Tap the Untapped #1: Making Capital Additional

1 July 2025

Impact Europe

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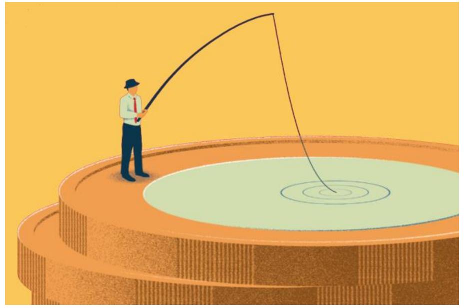
Tap the Untapped | A new series

You are watching Impact Europe's *Tap the Untapped* – a three-part live series combining new data with expert insights to explore how to unlock more capital for impact

1# Making Capital Additional
|1 July, at 12:00-13:00 CEST
Alice Carle, Inco Ventures
Petr Vitek, Tilia Impact Ventures

2# Making Impact Measurable, Comparable & Investable
| 7 July, at 12:00-13:00 CEST
Matt Ripley, Impact Frontiers
Matthew MacGregor-Stubbs, UBS Optimus Foundation



3# Making the Most of Market Movers
| 17 July, at 12:00-13:00 CEST
Gaetan Herinckx, Phitrust
Rita Casimiro, Maze Impact

Our speakers of today

Alessia Gianoncelli
Impact Europe

Alessio Venturato
Impact Europe

Alice Carle
INCO Ventures

Petr Vítek
Tilia Impact Ventures

Agenda

- Few data points to introduce the discussion
- Key Insights of the Day
- Interactive Polls
- Practitioner Panel with Alice Carle and Petr Vítek
- Audience Q&A
- Closing Remarks

1. Few data points to introduce the discussion

We are far from achieving SDGs

- There is currently a huge financial gap preventing the achievement of SDGs: $4 trillion per year for developing countries alone (Source: OECD, 2024).
- The progress assessment published in 2024 reveals that we are seriously behind schedule in achieving the SDGs, with only 17% of the targets being on track, whereas 35% (18% + 17%) are either in stagnation or in regression (Source: UN, 2024) – Figure 1.

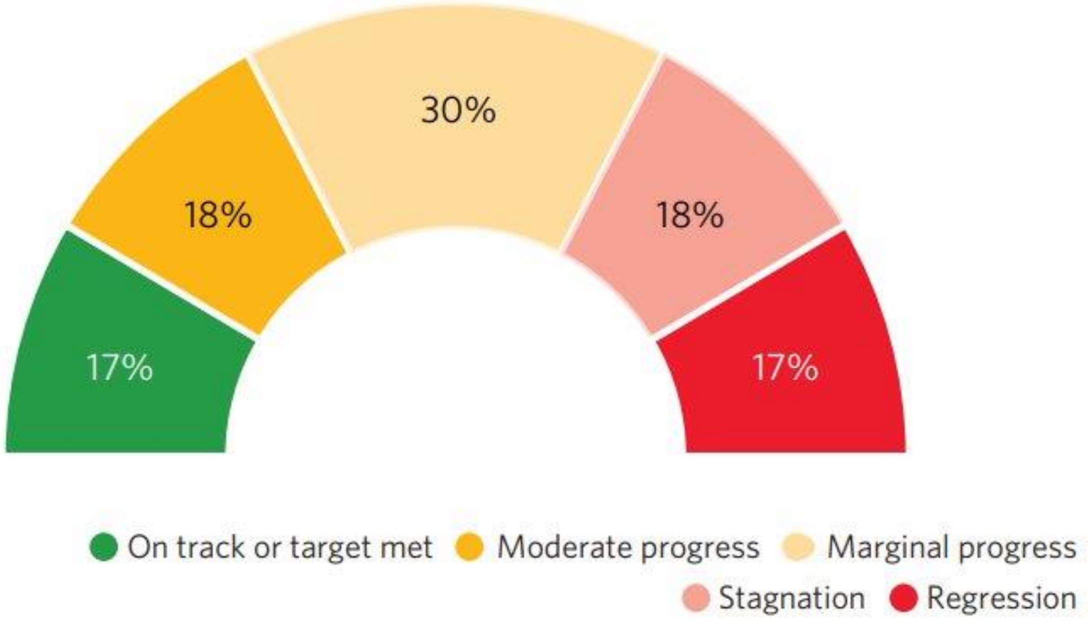


Figure 1. Overall progress across targets based on 2015–2024 global aggregate data

Public funding and foreign aid are shrinking

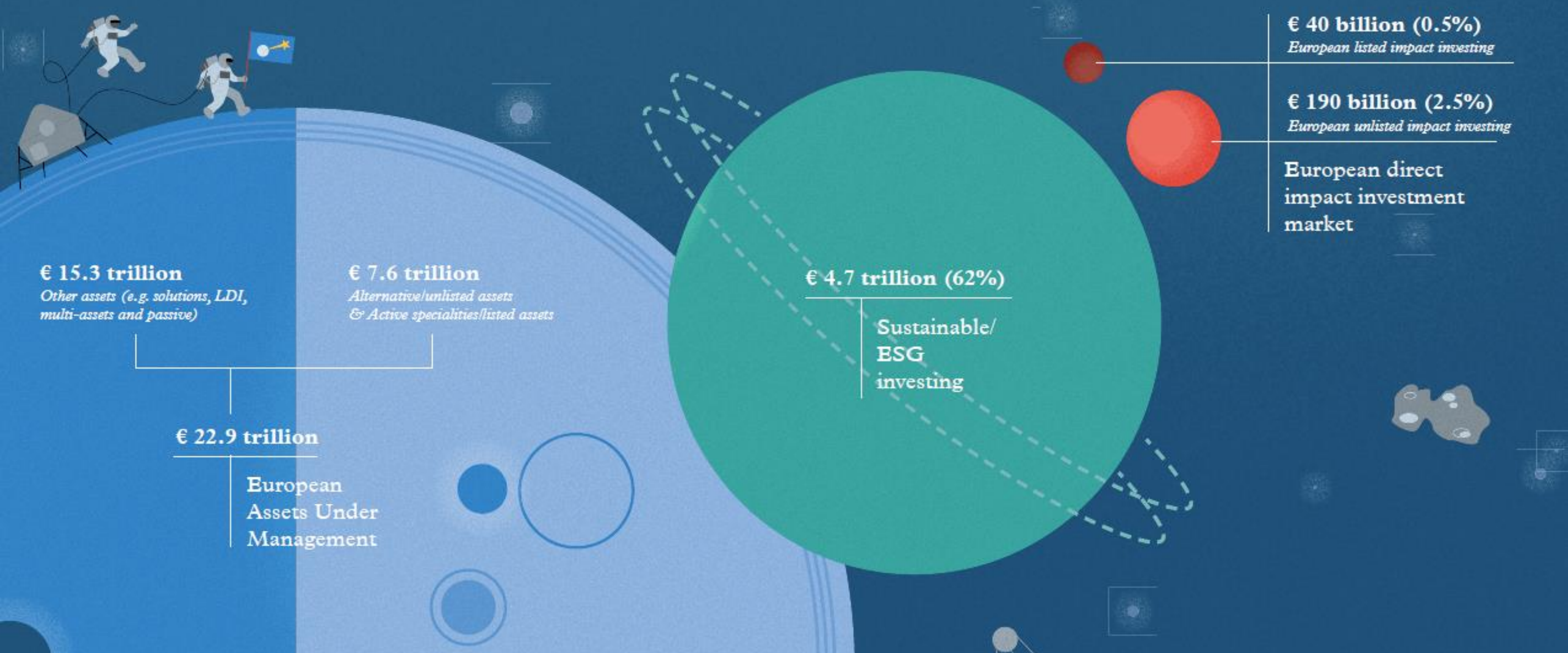
- Official Development Assistance (ODA) is set to decline in 2025, continuing the reversal in growth seen since 2020. The OECD projects a drop of 9 to 17% in 2025, bringing net ODA to between USD 186 billion ("lower cut" scenario) and USD 170 billion ("higher cut" scenario is set to decline by 9% to 17% in 2025 (Source: OECD, 2025)

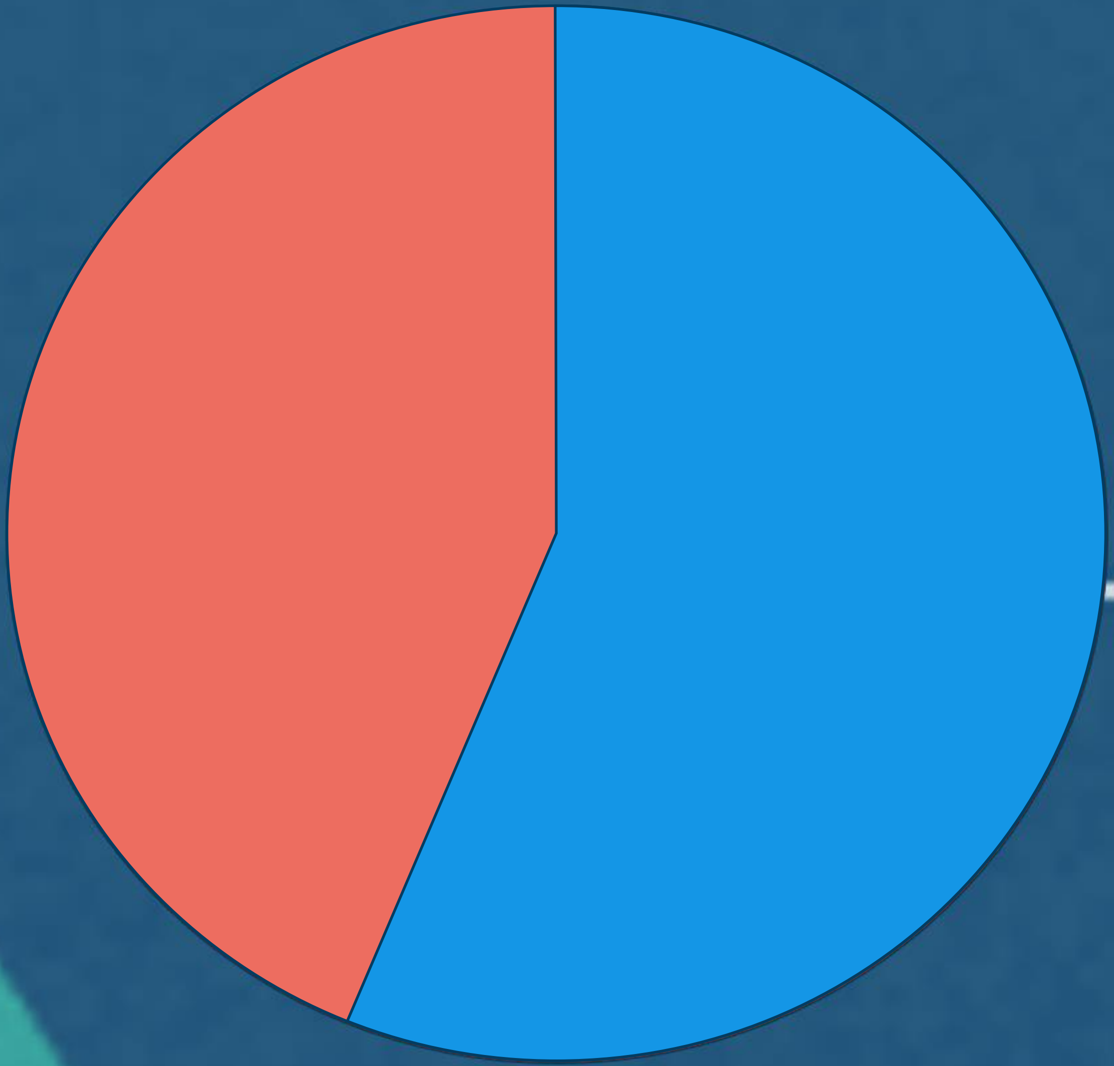
- Over 80% of USAID funding is to be cancelled (Source: WEF based on Reuters).

- And it's not just the US, other countries are reducing their foreign aid allocation, including some of Europe's largest global health funders (Source: WEF based on EuroNews).

FIGURE 1

Size of the European direct impact investment market





€ 190 billion of direct impact investments in unlisted assets

(growing, but still representing only 2.5% of the €7.6 trillion, which is the total AUM considered eligible for impact investing in Europe)

62% (€) is estimated to be additional, either financially or non-financially

We need more capital brining in additionality

1 Intentionality

.

2 Measurability and impact managment

3 Additionality

Additionality is the quality of an intervention / an investment to add. An intervention / an investment characterised by additionality will lead, or has led, to **effects which would not have occurred** without it.

There are **two types** of additionality at the investee level and at the investor level, which is tracked through **investor contribution** and can be **financial** and **non-financial**.

2. Key Insights of the Day

Insights produced by leveraging EIIC granular data from 105 European impact investors responding to our latest survey in 2024

Partners that have contributed to the data report in 2024

Impact Europe

GSG IMPACT

impact investing institute

INVEST FOR IMPACT DENMARK

NAB Driving real impact

Impact Finance Belgium

GSG FRANCE FOR IMPACT FINANCE

POLITECNICO MILANO 1863 SCHOOL OF MANAGEMENT

maze

esade

Spain nab National Advisory Board for Impact Investment

SOCIAL IMPACT AGENDA PER L'ITALIA

HIIN HELLENIC IMPACT INVESTING NETWORK

EY DK Impact Investing Advisory Board

Data Report | *November 2024*

Link

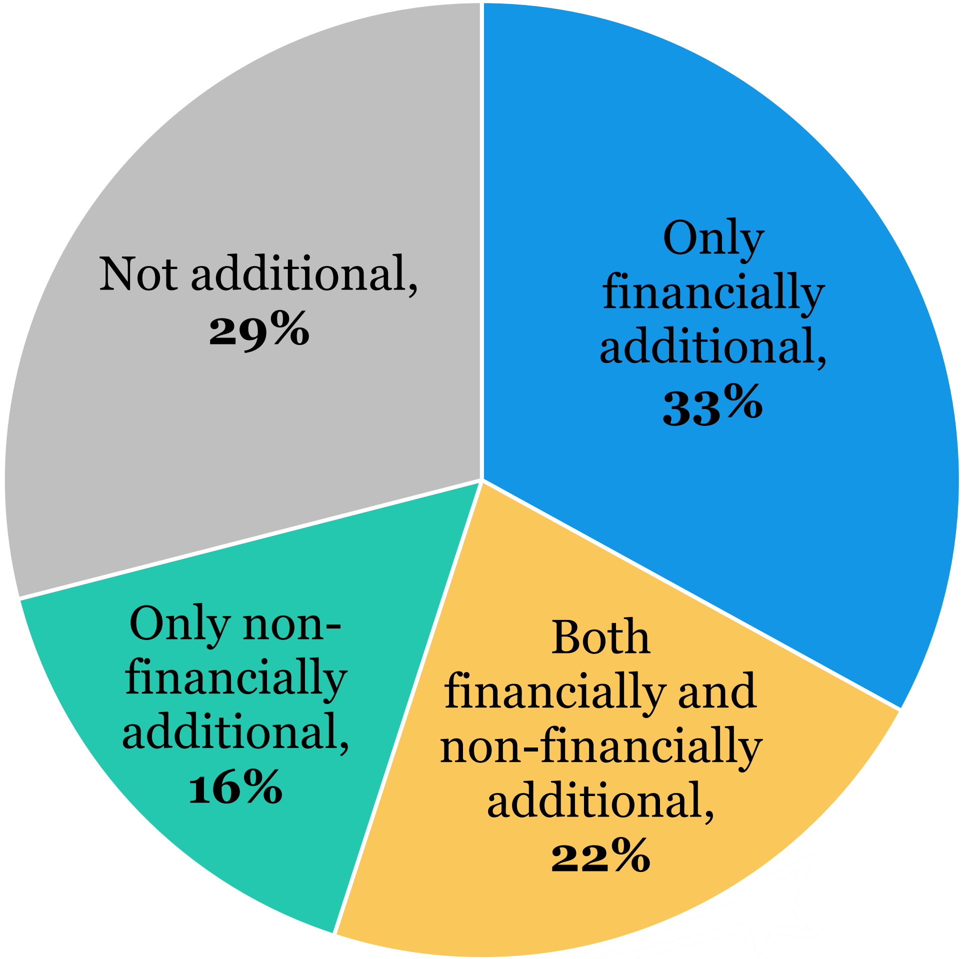
Investor Additionality

- **71%** of impact investors bring some form of additionality; a key characteristic that reinforces their contribution to make long lasting impact.

- **38%** of investors show non-financial additionality, either exclusively or alongside financial additionality (**16% and 22% respectively**).

Focusing too much on capital provision strategies and expected returns misses a substantial part of the picture: the role of non-financial additionality.

% of organisations ($N_{organisations}$: 105)



Source: Impact Europe, Insights produced by leveraging the European Impact Investing Consortium granular data from 105 European impact investors responding to our latest survey in 2024.

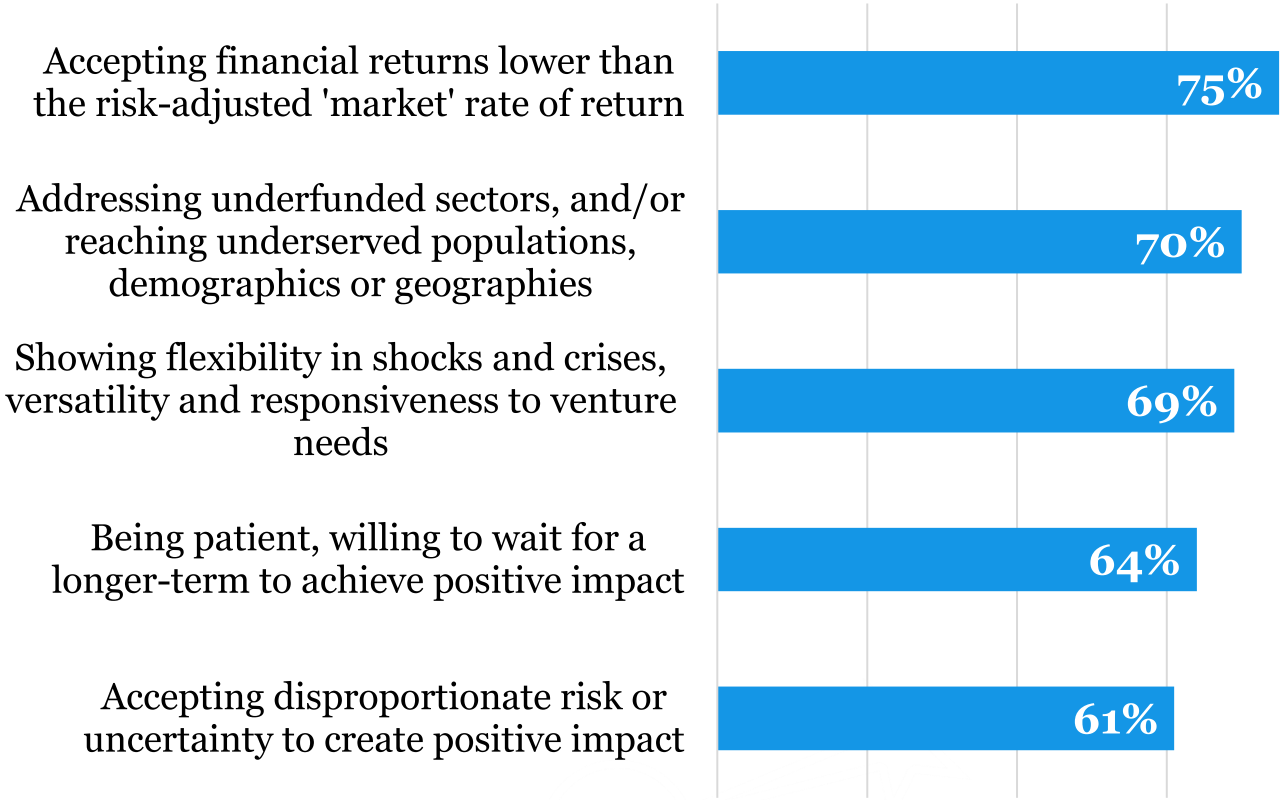
Financial Additionality | A blend of levers

As shown by the practices of their associated investment vehicles, financial additionality is not defined by a single action, but rather a blend of levers.

Being concessional is certainly emphasised, but it is <u>not</u> the only strategy to pursue financial additionality

<u>Within the group of financially additional investors</u> (55%)

% of impact investment vehicles ($N_{vehicles}$: 70)



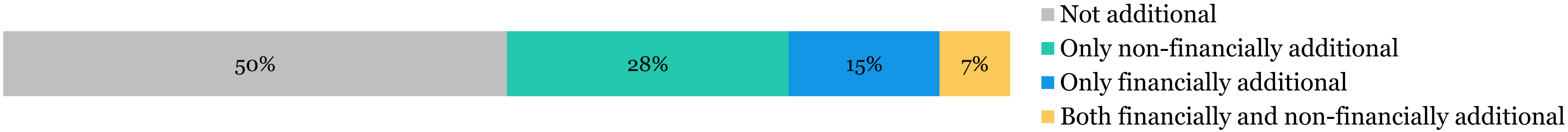
Source: Impact Europe, Insights produced by leveraging the European Impact Investing Consortium granular data from 105 European impact investors responding to our latest survey in 2024.

Returns and Additional Impact

Concessionality is a crucial part of additional impact investing strategies but not the only one (75% of vehicles accept financial returns lower than risk adjusted market rate returns).

So, how much additional are investors targeting 'market' rate return?

% of organisations targeting risk-adjusted 'market' rate of returns ($N_{organisations}$: 46)



Source: Impact Europe, Insights produced by leveraging the European Impact Investing Consortium granular data from 105 European impact investors responding to our latest survey in 2024.

50% of organisations that are not concessional still manage to provide an additional investor contribution.

Market-rate return expectations do not preclude additionality. The data reinforces the notion that **additionality can, and often does, coexist with commercial performance goals** – even though concessionality remains the primary driver for additional impact.

3. Poll Pause:
Let’s Hear from You

Do not edit
How to change the design

Which of the following elements best reflect your view of additionality?

ⓘ The Slido app must be installed on every computer you're presenting from

slido

Results from Slido

Which of the following elements best reflect your view of additionality?

Multiple Choice Poll · 12 votes · 12 participants

Share

Targeting lower returns (being concessional) - 2 votes

17%

Addressing underfunded sectors, and/or reaches underserved populations, demographics or geographies - 9 votes

75%

Accepting disproportionate risk or uncertainty to create positive impact - 5 votes

42%

Being flexible in shocks and crises, versatile and responsive to venture needs - 2 votes

17%

Providing patient capital, willing to wait for a longer-term to achieve positive impact - 8 votes

67%

Providing non-financial support to improve your investee's impact performance - 5 votes

42%

Do not edit
How to change the design

Please indicate how much you agree or disagree with the following statement:

“Market returns cannot coexist with impact; in fact, lower returns are fundamental to providing additional capital.”

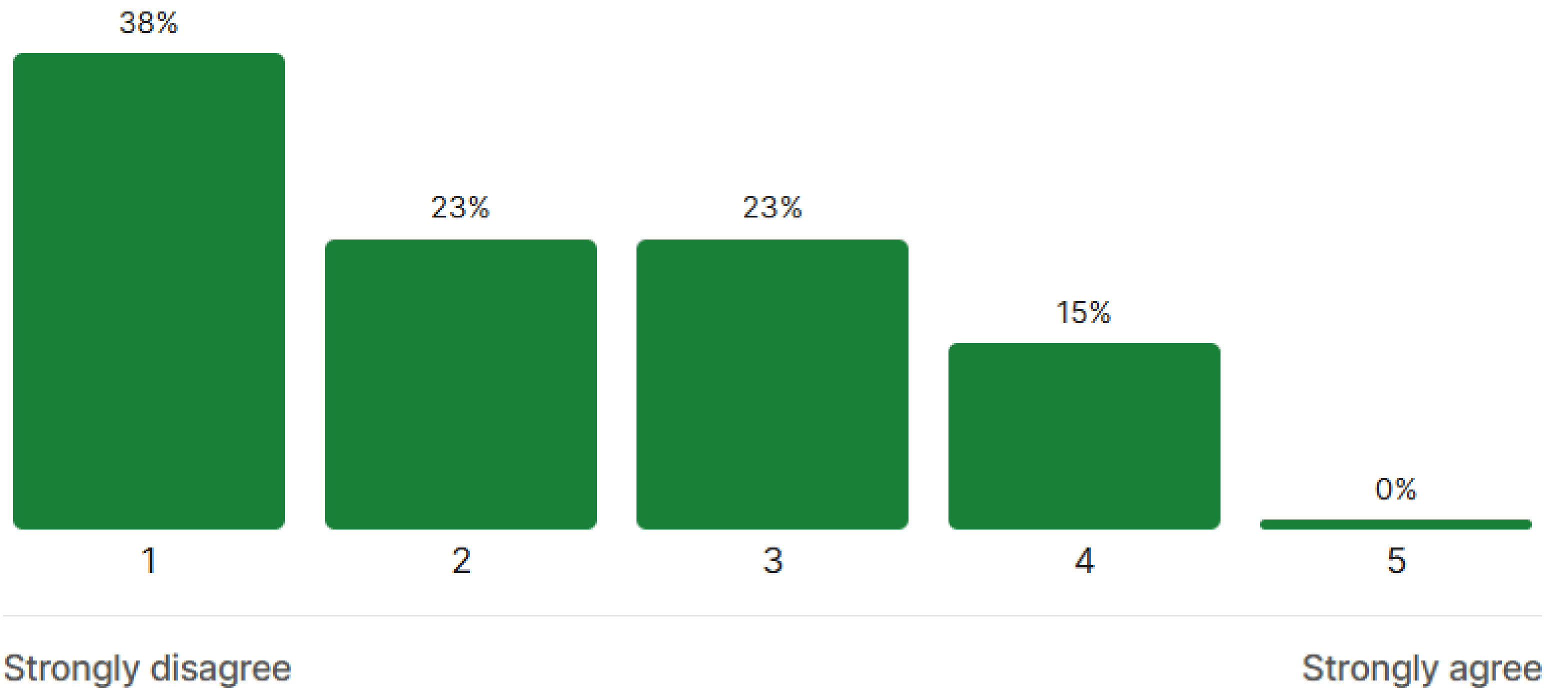
Results from Slido

Please indicate how much you agree or disagree with the following statement: “Market returns cannot coexist with impact; in fact, lower returns are fundamental to providing additional capital.”

Share

Rating Poll 13 votes 13 participants

Score: **2.2**



Alice Carle
INCO
Ventures

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Alessia Gianoncelli
Impact Europe

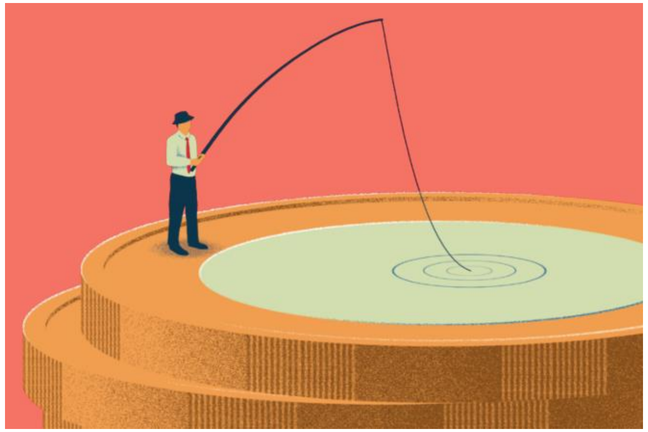
4. Panel: Making Capital Additional

5. Audience Q&A

6. Closing remarks

Tap the Untapped continues!

Can **Impact Reporting attract capital?**



2# Making Impact Measurable, Comparable & Investable
| 7 July, at 12:00-13:00 CEST
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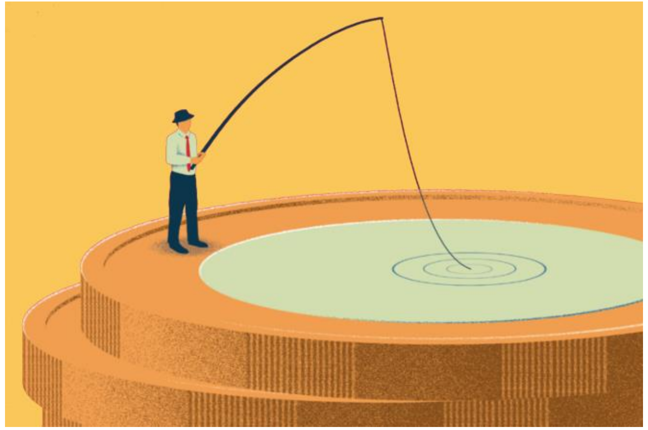
How can we **untap more capital from big players?**



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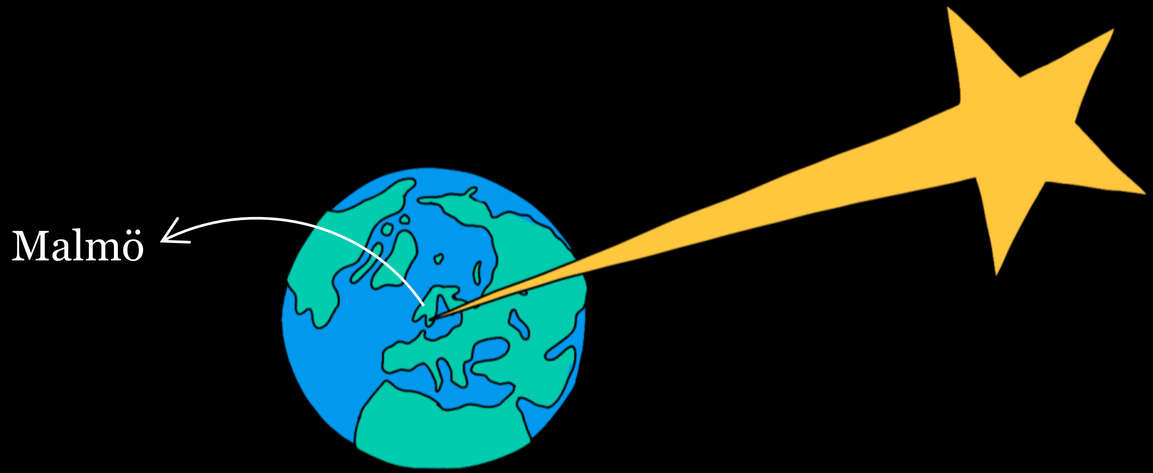
Impact Week

18-20 November 2025



Light the Night

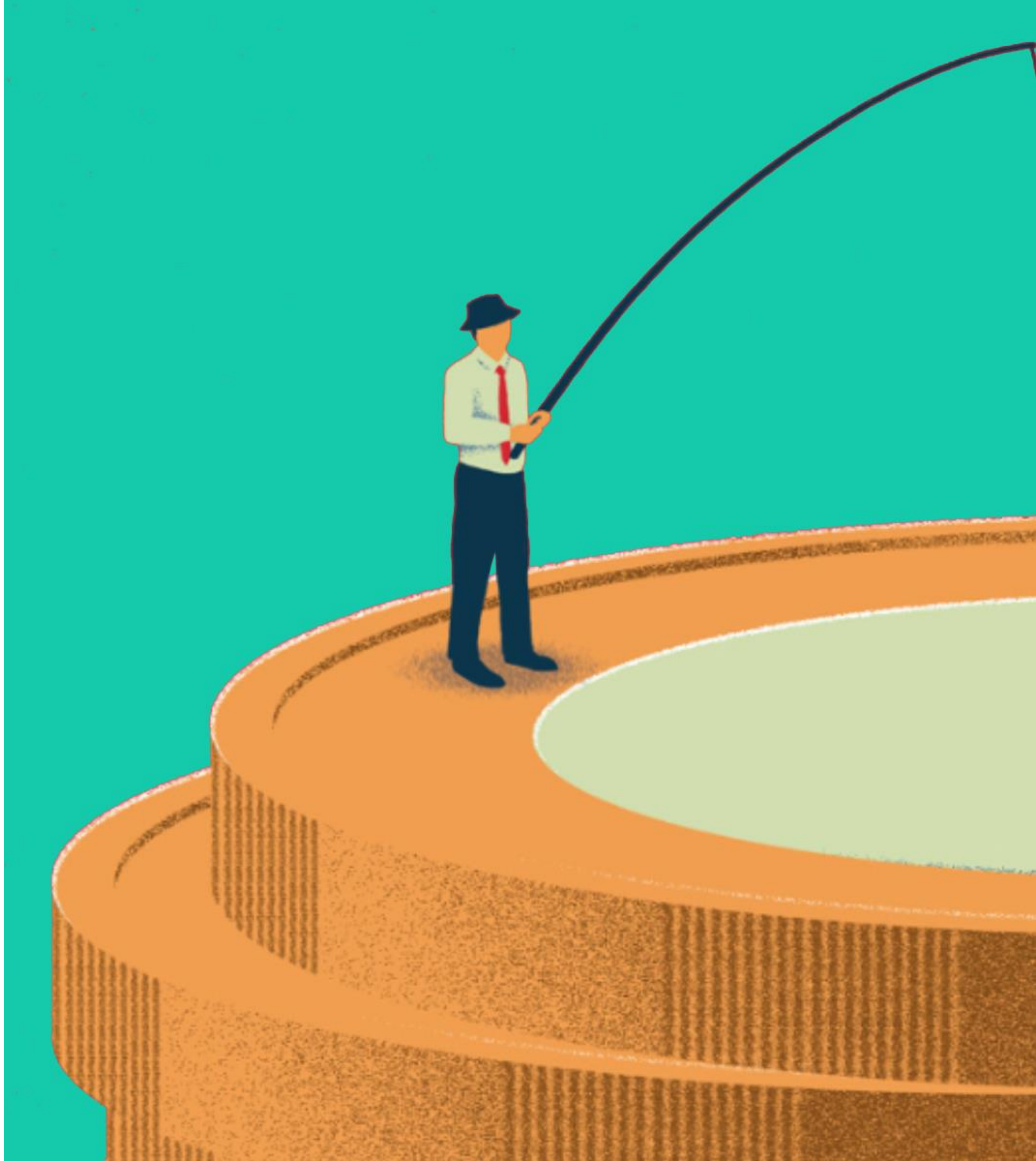
When it gets darker, we get brighter.

Evaluation time!

What clicked? What's missing?

Tell us how this webinar landed for you!
(it only takes 2 minutes)

Fill the form!



Thank you,
and see you next time!

Impact Europe

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