years towards knowledge products and advocacy.

This Playbook is itself an instrument of that handover, capturing the programme's methods so that future practitioners and funders can replicate them. It is complemented by several other practical tools, including the programme's lean verification handbook, innovative finance resources, six transaction-level case studies, and climate IMM products, that translate tacit experience into usable method. Independent external assessments of the programme's impact management system and of impact management adoption, commissioned as the programme wound down, add a further layer of institutional memory by documenting both what worked and the lessons learned that could be taken forward by future interventions.

Knowledge that is disseminated but not localised is unlikely to outlast a programme's exit, so adapt it to the market it is meant to serve. In B-Briddhi, the programme's tools and instruments were adapted to the specific regulatory, tax, and commercial realities of Bangladesh, including the constraints that shape how impact finance can be structured there rather than imported wholesale from other markets.

By embedding this adapted knowledge in local partners and local institutions, the programme sought to ensure that the capability to deploy funding that embeds impact would reside in the market itself, and not only within Roots of Impact and other external experts.

Judge your exit by what begins to operate without the programme, since this offers the clearest evidence that a responsible exit is achievable. By 2026, a set of new, largely locally driven initiatives had emerged that carry forward the objectives B-Briddhi had championed, with several of them

## WHAT THE PROGRAMME LEAVES BEHIND

Tacit experiences concretised through usable approaches for furthering ecosystem growth:



explicitly building on its learning. These initiatives, including the Access to Green Finance Programme and the ORE II Fund, are discussed in more detail below.

While impressive in terms of the capital committed, the new initiatives matter less for their individual size than for what their emergence signals about the market's trajectory, as it is evident that commercially oriented vehicles are now being raised and deployed by local and regional actors, inspired by approaches that B-Briddhi helped pioneer, and carried by implementers the programme collaborated with closely. This is the surest indication that the responsibility for sustaining impact investment in Bangladesh has begun to shift from the programme to the market itself.

While successes matter, it is also helpful to be candid about the constraints that lie beyond any single programme and will shape how far the next phase of market development can reach. The external assessment of B-Briddhi identifies several structural barriers to a self-sustaining local impact finance market, including:

- The Bangladesh Securities and Exchange Commission's cap on fund-management fees at 2% limits the size of the teams local funds can afford, and therefore their capacity to actively manage heterogeneous portfolios or conduct rigorous impact monitoring.

- Investors willing to accept below-market returns are almost entirely absent from the market, and even development finance institutions expect commercial returns. The most viable source of capital is therefore commercial investors who apply an impact lens, which leaves little funding for enterprises whose impact models cannot yet deliver market-rate returns.

*"Knowledge that is disseminated but not localised is unlikely to outlast a programme's exit."*




*A locally led seminar on gender lens investing, organised by Truvalu with B-Briddhi, 2023.*

CASE STUDY

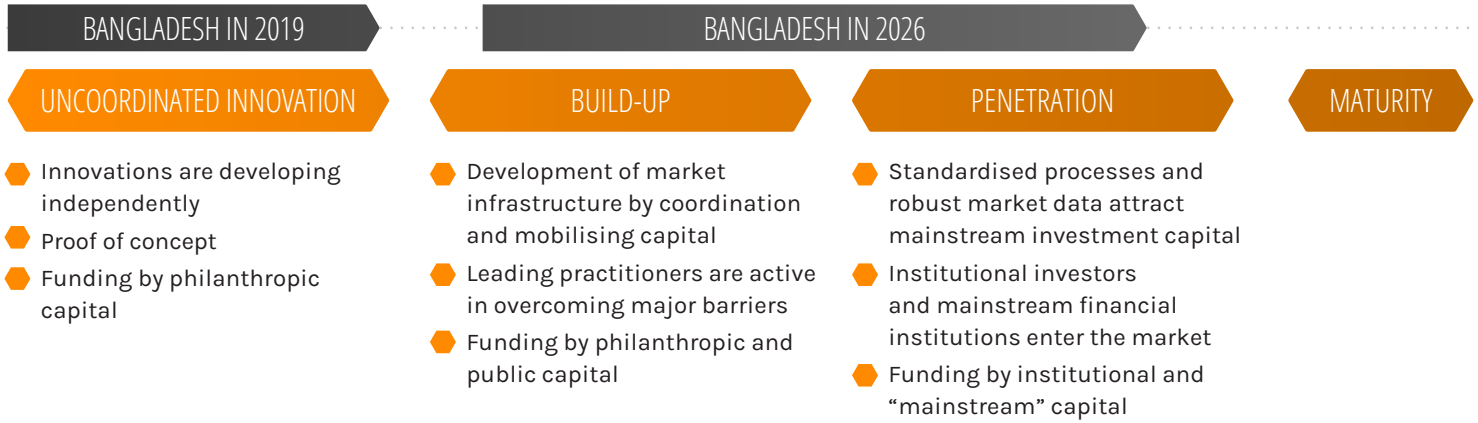
# THE EVOLUTION OF BANGLADESH'S IMPACT INVESTMENT ECOSYSTEM, 2019–2026

Between 2019 and 2026, Bangladesh's impact investment ecosystem travelled further than many observers thought possible when B-Briddhi began. The story below traces that remarkable journey, from fragmented beginnings to a market that now has its own infrastructure and is attracting commercial capital.

## HOW MARKETS MATURE

The trajectory the programme set out to influence can be read against a simple model of how impact investment markets mature, moving from uncoordinated innovation, through a build-up of market infrastructure, into penetration by mainstream capital, and ultimately to maturity. The early innovation stage is typically marked by a market that is fragmented and funded by philanthropic capital, while the build-up stage shows the deliberate construction of market infrastructure, the mobilisation of blended public and philanthropic capital, and the emergence of leading practitioners working to overcome the market's major barriers. Penetration follows once standardised processes and reliable market data begin to attract mainstream and institutional investors.

When B-Briddhi began, Bangladesh sat firmly in the first stage of market development. Impact-oriented innovation was only just under way but developing independently, proof-of-concept models were scarce, and what capital existed came overwhelmingly from philanthropic sources, with little of the coordination or shared infrastructure that defines a maturing market. This was the fragmented starting point described at the opening of this chapter. The programme was therefore designed not to add another isolated initiative but to take a systems lens to help move the entire market along the curve.




By 2026, the ecosystem is materially advanced. It is positioned in the "build-up" stage and is beginning to show the first features of penetration. The market infrastructure characteristics of build-up are visible, from a functioning National Advisory Board and a growing corps of trained and certified local service providers to standardised impact-measurement practices adopted by many enterprises and leading local practitioners actively working to overcome the market's barriers. The early signs of "penetration" are equally concrete; they take the form of the successor vehicles like the USD 10m Bangladesh Impact Fund, which offers flexible equity, debt, and convertible financing, the USD 10m ORE II Fund that targets industrial decarbonisation, and the USD 20m Access to Green Finance Programme that carries Impact-Linked Finance forward on an investor-incentive model. Together these point to commercial and institutional capital beginning to enter a market that, only a few years earlier, had depended almost entirely on donors. At the individual transaction level as well, innovations are being made to incentivise impact creation. In one deal, the investor provided capital with a standard 20% valuation discount, but because the startup met specific impact metrics (increasing its ratio of female students), the discount was reduced to 10%, effectively offering the founder greater funding for the same equity dilution. These initiatives come in addition to the USD 12m in additional benefits to Bottom of the Pyramid (BoP) customers and USD 35.4m in private capital mobilised at the programme level across Phases I and II.

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*B-Briddhi Phase II is a multi-year programme dedicated to improving the lives of underserved groups in Bangladesh and increasing their access to essential products and services by supporting and scaling impact enterprises.*
*The programme is gender-inclusive and seeks to contribute to climate adaptation.*
*B-Briddhi Phase II is supported by Switzerland #SwissinBD and implemented by Roots of Impact & LightCastle Partners.*

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