THE IMPACT INVESTMENT MARKET IN MEXICO

EVOLUTION, SIZE, AND TRENDS

cooperación alemana
DEUTSCHE ZUSAMMENARBEIT

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ASPEN NETWORK OF DEVELOPMENT ENTREPRENEURS
aspen institute

Published by:
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Friedrich-Ebert-Allee 36 + 40
53113 Bonn, Deutschland
T +49 228 44 60-0
F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn, Deutschland
T +49 61 96 79-0
F +49 61 96 79-11 15
E info@giz.de
I www.giz.de

Addressing the Consequences of COVID-19: Green Recovery – Innovation, Resilience and Employment in MSMEs

GIZ Office in Mexico
Torre Hemicor, PH
Av. Insurgentes Sur No. 826
Col. Del Valle
C.P. 03100, México D.F.
T +52 55 5536 2344
F + 52 55 5536 2344
E giz-mexiko@giz.de
www.giz.de/mexico

Coordination and Supervision – GIZ Mexico:
Alejandro Callejas Linares, Program Director
Yuriana Gonzalez Ulloa, Program Coordinator
Sofía Donají Elizalde Durón, Technical Advisor
Ariadna Fuentes Gaytan, Technical Advisor
Diego Sebastián Vidal Origel, Technical Advisor

Author:
Aspen Network of Development Entrepreneurs:
Pedro Martinez Estrada, Regional Director for Latin America
Rodrigo Morales, Partnerships and Strategic Alliances Lead
Bárbara de la Garza Martins, Research Coordinator
Iván Ponce, Graphic and Editorial Designer

GIZ is responsible for the content of this publication. Commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

INDEX

EXECUTIVE SUMMARY

Since the Rockefeller Foundation formalized the term "impact investing" in 2007, the concept has evolved into a strategic bridge connecting traditional philanthropy with purely profit-driven investments (Monitor Institute, 2009; Rockefeller Foundation, 2019). In under two decades, the global market reached USD 1.571 trillion in assets under management (AUM) by 2024, growing at a 21% compound annual growth rate since 2019 (Hand et al., 2024). This momentum reflects a paradigm shift in capital markets: investors increasingly recognize that capital can—and should—address social and environmental challenges without sacrificing financial objectives.

Despite this exponential global growth, Mexico lacked systematic measurement of its impact investing market until now. This gap posed a fundamental barrier to informed decision-making and effective public policy design.

This study responds to that critical information need. For the first time, Mexico has a rigorous quantitative estimate placing its direct private impact investing market between USD 1.39 and 1.72 billion in AUM at year-end 2024. This positions the country as a regional leader in Latin America.

The report employs a dual methodological approach, combining bottom-up organizational mapping with top-down regional extrapolation following international standards established by the GIIN (2024). This methodological triangulation strengthens the reliability of the estimates while contextualizing Mexico's market within the global impact investing landscape. The research draws on primary data from 52 organizations representing 40% of the identified ecosystem of 130 actors, complemented by comparative analyses of similar markets in Brazil, Colombia, Spain, and Central America.

Beyond market quantification, the report provides a comprehensive ecosystem analysis spanning ten fundamental dimensions: from characterizing key actors and investment mechanisms to examining impact measurement challenges and exit strategies. Key findings reveal that 72.3% of investors prefer direct capital deployment, investment funds account for 59.3% of sector activity, and agriculture, health, and circular economy emerge as sectors with the highest investment demand. These data points not only size the market but also identify patterns, opportunities, and critical gaps for future development.

This study's relevance extends beyond data generation. In Mexico's context, understanding the scope and characteristics of purpose-driven capital is strategically important for catalyzing scalable, sustainable solutions. The report serves as an essential tool for multiple ecosystem actors:

Private investors seeking impact-aligned opportunities and performance benchmarks

Entrepreneurs and social enterprises requiring patient capital who need to understand available instruments

Federal and local governments designing public policies, regulatory frameworks, and tax incentives

Multilateral organizations and development banks needing evidence to channel technical and financial resources toward high-impact initiatives

Ecosystem support organizations identifying market gaps and opportunities for stakeholder coordination

Purpose and Objectives

This study's fundamental purpose is to generate the first systematic estimate of Mexico's impact investing market size and characteristics, establishing a quantitative and qualitative baseline to strengthen the ecosystem, inform strategic decision-making across stakeholders, and position the country within the regional and global context of purpose-driven finance.

Specific Objectives

To address information gaps and strengthen the ecosystem, the study is structured around ten specific objectives. Each corresponds to a chapter answering a fundamental sector question:

1: Impact Investing: Concept and Context

Establish a clear conceptual framework defining impact investing in Mexico's context, analyzing its core principles (intentionality, financial returns, impact measurement, and contribution beyond capital) and its role as a catalyst for sustainable development.

Key question: What is impact investing?

2: Market Size

Quantify AUM for the first time through a dual methodology combining bottom-up organizational mapping with top-down regional extrapolation, following GIIN international standards.

Key question: How large is the impact investing sector?

3: Key Actors and Investment Mechanisms

Identify and categorize active impact investors in Mexico, analyzing organization types, investment mechanisms (direct, indirect, hybrid), and predominant financial instruments.

Key question: Who are the main sector actors, and what investment mechanisms do they use most?

4: Funding Sources and Untapped Opportunities

Analyze the geographic and typological origins of impact capital, identifying primary sources and revealing diversification opportunities.

Key question: What are the main funding sources for impact investors in Mexico, and what untapped opportunities has this study revealed?

5: Regional Comparison

Compare Mexico's impact ecosystem with other regions, identifying common patterns and replicable best practices.

Key question: What key findings emerge from comparing different impact investing markets in the region?

6: High-Growth Sectors

Determine sectoral capital distribution by categorizing sectors by demand level and analyzing opportunities in agriculture, health, circular economy, and other strategic sectors.

Key question: Which sectors show the highest growth in Mexico's impact investing market?

7: Geographic Distribution

Map investment flows across different states, identifying patterns of territorial concentration and decentralization opportunities.

Key question: Which regions of Mexico receive impact investment capital?

8: Investee Development Stages

Analyze capital distribution by company stage (from pre-seed to maturity), identifying gaps in the financing continuum.

Key question: At what development stage are the small and growing businesses that received impact investment?

9: Impact Measurement and Management

Document measurement methodologies employed (IRIS+, SDGs, customized evaluations), identifying technical, operational, and standardization challenges.

Key question: What are the most widely used impact measurement and management standards in Mexico, and what are their challenges?

10: Balancing Returns and Impact

Evaluate how investors balance dual objectives, documenting expectation fulfillment, exit strategies, and time horizons.

Key question: How are financial return expectations balanced against impact goals?

This document marks a significant milestone for Mexico's impact investing ecosystem. By establishing the first quantitative and qualitative market baseline, the study fills a critical information gap while providing the analytical tools needed to accelerate sector development.

The USD 1.39–1.72 billion identified in AUM demonstrates that Mexico already has a robust and growing market. However, findings also reveal significant expansion opportunities: underserved sectors such as affordable housing and the care economy, regions with low capital flow like southern states, and the need to strengthen innovative financial instruments.

With this information, investors, entrepreneurs, governments, and multilateral organizations can make more informed decisions, design more effective interventions, and ultimately channel capital where it can generate the greatest social and environmental impact. The path toward a mature, scalable impact investing ecosystem in Mexico begins with a deep understanding of its current state—and this study provides precisely that foundational base for building the sector's future.

Methodological Note

This study represents the first systematic market-sizing exercise for impact investing in Mexico, conducted between February and November 2025. The research followed GIIN international standards to ensure comparability with other regional and global markets.

Sample Construction

Researchers identified 130 organizations conducting impact investing in Mexico through comprehensive mapping that combined ANDE Latin America registries, the membership base of Alianza por la Inversión de Impacto en México (AIIMx), GIZ Mexico networks, and a cross-referencing process. This universe includes investment funds, foundations, financial institutions, companies with corporate investment vehicles, and other ecosystem intermediaries.

Data Collection

Primary information was obtained through two complementary instruments applied between February and May 2025:

- **Structured survey:** Distributed to the 130 identified organizations, yielding 52 complete responses (40% response rate)
- **In-depth interviews:** Conducted with institutional investors, fund managers, and key intermediaries to contextualize quantitative data and capture qualitative market trends

Inclusion Criteria

Following the GIIN definition, impact investment was defined as meeting all of the following criteria simultaneously: explicit intentionality to generate positive social and/or environmental impact, expectation of financial return or capital preservation, and commitment to measuring generated impact.

Study Limitations

Results should be interpreted considering that participation was voluntary, which may bias the sample toward more established organizations. Data are self-reported and reflect a cross-sectional snapshot at year-end 2024. Governmental and multilateral development finance institutions were deliberately excluded to avoid double-counting and to focus on the private impact investing market.

The methodology is replicable and establishes a baseline for future sector monitoring in Mexico. Technical details on market-sizing methodologies (bottom-up and top-down) are presented in Chapter 2.

Note on Artificial Intelligence Tools

AI tools were used in preparing this document to support style correction, terminology consistency verification, and quantitative data cross-validation. These technologies were limited to editorial assistance functions and did not replace human analysis, data interpretation, or substantive conclusions. This practice aligns with emerging transparency standards in academic and business research, recognizing digital technologies as complementary tools that strengthen—but do not substitute—methodological rigor and human expertise in generating specialized impact investing knowledge.

Impact Investors in Mexico

Mexico's impact investing ecosystem has consolidated in recent years through the active participation of funds, accelerators, foundations, family offices, and development organizations seeking to generate financial returns alongside positive social and environmental impact. The following list identifies impact investors operating in the country, including both domestic actors and international organizations with active presence across various sectors and regions.

For more information, visit the following link, where you will find a gallery with expanded information on each organization, their investment approaches, and featured projects.

Domestic Organizations (Based in Mexico)

- Obs
- 99 Startups
- 414 Capital
- A better world
- Abaco Partners
- AC Ventures
- ACV Arca Continental Ventures
- Alcázar & Camp; Compañía y FCI México
- ALMA Capital
- Alpha Impact 8
- Alta Growth Capital
- Amador
- Ambar capital
- AMG Block
- Amplifica
- Amplo Kaya
- Angel Hub Ventures
- Angel Ventures
- Anteris Capital
- Arkfund
- Avalancha Ventures
- Balance Capital
- Balero Ventures
- Banca de Inversión Sostenible
- BBVA Spark
- BIVA
- Blue like an-Orange Sustainable Capital
- BOCEL Private Equity
- Bridge Latam
- Cantera Capital
- Capital Indigo
- Carabela
- CEMEX Ventures
- CO Capital de Impacto Social México SAPI de CV
- COLABORATIVO
- Colectivo Jaguara
- Cometa
- CompuSoluciones Ventures
- Credit Saison Mexico
- Creer.vc
- Dalton LABS
- Dalus Capital
- Digital Hub Monterrey
- Dila Capital
- Discovery Americas
- Dux Capital
- ECLO Ventures
- Ejido Verde
- Emerge
- Empodera Impact Capital
- Empujón Alagro, SAPI de CV
- Ennea
- Evolusie 3.8 y SOLveAwards
- Femsa Ventures
- Ferter
- Finnovista.vc
- Fondo Chiapas
- Fondo de Fondos México
- Forward Frontier
- "Fondo de Capitalización e Inversión del Sector Rural (FOCIR)"
- FrissOn capital
- Fundemex
- G2 Momentum Capital
- Geniall
- Gentera México
- Grupo Bimbo Ventures
- Grupo Paisano
- Guadalajara Angel Investor Network (GAIN)
- HBeyond
- Hi Ventures
- Horizonte
- Ideas y Capital
- Ignia
- Iktea Capital
- Impact Ventures PSM
- Impactix
- Impactus Ventures
- Indigo
- INVALA
- Irrazonables
- Kaya Impacto
- Kuiper
- LarrainVial Asset Management
- Latam Impact Fund
- Life Is Too Short
- Lottus Education
- Lotux
- M43
- Maguey Partners
- MatterScale Ventures
- Melek Capital
- Mexico Ventures
- MexOpp
- MGM Innova Capital
- MGV Capital Group
- Nacional Monte de Piedad
- Nazca
- New Ventures Group
- ODISSI, SC
- Orchestra HER VC LLC
- Orion Startups
- Oyster Financial
- Pant3ra Venture Fund
- PC Capital Management, S.C.
- Polígono Capital
- Powertrain Ventures
- Pro Mujer
- Proeza Ventures
- Promotora Social México
- Red Ventures
- Santander México
- Semilla Ventures
- Semillero de Empress Rurales
- Siemens
- Startblueup
- Startup Chihuahua
- Startup México
- Stella Maris Partners
- Sustainable Tech ESG, SAPI de CV, Institución de Financiamiento Colectivo
- Svx México & Regenera Ventures Fund
- The Venture City
- The Yield Lab LATAM
- Toushka Capital
- Ventura Capital
- Village Capital
- Vitalis - Pension Fund
- VIWALA
- Vlue Impact Capital
- Wollef
- Wortev Capital
- Xtraordinary Venture Partners
- Yaax Capitalac

International Organizations with Reported Operations in Mexico:

- ADI
- ALIVE Ventures
- Angel Hub
- Backbone SME
- BID LAB
- CATAL1.5°T LatAm - TEC de Monterrey
- Deutsche Investitions- und Entwicklungsgesellschaft
- GRIDX
- Mercy Corps Ventures
- Mesoamerican Reef Fund INC
- Root Capital Inc.
- Savia.

1 IMPACT INVESTING: CONCEPT AND CONTEXT

This chapter defines impact investing and explains why it represents an important shift in how capital addresses social and environmental challenges. It shows how this type of investment seeks financial returns while creating positive societal change. Four core principles distinguish impact investing: intentionality in generating impact, expectation of financial returns, measurement of results, and contribution beyond capital. The chapter also examines how Mexico has adapted this concept to its local context, with particular emphasis on financial inclusion and community development.

What Is Impact Investing?

Impact investing marks a fundamental shift in how private capital addresses social and environmental problems. This approach challenges two established paradigms: first, that social and environmental issues belong exclusively to philanthropy and government; and second, that business investments should focus solely on maximizing financial returns (GIIN, 2018).

In Mexico and Latin America, the sector is growing rapidly, making it essential to understand how it works. This matters for entrepreneurs, investors, public officials, and support organizations pursuing a dual goal: addressing social and environmental challenges while generating returns.

Although using investments for social and environmental change is an ancient practice (Spiess-Knafl and Scheck, 2023), the term "impact investing" first appeared in 2007 during a Rockefeller Foundation convening. The Global Impact Investing Network (GIIN), which has led sector standards development since 2009, offers one of the most internationally accepted definitions: "investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return" (GIIN, 2023).

Initially, impact investing was intentionally defined broadly to include different asset types and return levels. Trelstad (2016) identified this breadth as problematic for standardization, though he recognized its usefulness for understanding the sector's global potential. The Monitor Institute (2009) argued that overly restrictive definitions could exclude potential participants, promoting a more inclusive approach. However, by the late 2010s, definitions became more precise. Hockerts et al. (2022) described impact investing as an "essentially contested concept" that is difficult to define exactly.

Different organizations have adapted the concept to their needs. The Organisation for Economic Co-operation and Development (OECD) emphasizes the social dimension, defining impact investing as "the provision of finance to address social needs with the explicit expectation of a measurable social, as well as financial, return" (OECD, 2019, p. 28). The European Investment Bank has focused its definition on additionality and climate action. Beyond these nuances, however, the concept's core remains constant: impact investing pursues positive social and/or environmental change while generating financial returns.

Mexico's impact investing ecosystem has three defining characteristics. First, its historical emphasis on financial inclusion, where institutions like Compartamos Banco pioneered microfinance development since the early 1990s. Second, active participation from development finance institutions. Third, widespread adoption of blended finance, a strategy combining philanthropic, governmental, and commercial resources to optimize both social impact and financial returns.

In this Mexican context, the definition proposed by Alianza por la Inversión de Impacto en México (AIIMx) is particularly relevant. Founded in 2015, AIIMx represents Mexico before the Global Steering Group for Impact Investment (GSG). According to the GSG, impact investments intentionally target social or environmental problems while optimizing risk and financial return alongside impact, achieved through outcome measurement (GSG, 2018).

This definition includes key elements found in the literature—intentionality, dual returns, and measurement—while emphasizing the importance of optimizing both financial results and impact. AIIMx's approach maintains coherence with international frameworks while providing an appropriate lens for analyzing Latin American markets, where social and environmental challenges require context-specific solutions.

After extensive review, four fundamental principles distinguish impact investing from traditional investment approaches:

1. **Intentionality** represents the deliberate commitment to achieve positive social and/or environmental outcomes alongside financial returns (GIIN, 2019). This principle requires

incorporating impact objectives throughout the entire investment lifecycle.

2. **Financial return expectations** range from below-market (concessional) rates to risk-adjusted market rates, allowing participation from different investor types.

3. **Impact measurement and management (IMM)** involves ongoing tracking of social and environmental outcomes to improve them, ensuring transparency and accountability.

4. **Contribution beyond capital** recognizes that investors should be active partners offering strategic guidance and capacity-building support, not just money.

Based on these principles, impact investing is defined as:

The investment of financial resources in organizations (social enterprises) dedicated to solving social and environmental challenges, combining impact measurement with economic returns, supported by active investor engagement.

The distinction between impact investing and similar concepts reveals its unique position in the financial world. While socially responsible investing (SRI) primarily focuses on avoiding investments that harm society, impact investing actively seeks to generate positive outcomes. Unlike traditional philanthropy, which foregoes financial returns, impact investing maintains the expectation of economic benefits alongside social and environmental gains.

Evaluation Framework

Determining whether an investment qualifies as impact investing requires a systematic analysis process.

1: Examine the Investment Thesis

Identify explicit impact objectives beyond financial returns. The investment must clearly articulate what social or environmental problem it aims to solve and how it will contribute to the solution.

KEY INDICATORS

Social mission statement	Specific SDG objectives
Documented theory of change	Identified beneficiaries

RED FLAGS

- **Impact mentioned only in marketing**
- **Vague or generic social objectives**
- **No formal impact documentation**

2: Verify Measurement Systems

Confirm the presence of impact metrics and periodic tracking systems. There must be a formal commitment to measure, manage, and report social/environmental performance.

KEY INDICATORS

IRIS+ metrics adopted	Regular impact reports
IMM management system	Third-party audits

RED FLAGS

- **No defined impact KPIs**
- **Measuring only outputs, not outcomes**
- **Sporadic or nonexistent reporting**

3: Evaluate Market Approach

Determine whether the investment targets underserved populations or addresses market failures. It must demonstrate additionality—creating value that would not exist without this investment.

KEY INDICATORS

Base-of-pyramid populations served	Market gaps identified
Additionality analysis	Financial/social inclusion

RED FLAGS

- **Focus on already-served markets**
- **No evidence of market failures**
- **Displacement of existing solutions**

4: Analyze Return Balance

Evaluate the investor's commitment to balancing financial and social returns. There must be willingness to accept trade-offs favoring impact when necessary.

KEY INDICATORS

Dual return policy	Mission-aligned governance
Aligned incentives	Patient capital

RED FLAGS

- **Exclusive profit maximization**
- **No mission protection in bylaws**
- **Pressure for quick exits**

Final Evaluation Criteria

An investment qualifies as impact investing only when it satisfactorily meets all four evaluation steps. Weakness or absence in any element suggests the investment may be traditional with incidental positive externalities—not a true impact investment with intentionality, measurement, and balance between financial and social returns.

In Mexico's context, impact investments that align with priorities and objectives established in the National Development Plan 2025–2030, particularly regarding sustainable economic development and productive inclusion, are those seeking measurable results in both social and economic spheres. These contribute to national goals and strengthen local capacities for balanced growth.

Analysis of Impact Investing Principles

The four core principles of impact investing—intentionality, financial return expectations, impact measurement and management, and contribution beyond capital—support its dual mission: generating financial returns while solving social and environmental problems.

These principles do not operate in isolation. They form an interconnected system guiding investment decisions, implementation strategies, and outcome evaluation. Understanding their characteristics, variations, and challenges is essential for all sector actors, especially in Global South economies like Mexico and Latin America, where balancing financial sustainability with social and environmental transformation requires special attention.

The following analysis explores each principle in detail, explaining what it means and its main challenges in the current Latin American context.

1. Intentionality

This principle is impact investing's foundation: the clear, active commitment to achieve positive social and environmental outcomes alongside financial returns (GIIN, 2019). Unlike traditional investments, where positive impacts may occur by chance, intentionality requires incorporating impact objectives throughout the investment process, from strategy design through management and evaluation.

Types of Financial Returns:

- **Investment strategy:** definir objetivos de impacto claros e integrarlos de manera constante durante todo el ciclo de vida de la inversión.
- **Decision-making:** Continuously evaluating social and environmental impacts alongside financial indicators during due diligence
- **Active management:** Establishing specific, measurable indicators while maintaining ongoing commitment throughout the investment period
- **Stakeholder engagement:** Ensuring all interactions with investees, end beneficiaries, and communities align with impact objectives

Identified Challenges:

- **Balancing impact and financial returns:** Pressure for market-rate returns can dilute focus on meaningful impact
- **Impact washing risk:** Investments may be labeled "impact" without demonstrating substantive results
- **Fragmented measurement standards:** Lack of universal standards hinders transparency and comparability
- **Financial intermediary complexity:** Multi-layered structures can obscure accountability and dilute original intent
- **Mission drift during scaling:** Growth pressures can lead to deprioritizing social/environmental objectives

2. Financial Returns

Impact investing expects financial gains alongside positive social and environmental impacts. Unlike philanthropy, impact investors seek capital returns ranging from below-market (concessional) to risk-adjusted market rates, enabling participation from different investor types.

Types of Financial Returns:

- **Concessional returns:** Below-market returns prioritizing social and environmental benefits, typically accepted by foundations, family offices, and mission-driven institutions
- **Market-rate returns:** Competitive returns comparable to traditional investments, validating that social impact and financial performance are compatible

- **Blended returns:** Combining concessional and market-rate capital to optimize both impact and financial sustainability

Identified Challenges:

- **Trade-off tensions:** Balancing financial sustainability with social/environmental impact, especially in underserved markets
- **Time horizon misalignment:** Financial returns are expected in short periods, while social impacts may take years to materialize
- **Market perception:** Impact investments in sectors like renewable energy are often perceived as less lucrative than traditional options
- **Measurement complexity:** Difficulty quantifying how financial trade-offs affect social outcomes
- **Investor expectations:** Pressure from institutional investors for competitive returns can compromise impact objectives

3. Impact Measurement and Management (IMM)

Impact measurement and management involves tracking, evaluating, and improving investments' social and environmental outcomes. It means actively using data to enhance strategies, reduce risks, and align investments with intended impact objectives while providing transparency and accountability (Gianoncelli and Gaggiotti, 2021).

Most Common IMM Approaches:

- **IRIS+ system:** Comprehensive catalog of over 400 GIIN indicators, aligned with SDGs and adapted to different sectors
- **Sustainable Development Goals (SDGs):** United Nations framework providing universal language for articulating and measuring impact
- **Global Impact Investment Rating System (GIIRS):** Standardized B Lab scoring mechanism for evaluating social/environmental performance
- **Theory of change models:** Logical frameworks connecting inputs to outcomes
- **Sector-specific frameworks:** Customized metrics for specific industries or impact areas

IMM Challenges:

- **Lack of standardization:** Absence of universally accepted standards creates reporting inconsistencies
- **High costs:** Comprehensive measurement requires significant financial and human resources
- **Attribution difficulty:** Isolating an individual investment's impact from broader systemic changes is challenging
- **Quality versus quantity:** Emphasis on quantifiable metrics may overlook qualitative improvements
- **Capacity limitations:** Many organizations lack the expertise to implement robust measurement systems

4. Contribution Beyond Capital

This principle establishes that investors should be active partners offering strategic guidance, capacity building, and market access—not just money. It recognizes that capital alone is insufficient to generate lasting impact, especially in challenging sectors or underserved markets.

Types of Contribution Beyond Capital:

- **Capacity building:** Providing guidance on financial management, operational efficiency, governance structures, and impact measurement
- **Strategic partnerships:** Acting as advisors to refine business strategies, improve governance frameworks, and optimize operations
- **Market access:** Opening doors through sector knowledge, strategic networks, and connections to key stakeholders
- **Technical assistance:** Offering specialized expertise and ongoing monitoring support
- **Ecosystem building:** Facilitating connections with public institutions, NGOs, and other impact organizations

Identified Challenges:

- **High resource demands:** Requires significant time, specialized expertise, and commitment beyond financial investment
- **Scalability limitations:** Hands-on approach may limit the number of investments an

investor or fund can manage efficiently
- **Specialized expertise:** Investors need sector-specific knowledge to provide meaningful support
- **Engagement balance:** Risk of diminishing organizational autonomy through excessive intervention

Impact Investing as a Catalyst for Sustainable Development

Impact investing emerges as a powerful engine transforming the relationship between capital markets and social and environmental progress. By combining intentionality, financial returns, impact measurement, and active collaboration in an integrated system, it creates an important tool for solving major social and environmental problems while maintaining financial sustainability.

This dual mission makes impact investing an effective strategy for reducing poverty and promoting social mobility because it directs capital toward communities and sectors historically ignored by traditional investors.

In the Mexican and Latin American context, where significant social and environmental challenges exist, impact investing offers a sustainable alternative to traditional aid, creating cycles where growth and positive impact reinforce each other. When investors provide impact capital alongside capacity-building support to growing social or environmental enterprises, they strengthen these businesses to generate employment, improve access to essential services, and promote climate action.

This approach addresses not just immediate needs but builds strong economic ecosystems capable of sustaining positive changes over the long term. It demonstrates that when financial markets align with social and environmental objectives, they become powerful engines for inclusive development and shared prosperity.

CRITERION	IMPACT INVESTING	TRADITIONAL INVESTMENT	PHILANTHROPY	SOCIALLY RESPONSIBLE INVESTING (SRI)
Social/ Environmental Intentionality	**Yes — explicit and prioritized**	No — only if incidental	Yes — sole objective	Partial — avoids harm
Financial Return Expectation	**Yes — concessional to market-rate**	Yes — profit maximization	No — no expected return	Yes — market-rate returns
Impact Measurement	**Yes — systematic and rigorous**	No — financial metrics only	Variable — often informal	Partial — primarily ESG
Contribution Beyond Capital	**Yes — active strategic support**	No — capital only	Variable — depends on donor	No — generally passive
Target Organizations	**Social enterprises, cooperatives, mission-driven companies**	Any profitable company	NGOs, nonprofits	Traditional companies with good practices
Financial Instruments	**Debt, equity, hybrids, guarantees**	All traditional instruments	Donations, grants	Stocks, public bonds
Time Horizon	**Medium to long-term (patient)**	Variable by strategy	No return expectation	Similar to traditional
Examples in Mexico	**IGNIA, Adobe Capital, ALLVP, AllMx funds**	Pension funds, commercial banks	Carlos Slim Foundation, FEMSA Foundation	BBVA ESG funds, Santander

KEY TAKEAWAYS

- **Impact investing IS:** A strategy that deliberately seeks to generate measurable social/environmental benefits alongside financial returns.
- **Impact investing IS NOT:** Disguised charity, traditional investment with incidental benefits, or simple ESG compliance.
- **Key differentiator:** The combination of all four fundamental principles (intentionality, financial return, measurement, and active returns or contributions) must be present.

2 MARKET SIZE

This chapter presents the first systematic measurement of Mexico's direct private impact investing market, applying internationally harmonized methodologies from the Global Impact Investing Network (GIIN). Using a dual approach that combines bottom-up organizational mapping based on direct surveys of 52 investors with top-down regional extrapolation using macroeconomic indicators, we estimate that Mexico's market manages between USD 1.4 and 1.7 billion in assets at year-end 2024. This figure positions Mexico as a regional leader in Latin America, representing approximately 25–30% of the total Latin American market, though with significant room for growth compared to mature markets where impact investing reaches up to 3% of GDP.

How Large Is the Impact Investing Sector?

Organizations worldwide have begun sizing the impact investing sector using methodologies ranging from field surveys to macroeconomic statistics. These efforts have generated a fundamental analytical base for public policy development, capital allocation decisions, and ecosystem strengthening.

The Global Impact Investing Network (GIIN) leads the most significant effort in this area, estimating the global market at USD 1.571 trillion in Assets Under Management (AUM) for 2024 (Hand et al., 2024). Their methodology combines direct data collection from investors with statistical extrapolation techniques for markets not directly surveyed.

Measurement efforts in European countries have gained momentum following the creation of the European Impact Investing Consortium in 2021. Starting in 2022, national advisory boards (NABs) from Germany, Italy, Spain, the Netherlands, Belgium, and the United Kingdom harmonized their methodologies to enable cross-country comparisons (Gaggiotti, 2022). These reports estimate European impact investing at approximately €80 billion, representing 0.5% of total private investment in Europe. The consortium has addressed key challenges including standardizing the definition of impact investing, data collection methodologies, and interpretation (Gaggiotti, 2022).

These new measurements have revealed significant variations in market maturity and growth. Japan reached 11.5 trillion yen in 2023, representing an increase of over 190% from the previous year according to GSG Impact Japan. Similarly, the UK market reached £7.6 billion by 2024 (GIIN, 2024). Emerging markets have faced unique measurement challenges due to limited available data and varying definitions of "impact." Sub-Saharan Africa attracted USD 65 billion in impact investment according to RisCura, with South Africa concentrating 84% of regional assets (GIIN, 2022). India's market reached USD 6.8 billion in 2021, although transaction volume decreased 12% since 2019, suggesting market consolidation (GIIN, 2022).

In Latin America, market measurement exercises have begun emerging as an effort to highlight this sector's importance for regional social and environmental wellbeing. ANDE has published at least six major regional reports on the impact investing landscape in Latin America, focusing on Brazil, Colombia, Guatemala, and Mexico (iilatam.org). However, until now, no attempt had been made to estimate market size. These reports have complemented exercises by national advisory boards (NABs) seeking to generate consistent data on market size, capital flows, and priority sectors.

Colombia has made the most progress in generating data on its impact investing ecosystem. According to the second market sizing conducted in 2024 by Impacto Colombia (formerly NAB Colombia) in partnership with GSG and Fedesarrollo, impact AUM reached USD 457.3 million at year-end 2023. During that same year, impact investors made new investments totaling USD 126.2 million and reported USD 154.57 million in committed but undisbursed capital, reflecting a consolidating ecosystem with greater capacity to mobilize resources toward priority social and environmental solutions (Impacto Colombia, GSG & Fedesarrollo, 2024).

This study on Mexico's impact investing market size represents a watershed moment for the region, being the first to explicitly incorporate international harmonization standards. This not only facilitates comparison with other countries and regions but also offers a replicable methodology that other Latin American actors can use to advance their own sizing exercises.

Market Sizing Methodologies

To size the Mexican market, we applied the two complementary GIIN methodologies described above: bottom-up organizational mapping and top-down regional extrapolation, adapting them to Mexico's local context.

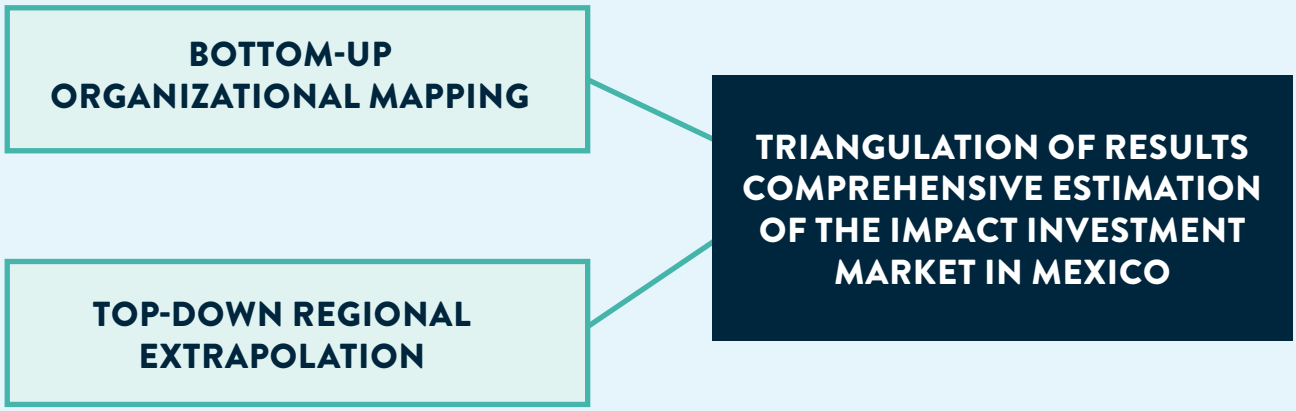
The first approach builds a database of assets managed by organizations meeting impact investing criteria. This method involves identifying and cataloging investors in Mexico (see the following chapter) and collecting information through direct surveys and in-depth interviews, subsequently applying statistical extrapolation techniques to cover unsurveyed segments.

To validate this figure, we used a second methodology with a top-down approach based on regional proportional extrapolation. This method draws on the GIIN's 2024 global estimate, which calculates worldwide AUM at USD 1.571 trillion. In this framework, Latin American impact investors represent approximately 3% of the global total while the region manages 1% of worldwide assets (GIIN, 2024). Using this information, and considering that Mexico concentrates 25–30% of Latin American activity, we can derive an initial estimate of the Mexican market through systematic disaggregation of regional data.

Finally, by triangulating results from both methods, this analysis confronted one of the main challenges the GIIN acknowledges: "there is a level of subjectivity in determining what is and is not included within impact assets" (GIIN, 2024). Using this dual approach helps strengthen the reliability of the market size estimate while accounting for local context in Mexico's impact sector, including the role of development finance institutions, the growing presence of impact-focused venture capital funds, and increasing participation from traditional financial institutions. This comprehensive framework ensures that the market size estimate presented here captures both the breadth and depth of impact investing in Mexico.

METHODOLOGY	APPROACH	DATA SOURCE	ADVANTAGES	LIMITATIONS
Bottom-Up Organizational Mapping	Build a database of impact investors in Mexico and collect their AUM	Direct surveys, in-depth interviews, investor databases	Realistic ecosystem view; identifies local actors and characteristics	Depends on availability and quality of data reported by local actors
Top-Down Regional Extrapolation	Use GIIN's global estimate and regional/ Mexico participation ratios	GIIN global estimates and Latin American regional participation data	Places Mexico in international and regional comparative framework	Based on proportional assumptions; risk of over- or underestimating actual participation

Complementary Methodologies to Size the Impact Investment Market in Mexico



Bottom-Up Organizational Mapping Methodology

The following analysis uses the bottom-up organizational mapping methodology to estimate Mexico's direct private impact investing market size, applying the GIIN's statistical extrapolation framework (see Methodological Note for sample and collection process details).

The methodology detailed in the GIIN's "Sizing the Impact Investing Market 2024" report uses a statistical extrapolation framework that identifies organizations by type and applies weighted averages to estimate unreported assets. To avoid double-counting, this approach counts only directly invested capital and uses AUM as the primary metric.

In Mexico, organizations were classified into seven categories: Venture Capital (53 organizations), Private Equity (11), Accelerators (12), Impact Funds (11), Financial Institutions (8), Family Offices (7), and Other (27). This classification enabled more precise extrapolation by recognizing capital deployment variations across organization types. The methodology applies conservative coverage assumptions, typically estimating that surveys capture 85% of the total market, although this analysis maintained strict adherence to documented respondents.

The 52 survey respondents reported AUM of USD 675.3 million at year-end 2024, representing a considerable increase from USD 336.0 million in 2023. Respondents demonstrated significant diversity across organization types, with venture capital firms comprising 40% of respondents, followed by private equity (8%), accelerators (10%), impact funds (8%), financial institutions (6%), family offices (5%), and other organizations (23%).

DISTRIBUTION OF SURVEYED ORGANIZATIONS

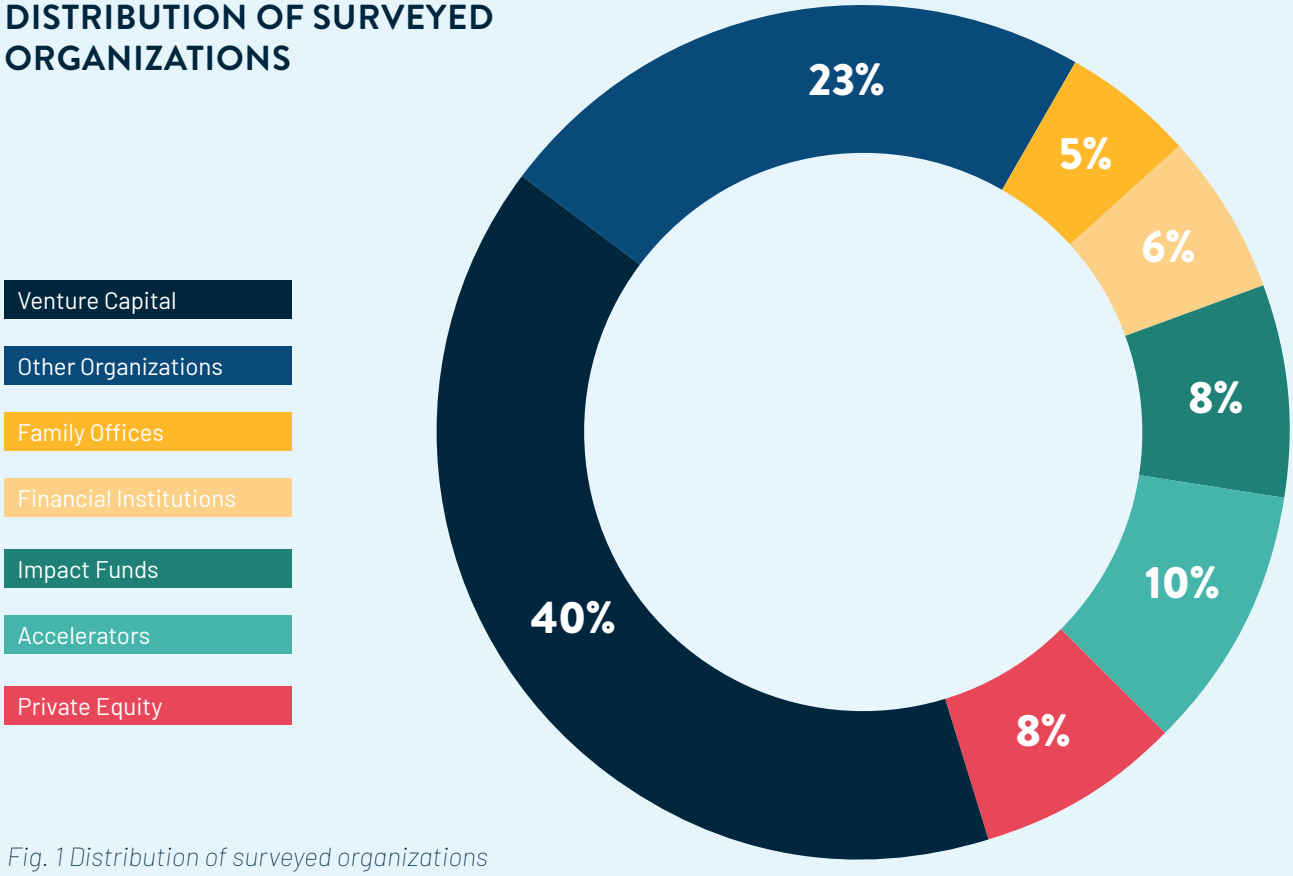


Fig. 1 Distribution of surveyed organizations

The average reported AUM per surveyed organization was USD 13.0 million. Private equity firms averaged USD 32.5 million in AUM, while family offices averaged USD 23.4 million. Venture capital funds, despite being the most numerous, averaged USD 15.6 million in AUM per organization, consistent with their early-stage investment focus. Accelerators, as expected given their business model, reported the lowest average at USD 3.9 million per organization.

Extrapolation Model

This process applied a statistical extrapolation model based on the GIIN's stratified imputation methodology, using the formula:

$AUM\_total = AUM\_reportado + \Sigma(n\_i \times \mu\_i \times \alpha\_i)$

Where n_i represents the number of unsurveyed organizations per category, μ_i is the average observed AUM in each stratum, and α_i is the response bias adjustment factor (0.8 for the conservative scenario, 1.0 for moderate).

With a 40% response rate (52 of 130 organizations), we applied the proportional stratified sampling principle to estimate AUM for the 78 missing organizations. The conservative scenario assumes positive selection bias where larger organizations are more likely to respond (following the log-normal AUM distribution typical in private capital markets), applying a 20% discount factor to observed averages, resulting in USD 0.715 billion additional (USD 1.39B total – USD 0.675B reported). The moderate scenario applies the central limit theorem, assuming that with n=52 the sample is sufficiently large for sample averages to approximate population averages within each stratum, without bias adjustment, generating USD 1.045 billion additional (USD 1.72B total – USD 0.675B reported). This methodology is consistent with the 90% confidence intervals used in similar GIIN studies and allows for a ±15% margin of error typical in emerging market extrapolations.

ORGANIZATION TYPE	#ORG	SURVEYED	REPORTED AUM (USD)	CONSERVATIVE ESTIMATE (USD)	MODERATE ESTIMATE (USD)
Venture Capital	53	21	$258.2M	$520.1M	$644.3M
Private Equity	11	4	$102.5M	$224.8M	$282.4M
Financial Institutions	8	3	$92.2M	$196.4.9M	$245.2M
Other	27	11	$90.2M	$176.6M	$218.0M
Impact Funds	11	4	$61.5M	$134.9M	$169.4M
Family Offices	7	3	$55.3M	$103.0M	$126.2M
Accelerators	12	5	$15.4M	$29.4M	$36.3M
TOTAL	**130**	**52**	**$675.3 million**	**$1.39 billion**	**$1.72 billion**

Note: Conservative and moderate estimate columns represent total estimated market size by organization type and include AUM reported in the survey.

Therefore, applying the GIIN's 2024 Bottom-Up Organizational Mapping methodology, Mexico's direct private impact investing market is estimated at USD 1.39–1.72 billion in AUM at year-end 2024.

Limitations and Implications

Key limitations include potential response bias toward larger organizations, self-reported data accuracy, and exclusion of indirect investments. Although the 40% response rate was solid, it leaves room for variance in estimates. Additionally, this analysis captures only direct private investments and excludes government-backed development finance institutions and multilateral organizations.

Despite these constraints, the figures suggest that Mexico's impact investing market has reached significant levels, representing 0.12–0.16% of Mexico's GDP. This positions the country as a Latin American impact investing leader, with room for growth compared to countries like Spain or the Netherlands where impact investing represents 0.7–1.2% of GDP, and the exceptional case of the United Kingdom, where impact investing has reached up to 3% of GDP (Big Society Capital, 2022).

Top-Down Regional Extrapolation Methodology

To validate the direct private impact investment market estimate for Mexico, we used a second GIIN methodology employing macroeconomic indicators and regional benchmarks without primary data. This approach provides a directional market size estimate using extrapolation from known regional data and comparable country characteristics. While this secondary data-based research process has inherent limitations, it also offers valuable insights into Mexico's impact investing landscape and allows validation of information obtained from primary data.

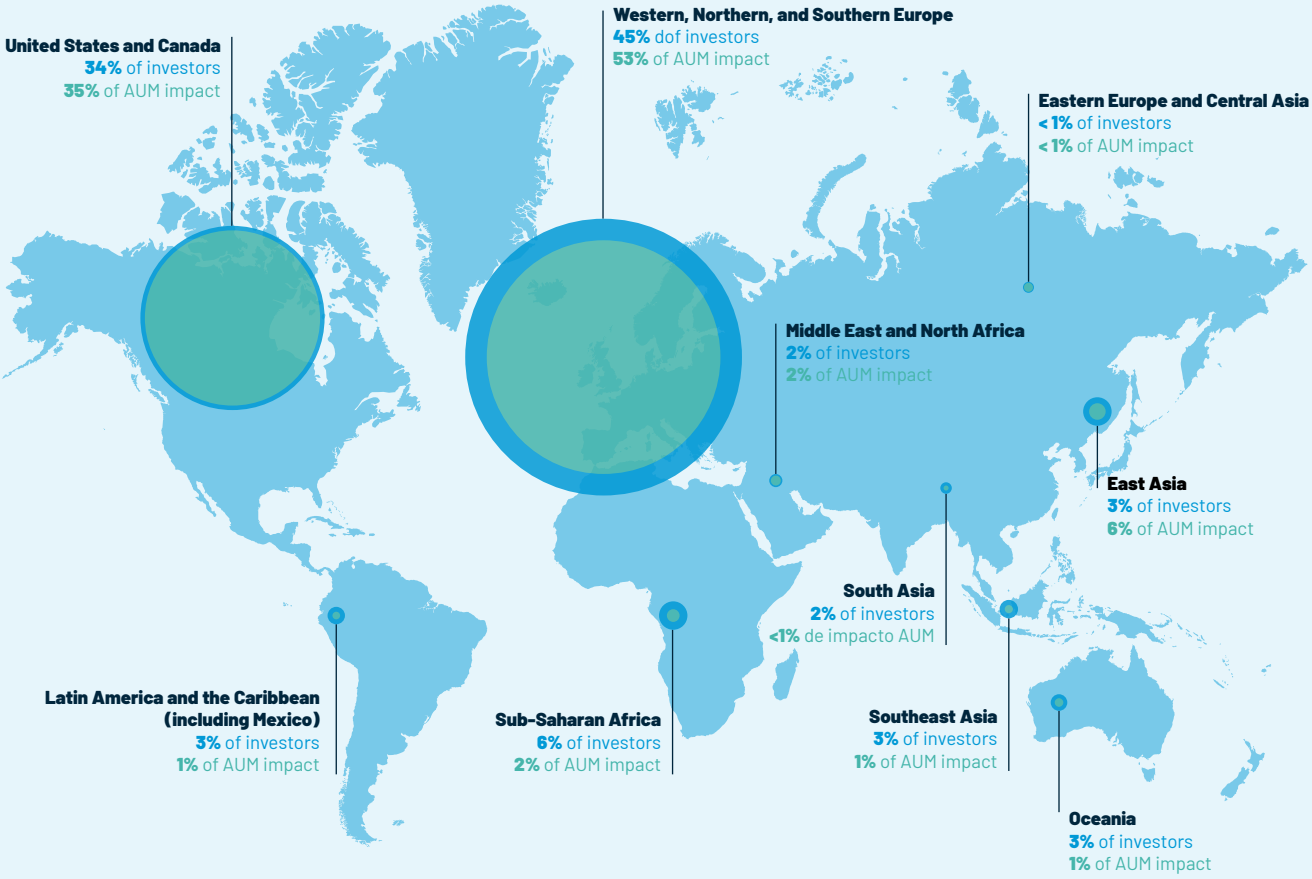
The GIIN's top-down regional methodology uses generally accepted market sizing principles to build a reliable database of AUM managed by organizations meeting impact investing criteria. This methodology uses macroeconomic indicators such as market participation, GDP ratios, financial market depth, and comparable country benchmarks. For this report, key secondary sources included Mexican financial regulatory reports, development finance institution data from the Inter-American Development Bank (IDB), ANDE's Latin American impact investing studies, and regional industry association data.

In its 2024 report, the GIIN (Hand, 2024) estimates that over 3,900 organizations globally manage USD 1.571 trillion in impact investing AUM. Latin America and the Caribbean represent 3% of investors and 1% of AUM. According to GIIN data, this means Latin America and the Caribbean have approximately USD 15.7 billion in impact AUM.

Mexico, as the region's second-largest economy, represents approximately 25% of regional GDP and has relatively developed capital markets, suggesting proportional market share in regional impact investments (World Bank, 2024). In 2024, the Mexican Private Equity Association (AMEXCAP) reported that venture capital investments in Mexico exceeded USD 900 million (Triulzi, Silberstein, & Jáuregui, 2025), while over the past two decades the private equity industry raised over USD 58 billion in capital commitments (Lexology, 2020). According to the Climate Bonds Initiative, Mexico's sustainable finance sector recorded USD 38 billion in thematic bond issuance (Climate Bonds Initiative, 2024).

Organizational representation and impact of assets under management (AUM) by regions

n=1,475



Note: This figure excludes organizations whose regional headquarters are unknown.
Source: Global Impact Investing Network (GIIN), 2024

Using the reports mentioned above and adapting the GIIN's regional participation methodology, three complementary approaches were used to approximate Mexico's impact investing market size:

Approach 1: Regional Market Share

With Latin America concentrating USD 15.7 billion in AUM and Mexico representing 25% of regional activity based on economic indicators (World Bank, 2024; Deloitte, 2024), this approach yields a total Mexican impact investing market of USD 3.93 billion. However, according to the International Finance Corporation (IFC), development finance institutions (DFIs), public investment, and development banks represent approximately 74% of the total global impact investing market, while private funds and institutions manage the remaining 26% (Kenny, 2022). This proportion varies significantly by region and market development level. For emerging economies like Mexico, such investments are estimated to represent 50–74% of the total, yielding an estimated private investment market of USD 1.02–1.97 billion.

Approach 2: Market Penetration

Mexico's private equity/venture capital market totals approximately USD 15–20 billion according to AMEXCAP data. Applying impact penetration rates of 5–8.5% (adjusted to reflect Mexican market growth) yields USD 0.75–1.70 billion in private impact AUM.

Approach 3: Comparable Country Benchmarking

Comparable emerging markets include Brazil (GDP USD 2.1 trillion), India (USD 3.7 trillion), Indonesia (USD 1.4 trillion), as well as Colombia and South Africa. In India, impact investments accumulated over USD 5.2 billion between 2010 and 2016, with potential to reach USD 6–8 billion by 2025, representing approximately 0.14–0.22% of GDP (Pandit & Tamhane, 2017). In Indonesia, whose GDP is similar to Mexico's, the country concentrated approximately 20% of all private equity and venture capital (PE-VC) activity in Asia-Pacific during 2023 (Bain & Company, 2024). In Brazil, Latin America's largest economy, GDP grew 2.9% in 2023 (U.S. Department of State, 2024), consolidating its role as a regional benchmark market for impact investments. In South Africa, one of Africa's leading emerging markets, foreign direct investment reached nearly R100 billion in 2023, equivalent to 1.4% of GDP (PwC, 2024), although this figure includes all investments, not only impact.

Based on these comparable markets, where private impact investments (excluding DFIs) typically range from 0.05–0.12% of GDP, and considering Mexico's USD 1.4 trillion GDP, this suggests USD 0.70–1.68 billion in direct private impact investments.

Top-Down Estimation Summary

ESTIMATION METHOD	LOW ESTIMATE	HIGH ESTIMATE
Regional share (25% of $15.7B, 26–50% private)	$ 1.02 B	$ 1.97 B
Market penetration (5–8.5% of PE/VC)	$ 0.75 B	$ 1.70 B
GDP benchmark (0.05–0.12% of GDP, private only)	$ 0.70B	$ 1.68 B

Therefore, applying the GIIN's 2024 Top-Down Regional methodology, Mexico's direct private impact investing market is estimated at USD 0.82–1.78 billion in AUM at year-end 2024.

Limitations and Implications

This estimate relies on macroeconomic indicators and regional benchmarks rather than primary data, which is useful for validating collected data. Key limitations include incomplete coverage of informal impact investments, difficulty distinguishing pure impact investments from broader ESG strategies (Morgan Stanley, 2024), limited transparency in Mexican private markets, and potential overlap between categories.

The estimate likely underrepresents family office and smaller fund activity while potentially overestimating announced but undeployed capital. Despite these limitations, the analysis suggests our estimate is correct, as data from both methodologies interleave appropriately.

Validating the Estimates

To obtain a robust estimate of Mexico's impact investing market, we used systematic integration of the two methodologies above. Following the concurrent triangulation model designed by Creswell and Plano (2011), both methodologies reveal convergent evidence with a market size estimate of USD 1.4–1.7 billion in AUM at year-end 2024.

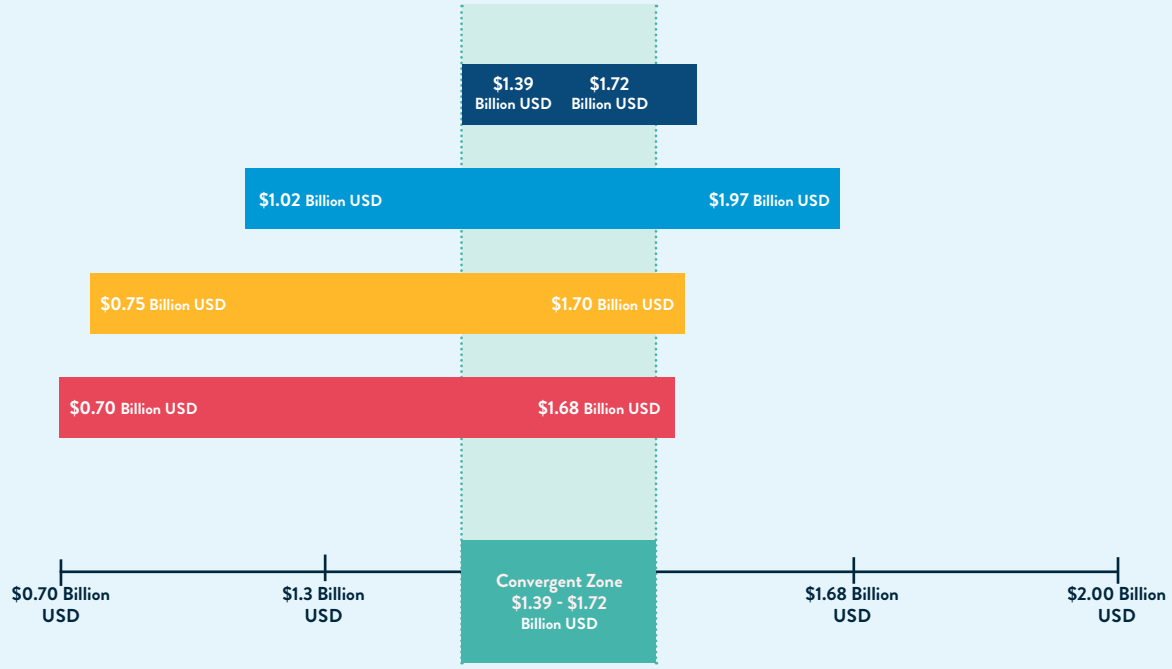
The bottom-up organizational mapping methodology yielded extrapolated estimates ranging from USD 1.39 billion (conservative scenario) to USD 1.72 billion (moderate scenario), based on reported assets described in the Methodological Note. This model shows impact investing market heterogeneity across seven organization types, where venture capital funds comprise approximately 40% of respondents while managing 38% of reported AUM, consistent with ANDE's 2022 Latin American impact investing report.

The top-down regional extrapolation generated three complementary estimates: regional share (USD 1.02–1.97 billion, applying Mexico's 25–30% share of the USD 15.7 billion Latin American market), market penetration (USD 0.75–1.70 billion, applying 5–8.5% rates to Mexico's USD 15–20 billion PE/VC market), and GDP benchmark (USD 0.70–1.68 billion, using 0.05–0.12% of Mexico's USD 1.4 trillion GDP). This is equally consistent with Vargas et al. (2020), who identify Mexico as one of three dominant impact sector markets alongside Brazil and Ecuador.

The triangulated estimate of USD 1.4–1.7 billion is calculated in the zone of highest convergence confidence across the different approaches and methodologies used. Following Turner et al.'s (2015) convergent triangulation framework, USD 1.4 billion was identified as the floor (where conservative bottom-up estimates align with upper regional share limits) and USD 1.7 billion as the ceiling (where GDP benchmark maximums intersect with moderate bottom-up scenarios).

Triangulation of the Impact Investment Market Size in Mexico

Methodological Convergence Zone: $1.39 – $1.72 Billion USD



Methodological Key:

- **Extrapolation Modeln:** Based on 52 organizations (40% response rate) with selection bias adjustment
- **Regional Share:** 25% of Latin America ($15.7B), adjusted for private share (26–50%)
- **Market Penetration:** 5–8.5% of Mexico's PE/VC market ($15–20 Billion USD)
- **GDP Comparison:** 0.05–0.12% of Mexico's GDP (USD 1.4 trillion USD)
- **Convergent Zone:** The conservative bottom-up estimate ($1.39Billion USD) aligns with the average of top-down estimates, while the moderate estimate ($1.72Billion USD) converges with the upper market penetration limit ($1.70 Billion USD)

Fig. 2 Triangulation of the Impact Investment Market Size

Mexico's Structural Advantages

It is essential to mention Mexico's unique structural and regional advantages, which likely push the actual size toward the upper limit of this estimate. Factors not fully captured in regional comparisons include Mexico's privileged position within U.S. supply chains (where impact value chain requirements are increasingly common), participation in USMCA, and the over USD 65 billion in annual remittances Mexico receives (World Bank, 2024). The country's proximity to North American institutional investors, combined with cultural and commercial ties, facilitates cross-border impact capital flows exceeding typical emerging market patterns, suggesting the impact investing market may be closer to USD 1.7 billion than USD 1.4 billion.

While the economic relationship with the United States remains dominant, Mexico has strengthened ties with other world regions, particularly Asia, Europe, and Latin America. In recent years, Chinese investment has grown steadily, reaching more than USD 2.3 billion between 2018 and 2023, driven by nearshoring

strategy and new manufacturing plant installations in states like Nuevo León (China Daily, 2024; Trends Research, 2024). In parallel, the European Union, through the Global Gateway initiative, has established new cooperation and sustainable investment mechanisms with Mexico, alongside the Inter-American Development Bank and IDB Invest, to strengthen responsible and green capital flows (Government of Mexico, 2024; IDB Invest, 2024). Mexico also maintains a prominent position within Latin America as a leading recipient of green bonds and sustainable investments, consolidating its role as a connection point between emerging markets and global impact-oriented capital (Climate Finance, 2024). These are just some examples reflecting Mexico's gradual diversification of economic and investment relationships beyond its traditional U.S. focus.

ImpactAlpha (2024) reports that regional impact assets have grown at 21% annually over the past five years, with Mexico well-positioned to capture disproportionate growth given these structural advantages. One example of ecosystem maturity and impact investing interest was the more than 1,000 participants at the Latin American Impact Investment Forum (FLII) in Mérida in 2025.

This triangulated estimate of USD 1.4–1.7 billion establishes Mexico as Latin America's impact investing leader, with unique structural advantages positioning the market for accelerated growth beyond regional trends.

3 KEY ACTORS AND INVESTMENT MECHANISMS

This chapter explores who moves impact capital in Mexico and how they do it. Investment funds dominate the market with 59.3% of activity, managing an average of USD 32.5 million each. 72.3% of actors prefer investing directly in projects, primarily using three instruments: equity (37.9%), quasi-equity or hybrid instruments (25.9%), and traditional debt (24.1%). The ecosystem shows an interesting mix: while professional funds lead the way, new players like foundations, accelerators, and family offices are gaining ground, creating an increasingly diverse and dynamic market.

Who Are the Key Actors and What Investment Mechanisms Do They Use?

Behind every impact investment lies a decision, and behind every decision, a team with its own vision for change. Identifying who manages impact capital in Mexico reveals these organizations' priorities: which problems receive the most attention, which communities gain access to resources, and which ideas become reality. As Harji and Jackson (2012) note, understanding ecosystem actors' composition and motivations is fundamental to predicting the direction and pace of impact market development. Investment funds typically arrive with proven models and clear metrics; foundations seek long-term relationships and local knowledge; accelerators maintain a clear perspective on new business models and talent. Each sees impact through its own lens, and together they map what can be changed in Mexico.

Understanding who these actors are also reveals where market strengths and risks lie. When a few funds control most of the capital, resources can be mobilized quickly, but the ecosystem becomes fragile—a single strategy shift can affect the entire sector. This concentration phenomenon has been documented across multiple emerging impact investing markets (Saltuk & El Idrissi, 2015), where dependence on a few large actors can both accelerate and constrain ecosystem growth. When many small actors exist, the market better withstands changes, but financing large projects becomes more difficult. Mexico's impact sector walks between these two worlds: specialized funds concentrate capital while organizations like foundations and family offices participate minimally, waiting for conditions to change before playing a more significant role.

Understanding how these organizations invest—whether directly, through intermediaries, or combining both—and which financial instruments they prefer reveals how specialized the sector has become. An ecosystem living on donations is just beginning; one experimenting with hybrid instruments is in full growth; and one creating social impact bonds could be considered more mature. This chapter demonstrates where Mexico's sector stands today and where it could head if the right conditions emerge.

Ecosystem Overview

Mexico's impact investing ecosystem has a clearly defined structure. At the top sits a group of investment funds managing most available capital. At intermediate levels are financial institutions, development banks, and foundations contributing specialized resources. At the base operate accelerators and incubators that, while managing smaller capital amounts, play a fundamental role in identifying and developing early-stage projects.

This configuration reflects both the market's current development state and persistent structural barriers to new organization participation. Unlike more developed markets such as Brazil or Colombia (as analyzed in Chapter 5), Mexico shows high capital concentration among few actors. This characteristic has important implications: on one hand, it enables more efficient resource deployment; on the other, it limits diversity of approaches and perspectives in investment decision-making.

Analysis by organization type

Distribution of actors in the impact investment ecosistem in Mexico

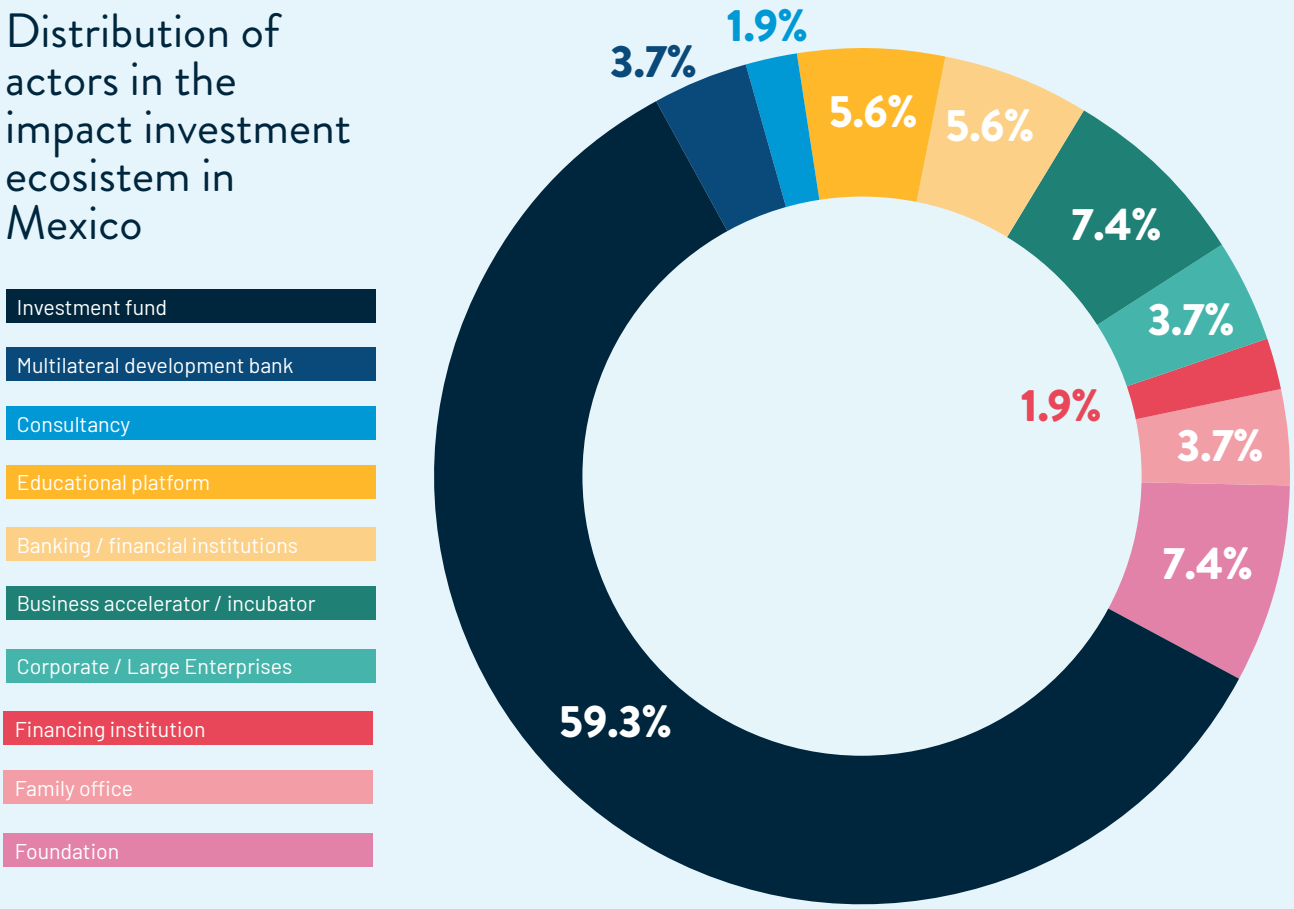


Fig.3 Investor/organization type

Investment Funds

Investment funds represent 59.3% of the ecosystem and manage an average of USD 32.5 million per organization. Their dominant position responds to three structural factors worth analyzing:

1. Specialized teams: Funds have teams capable of evaluating projects under dual-return logic—financial and social. This technical capacity requires sector-specific knowledge.

2. Economies of scale: Scale allows them to distribute high operational costs, primarily for due diligence and monitoring.

3. Capital aggregation: The ability to aggregate different capital sources lets them channel resources from diverse investors to projects that would individually be too small or risky to attract traditional investment.

Foundations, Accelerators, and Incubators

Foundations and accelerators, each representing 7.4% of the ecosystem, occupy specific but fundamental niches in the impact investing value chain. Foundations contribute what the sector calls catalytic capital: patient, high-risk resources that allow projects to demonstrate viability before accessing commercial capital. Although their average investment is smaller in absolute terms, their multiplier effect is significant. International evidence suggests that each peso of philanthropic capital can mobilize 3 to 5 pesos of commercial capital in later stages.

Accelerators and incubators, averaging USD 3.9 million per organization (the sector's lowest), contribute value transcending the amount of capital invested. Their main contribution lies in identifying entrepreneurial talent, strengthening business models, and preparing projects to receive institutional investment. They function as a quality filter that reduces risk for later-stage investors.

Private and Institutional Capital

Banking institutions (5.6%), corporations (3.7%), and family offices (3.7%) represent segments with considerable growth potential. Family offices are particularly noteworthy: despite their low percentage participation, they manage an average of USD 23.4 million per organization—a figure surpassed only by specialized investment funds. This data suggests significant private capital exists with interest in impact investing but that hasn't yet found adequate vehicles or incentives for more active participation.

Multilateral development banks maintain a 3.7% presence in the ecosystem. Although their numerical participation is modest, their role is strategic in infrastructure and public policy projects, frequently acting as anchor investors who catalyze private capital participation in large-scale projects.

Mechanisms of Investment Deployed

Which impact investment mechanisms are most utilized by investors?

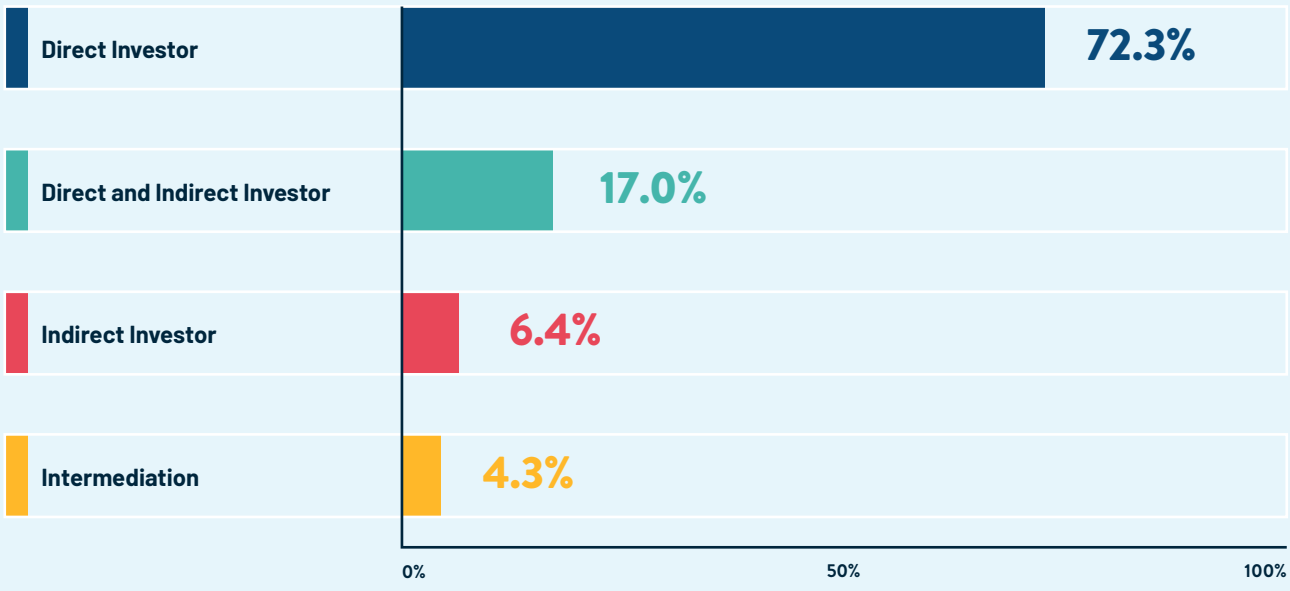


Fig.4 Investment Mechanisms

Direct Investment

72.3% of ecosystem actors prefer making investments directly in projects. This preference responds to several strategic considerations: it allows greater control over investment decisions, facilitates direct relationships with entrepreneurs, and enables value addition beyond financial capital through mentorship, connections, and knowledge transfer. However, this model also implies higher operational costs and limits the ability to scale operations.

Of the universe of actors making direct investments, 62.5% are investment funds, confirming their central ecosystem role. Educational platforms (7.5%) focus primarily on seed capital and early stages, while multilateral development banks (5%) concentrate activity on scaling projects with systemic impact potential.

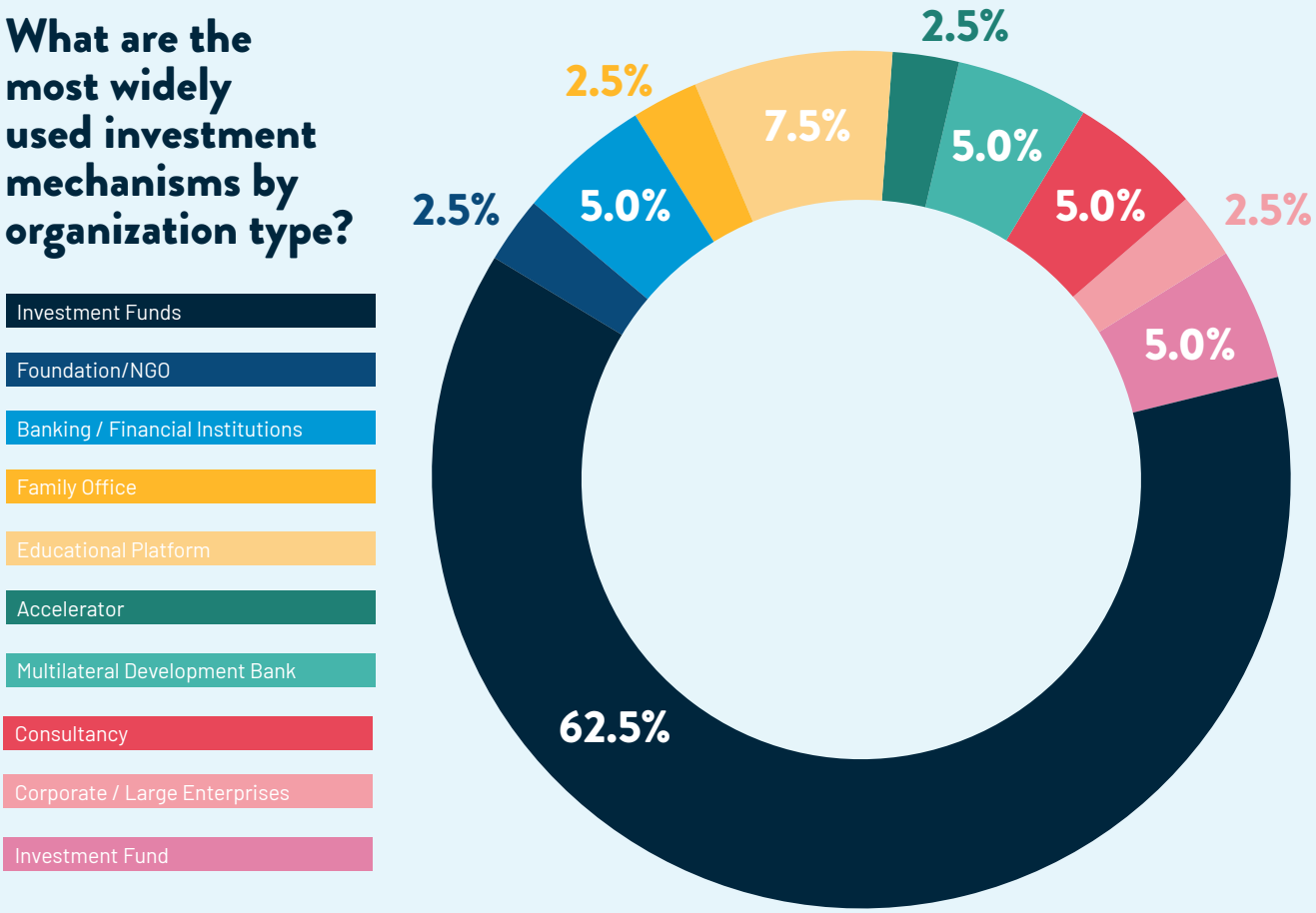


Fig.5 Distribution of direct investment by actor type

Hybrid Models

The 17% of actors combining direct and indirect investment represents an evolving market segment. These actors have developed operational flexibility to adapt their strategy based on project characteristics: direct investment when deep involvement and non-financial value addition are required, indirect investment when specialized intermediaries exist with better sectoral or geographic knowledge. This adaptability will become increasingly relevant as the market matures and more sophisticated investment strategies are needed.

Purely indirect investment (6.4%) and intermediation (4.3%) remain minority segments in the Mexican ecosystem. This distribution contrasts with more developed markets where fund-of-funds and second-tier structures play larger roles. The current gap represents both a challenge—the lack of efficient capital aggregation vehicles—and an opportunity to develop new investment structures.

Financial Instruments

The distribution of financial instruments in Mexico's ecosystem shows notable diversification: equity (37.9%), quasi-equity instruments (25.9%), and traditional debt (24.1%). This balanced distribution indicates the market has moved beyond the initial stage where donations and simple loans predominated. The instrument variety responds to impact project heterogeneity: tech startups requiring venture capital, agricultural cooperatives needing working capital, and growth-stage companies seeking mezzanine financing.

Which are the most widely used financial instruments by investors?

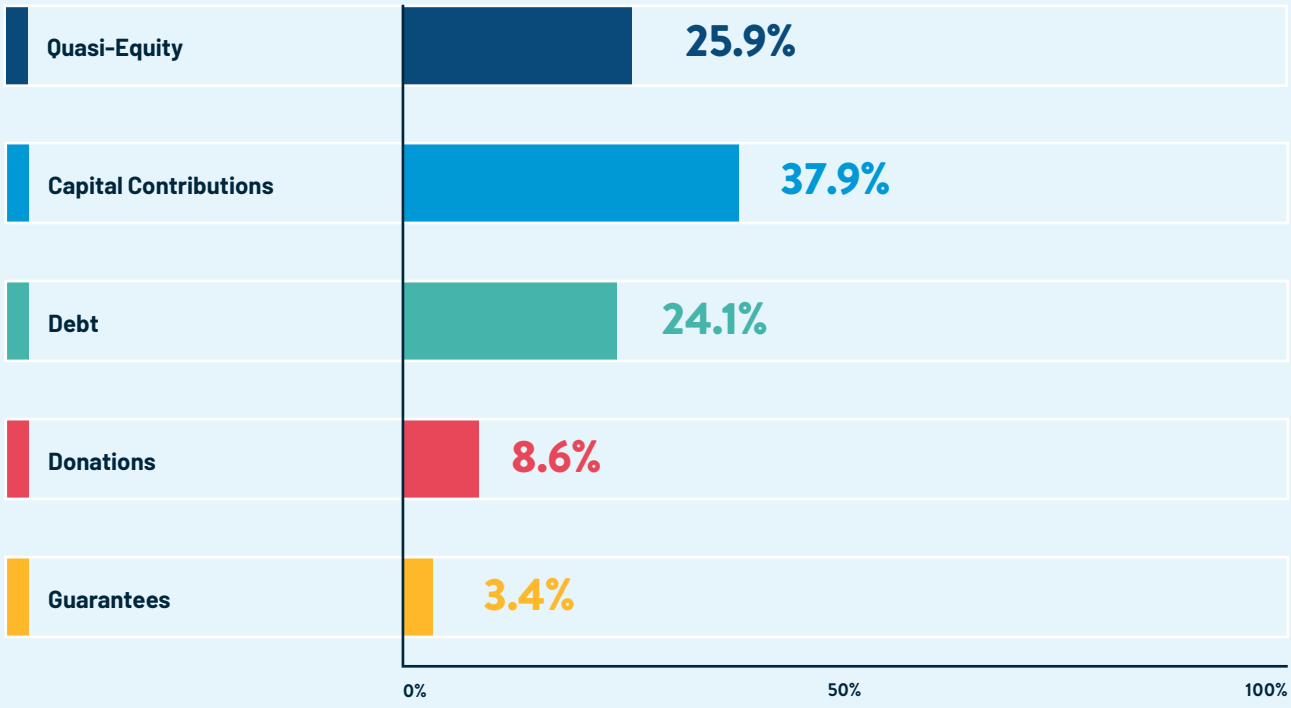


Fig.6 Type of instruments used

Quasi-equity, representing over a quarter of total instruments used, deserves particular attention. These hybrid instruments—including convertible debt, revenue participation, and subordinated debt—align incentives between investors and entrepreneurs while mitigating risks for both parties. The prevalence of these instruments in Mexico signals growing ecosystem maturity and its capacity to develop innovative financial structures adapted to the impact sector's specific needs.

Emerging Instruments and Opportunities

Social impact bonds represent only 2.7% of the Mexican market—a marginal participation compared to markets like the United Kingdom or United States where these instruments have achieved greater development. Barriers to adoption in Mexico include: absence of specific regulatory frameworks, lack of standardized outcome measurement methodologies, and limited experience in both public and private sectors in structuring these vehicles.

However, positive evolution signals exist. 36.4% of actors already integrate ESG (environmental, social, and governance) criteria in their investment decisions, while 25.5% focus specifically on circular economy. These trends are attracting institutional capital that traditionally stayed on the impact sector sidelines, which could catalyze new financial instrument development and accelerate convergence between traditional and impact finance.

Investment Strategy Diversification

How are investment strategies diversified by category?

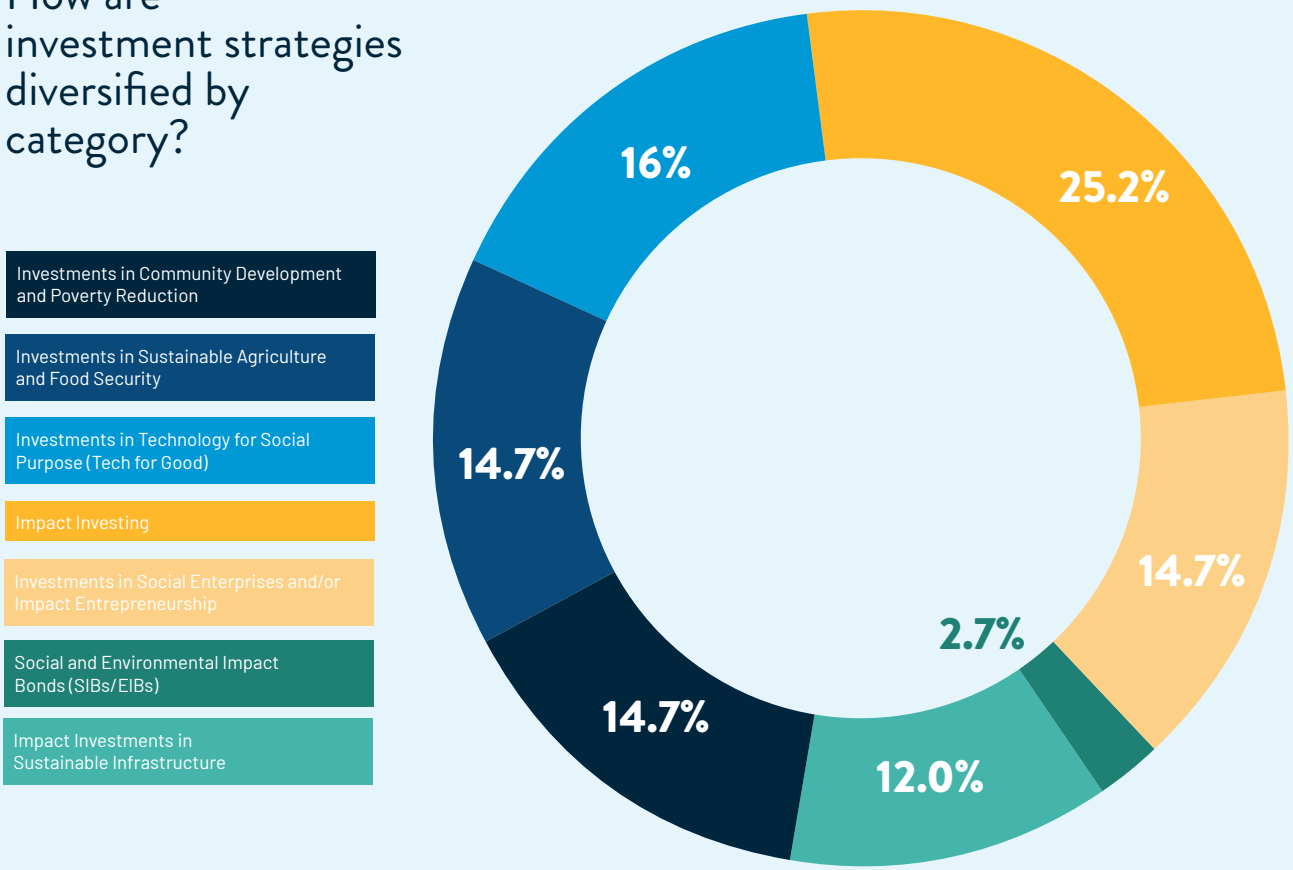


Fig.7 Types of impact investment reported

Investment Strategy Diversification

Analysis of investment strategies reveals notable diversity of approaches within the Mexican ecosystem. 25.3% of organizations conduct general impact investing, adopting a cross-cutting approach without concentrating on a specific sector. This strategy allows greater flexibility and portfolio diversification.

16.0% direct capital toward technology solutions with social purpose (Tech for Good), reflecting recognition of technology as a catalyst for systemic change. 14.7% invest in sustainable agriculture and food security, a critical sector for the Mexican economy offering impact opportunities in rural communities. The same proportion (14.7%) allocates resources to community development and poverty reduction, reaffirming impact investing's role as a tool for social inclusion.

Another 14.7% channel capital toward social enterprises and impact ventures, strengthening the entrepreneurial ecosystem with business models integrating purpose and profitability. 12.0% focus on sustainable infrastructure, linking investment with resilient urban development. Notably, only 2.7% report using social and environmental impact bonds, confirming this instrument remains nascent within the Mexican ecosystem.

ESG Integration and Thematic Approaches

Beyond traditional impact investing, Mexico's ecosystem shows growing adoption of complementary criteria and approaches. 36.4% of actors integrate ESG criteria in their investment decisions, signaling convergence between traditional and impact finance. This integration facilitates dialogue with institutional investors and expands the universe of financeable projects.

Circular economy attracts 25.5% of actors, responding to the urgency of business models that optimize resource use and minimize waste. This approach has gained particular traction in sectors like manufacturing, consumer goods, and waste management.

Especially notable is that 53.3% of actors report activity in financial inclusion, consolidating this as the ecosystem's most relevant thematic category. This focus responds to a structural need in Mexico, where over 40% of the adult population lacks access to formal financial services. This sector's prevalence confirms that impact investing in Mexico maintains a strong component of democratizing access to capital and financial services.

This diversification of approaches—from pure impact investing to ESG integration and sectoral specialization—reflects an ecosystem in full maturation seeking multiple pathways to generate social and environmental value. The coexistence of generalist and specialized strategies allows addressing a broad spectrum of social needs while building specific technical capabilities.

The high participation in financial inclusion (53.3%) and growing ESG adoption (36.4%) suggest two parallel trends: on one hand, the persistence of fundamental social gaps requiring priority attention; on the other, the institutionalization of responsible investment practices that transcend the impact niche to permeate the broader financial market.

How are ESG investment criteria distributed?

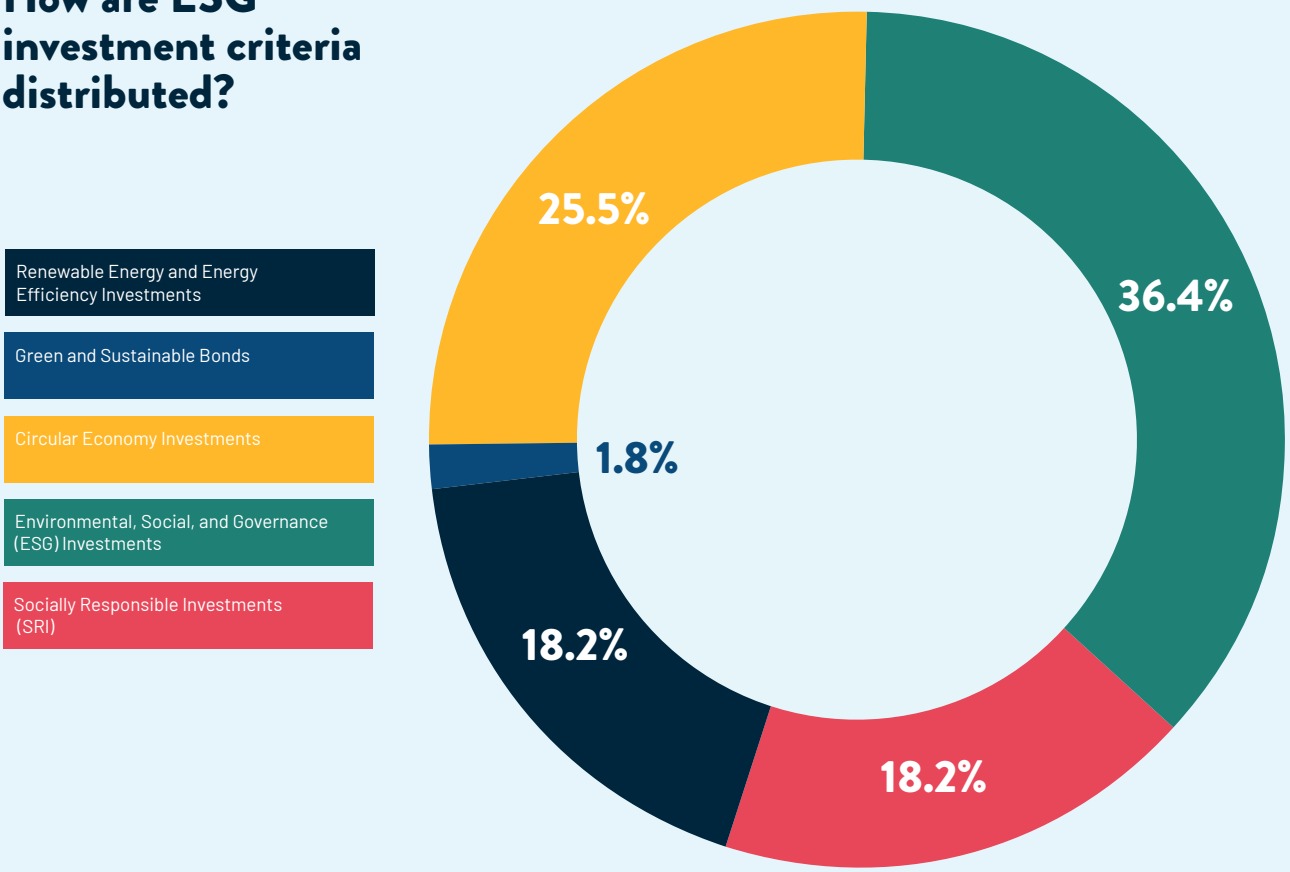


Fig.8 Investments Sustainable and ESG-aligned investments

Current State and Future Outlook

The comprehensive analysis of actors, mechanisms, instruments, and strategies in Mexico's impact investing sector reveals that the market has moved beyond its initial stage but faces key challenges to consolidation. These data paint a revealing portrait of the sector's current situation:

DIMENSION	INDICATOR	DATA	INTERPRETATION
Power Concentration	Investment funds	59.3% of sector	High concentration enables efficiency but limits diversity
	Average capital per fund	USD 32.5M	Large tickets exclude small projects
	Family offices	3.7% participation USD 23.4M Average	Significant latent capital awaiting adequate conditions

DIMENSION	INDICATOR	DATA	INTERPRETATION
Operating Strategy	Direct investment	72.3% preference	Need for control suggests distrust or market immaturity
	Fund of funds	6.4% of market	Critical absence of aggregation vehicles
Financial Sophistication	Instrument distribution	Equity 37.9%, Quasi-equity 25.9%, Debt 24.1%	Technical maturity with balanced tool usage
	Social impact bonds	2.7%	Institutional an regulatory gap
Thematic Focus	Financial inclusion	53.3%	Response to country's structural financial exclusion
	ESG criteria	36.4%	Convergence with traditional finance in progress
	General impact investing	25.3%	Tension between specialization and flexibility

Three Fundamental Findings

1. An ecosystem of "few influential players" where less than 60% of actors influence market direction. This isn't necessarily negative—it enables more efficient capital deployment. Literature on emerging financial market development (Beck & Demirgüç-Kunt, 2006) suggests that concentration above 50% among fewer than 10% of actors can generate liquidity and market direction risks. The presence of family offices with significant capital but low participation suggests a "waiting room" of investors observing the market, awaiting signals of institutional maturity or proven success cases before entering.

2. The preference for direct investment reveals an interesting tendency. Investors seek to maintain direct control over their investments, which can be interpreted two ways: as deep commitment to adding value beyond capital, or as lack of trust in intermediaries. Drexler and Noble (2013) identified similar patterns in Latin American impact markets, where direct investment preference correlates with the absence of robust regulatory frameworks and transparency mechanisms. The limited fund-of-funds participation confirms the sector hasn't yet developed the intermediation infrastructure characteristic of mature markets.

3. Financial inclusion as a priority theme is no coincidence but a symptom. It reflects that the sector continues responding to structural failures in the traditional financial system rather than creating new development structures. The growing ESG adoption by over a third of actors suggests the market is divided: is it moving toward institutionalization and convergence with traditional finance, or maintaining its distinctive impact identity?

Tensions That Will Define the Future

Data analysis reveals four strategic tensions that emerged consistently throughout the research. For each, concrete actions the ecosystem can implement were identified:

Tension 1: Concentration vs. Diversification: 59.3% of the market in large funds' hands generates efficiency but vulnerability. Family offices have capital (USD 23.4M average) but participate little (3.7%).

Key actions:

- Create co-investment vehicles where large funds act as anchors for family offices
- Develop "accredited angel investor" programs specific to foundations and family offices
- Establish joint investment tables in specific sectors

Tension 2: Control vs. Scale: 72.3% prefer direct investment for control, but less than 6.4% use intermediation structures that would enable scaling.

Key actions:

- Launch pilot thematic fund-of-funds in financial inclusion (where traction already exists)
- Create certifications for fund managers that build trust
- Implement mandatory co-investment: direct funds must allocate 20% to indirect vehicles

Tension 3: Innovation vs. Standardization: Instrument sophistication exists (balance among equity, quasi-equity, and debt) but social impact bonds barely reach 2.7%..

Key actions:

- Develop standardized templates for the most common hybrid instruments
- Create a regulatory sandbox for social impact bonds with government as first buyer
- Establish sector-specific impact metrics agreed upon by leading funds

Tension 4: Specialization vs. Cross-Cutting Approaches: 53.3% concentrate on financial inclusion while critical sectors like climate and health remain underserved.

Key actions:

- Use financial inclusion as a platform to finance other sectors (e.g., green credits)
- Create differentiated tax incentives for investments in underserved sectors
- Develop multi-thematic funds with specialized sub-funds

Looking Ahead

These tensions don't require definitive solutions but intelligent management. Mexico's ecosystem has the necessary ingredients: available capital, sophisticated actors, and diverse instruments—but needs specific catalysts to activate them.

The proposed actions aren't exhaustive but pragmatic starting points. Each ecosystem actor can identify where they have the greatest capacity for influence and begin there. Large funds can lead co-investment vehicle creation; family offices can organize into investment clubs; the government can enable regulatory sandboxes; accelerators can specialize their programs.

The following chapters will explore how these tensions manifest in specific aspects: capital origin (Chapter 4), sectoral distribution (Chapter 6), geographic patterns (Chapter 7), and impact measurement (Chapters 9–10). The message is clear: Mexico stands at a pivotal moment where coordinated action can unlock exponential growth, but inertia guarantees stagnation.

4 FUNDING SOURCES

This chapter analyzes the funding sources sustaining Mexico's impact investing ecosystem, revealing concentration patterns and diversification opportunities for sector growth. Three complementary dimensions are examined: the geographic origin of capital (where Mexico and the United States contribute 46.8% of the total), resource sources (with private capital predominating over public), and types of capital-providing organizations (led by family offices at 24.6%). Strategic untapped opportunities are identified in activating institutional capital, diversifying toward emerging Asian markets, and strengthening blended finance mechanisms that could catalyze exponential market growth.

What Are the Main Funding Sources and Untapped Opportunities?

Understanding impact capital sources is critically important for proper sector development. As Bugg-Levine and Emerson (2011) note, funding source diversification determines both resilience and growth potential for emerging impact markets. In Mexico, where the market reaches USD 1.4–1.7 billion (as detailed in Chapter 2), understanding where this capital comes from, who provides it, and which opportunities remain untapped is critical for designing ecosystem expansion and strengthening strategies.

This chapter examines funding sources from three perspectives:

1. **The geography of capital:** Key to understanding the geopolitical and economic dynamics influencing investment flows. Identifying which countries capital comes from enables designing specific attraction strategies, anticipating risks associated with international policy changes, and discovering emerging markets with untapped potential.
2. **The nature of resources:** Important for understanding the incentive structures and expectations shaping the ecosystem. Distinguishing between private, public, philanthropic, and international cooperation capital reveals what types of returns are expected and what time horizons are involved.
3. **The types of organizations channeling capital:** Helps design appropriate financial products and mobilization strategies. Each organization type—from family offices to pension funds—has different objectives, decision processes, risk tolerance, and investment capacities requiring differentiated approaches.

The analysis reveals structural strengths, such as growing interest from Mexican family offices. At the same time, it identifies significant gaps representing growth opportunities, particularly in mobilizing institutional capital and geographic diversification beyond the Mexico-United States axis.

Geographic Origin of Impact Capital

Analysis of the geographic origin of assets under management (AUM) reveals strong binational concentration but also signals of global diversification. Most capital comes from Mexico (29.9%) and the United States (16.9%), which together contribute nearly half of total resources managed in the ecosystem.

This Mexico-United States concentration is unsurprising. It reflects both domestic capital strength and the economic integration derived from USMCA and geographic proximity facilitating investment monitoring. However, the truly revealing patterns are the emerging diversification in the remaining capital.

In the Latin American sphere, Colombia and Chile stand out at 6.5% each, followed by Brazil at 5.2%. This regional participation suggests growing interest from Latin American investors in the Mexican market, possibly motivated by relative macroeconomic stability and the scale opportunities the country offers. As Combs et al. (2023) document, intraregional capital flows in Latin America have grown 35% annually in the impact sector, significantly exceeding traditional North-South flow growth.

The European component shows an interesting distribution: Luxembourg leads at 5.2%, followed by the United Kingdom at 3.9%. Consolidated European economies like Germany, Spain, France, and Switzerland maintain uniform presence at 2.6% each. Canada contributes 3.9% of total capital, reflecting the strong commercial and investment ties it maintains with Mexico through USMCA and its tradition of responsible investment in emerging markets.

Particularly intriguing is the emergence of non-traditional actors like Taiwan (2.6%) and Slovenia (1.3%). Although their shares are modest, their presence signals unexplored opportunities. Taiwan, with its pension funds managing over USD 700 billion globally, and Slovenia, as a gateway to Eastern European markets, represent capital sources with significant growth potential. These emerging markets seek geographic diversification, and Mexico offers an attractive combination of scale, stability, and clearly defined social impact needs.

Where does impact capital come from?

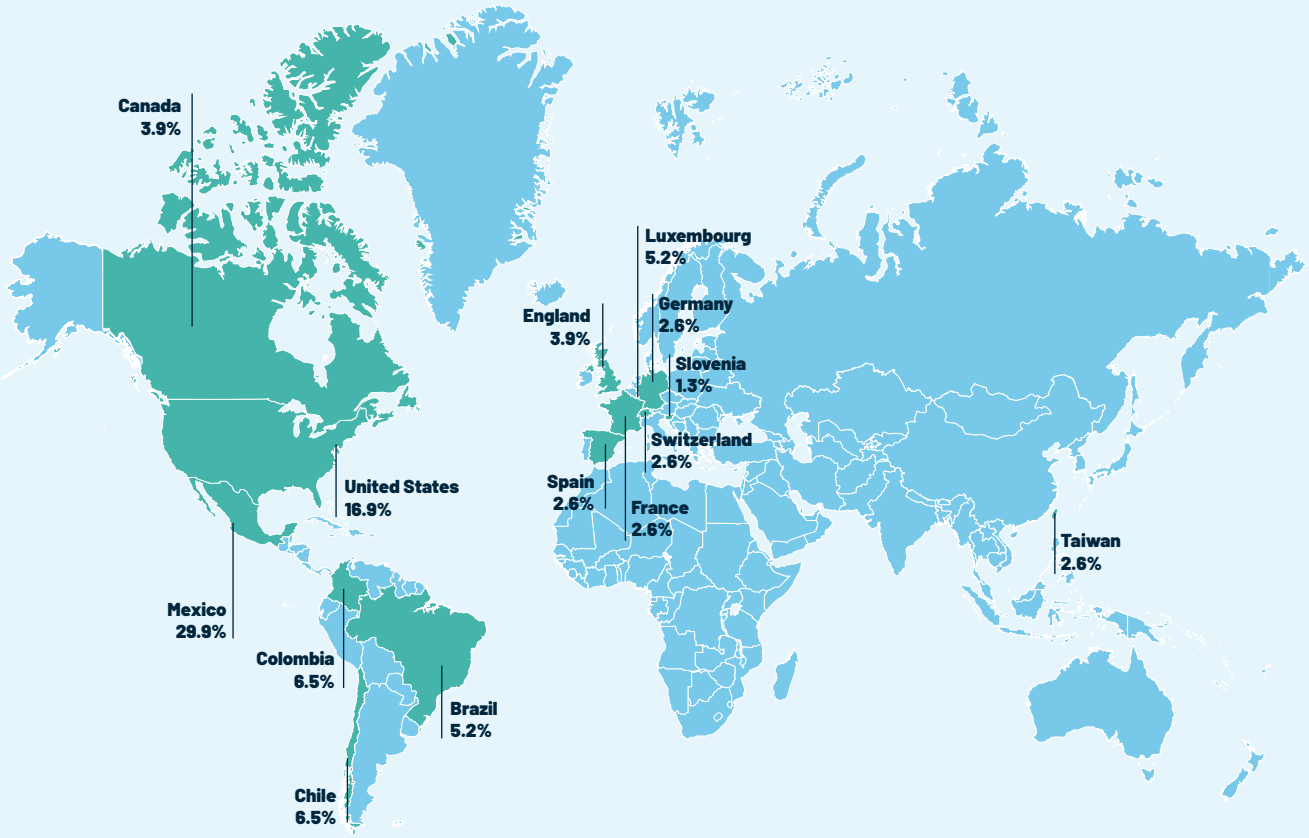


Fig.9 Source of capital for Assets Under Management (AUM)

Sources and Nature of Capital

Beyond geographic origin, understanding the nature of resources flowing into impact investing in Mexico is important. This dimension reveals power dynamics and incentive structures shaping the ecosystem.

The data show marked dependence on private capital. Invested resources from third parties represent 38.2% of the total, while own resources reach 36.4%. Together, these private resources constitute nearly three-quarters of total ecosystem funding.

In contrast, public resources and international cooperation represent only 9.1% each, while philanthropic resources contribute just 7.3%. This distribution has profound implications for sector development. On one hand, private capital predominance suggests sustainability and orientation toward measurable financial results. On the other, limited public and philanthropic resource participation indicates untapped potential for blended finance structures that could catalyze additional private investment through risk mitigation.

In fact, data collection revealed growing interest in blended finance structures, with 33.3% of organizations indicating they use them. Among those reporting use of these mechanisms, investment funds predominated at 61.5%, being the organization type most frequently using these strategies. However, foundations, accelerators, family offices, NGOs, and development finance institutions also reported using them, though in smaller proportions at 7.7% each. Together, these results suggest that investment funds are the most experienced actors in using blended finance within Mexico's ecosystem, or those incorporating these instruments most rapidly compared to other actors.

What is the nature and source of impact capital?

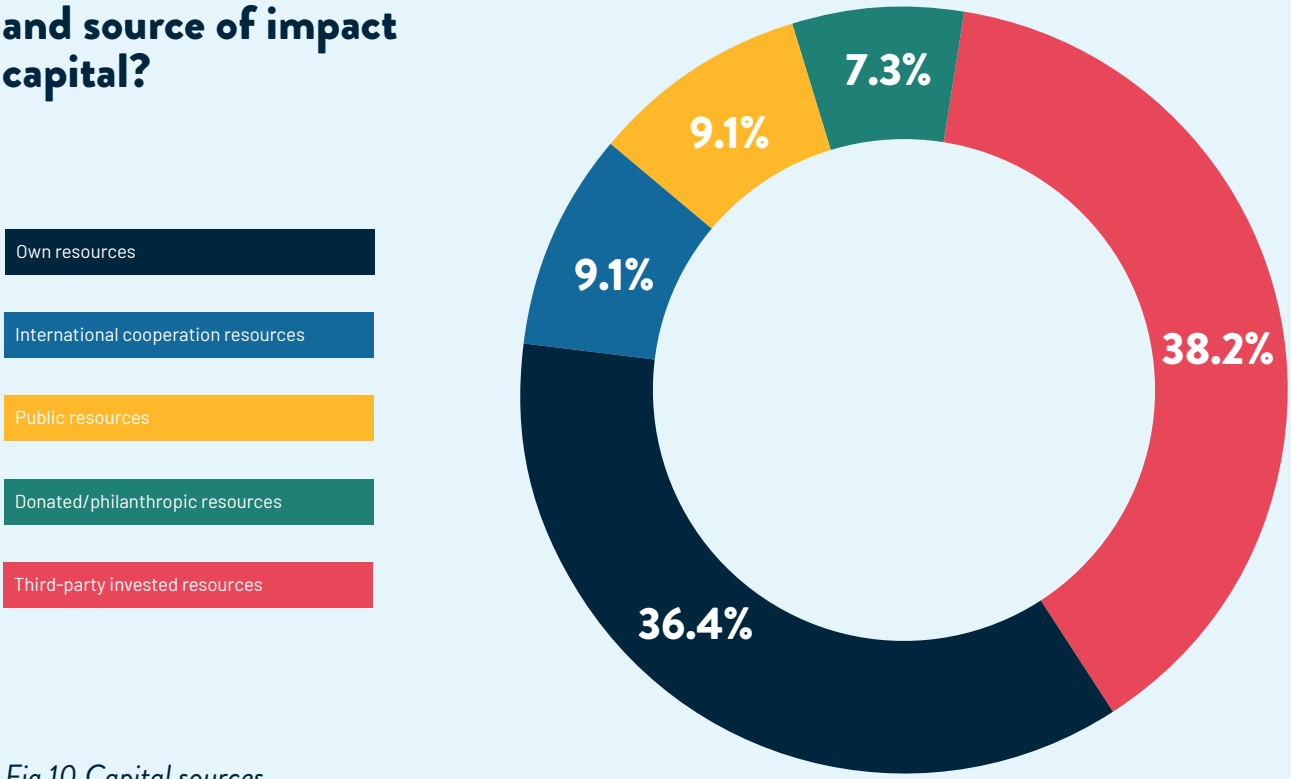


Fig.10 Capital sources

Types of Capital-Providing Organizations

As detailed in Chapter 3 on ecosystem architecture, various organization types channel capital toward impact investing. However, analysis of specific funding sources reveals important hierarchies and concentrations.

Family offices emerge as the dominant actor, representing 24.6% of total capital. This leadership is significant and consistent with global trends documented by UBS and Credit Suisse (2022), where family offices allocate an average of 19% of their portfolios to impact investments, exceeding other institutional investor types.

Development Finance Institutions (DFIs) occupy second place at 17.4%, followed by fund of funds at 15.9%. DFIs' significant presence is expected given their development mandate, but their participation could be greater considering the magnitude of resources they manage globally.

Institutions like IDB Invest, IFC, and DEG have capacity to deploy billions in the region, suggesting room for greater involvement in Mexico.

At an intermediate level are small-scale investors/microfinance (10.1%), banks and financial institutions (8.7%), and foundations (7.2%). Corporate private initiative shows modest participation at 4.3%, while sources with enormous potential like pension funds (2.9%) and direct corporate capital (1.4%) remain dramatically underrepresented.

How are capital roviders distributed by organization types?

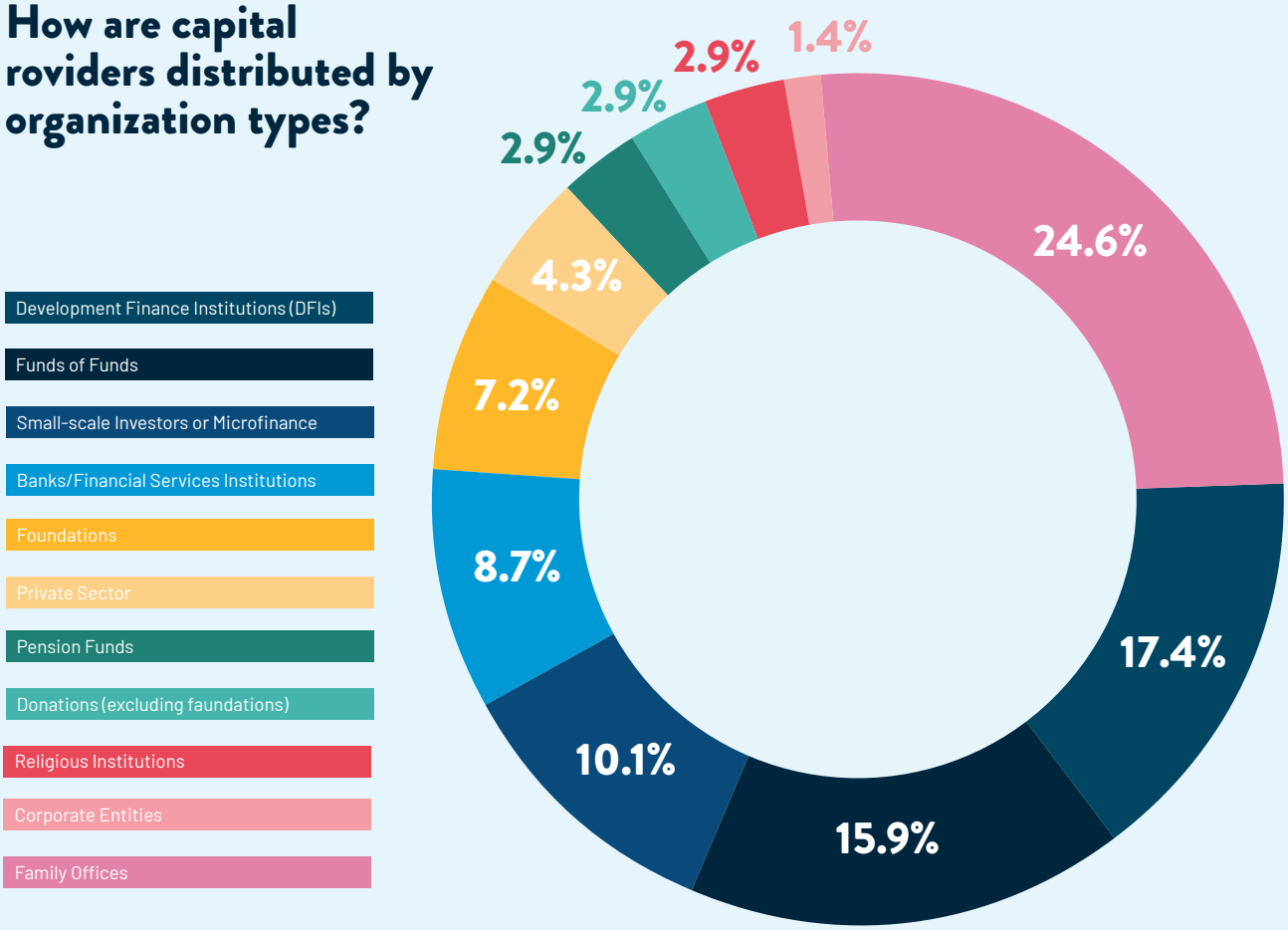


Fig.11 Origin of Organization/Fund Capital

Untapped Opportunities and Strategic Recommendations

The analysis reveals five main strategic opportunities to diversify and expand capital sources:

1. Activating Domestic Institutional Capital

Afores (Mexico's pension fund system) manages over USD 220 billion but contributes only 2.9% to the impact ecosystem. Activating just 1% additional from these resources would represent over USD 2 billion in new capital. This requires:

- Developing investment vehicles meeting Afores regulatory requirements
- Creating structured products offering appropriate risk-return profiles
- Building verifiable track records of successful impact investments

2. Strengthening Blended Finance

With public and cooperation resources representing only 9.1% each, ample space exists for blended finance structures. As Convergence (2023) demonstrates, each dollar of public catalytic capital can mobilize 4 to 10 dollars of private capital in emerging markets. Priority actions include:

- Designing government-backed first-loss funds
- Creating partial guarantees to reduce perceived risk
- Establishing pilot programs for financial innovation

3. Strategic Geographic Diversification

The emerging presence of Asian capital (Taiwan 2.6%) suggests an opportunity to deepen relationships with Pacific markets. As explored in Chapter 5 on regional comparisons, Mexico is well-positioned to capture Asian capital flows seeking Latin American diversification. Strategies include:

- Targeted roadshows in Asian financial centers
- Partnerships with regional asset managers
- Adapting impact reports to Asian standards

4: Mobilizing Corporate Capital

With only 1.4% direct participation and 4.3% private initiative, the corporate sector represents the largest untapped opportunity. Major Mexican corporations could channel significant resources through:

- Corporate venture capital vehicles with impact mandates
- Investments in inclusive value chains
- Specialized sectoral funds co-invested with corporations

5. Capitalizing on Family Office Interest

Given that family offices already lead at 24.6%, momentum exists to deepen their participation. These organizations increasingly seek investments aligning family values with financial returns. Recommended actions include:

- Creating impact investment clubs for family offices
- Developing co-investment products reducing due diligence costs
- Establishing shared knowledge platforms

Summary of Findings

Funding patterns reveal an ecosystem in transition: sufficiently mature to attract sophisticated private capital, but with structural gaps limiting its potential scale. The following table synthesizes main findings and their implications:

KEY FINDING	OBSERVATION AND IMPLICATIONS
Domestic and North American capital dominate	Mexico (29.9%) and the United States (16.9%) contribute nearly half the total, establishing a solid base but suggesting a need for diversification to reduce vulnerability to bilateral shocks.
Emerging interest from new sources	Taiwan (2.6%) and Slovenia (1.3%) signal the opening of new markets. Opportunity to position Mexico as Latin America's gateway for Asian and Eastern European capital.
Private sources lead	Family offices (24.6%), DFIs (17.4%), and fund of funds (15.9%) lead. Confirms results orientation but indicates need to democratize sector access.
Institutional capital underrepresented	Corporations (1.4%) and pension funds (2.9%) show minimal participation. Represents the largest growth opportunity with potential to double market size.
Public funds in background	At only 9.1%, ample room exists to use public capital as a catalyst through risk-sharing structures and guarantees.

Looking Ahead

Mexico's impact investing ecosystem finds itself at a critical moment. It has demonstrated capacity to attract sophisticated private capital but faces the challenge of diversifying its sources to achieve the scale needed to address the country's social and environmental challenges. Activating the identified opportunities could not only double market size over the next five years but also strengthen its resilience and deepen its impact on Mexico's most vulnerable communities.

5 REGIONAL COMPARISON

This chapter compares Mexico's impact investing ecosystem with four key markets: Brazil, Colombia, Spain, and Central America. Using methodology aligned with Global Steering Group (GSG) international standards, each ecosystem was evaluated across four dimensions: institutional governance, impact measurement, financial innovation, and regulatory segmentation. Mexico is at an intermediate development stage with USD 1.4–1.7 billion in assets under management—surpassing Colombia but below Brazil and Spain. The analysis identifies clear opportunities for Mexico, including strengthening governance through the National Advisory Board (NAB), the body representing each country within the GSG's global network. In Mexico, this is known as the Alianza por la Inversión de Impacto (AIIMx). The chapter also highlights the need for standardized impact measurement and specific regulatory frameworks, following examples from Spain and Colombia. The NAB functions as a national coordination platform linking key ecosystem actors.

Key Comparative Findings

Comparative analysis reveals that impact investing ecosystems in Latin America and Europe do not follow linear or homogeneous trajectories. Each country has developed distinctive strengths responding to its specific institutional, economic, and social contexts. Colombia stands out for its institutionalized governance through its NAB; Brazil for its historical leadership and diverse local actors; Spain for its integration with European regulatory frameworks; while Mexico excels in its balance of financial instruments and strategic proximity to the United States. These differences are not merely descriptive—they offer concrete lessons about which elements catalyze or constrain sector development (Monitor Institute, 2009; Rockefeller Foundation, 2019).

The comparative exercise transcends traditional benchmarking by identifying replicable ecosystem evolution patterns. Countries that have formalized multisectoral coordination structures show impact capital growth rates 35%–45% higher than those depending on fragmented efforts. Similarly, standardized measurement framework adoption correlates positively with attracting international institutional capital, while the absence of specific regulatory incentives systematically limits pension fund and insurance company participation across all analyzed markets.

For Mexico, this comparative analysis acquires strategic relevance instantly of sector consolidation. Identifying which elements of Colombia's governance model, which instruments from Brazil's market, or which Spanish regulatory frameworks are adaptable to Mexico's context allows accelerating the learning curve and avoiding costly mistakes. The goal is not mechanical replication of external models but extracting fundamental principles that, adapted to national particularities, can catalyze Mexican impact investing's next qualitative leap.

This study incorporated strategic methodological collaboration with NAB Colombia, adapting its 2022 measurement instrument to Mexico's context. This technical alignment ensures international comparability while respecting each ecosystem's particularities, establishing a precedent for future harmonized regional measurements.

Comparative Analysis of Assets Under Management

COUNTRY	REPORTED AUM (USD)	MEASUREMENT YEAR	DISTINCTIVE CHARACTERISTICS
Spain	$2.82 billion	2023	Most mature ecosystem, European regulation
Mexico	$1.39–1.71 billion	2025	Expanding market, high diversification
Brazil	$850 million	2019	Regional historical leader, debt concentration
Colombia	$473 million	2022	Institutionalized governance via NAB
Central America	$17 million	2023	Initial stage, regional fragmentation

Mexico stands out for having the most recent estimated range and sustained growth trajectory. The gap with Spain evidences expansion potential, while the advantage over Colombia suggests economic size partially compensates for lack of formal institutionalization.

Brazil reports 2019 data, suggesting possible current underestimation. Adjusting for average sectoral growth (21% annually per GIIN), Brazil could reach USD 1.5–1.8 billion by 2024, positioning competitively with Mexico. Central America, fragmented across five countries, shows the cost of dispersion: together they barely reach 1.5% of Mexico's market.

Financial Instruments by Country

COUNTRY	DEBT	EQUITY	QUASI-EQUITY	OTHER
Spain	74%	25%		1%
Mexico	24.1%	37.9%	25.9%	13%
Brazil	60%	34%	6%	
Colombia	44%	38%	18%	
Central America	29%	41%	15%	15%

The data show Spain maintains a clear preference for debt instruments (74%), suggesting a more traditional market with lower risk appetite. In contrast, Mexico does not follow this pattern. Far from concentrating on debt, Mexico's ecosystem is characterized by marked preference for equity (37.9%) and significant quasi-equity use (25.9%), while debt represents only 24.1%—well below Spain or Brazil. This indicates Mexico operates as a market more oriented toward flexible instruments with greater risk tolerance, especially in early stages. A smaller but relevant participation of donations (8.6%) and guarantees (3.4%) is also observed, reflecting an ecosystem combining philanthropic mechanisms with more sophisticated financial structures.

By comparison, Brazil, Colombia, and Central America show diversified compositions with distinct patterns. Brazil combines 60% debt with 34% equity and 6% quasi-equity, configuring an ecosystem open to moderate risk but still dominated by traditional instruments. Colombia registers the highest quasi-equity use (18%) after Mexico, accompanied by elevated equity proportion (38%), indicating clear orientation toward flexible instruments with higher return potential. Central America presents a balanced distribution with 29% debt, 41% equity, 15% quasi-equity, and 15% other—reflecting an experimental ecosystem using solutions adapted to emerging markets requiring hybrid instruments to close financing gaps.

Priority investment sectors by country

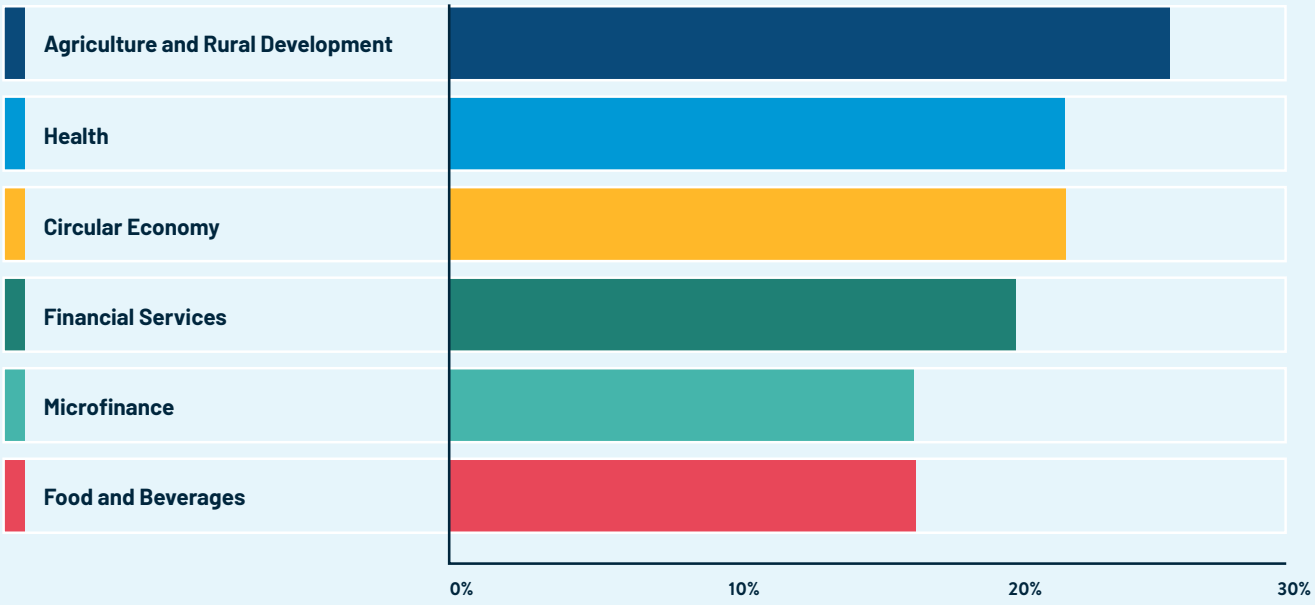
COUNTRY	SECTOR 1	%	SECTOR 2	%	SECTOR 3	%
Mexico*	Agriculture & rural development	32.3%	Health	18.8%	Circular economy	16.1%
Brazil	Health	66%	Education	58%	Food & agriculture	50%
Colombia	Agriculture	29%	Environmental conservation	22%	Financial services	18%
Spain	Decent work/growth	80%	Health & wellbeing	60%	Climate action	55%
Central America	Agriculture & food	90%	Climate & conservation	70%	Water & sanitation	60%

Priority Sectors by Country

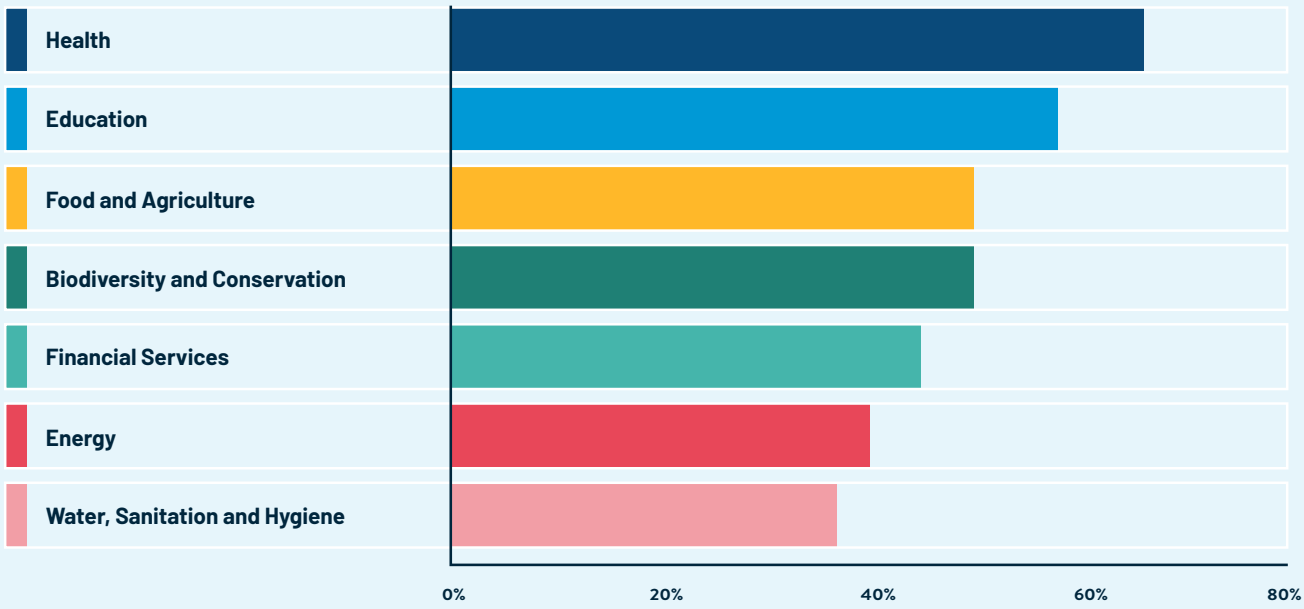
Analysis shows an inverse correlation between each country's GDP per capita and its impact investment concentration in primary sectors. Mexico is positioned at a key point facing the strategic decision of remaining in traditional high-local-demand sectors or anticipating transition toward higher value-added sectors that will attract international institutional capital in the medium term.

Methodological note: Sectoral data come from specialized country studies: ANDE (2025) for Mexico; ICE and ANDE (2020) for Brazil; NAB Colombia and Econometría Consultores (2022) for Colombia; SpainNAB (2023) for Spain; and PiiC-Dalberg (2023) for Central America.

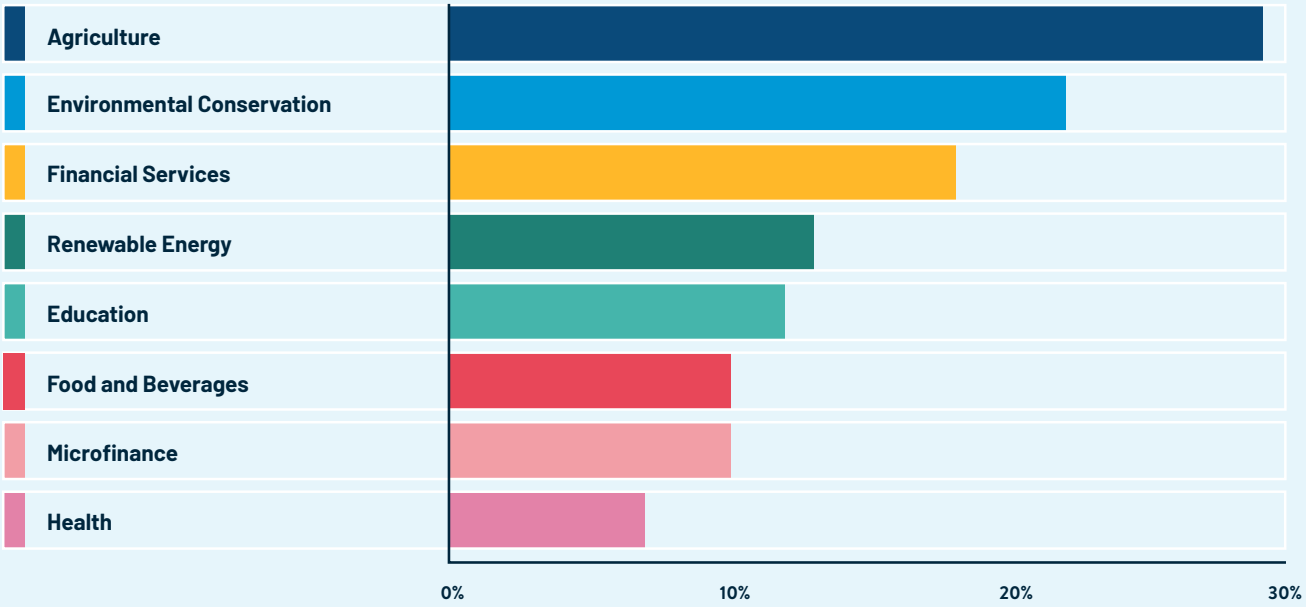
Priority Sectors in Mexico



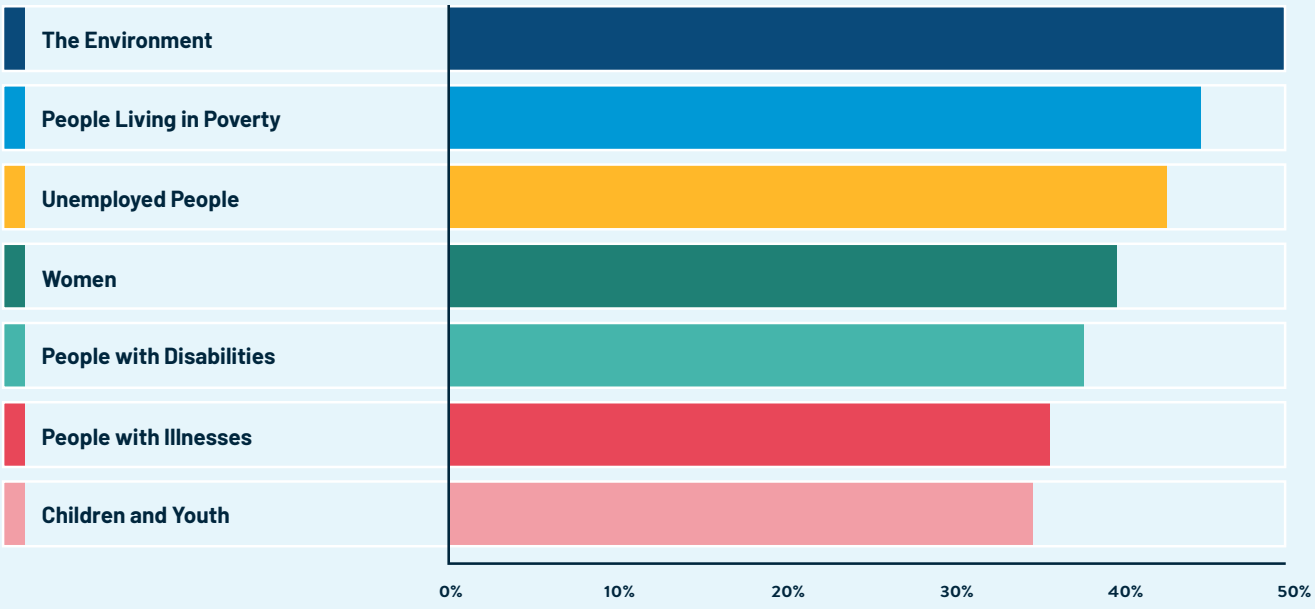
Priority Sectors in Brazil



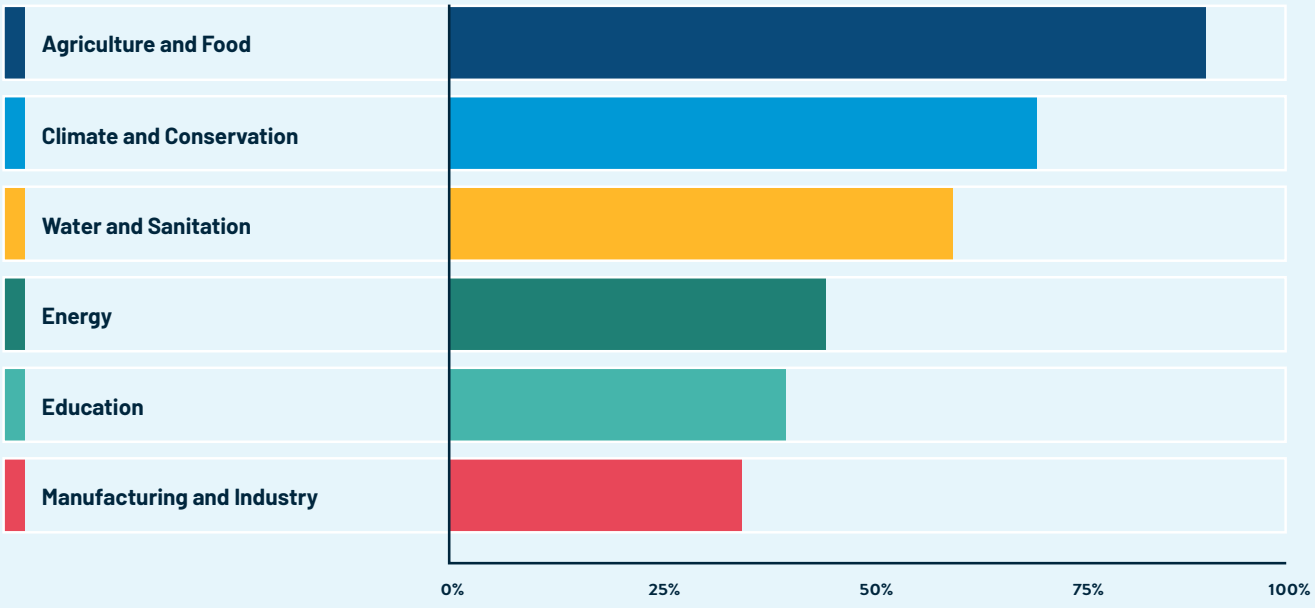
Priority Sectors in Colombia



Priority Sectors in Spain



Priority Sectors in Central America



Maturity Level Comparison

COUNTRY	INSTITUTIONAL GOVERNANCE	IMPACT MEASUREMENT	FINANCIAL INNOVATION	REGULATORY SEGMENTATION
Mexico	Initial	Initial	Medium	Initial
Brazil	High	High	High	Medium
Colombia	High	High	Medium	Medium
Spain	High	High	High	High
Central America	Initial	Medium	Initial	High

This dashboard evaluates impact investing sector maturity in five countries using a three-level traffic light system: High (consolidated), Medium (developing), and Initial (incipient or absent). The evaluation is based on documented evidence from recent technical studies and identifies gaps and improvement opportunities for each country. Evaluated dimensions and classification criteria:

- **Institutional governance** evaluates actor articulation. Mexico and Central America show emerging but fragmented coordination, while Brazil, Colombia, and Spain operate with formalized structures reducing coordination costs by 40%–60%.
- **Impact measurement** determines credibility with institutional investors. The gap between Mexico (initial) and Colombia/ Brazil (advanced) partially explains why the latter attract 2.5x more international capital proportionally.
- **Financial innovation** reflects market sophistication. Mexico shows potential for accelerated growth, positioned between Central American experimentation and Brazilian-Spanish consolidation.
- **Regulatory segmentation** emerges as the critical differentiator. Mexico's absence represents simultaneously the greatest current barrier and highest potential-impact opportunity: countries implementing specific regulatory frameworks experience 45%–65% growth in the following 24 months.

Lessons for Strengthening Mexico's Ecosystem

Mexico has achieved something unique in the region: capturing more impact investment than countries with more formal structures. While Colombia needed to create a national council to reach USD 473 million, Mexico captured triple that without a formal governmental structure. This demonstrates that economic size and proximity to the United States have temporarily compensated for the absence of formal governance mechanisms. However, the absence of specific legal frameworks and effective intersectoral coordination causes expansion pace to be 35%–45% slower annually compared to countries with such mechanisms. In this context, the country appears to have reached maximum possible potential through private effort; advancing toward the USD 3–5 billion projected for 2030 will require implementing structural reforms strengthening the institutional and regulatory environment.

1. Strengthen AIIMx Toward a Shared Governance Model: AIIMx has operated as a private network since 2015; however, comparative evidence—particularly Colombia's Alianza por la Inversión de Impacto case—demonstrates that including the public sector as active partner, facilitator, and co-investor can transform ecosystem reach. This type of shared governance generates tangible benefits: it broadens network legitimacy, facilitates alignment with sustainable development public policies, and enables blended finance instruments backed by public and multilateral resources.

For Mexico, an estimated annual investment of USD 2–3 million oriented toward strengthening AIIMx's technical, operational, and coordination capacities could translate into attracting USD 500–700 million additional in impact capital. This multiplier effect is explained by three main mechanisms:

- **Institutional credibility:** Public sector participation reduces perceived risk for institutional investors and international funds.
- **Intersectoral coordination:** Allows aligning incentives among public, private, and philanthropic actors under a common roadmap.
- **Combined financial instrument leverage:** Collaboration facilitates designing co-investment funds, guarantees, and first-loss capital funds that amplify investment volume.

In practical terms, joining this model would mean government agencies—particularly those linked to economic development, welfare, and environment—participate in AIIMx's governance council, contributing financial or technical resources, while the private sector maintains an articulation and execution role. This way, AIIMx could consolidate as a national impact investing platform with hybrid public-private structure, capable of attracting and channeling capital toward the country's sustainable development objectives.

2. Create State-Level Impact Funds: Brazil's experience shows how subnational governments can play a strategic role in strengthening the impact investing ecosystem. In that country, various states have promoted regional fund creation and blended finance mechanisms, channeling public and private resources toward priority social and environmental projects. These models have allowed mobilizing local capital, strengthening institutional capacities, and generating financial innovation with territorial focus.

For Mexico, the challenge is not creating new state funds—the country already has a network of subnational instruments like Fondo Ambiental Jalisco (Jalisco Environmental Fund), FODEIJAL (Jalisco Economic Development Fund), FOCRECER (Growth Support Fund), and Fondos Guanajuato (Guanajuato State Funds) that have shown impact in their respective sectors. The challenge is strategically focusing them toward profitability and impact sustainability, incorporating financial and social outcome metrics under blended finance schemes.

A key advancement path is facilitating private sector participation as co-investor. Mexico's legal framework permits this, primarily through instruments like public and mixed trusts, public-private partnerships (PPPs), and listed investment vehicles (CKDs and CERPIs), regulated by the General Law of Credit Instruments and Operations, the Public-Private Partnerships Law, and the Securities Market Law. These structures allow state governments to design hybrid funds with public risk-mitigation tranches (first-loss capital) and private capital with market-rate financial returns.

For this articulation to be effective, strengthening existing funds' governance and transparency frameworks would be necessary, establishing standardized impact measurement mechanisms and defining clear co-investment and return criteria. This would allow attracting institutional investors, development banks, and philanthropic capital, maximizing public capital's multiplier effect and positioning state funds as regional engines of sustainable development and financial innovation.

3.Implement Progressive Tax Incentives:
E Spain shows that tax incentives can be an effective tool for accelerating impact investing market growth. In that country, introducing 25%–30% deductions for certified impact investments allowed doubling market size in less than five years (SpainNAB, 2023). Mexico could adopt a similar model through a pilot program oriented toward 50–100 companies, offering graduated tax benefits based on the type and depth of impact generated, as well as the region where investments are made.

To make this viable, a clear regulatory framework would be required recognizing impact investments as a specific tax category, integrating guidelines into the Income Tax Law (LISR) and its regulations. The Secretaría de Hacienda y Crédito Público (SHCP, Mexico's Ministry of Finance), in coordination with the Secretaría de Economía (Ministry of Economy), could develop an impact certification mechanism based on international standards like IRIS+, the Sustainable Development Goals (SDGs), or the B Corp evaluation system, allowing proportional deductions based on social or environmental impact level achieved.

Design could begin with a pilot scheme in strategic sectors (for example, sustainable agriculture or renewable energy) with regional focus in states with high social or climate vulnerability. Implementation would require alignment between fiscal and economic development authorities, as well as eligibility and impact audit criteria to prevent simulation. In a second stage, the program could expand to institutional investors and funds, integrating tax credits, deductions for impact profit reinvestment, or partial income tax exemptions for those channeling capital toward certified projects.

This approach would not only strengthen market transparency and traceability but create tangible incentives for the private sector to adopt impact metrics, accelerating capital mobilization toward sustainable development objectives and contributing to building a tax framework favorable to sustainable finance in Mexico.

4. Strengthen Alignment with International Climate Financing Standards:
While Mexico has a solid institutional framework on sustainability—including the 2025–2030 National Development Plan, the National Climate Change Strategy, and the National Sustainable Financing Plan—it still faces challenges translating these strategies into a homogeneous technical narrative facilitating international green capital channeling. Currently, green investments are grouped under various categories like circular economy, energy transition, or climate adaptation, which can complicate classification and certification according to criteria used by major international mechanisms.

More than a loss, this represents underutilized opportunities: more precise alignment with global eligibility standards would increase international resource mobilization toward national projects. Key reference frameworks include Green Climate Fund (GCF) Criteria, EU and Latin American Green Taxonomies, Green Bond Principles (ICMA, 2023), and Climate Bonds Initiative (CBI) standards, which define investment categories, impact metrics, and independent verification requirements.

Strengthening this alignment would involve developing a Mexican green taxonomy interoperable with said frameworks, coordinated by the Secretaría de Hacienda y Crédito Público (SHCP), the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT, Ministry of Environment and Natural Resources), and the Secretaría de Economía (Ministry of Economy). This step would position national projects within global climate financing pathways, expand access to multilateral funds like the Green Climate Fund, Climate Investment Funds, and Global Environment Facility, and consolidate Mexico as a key actor in Latin America's sustainable finance ecosystem and international cooperation.

5. Lead Regional Metrics Adaptation: Beyond adopting IRIS+, Mexico could create a Latin American version with indicators relevant to emerging markets. This would position the country as a regional methodological reference and attract funds seeking to measure impact with local relevance.

Mexico has unique advantages in Latin America: proximity to the United States, USMCA as a commercial framework, USD 65 billion annually in remittances, and 130 million inhabitants as a domestic market. The diversity of financial instruments already in use (37.9% equity, 24% debt, 25% quasi-equity) shows increased maturity and greater openness toward innovation.

However, without strengthening AIIMx's institutional weight, establishing legal frameworks incentivizing large-scale investor participation, and consolidating reliable measurement systems, the national impact investing ecosystem will continue operating below capacity. More than questioning the need to act, Mexico's challenge lies in how quickly and effectively it can leverage its competitive advantages.

6 SECTORAL DISTRIBUTION OF IMPACT CAPITAL

This chapter analyzes the sectoral distribution of impact capital in Mexico, revealing strong concentration in agriculture (10.1%), health, and circular economy (8.6% each). Three investment demand levels are identified, highlighting underserved sectors like affordable housing (1.4%) and care economy (0.7%) as strategic diversification opportunities. The chapter also examines structural causes of current sectoral concentration and projects market evolution trends for the 2025–2027 period.

Which Sectors Show the Highest Growth in Mexico's Impact Investing Market?

This question is fundamental to understanding not only where capital currently concentrates but where market trends are heading and which opportunities remain unexplored. The sectoral distribution of impact capital reflects the country's social, environmental, and economic priorities while also revealing investors' risk-return preferences and ecosystem installed capacities.

In emerging markets like Mexico, this distribution initially tends to concentrate in sectors with proven business models and established impact metrics, subsequently diversifying toward more innovative or operationally complex sectors (Mudaliar et al., 2019). As established in Chapter 1, impact investing pursues the dual objective of generating financial returns alongside measurable social and environmental benefits. In the sectoral context, this translates to identifying industries where both objectives can effectively align.

To address this complexity, an investment demand level categorization methodology was employed, classifying sectors into three groups: high demand (over 8% of capital), medium demand (4%–8%), and emerging or low demand (under 4%). This segmentation, combined with analysis of both supply and demand structural factors, reveals not only the current market snapshot but also the underlying dynamics explaining why certain sectors attract more capital than others.

Overall Capital Distribution by Sector

The sectoral panorama of impact investing in Mexico reflects both the country's social needs and market opportunities investors have identified as viable. Our analysis and data collection reveals significant patterns of capital concentration and dispersion.

Agriculture and rural development leads with 10.1% of total capital, evidencing the importance of rural Mexico, where 21% of the population lives in rural areas and depends directly or indirectly on agricultural activities (INEGI, 2020). This concentration is no coincidence: Mexico's impact investing ecosystem was built on existing foundations, particularly the extensive rural microfinance network developed since the 1990s. This history created capabilities, relationships, and specialized knowledge that naturally evolved toward sustainable agricultural financing.

Health and circular economy sectors share second place at 8.6% each, reflecting two global megatrends: population aging and the climate crisis. The convergence of these sectors at the same investment level suggests maturation of Mexico's ecosystem, balancing traditional social needs with emerging environmental imperatives.

Financial services (7.9%) and microfinance (6.5%) maintain robust presence, totaling 14.4% of capital. This strength is explained by historical and structural factors: Mexico has one of Latin America's most developed microfinance industries, with institutions like Compartamos Banco demonstrating the viability of large-scale financial inclusion models.

Which sectors does impact capital concentrate in?

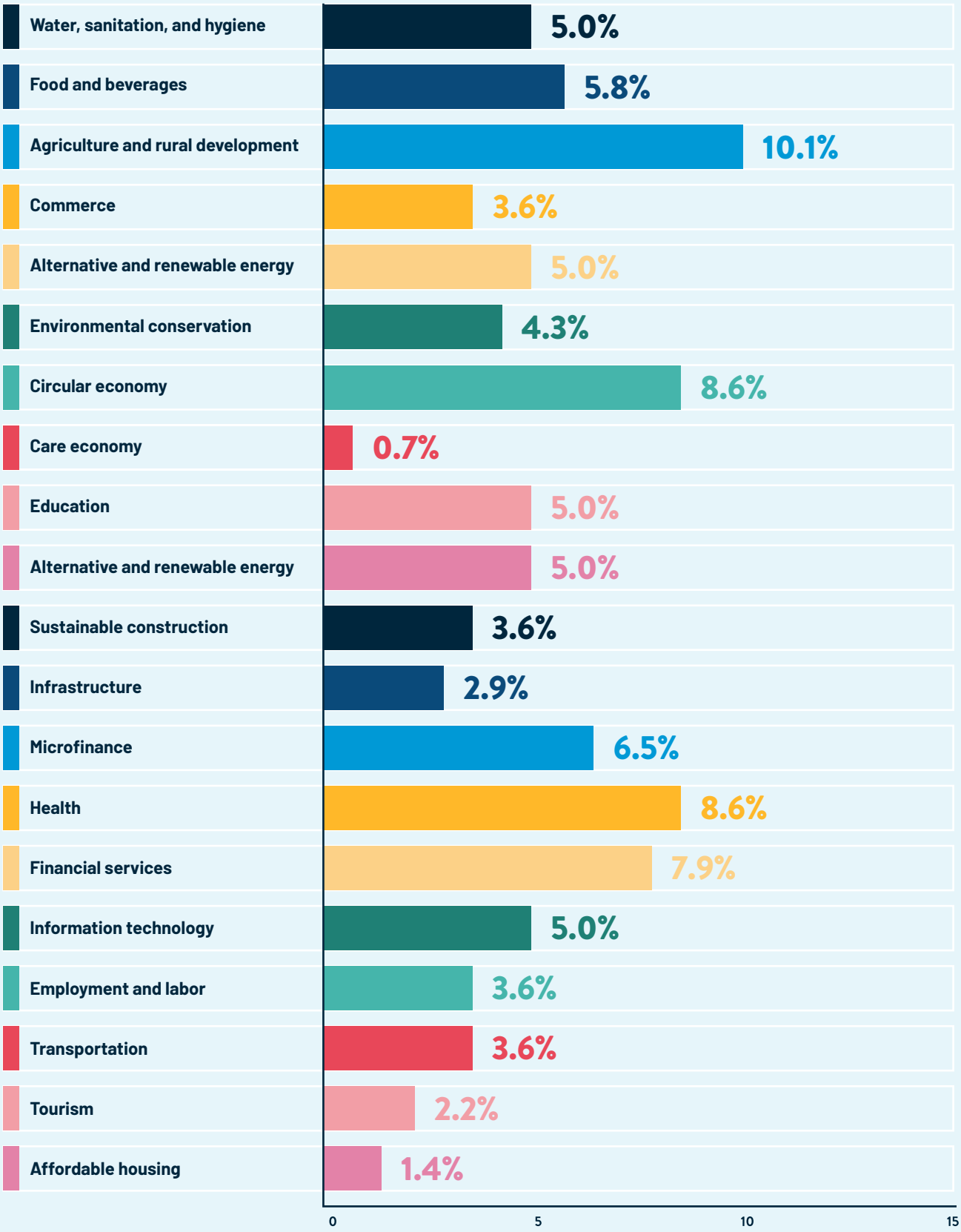


Fig.12 Breakdown/distribution of Investment Demand by sector

Analysis by Demand Level: Need vs. Opportunity

High-Demand Sectors (>8%)

Sectors capturing over 8% of capital share fundamental characteristics explaining their attractiveness to investors. As seen in Chapter 4 on funding sources, impact funds in Mexico typically manage between USD 10 and 50 million, meaning individual investments of USD 500,000 to 2 million. This scale automatically favors sectors where these amounts can generate significant impact.

Agriculture and rural development (10.1%) leads not only due to social need but because it offers multiple investment entry points: from direct producer financing to agricultural technology and inclusive value chains. Although the agricultural sector currently contributes approximately 3.8% of national GDP (Trading Economics, 2024), when considering the entire agroindustrial chain including processing, logistics, and commercialization, its participation can reach up to 8% of GDP (Mexico Business News, 2024). Mexico also ranks 11th globally in agricultural production and 12th in livestock production, evidencing its strategic relevance in international markets (U.S. Department of Commerce, 2024).

Health (8.6%) responds to an inescapable reality: when the public system cannot cover the entire population, natural markets emerge for private solutions that can generate social impact while remaining financially viable. The sector also has clear, internationally accepted impact metrics (lives served, mortality reduction, medication access), facilitating reporting to investors and donors.

Circular economy (8.6%) represents the sector with highest relative growth over the past three years. Increasingly strict waste management regulations and consumer pressure for sustainable products have created an expanding market. Additionally, circular economy models offer the advantage of generating revenue from multiple sources: recycled material sales, waste management services, and sustainability certifications.

Concentration in these sectors responds to three structural factors:

- **Business model maturity:** These sectors have proven success cases in Mexico (see national examples in the "Success Cases" annexes), reducing perceived investor risk.
- **Public policy alignment:** Government programs supporting agriculture, universal health, and circular economy create an enabling environment reducing entry barriers.
- **Impact metrics availability:** These sectors have established, internationally accepted indicators, facilitating impact measurement and reporting per standards like IRIS+ (GIIN, 2023).

Medium-Demand Sectors (4%–8%)

This band represents sectors where the ecosystem is experimenting and learning, with more selective investments but significant growth potential.

Renewable energy and energy efficiency (5.0%) faces a paradox: while need is evident and market potential enormous, it competes with large developers that don't necessarily have impact mandates. Impact investors have found their niche in community solar projects and energy efficiency for SMEs, where they can add value beyond capital.

Education (5.0%) shows growing demand, especially in digital training and workforce skills. However, the sector faces the challenge of demonstrating sustainable business models not exclusively dependent on government subsidies or donations. As analyzed in Chapter 5, Mexico lags behind Colombia and Brazil in educational impact investments, suggesting room for growth.

Conservation and natural resources (5.0%) mainly attracts investors with long investment horizons and tolerance for lower returns. The sector is evolving toward hybrid models combining conservation with ecotourism, non-timber forest products, and payments for environmental services.

Emerging Demand Sectors (<4%)

Sectors with lower current participation represent the greatest future growth opportunities, especially those aligned with irreversible demographic and social trends.

Affordable housing (1.4%) remains behind despite Mexico's housing deficit of approximately 9 million units (El Economista, 2025). Regulatory complexity, high land costs, and capital-intensive requirements have limited impact fund participation (CMIC, 2024). However, new models of incremental housing and neighborhood improvement are beginning to attract interest by combining scalability, lower financial risk, and high social impact (IDB, 2023; UN-Habitat, 2024). These schemes allow expanding or improving housing with technical support and accessible financing, generating measurable benefits and aligning with the 2025–2030 National Development Plan and SDGs 1, 11, and 13 by promoting sustainable cities, climate resilience, and inequality reduction.

Care economy (0.7%) represents the ecosystem's most underutilized opportunity. Mexico faces accelerated demographic transition: by 2030, the country will have more adults over 60 than children under 15 (CONAPO, 2023). This demographic reality guarantees growing demand for specialized services the public sector cannot fully cover. Investors who develop viable business models in this sector will access a market with guaranteed growth for the next two decades.

The possible asymmetry between high social demand in these sectors and low investment capture may be due to the following factors:

- **Infrastructure:** Requires high investment tickets and long horizons, exceeding most local impact funds' capacity.

- **Tourism:** Faces seasonality challenges, high market fragmentation, and difficulty standardizing social impact metrics.

- **Affordable housing:** Regulatory complexity and competition with traditional developers operating with more aggressive margins.

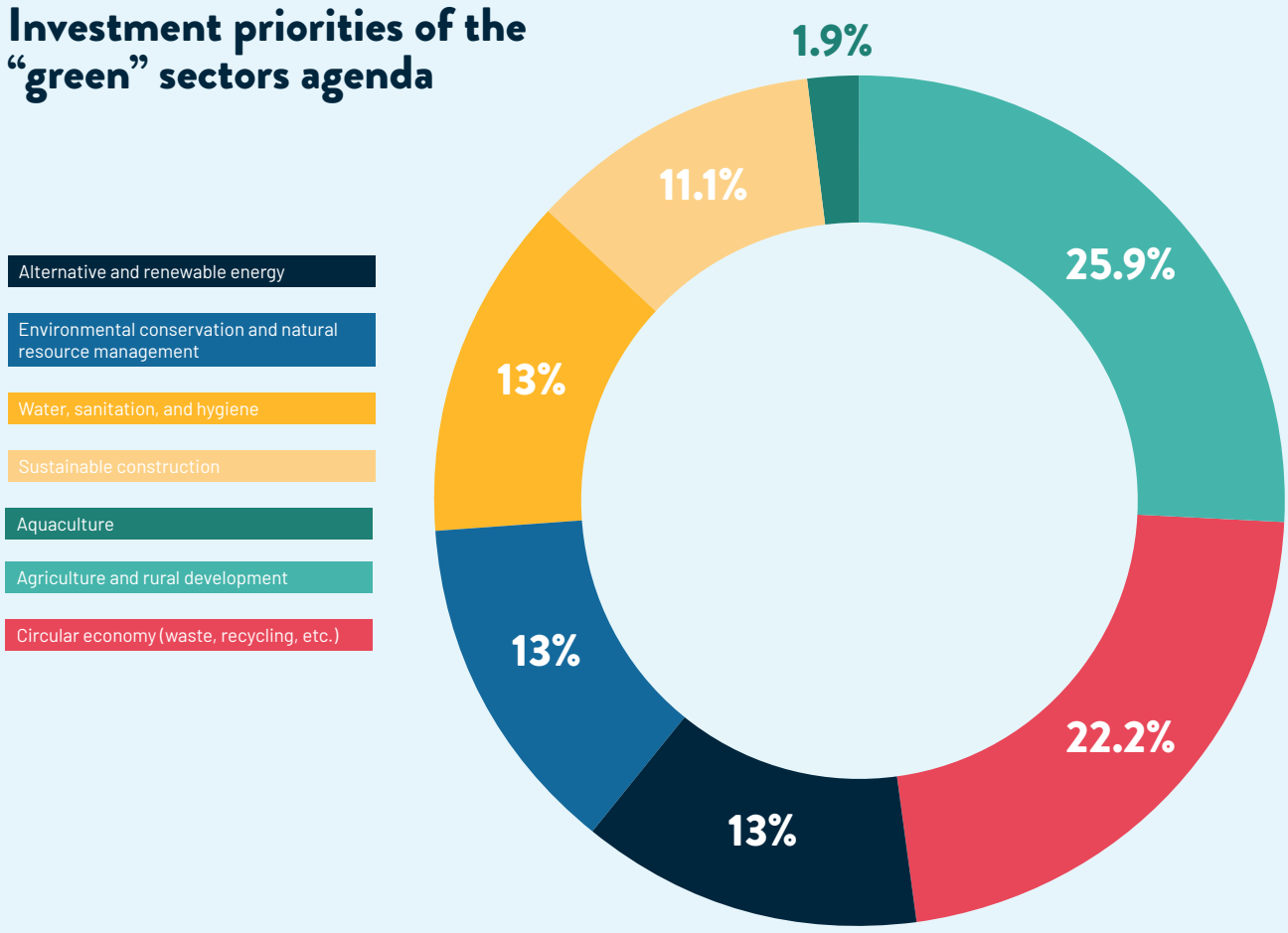


Fig.13 Investment distribution for climate and environmental sectors

Climate and Environmental Sector Investment

Specific analysis of environment and climate change-linked sectors reveals the growing "greening" of Mexico's impact portfolio, a trend accelerating through the combination of regulatory pressure, consumer demand, and international climate financing availability.

Agriculture and rural development also leads this category at 25.9%, but here its predominance is explained by the transition toward regenerative and organic practices. Circular economy occupies second place (22.2%), while renewable energy, conservation, and water/sanitation show balanced distribution at 13% each, suggesting an integral approach toward sustainability.

This distribution contrasts markedly with other regional countries. As explored in Chapter 5, while Costa Rica concentrates 40% of its impact investment in climate sectors and Colombia 35%, Mexico barely reaches 31%. This gap represents both a lag and an opportunity: access to international climate funds could catalyze accelerated growth in these sectors.

Determining Factors: Why Capital Flows Where It Flows

Current sectoral concentration is not random but the result of interaction between supply factors (investor characteristics and constraints) and demand factors (social needs and market opportunities). Understanding these factors is crucial for designing strategies promoting more balanced capital distribution.

From the capital supply perspective, investors prefer sectors where they understand business models and can add value beyond money. In Mexico, this means sectors where local talent with experience exists, previous success cases, and established impact metrics. Additionally, as documented in Chapter 3, most funds operate with 5- to 7-year horizons, automatically favoring sectors with business cycles compatible with these timeframes.

From the solutions demand perspective, some sectors respond to latent social needs. Financial exclusion, for example, creates a natural market for inclusive financial services, while public health and education deficits generate demand for accessible private alternatives. Similarly, climate vulnerability drives investments in agricultural resilience and circular economy.

The intersection of these factors creates "sweet spots" where social need, market opportunity, and execution capacity converge. Today's leading sectors occupy precisely these convergence spaces.

Future Sector Projections

The current sectoral concentration pattern is undergoing gradual but significant transformation. Trend analysis, informed by interviews with 52 active market investors, indicates three fundamental changes that will define capital allocation in coming years.

First, technology as a cross-cutting enabler. Agriculture will continue being a priority, but capital will flow toward precision agriculture, regenerative systems, and digitalized value chains, not traditional rural financing. This technological evolution is also transforming sectors like health (telemedicine) and education (digital platforms), making them more scalable and attractive to investors.

Second, demographics as a determining factor. Mexico's demographic transition makes care economy an inevitable investment sector. Investors developing business models in elder care, early childhood, and preventive health are positioning to capture a market with guaranteed demand for the next two decades.

Third, climate urgency as cross-cutting priority. It's not only about renewable energy or recycling but a complete reconceptualization of industries under sustainability criteria. Tourism evolves toward regenerative models, construction adopts carbon neutrality standards, and manufacturing integrates circular economy principles from design.

Strategic Opportunities Toward 2030

Sectoral analysis reveals five concrete opportunities that will define Mexico's impact investing market evolution during the 2025–2030 period. These opportunities, derived from convergence between documented social needs and ecosystem capacities, represent growth spaces with solid fundamentals.

- **Capture the care demographic dividend.** With over 15 million older adults by 2030, care economy will grow from representing 0.7% to potentially 5%–7% of impact capital. Home care, day center, and assisted technology models offer 12%–15% annual returns with direct social impact on the most vulnerable families.

- **Scale climate solutions with international financing.** Mexico can access over USD 500 million in global climate funds by developing financeable projects in regenerative agriculture, circular economy, and community energy.

- **Digitize traditional sectors for mass inclusion.** 75% mobile internet penetration allows reimagining education, health, and financial services. EdTech and HealthTech achieving B2B2C models can reach millions of users with USD 2–5 million investments, generating returns exceeding 20% annually.

- **Develop the incremental housing market.** The 9-million-unit housing deficit will not be solved with traditional models. Progressive improvement solutions, alternative materials, and collective financing can unlock a USD 15 billion market with investment tickets accessible to medium-sized impact funds.

- **Build impact value chains.** Proximity to the United States and USMCA position Mexico to lead in sustainable agriculture for export.

> Integrating small producers into certified chains can generate 30%–40% premiums over conventional products while restoring ecosystems.

Materializing these opportunities will depend on coordination capacity among actors and willingness to invest early in emerging sectors. As explored in subsequent chapters, these opportunities have specific territorial expression favoring more equitable geographic distribution (Chapter 7), while their success will require sophisticated measurement systems to capture generated financial, social, and environmental value (Chapters 9–10). Sectors that today seem marginal—particularly care economy, affordable housing, and climate technologies—have the potential to become ecosystem engines toward 2030, transforming not only capital distribution but also impact depth in Mexico's most vulnerable communities.

7 GEOGRAPHIC DISTRIBUTION OF IMPACT INVESTMENT

This chapter analyzes the geographic distribution of impact investment capital in Mexico using the conceptual framework of economic geography and economic complexity theory. A marked concentration is identified in three main poles: Mexico City (12.5%), State of Mexico (6.6%), and Nuevo León (5.9%), which together capture nearly a quarter of total capital. We explore how this distribution correlates with the Economic Complexity Index from Mexico's Atlas of Economic Complexity, revealing that states with highest impact investment capture coincide with those of highest productive complexity. Specific sectoral-territorial dynamics are analyzed, such as the technology cluster in Jalisco and sustainable tourism in Quintana Roo. Finally, concrete strategies are proposed to promote decentralization by strengthening intermediate cities, which are fundamental for more balanced regional development in Mexico and Latin America.

Where Does Impact Investment Capital Flow in Mexico?

The regional distribution of impact investment capital in Mexico directly responds to deeply rooted structural patterns in the country's geography. As Paul Krugman (1991) established in his New Economic Geography theory, forces always exist that concentrate economic activity in large cities: companies seek economies of scale, access to specialized workers, and proximity to other companies for knowledge sharing. However, forces also disperse these activities toward other regions, primarily high transportation costs, expensive urban rents, and urban saturation problems.

Impact investing faces a particular challenge. Unlike traditional investment that only seeks to maximize profits, impact investing must balance the pursuit of economic efficiency with the objective of generating social and environmental benefit in territories that need it most. This balance between efficient concentration and equitable distribution defines how impact capital is distributed in Mexico.

Rodríguez-Pose and Crescenzi (2008) show that innovation and regional economic development depend not only on available traditional resources but on territories' capacity to generate and leverage knowledge. In Mexico, this capacity is not uniformly distributed, as evidenced in the Atlas of Economic Complexity developed by the Secretaría de Hacienda y Crédito Público (SHCP), CIDE, and Harvard University (SHCP, 2018), which identified existing productive capacities by metropolitan area and state, as well as industries with diversification potential. More recently, the Economic Complexity Explorer published by the Secretaría de Economía (2024) updates this information with dynamic data at state and sectoral levels, showing how entities like Nuevo León, Querétaro, and Coahuila concentrate the country's highest productive complexity levels. Together, these tools offer a complementary and updated vision of territorial distribution of productive capacities in Mexico and their role in promoting regional economic development.

This chapter maps capital flows toward different regions of the country and analyzes the factors explaining these patterns. Our analysis shows not only where capital currently concentrates but also where the greatest untapped opportunities exist to drive inclusive development through impact investing.

Theoretical Framework: Economic Complexity and Impact Investment Attraction

Mexico's Atlas of Economic Complexity is a digital tool that provides information on the situation and evolution of employment, wages, occupations, exports, and imports by municipality, metropolitan area, and state. This platform, based on economic complexity theory developed by Hausmann and Hidalgo (2009), provides a solid framework for understanding why certain territories attract more investment than others.

Economic complexity measures how diversified and sophisticated a region's productive knowledge is. Over the past 10 years, Mexico's economy has improved its global complexity, moving from 26th place in 2012 to 22nd place in 2022. However, this complexity is not uniformly distributed across the country.

For the latest available measurement, Mexico's most complex states were Nuevo León, Querétaro, and the State of Mexico. It is no coincidence that these states are also among the main impact investment recipients. The relationship between economic complexity and investment attraction suggests that impact investors, like traditional investors, prefer developed productive ecosystems where their investments have higher probability of growing and generating sustainable returns.

Data Analysis: Territorial Distribution of Impact Capital

Concentration in Metropolitan Centers

Data show clear concentration of impact investment capital in the country's main urban centers. Mexico City leads with 12.5% of the total, followed by the State of Mexico (6.6%) and Nuevo León (5.9%). These three metropolitan centers receive nearly a quarter of total impact capital in the country.

This concentration reflects what Glaeser (2011) calls the "triumph of the city": large cities as engines of innovation, productivity, and social progress. Mexico City, as political and economic capital, offers unique access to decision-makers, capital markets, and specialized talent. The State of Mexico benefits from its proximity to the capital and its broad industrial base. Nuevo León, with Monterrey as its center, represents the dynamism of the northern private sector and its growing innovation ecosystem.

Jalisco (5.3%) appears as the fourth important pole, driven by Guadalajara and its renowned technology ecosystem. As documented in Chapter 4 on funding sources, growing international investor interest in Mexico's technology sector finds in Jalisco a natural destination, where technical talent, digital infrastructure, and a consolidated entrepreneurial culture combine.

What states in the country concentrate the most impact capital?

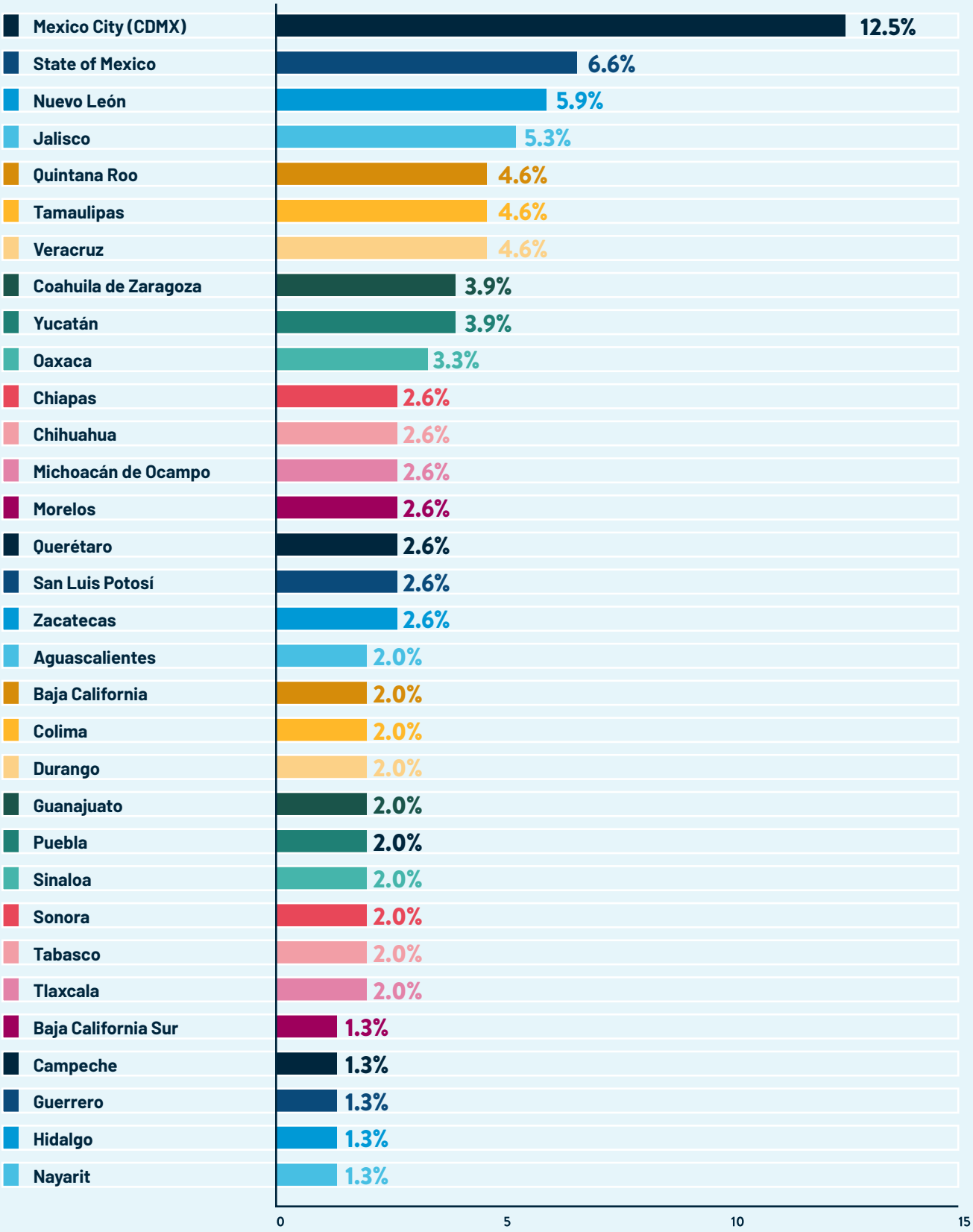


Fig.14 Mexico regions where impact investment capital flows

Tourist Destinations and Sustainability Projects

A second group of states receives investment due to their specific economic activities. Quintana Roo (4.6%) stands out for projects related to sustainable tourism, a sector where Mexico has global competitive advantages and where impact investment can generate significant changes. The Riviera Maya represents an ideal space to test regenerative tourism models balancing economic prosperity with environmental conservation.

Tamaulipas and Veracruz (4.6% each) attract investment in sectors like energy, agroindustry, and logistics. Their strategic position on the Gulf of Mexico and their port infrastructure make them key points for blue economy and energy transition projects. Coahuila and Yucatán (3.9% each) combine advanced manufacturing with opportunities in renewable energy and cultural-tourism development.

States with Social and Community Focus

Oaxaca (3.3%) represents a special case of how impact investment can be directed toward regions with high poverty indices but strong community networks. Projects in Oaxaca frequently involve community development, cultural preservation, and alternative economic models based on indigenous organization. This investment, although smaller in volume, has great transformative potential in terms of social impact.

States like Chiapas, Michoacán, and Guerrero capture between 2% and 2.6% of capital, showing both opportunities and challenges of investing in contexts of greater social complexity. Nayarit (1.3%) and other states with low capture represent unexplored territories where impact investment could generate development if structural barriers are overcome.

Structural Barriers to Decentralization

The geographic concentration of impact investment reflects deep differences in Mexico's territorial development. According to CONEVAL (2020) data, while in Mexico City only 30.8% of the population lives in poverty, in states like Chiapas, Guerrero, and Oaxaca this figure exceeds 66%.

These differences extend to basic infrastructure necessary for investment: digital connectivity, financial services, higher education, and business support services. Without these basic elements, many regions fall outside impact investors' interest, creating a vicious cycle of exclusion.

The Role of Local Institutions

North (1990) notes that institutions, understood as society's rules of the game, are fundamental elements of economic development. In Mexico, institutional accessibility varies greatly between states. Rule of law, transparency, and government efficiency indicators show significant differences influencing investment decisions.

Impact investors, although seeking to generate social benefit, need a minimum of legal security and institutional stability to operate effectively. States with weak institutions face additional barriers to attracting impact capital, regardless of their social needs or impact potential.

Opportunities and Strategies for Decentralization

The Potential of Intermediate Cities

Intermediate cities, those between 100,000 and 1.4 million inhabitants, represent an important opportunity to decentralize impact investment in Mexico. Cities like Aguascalientes, Mérida, San Luis Potosí, and Xalapa combine sufficient size to generate economies of scale with lower operating costs and better quality of life than large cities.

According to Bolay and Rabinovich (2004), intermediate cities in Latin America play an important role as bridges between rural and metropolitan areas, facilitating resource, information, and people flows. For impact investment, these cities offer an ideal point where capital can generate visible changes without getting lost in the complexity of large cities.

Public Policy Instruments to Promote Decentralization

International experience suggests several effective instruments for decentralizing impact investment:

1. **Regional co-investment funds:** Following the model of Nacional Financiera's Fund of Funds, specific vehicles could be created for each region that co-invest with private impact funds, reducing perceived risk of investing outside traditional centers.

2. **Special Economic Zones for Impact:** Adapt the SEZ concept to create spaces with specific fiscal and regulatory incentives for social enterprises and impact investors in priority regions.

3. **Specialized regional accelerators:** Strengthen the entrepreneurial support ecosystem in intermediate cities through accelerators that prepare local companies to receive impact investment.

4. **Regional Social Impact Bonds:** As analyzed in Chapter 3, social impact bonds represent only 2.7% of instruments used. Designing SIBs specific to regional problems could attract capital toward traditionally excluded territories.

Technology as Decentralization Tool

Digitalization is reducing traditional geographic barriers to investment. Crowdfunding platforms, impact investment marketplaces, and remote monitoring tools allow investors in Mexico City or even abroad to support projects in remote regions with lower transaction costs.

The COVID-19 pandemic accelerated digital tool adoption, normalizing virtual interactions between investors and entrepreneurs. This digital transformation represents a historic opportunity to democratize access to impact capital beyond traditional urban centers.

Toward Balanced Territorial Development Through Impact Investment

The current geography of impact investment in Mexico reflects both opportunities and limitations of the country's development model. Concentration in few metropolitan poles may be efficient from a transaction cost perspective but limits the transformative potential of impact investment as a tool for balanced territorial development.

The challenge is not to completely eliminate concentration, as economies of scale will continue being important, but to create conditions for more territories to participate in impact capital flows. Intermediate cities are strategic spaces for this decentralization, offering a balance between size and flexibility that makes them ideal for pilot projects and replicable models.

As explored in Chapter 5 on regional comparisons, Mexico is not alone in this challenge. All of Latin America faces the challenge of decentralizing development beyond capitals and largest cities. Impact investing, with its dual objective of financial return and social benefit, is well-positioned to lead this transformation.

The future of impact investment in Mexico will depend on our collective capacity to build bridges between territories with capital and capabilities, and those with needs and potential. Only through more equitable distribution of impact capital can we aspire to truly inclusive and sustainable development that leaves no region behind.

8 BUSINESS DEVELOPMENT STAGES AND IMPACT CAPITAL DISTRIBUTION

This chapter analyzes how impact investment capital is distributed across the business lifecycle in Mexico, from earliest ideation stages to public market maturity. It examines why 25.4% of capital concentrates in growth-stage companies, while pre-seed and seed stages together capture 36% of the total. The implications of this distribution are explored to understand existing financing gaps and opportunities to strengthen the capital continuum in Mexico's ecosystem.

At What Development Stage Are Companies Receiving Impact Investment in Mexico?

Mexico's impact investing ecosystem faces a clear problem reflecting the structural challenges of business financing in Latin America. While 99.8% of the country's economic units are micro, small, and medium enterprises (MSMEs), they access only 14% of total available business credit (INEGI, 2019). This disconnect between business fabric composition and available capital distribution creates profound distortions that impact investing attempts, with partial success, to resolve.

This chapter examines the structural gaps in Mexico's business financing continuum, analyzing how these fractures have limited the potential of the impact investing ecosystem. Through primary data analysis and comparison with international markets, critical points where capital flow interrupts are identified, and innovative strategies to build financial bridges enabling impact enterprises to successfully transition from ideation to maturity are explored.

Critical Financing Gaps

The Missing Middle

The "missing middle" concept, extensively analyzed by Hsieh and Olken (2014) in their work The Missing "Missing Middle", describes the scarcity of medium-sized enterprises in developing economies. Their research demonstrated that, contrary to common perception, the problem is not only the absence of medium-sized enterprises but the structural barriers preventing small companies from growing into medium ones.

This missing middle is composed of what ANDE defines as "Small and Growing Businesses" (SGBs)—companies with 5 to 250 employees that have the potential to grow exponentially. These enterprises typically seek growth capital between USD 20,000 and 2 million, positioning themselves exactly in the financing gap that traditional markets do not serve.

The term differentiation is fundamental: while traditional SMEs include subsistence businesses designed to remain small, SGBs are enterprises with growth aspirations but without access to the financial resources and knowledge necessary to scale.

In the Mexican context, this gap manifests particularly acutely. SGBs are too large for traditional microfinance, which typically handles loans of USD 5,000 to 50,000, but too small and risky for commercial banks, which prefer clients with robust credit histories and collateralizable assets exceeding USD 5 million. As a result, these enterprises with significant growth potential remain stagnant, unable to access capital necessary to scale their operations, modernize their technology, or expand geographically. These SGBs are estimated to represent the most effective segment for creating formal jobs, generating shared prosperity, and building inclusive and sustainable economies, making their exclusion from the financial system even more problematic.

The Intention-Action Gap

Study evidence reveals that while 48.5% of organizations say they invest in early stages (pre-seed and seed), actual capital deployed in these phases represents less than 20% of total. This discrepancy between stated intention and effective action reflects not only the risk aversion inherent in early stages but also structural ecosystem limitations: lack of clear exit mechanisms, absence of follow-on investors, and weak technical support infrastructure for entrepreneurs.

Stage of development of companies that received impact investment

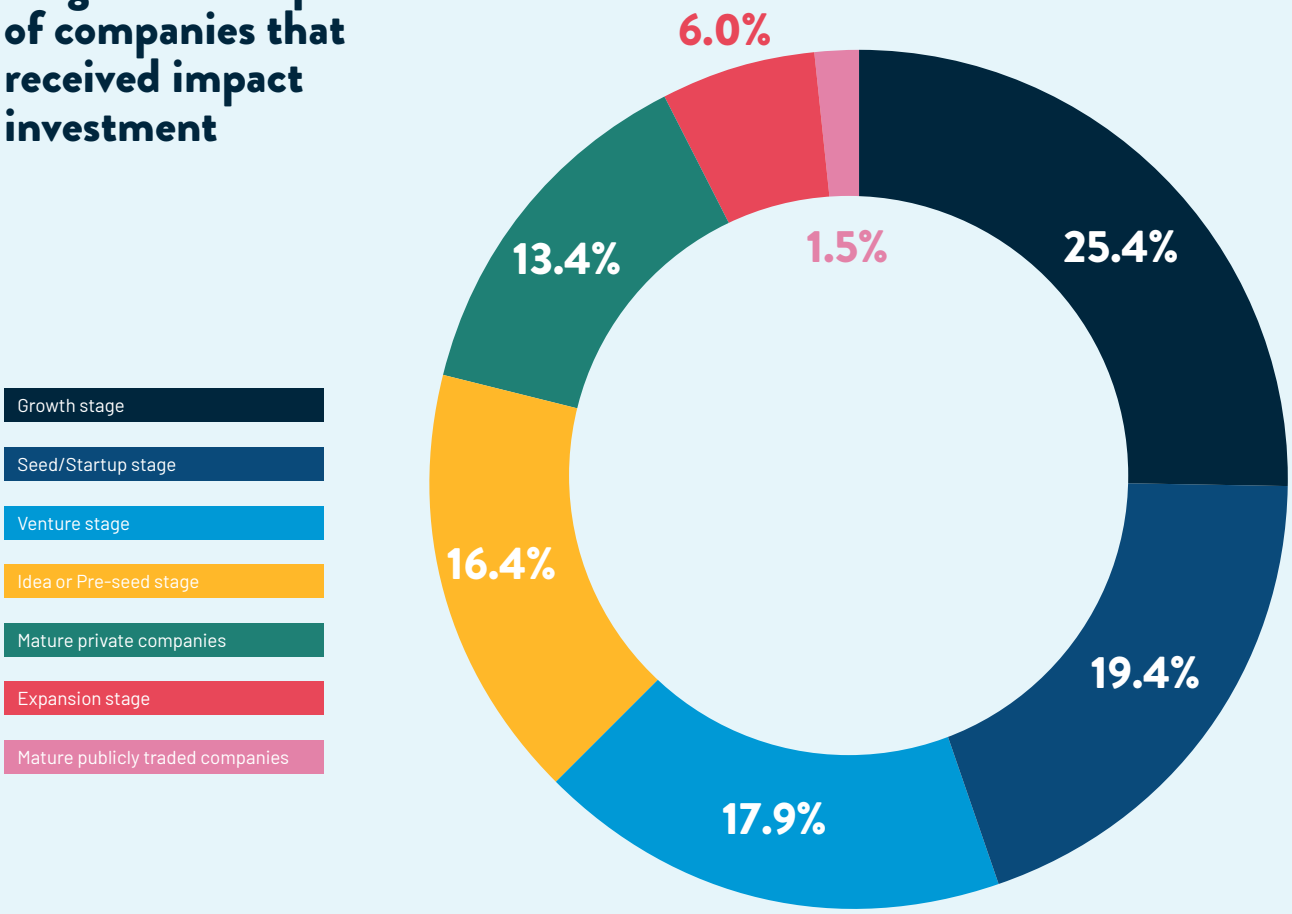


Fig. 15 Company Development Stages

As observed in the figure, the actual capital distribution confirms this trend conclusively. The growth stage concentrates the largest share of capital at 25.4%, while combined early stages (pre-seed 16.4% and seed 19.4%) receive 35.8% of total. This distribution evidences that capital gravitates toward companies that have already validated their business model and seek to scale—precisely the SGBs that ANDE identifies as economic growth engines.

The venture stage captures another 17.9%, reinforcing preference for companies with some maturation level. Meanwhile, mature private companies receive 13.4% and publicly traded ones barely 1.5%, suggesting that impact investment in Mexico operates primarily in the space between initial validation and business consolidation.

According to previous reports on the impact investing landscape (ANDE 2020, 2022), the data reveal a marked capital concentration in later business development stages, very common in emerging markets.

The Role of Accelerators and Incubators

Accelerator and incubator organizations, although representing only 7.4% of total organizations and managing an average of USD 3.9 million each, play a disproportionately important role in filling the early-stage financing void. However, their limited capital barely covers a fraction of existing demand. This reality creates a funnel where thousands of ventures compete for scarce resources at initial stages, while the few companies that manage to survive find more abundant financing options at later stages.

1. Geographic capital concentration, documented in Chapter 7, means that companies outside main urban centers face additional barriers to accessing financing. The few states that concentrate most capital create robust local ecosystems but leave vast regions of the country without effective access to impact investment.

2. Resource scarcity: Mexico has significant but insufficient resources to cover all financing needs. Competition for scarce capital leads investors toward lower-risk and higher potential-return opportunities, perpetuating abandonment of critical but challenging market segments.

3. Return expectations: Investors seeking competitive return rates with traditional markets naturally gravitate toward mature companies with predictable cash flows, leaving riskier stages with lower immediate returns unattended.

These gaps have profound implications for the future development of Mexico's impact investing ecosystem. Without deliberate interventions to close the missing middle and traverse the valley of death, the market risks bifurcating between a small group of successful companies that capture most available capital and a mass of stagnant ventures without access to resources to grow.

Strategies to Close the Gaps

International experience and emerging best practices suggest multiple strategies to address these structural challenges.

Catalytic Philanthropic Capital
As Convergence (2023) documents in its blended finance report, catalytic capital can reduce perceived risk in early-stage investments through first-loss structures or partial guarantees. Each dollar of catalytic capital can mobilize between 4 and 10 dollars of private capital, multiplying the impact of limited philanthropic resources.

Revenue-Based Financing
Revenue-based financing instruments offer a promising alternative for companies in the missing middle. These instruments, which link payments to company revenue rather than requiring fixed payments, better align incentives between investors and entrepreneurs while reducing cash flow pressure at critical growth stages. Adopting these instruments in Mexico could unlock capital for thousands of companies currently excluded from the traditional financial system.

Early-Stage Fund of Funds
Creating specialized early-stage fund of funds, with both public and private participation, could professionalize and scale support to nascent ventures. These vehicles, successful in European markets according to multiple case studies, allow diversifying risk while building specialized capacities in evaluation and support for early-stage companies.

Coordinated Ecosystem Action
Closing identified gaps requires more than financial innovation; it demands coordinated action among all ecosystem actors. The need to create regulatory frameworks facilitating new financial instruments while offering tax incentives for early-stage investment is emphasized. Institutional investors need to adjust their return expectations and time horizons to accommodate Mexican market realities. Business support organizations must strengthen their capacities to prepare "investment-ready" companies that can effectively absorb and utilize available capital.

9 IMPACT MEASUREMENT AND MANAGEMENT STANDARDS IN MEXICO

This chapter analyzes impact measurement and management practices in Mexico's impact investing ecosystem, revealing a fundamental paradox: although 66.7% of organizations measure impact, methodological fragmentation prevails with 21.54% using customized evaluations. Five critical challenges limiting sector maturation are identified: difficulty measuring outcomes (21.3%), lack of accessible tools (18%), and absence of standardization (18%). The chapter documents how this methodological diversity, while allowing contextual adaptation, hinders comparability and results aggregation, compromising sector credibility with institutional investors who could double market size.

What Are the Most Used Impact Measurement and Management Standards in Mexico and What Are Their Challenges?

Impact measurement is fundamental to distinguishing impact investing from other forms of investment. This chapter examines which methodologies are used in Mexico and what challenges organizations face when trying to measure their social and environmental results. According to the study, Mexico's impact investing ecosystem is divided between those seeking to customize their metrics and those preferring established standards.

Most organizations have adopted some form of measurement. 66.7% of surveyed organizations measure the social and environmental impact of their investments. However, 18.5% perform no measurement, and 14.8% are unsure or did not respond. This last figure suggests some organizations lack clarity about their own processes.

This distribution shows that while the majority measures impact, a third of the ecosystem (33.3%) does not or lacks clear processes. This gap is concerning because larger investors require verifiable data to justify their investments.

Does your organization measure the social/ environmental impact of impact investment beneficiaries?

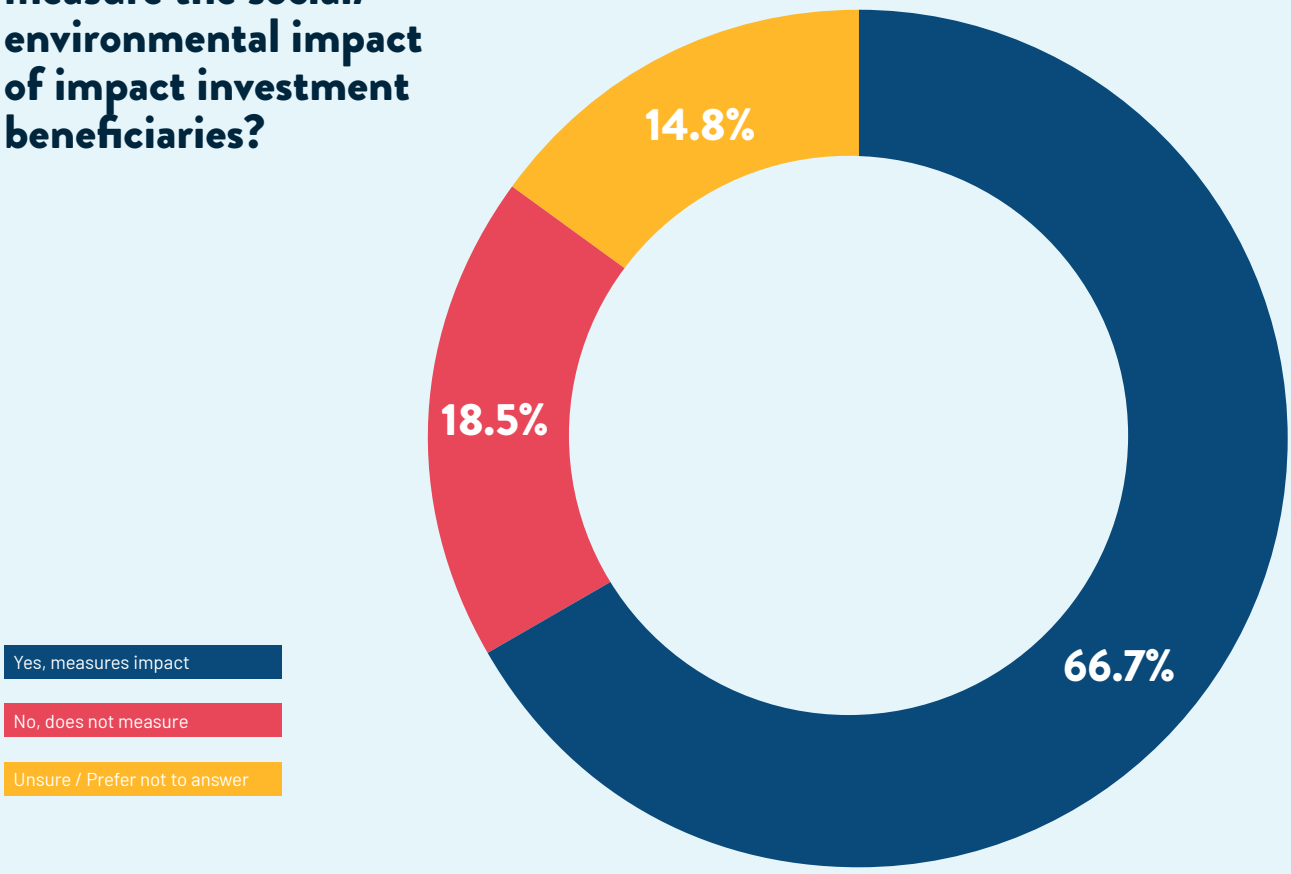


Fig. 16 Impact Measurement

Measurement Methodologies and Tools

Organizations in Mexico use a wide variety of methods to measure impact. Customized evaluations are most common (21.54%), followed by alignment with the Sustainable Development Goals (16.92%). This preference for proprietary tools reflects both sector diversity and the lack of a common framework accepted by all.

The data show three methodology groups by usage level.

First group (most used): In addition to customized evaluations and SDGs, qualitative monitoring and ESG reporting each account for 12.31%. This suggests organizations seek to combine numerical measurements with qualitative evaluations.

Second group (moderate use): At 7.69% each, more structured methodologies appear such as IRIS+, B Impact Assessment, and adaptations of existing frameworks. The moderate presence of IRIS+, considered a global reference standard, indicates Mexico's ecosystem has not yet fully adopted international standards.

Third group (limited or no measurement): Notably, 9.23% of organizations report not conducting systematic measurement. Adding this percentage to those who don't measure (18.5%) and those unsure (14.8%), more than a third of the ecosystem operates without standardized measurement processes.

Most-used methods to measure and manage the impact of investments

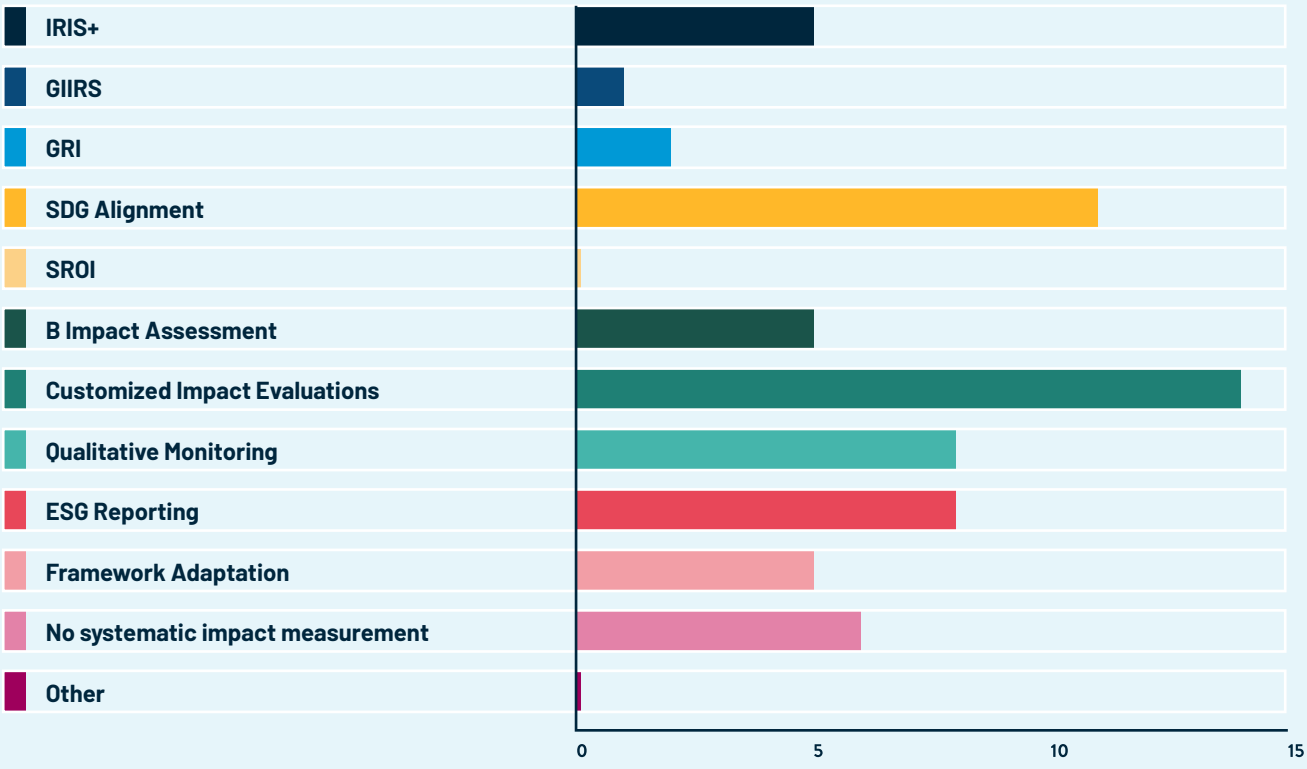


Fig.17 Measurement methods used

Integration of Measurement with Financial Management

An important maturity indicator is whether organizations combine their impact reports with financial reports. 60.6% of organizations integrate both types of reports, showing progress toward more complete accountability.

However, only 6.1% keep these reports completely separate, while 18.2% are unsure whether they integrate them or not. This uncertainty may reflect the absence of clear protocols on how to combine both types of information. The 15.2% that don't measure impact fall outside this integration.

Report integration is not merely an administrative matter. It represents the central idea of impact investing: generating financial and social returns simultaneously. Organizations achieving this integration better communicate that impact is not an add-on but a central part of their work.

Are investment impact reports an integral part of financial reports?

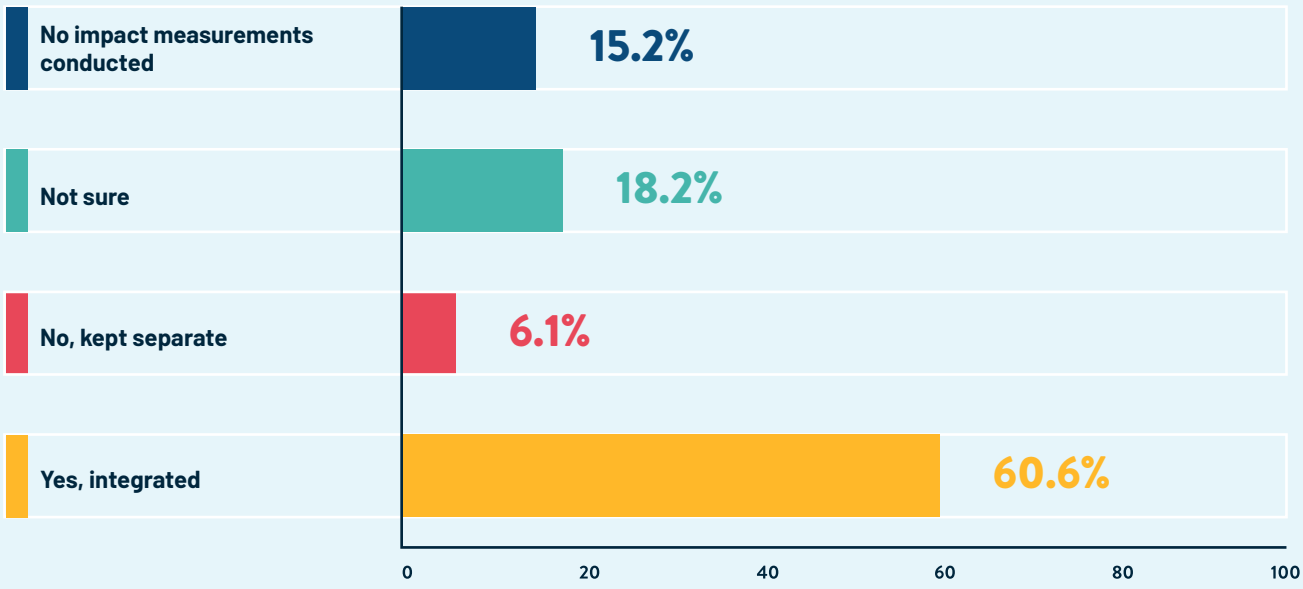


Fig.18 Impact Reports

Responsible Actors and Their Implications

The distribution of who measures impact reveals important sector aspects. Fund managers perform 38.2% of measurements, followed by entrepreneurs at 32.4%. This means 70.6% of measurement is done by internal actors.

This situation presents some problems. When fund managers measure their own impact, a conflict of interest exists because they evaluate their own performance. When entrepreneurs do it, they often lack the necessary resources or technical knowledge. Only 11.8% hire external evaluators, a much lower proportion than in other countries.

The 11.8% who don't know who performs measurement and the 5.9% who responded "other" suggest that many organizations lack a clear responsible party. This lack of clarity affects the quality of generated data.

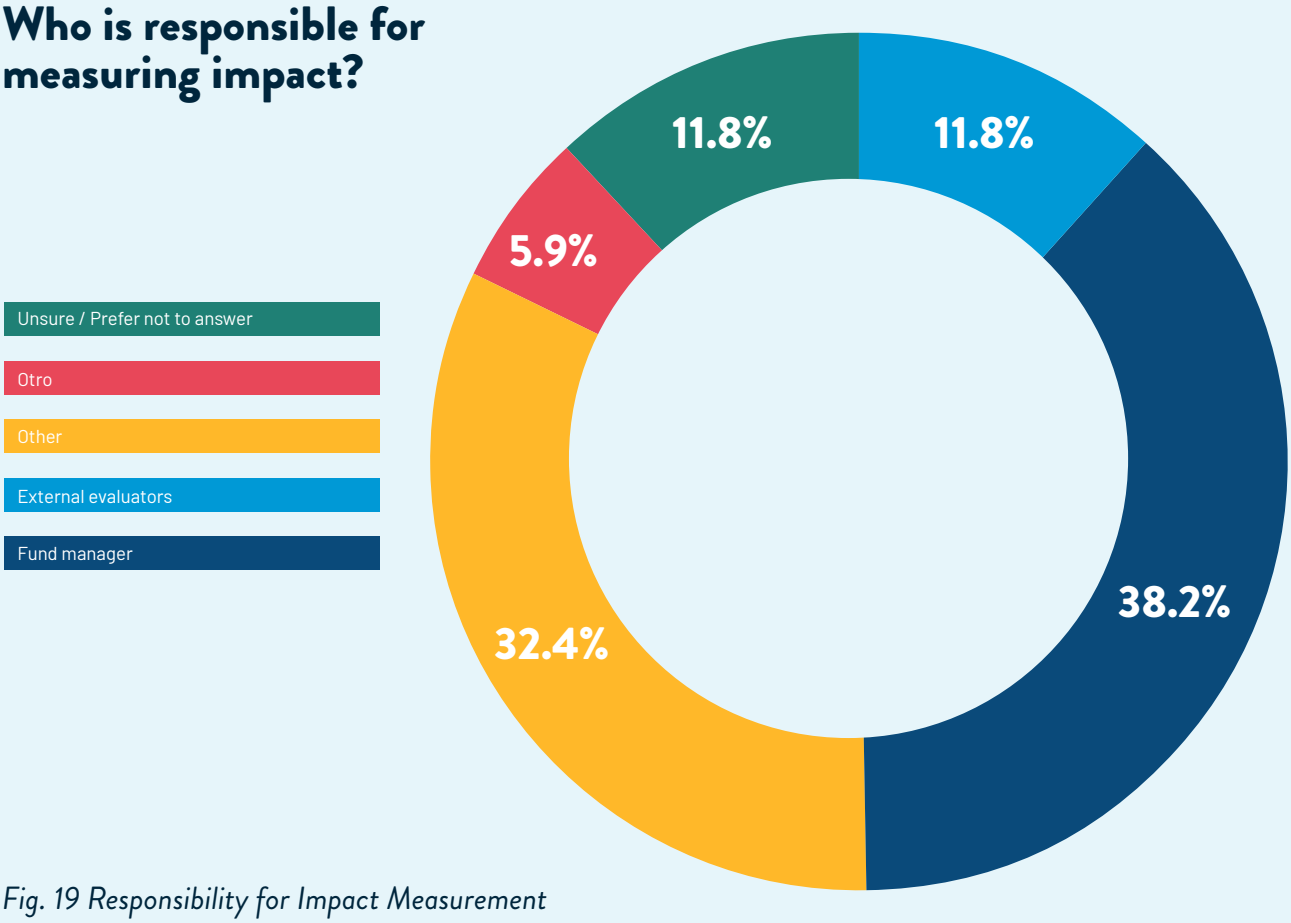


Fig. 19 Responsibility for Impact Measurement

Challenges in Impact Measurement and Management

Organizations face several challenges when measuring impact. The most common is difficulty measuring outcomes (21.3%), which refers to the problem of determining whether observed changes are actually due to the investment made. This is a complex problem, especially when multiple actors work in the same communities without coordination.

The lack of easy-to-use tools (18.0%) and need for standardization (18.0%) are related. Without clear standards, each organization must create its own tools, duplicating efforts and making it impossible to compare results across different projects.

The cost and resources problem (16.4%) especially affects small organizations. They need good measurement systems but don't have the money to pay for them. Alignment difficulties (13.1%) appear when investors, managers, and entrepreneurs cannot agree on what to measure and how to do it.

Communicating value (11.5%) is another important challenge. It's not enough to measure; one must know how to explain results in a way that convinces investors and other stakeholders. The difficulty collecting data in companies (1.6%), although less frequent, shows basic capacity problems in smaller organizations.

Main challenges faced by investors in impact measurement and management

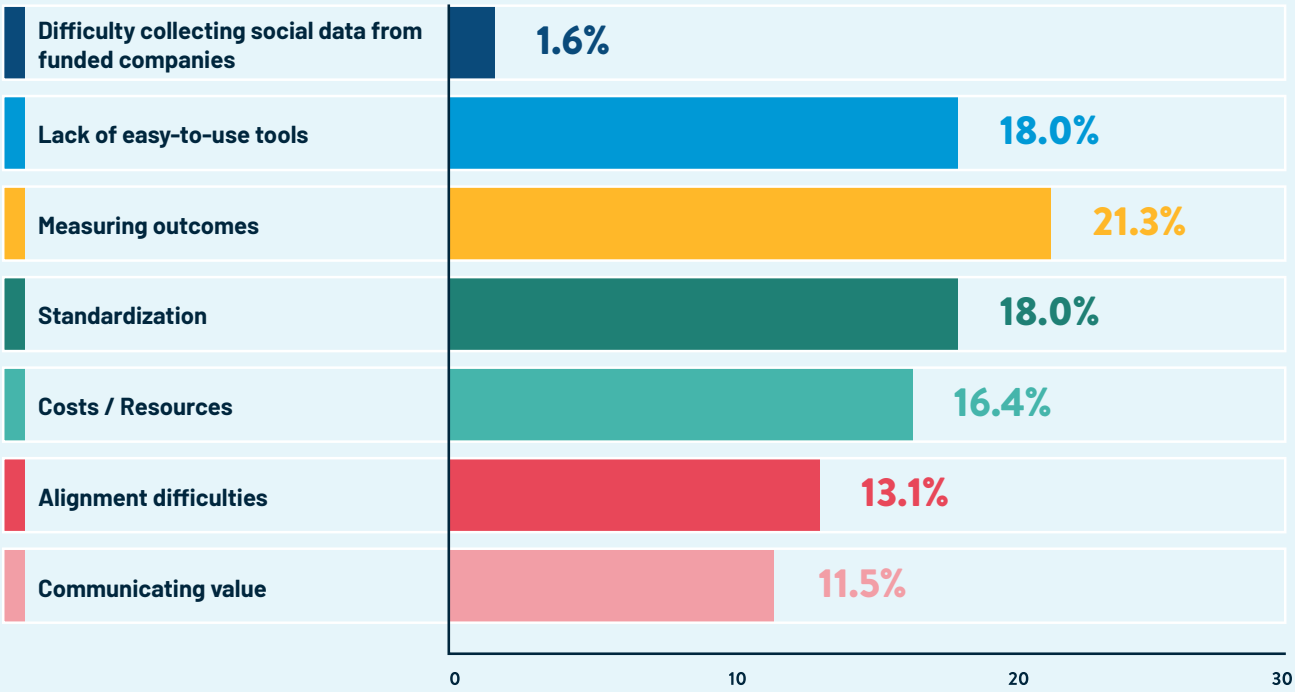


Fig. 20 Measurement Challenges

Synthesis and Implications for the Ecosystem

Analysis of measurement practices in Mexico shows an ecosystem in transition. On one hand, most organizations measure impact in some form. On the other, the variety of methods used and operational challenges limit the sector's ability to demonstrate its value in a clear and comparable way.

Key Findings and Their Consequences

The preference for customized evaluations, while allowing adaptation to each context, creates a challenge: each organization speaks its own impact language. This has three important consequences:

1. Limits institutional capital entry. Pension funds and insurers need standardized, verifiable metrics. Without a common language, these large actors will not invest.

2. Prevents learning between organizations. When each measures differently, it's impossible to know what works best in which contexts. The sector loses the opportunity to learn from others' experiences.

3. Increases costs. Each investor must evaluate reported results and understand how they were measured, making the evaluation process longer and more costly.

The window of opportunity is limited. Mexico can choose between maintaining current fragmentation or building a measurement infrastructure that positions it as a regional leader. The decision over the next two years will determine whether the market can grow significantly.

Without reliable, comparable impact data, Mexico's ecosystem will remain trapped in a cycle of limited capital and suboptimal impact. With a robust measurement system, it can enter a positive cycle where better data attracts more capital, which generates greater impact, creating sustained growth.

10 BALANCING RETURNS AND IMPACT

This chapter analyzes how impact investors in Mexico balance their financial return expectations with social and environmental impact objectives. It finds that 58.6% of organizations give equal importance to both dimensions, while 62.1% seek market-rate returns. Significant information gaps are identified, with nearly half of respondents lacking sufficient data on historical returns, representing a critical challenge for ecosystem maturation.

How Are Financial Return vs. Impact Expectations Being Met?

The question of how financial return versus social impact expectations are being met represents the central challenge of the entire impact investing ecosystem. Mexico's data reveal a sector navigating this duality with mixed but promising results. While most investors declare seeking competitive returns without sacrificing impact, operational reality shows persistent tensions between both objectives requiring active management and, above all, better information for decision-making.

This chapter examines three critical dimensions of this balance. First, it analyzes how Mexican investors prioritize and balance these dual objectives in their strategy. Second, it evaluates the degree of actual fulfillment of both financial and impact expectations. Third, it identifies mechanisms and time horizons that enable or hinder achieving this balance. Findings reveal an ecosystem in transition toward greater sophistication, but still limited by gaps in measurement and results tracking.

Strategic Balance: Declared Priorities vs. Actual Practice

The way investors conceptualize the relationship between returns and impact defines their investment strategies. In Mexico, three distinct investor archetypes are identified according to their objective prioritization, each with different implications for impact investing sector development.

The importance of impact vs the financial return of investments

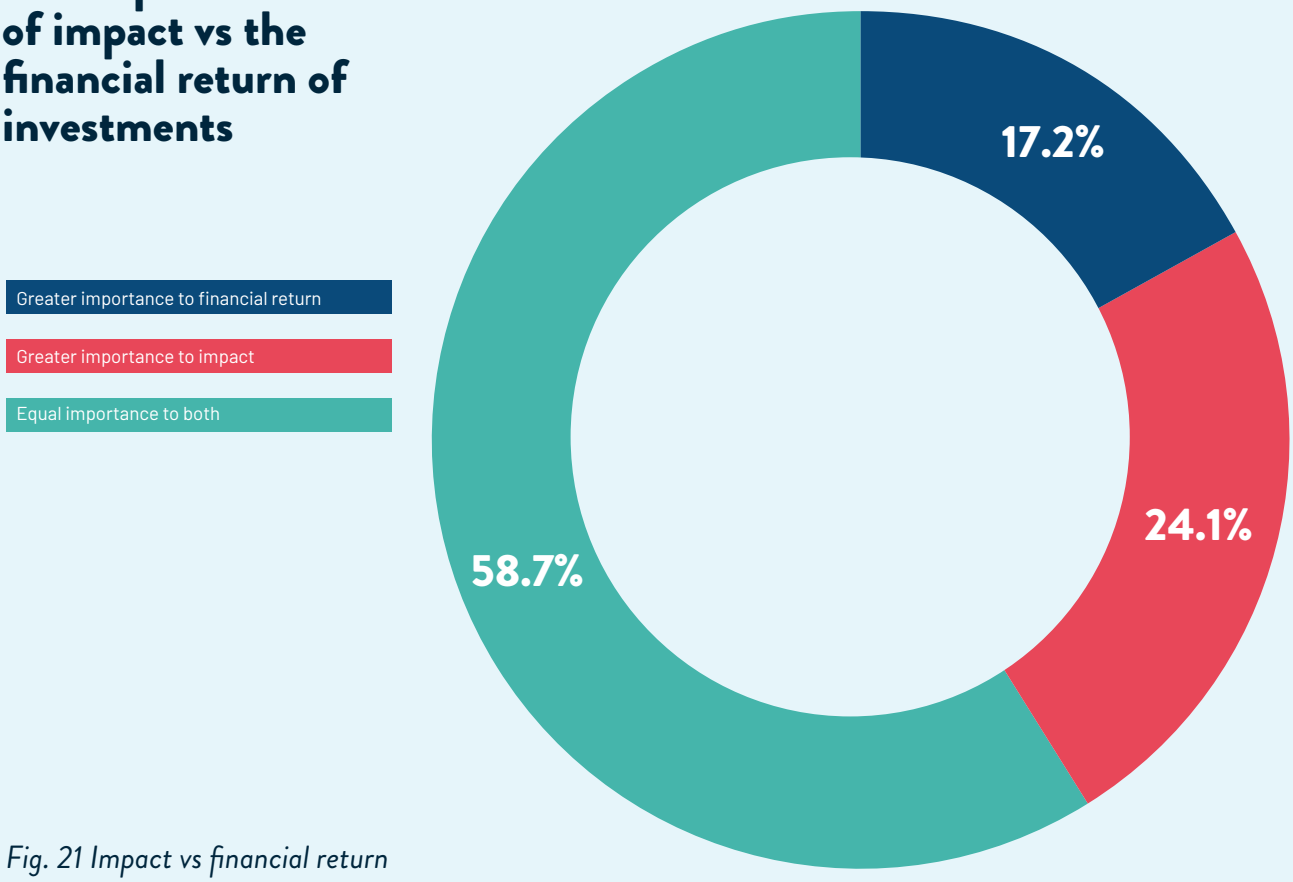


Fig. 21 Impact vs financial return

The group representing 58.7% of the ecosystem considers both dimensions equally important. This balanced position suggests conceptual maturity in Mexico's sector, aligned with global trends documented by GIIN (2023) where investors increasingly reject the idea that a trade-off exists between impact and returns. These actors seek opportunities where both objectives mutually reinforce each other.

A second group, representing 24.1%, prioritizes impact over financial returns. These investors, typically foundations and nonprofit organizations according to patterns observed in ANDE regional studies, accept concessional returns when necessary to maximize social benefit. Their presence is crucial for the ecosystem because they provide the catalytic capital enabling development of emerging sectors or serving more vulnerable populations.

The third group, 17.2% prioritizing financial returns, represents commercial fund managers and institutional investors. Although smaller in proportion, this segment is vital for sector scalability. As Mudaliar et al. (2019) note, participation of financially-oriented investors validates that impact investing can compete with traditional investment alternatives, attracting institutional capital necessary for market growth.

What are the investors' financial return expectations?

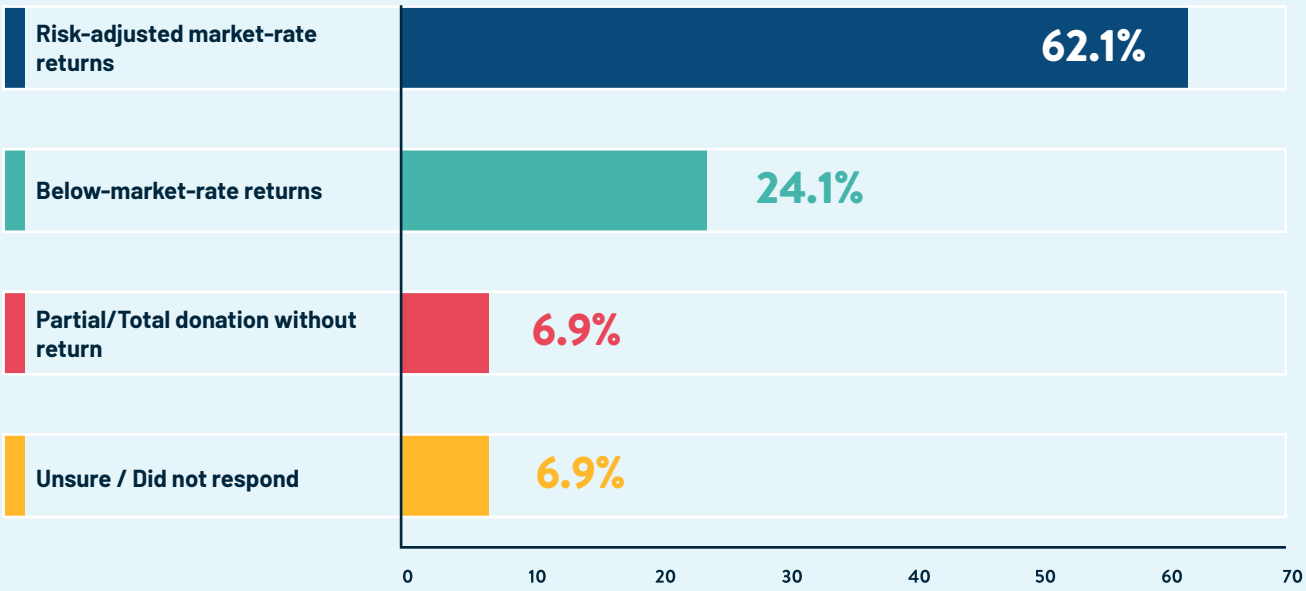


Fig. 22 Target financial return

The translation of these priorities into return expectations shows notable consistency. 62.1% of organizations seek market-rate returns, confirming that Mexico's ecosystem has surpassed the initial phase where impact investing was considered inherently concessional. This finding coincides with documented evolution in more mature markets where, according to Rockefeller Foundation (2019), demonstrating competitive returns has been fundamental to attracting institutional capital.

However, the presence of 24.1% accepting below-market returns should not be interpreted as an ecosystem weakness. These actors perform critical risk reduction and market development functions. They provide the patient capital necessary to incubate social innovations, develop inclusive value chains, and demonstrate business models in untested sectors. Their role is important in Mexico given the context of high inequality and pressing social needs identified in previous chapters.

A revealing finding emerges when observing the flexibility of these expectations. Although 64.3% of organizations maintain their return expectations without modification, 21.4% are willing to reduce financial expectations to achieve greater impact when opportunity arises. This flexibility reflects an ecosystem learning to navigate the complexities of dual-purpose investment.

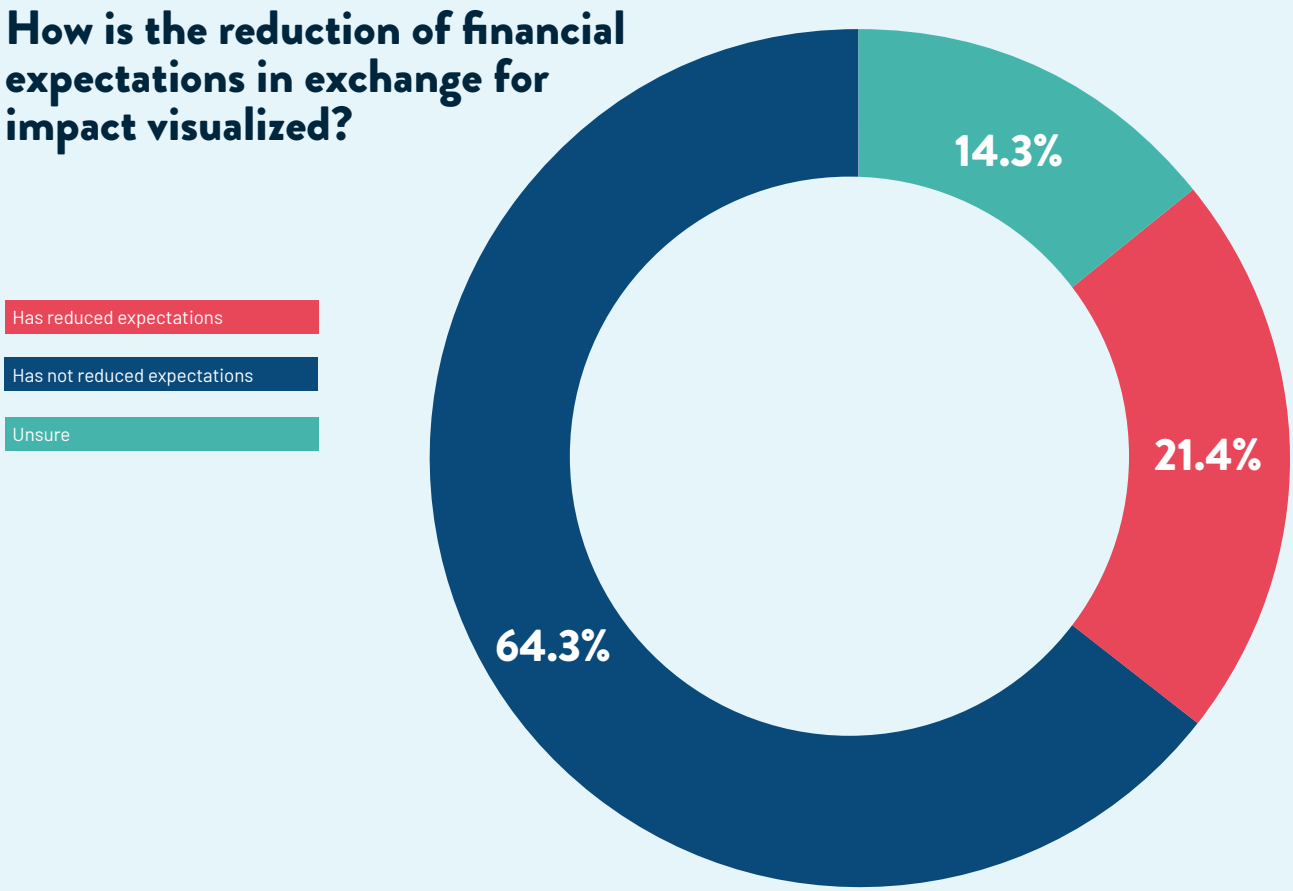


Fig.23 Reduction of financial return expectations in exchange for impact

Expectations vs. Reality: The Measurement Challenge

The ability to evaluate whether both financial and impact expectations are being met depends on information availability and quality. This is one of the most significant paradoxes of Mexico's ecosystem: while most investors declare clear objectives, an important group lacks the necessary data to evaluate their fulfillment.

Direct comparison between both dimensions reveals important patterns. On the impact side, 50% of organizations report expectations met or exceeded, while on the financial side only 34.6% reach this success level. This difference suggests Mexico's ecosystem is being more effective at generating impact than financial returns, although interpretation must be cautious given that impact success criteria may be more flexible or subjective.

The most concerning data in both dimensions is information scarcity. Over 38% of organizations on impact (combining no information and not measured) and nearly 40% on financials operate without sufficient data to evaluate their performance. This information gap is not trivial. As Gianoncelli and Gaggiotti (2021) establish, rigorous impact measurement is what differentiates genuine impact investing from "impact washing."

The presence of mixed results reflects the natural heterogeneity of investment portfolios. Not all investments can or should generate the same results. However, the inability of an important ecosystem segment to evaluate whether they are achieving their declared objectives represents a barrier to sector maturation. Without reliable data, it's impossible to learn, adjust strategies, or demonstrate value to potential investors.

How does impact expectation fulfillment compare to financial expectations?

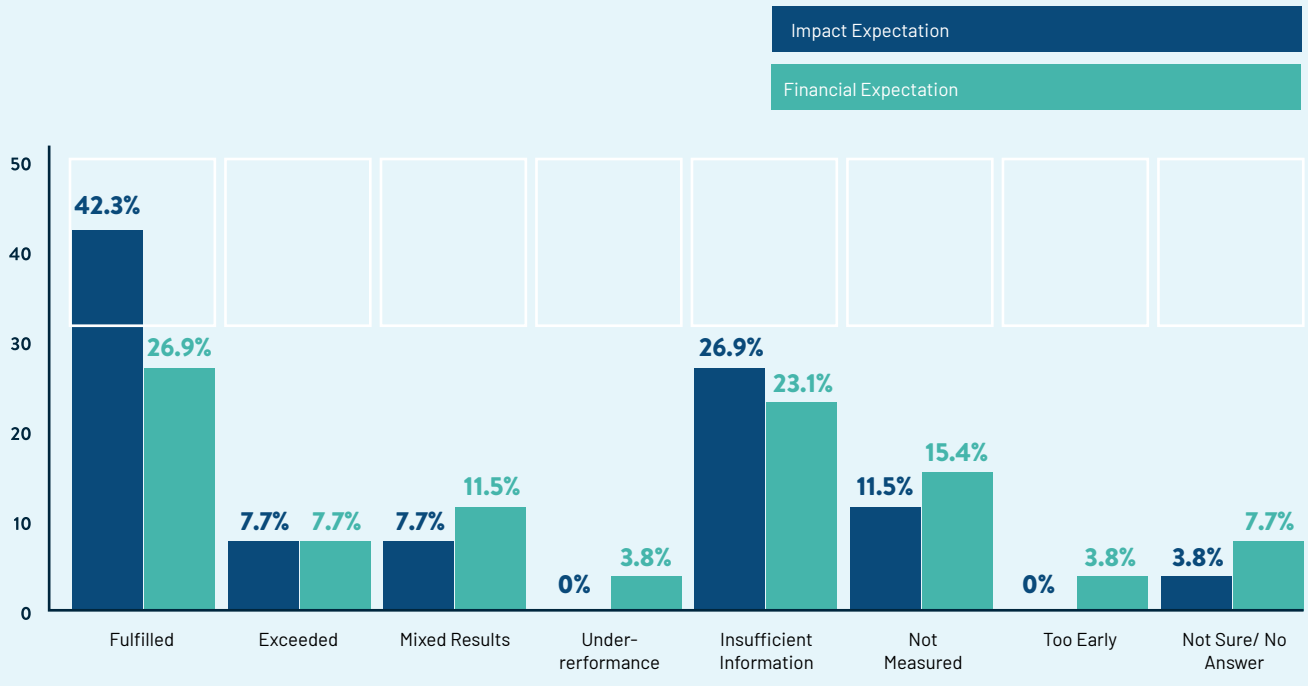


Fig. 24 Comparative Performance of Impact and Financial Expectations

Compensation Mechanisms and Time Horizons

Incentive design and time management are important elements for aligning expectations with actual results. Mexican data reveal an ecosystem experimenting with various mechanisms but that has not yet arrived at standardized practices.

In terms of compensation structures, a clear division is identified in the ecosystem. Most organizations (59.3%) do not charge performance-based fees, while 37% consistently apply them. This division reflects two distinct philosophies about impact investment management. Those not charging performance fees may be prioritizing operational simplicity or recognizing the difficulty of measuring performance in dual-objective investments.

The diversity of benchmarks used illustrates the complexity of evaluating success in impact investing. The predominance of customized internal objectives (32.3%) recognizes that each organization has a unique theory of change. However, only 9.7% explicitly link financial performance with impact growth, suggesting that real integration of both dimensions in evaluation systems is still limited.

What are the most commonly used investment benchmarks?

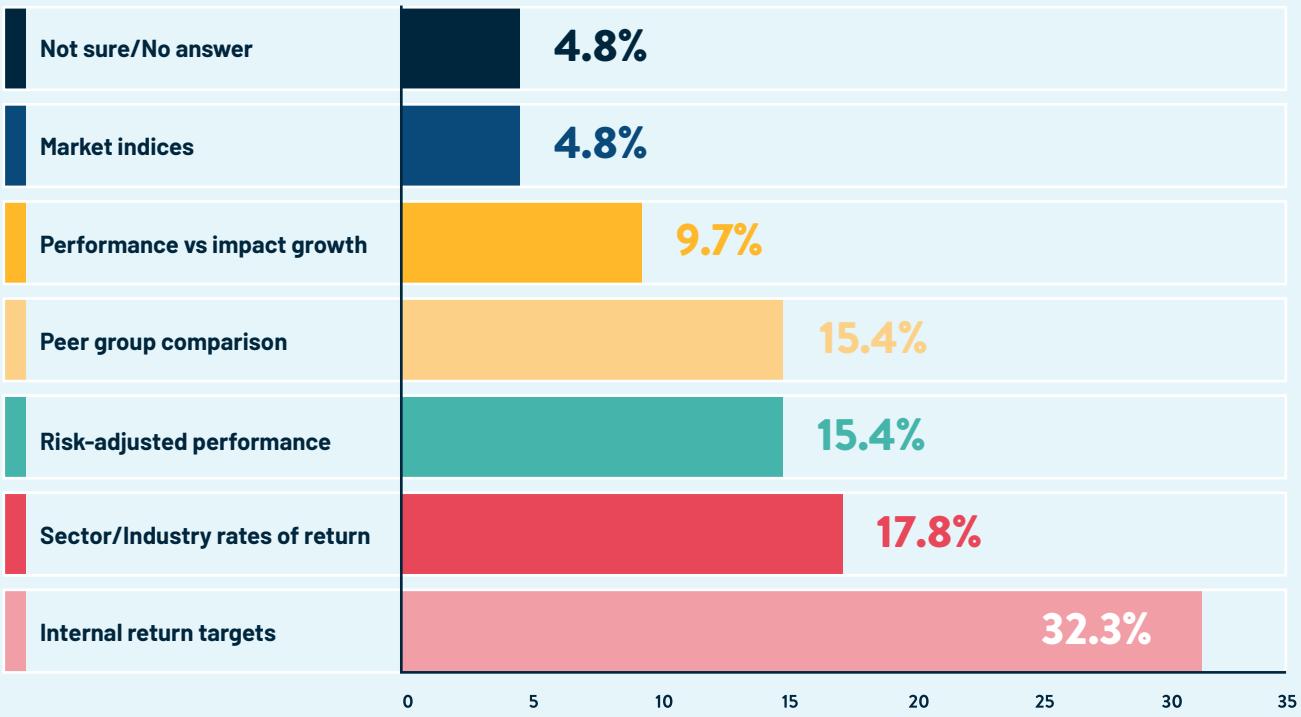


Fig. 25 Benchmarks used

This fragmentation in reference systems hinders comparison between funds and may be limiting institutional capital flow that requires standardized benchmarks. As ImpactAlpha (2024) notes, mature impact investing markets are characterized by gradual convergence toward shared metrics allowing comparability without sacrificing sectoral specificity.

Regarding transparency with investors, it's encouraging that 55.6% of organizations always present target returns, demonstrating professionalism in communication. However, 22.2% show uncertainty about this practice, suggesting internal communication problems or lack of strategic clarity.

The chapter's most concerning data emerges on historical returns: 48.1% did not report their past results. This opacity, whether due to lack of data, capacity, or simply inadequate recording systems, represents a fundamental barrier to ecosystem maturation. Without verifiable track records, it's impossible to attract sophisticated institutional capital or demonstrate impact investing model viability.

Among those who do report, it's significant that 29.6% achieved market-rate returns, validating that the model can be financially competitive. The 18.5% with below-market returns probably represents investments in higher-impact but lower commercial maturity sectors.

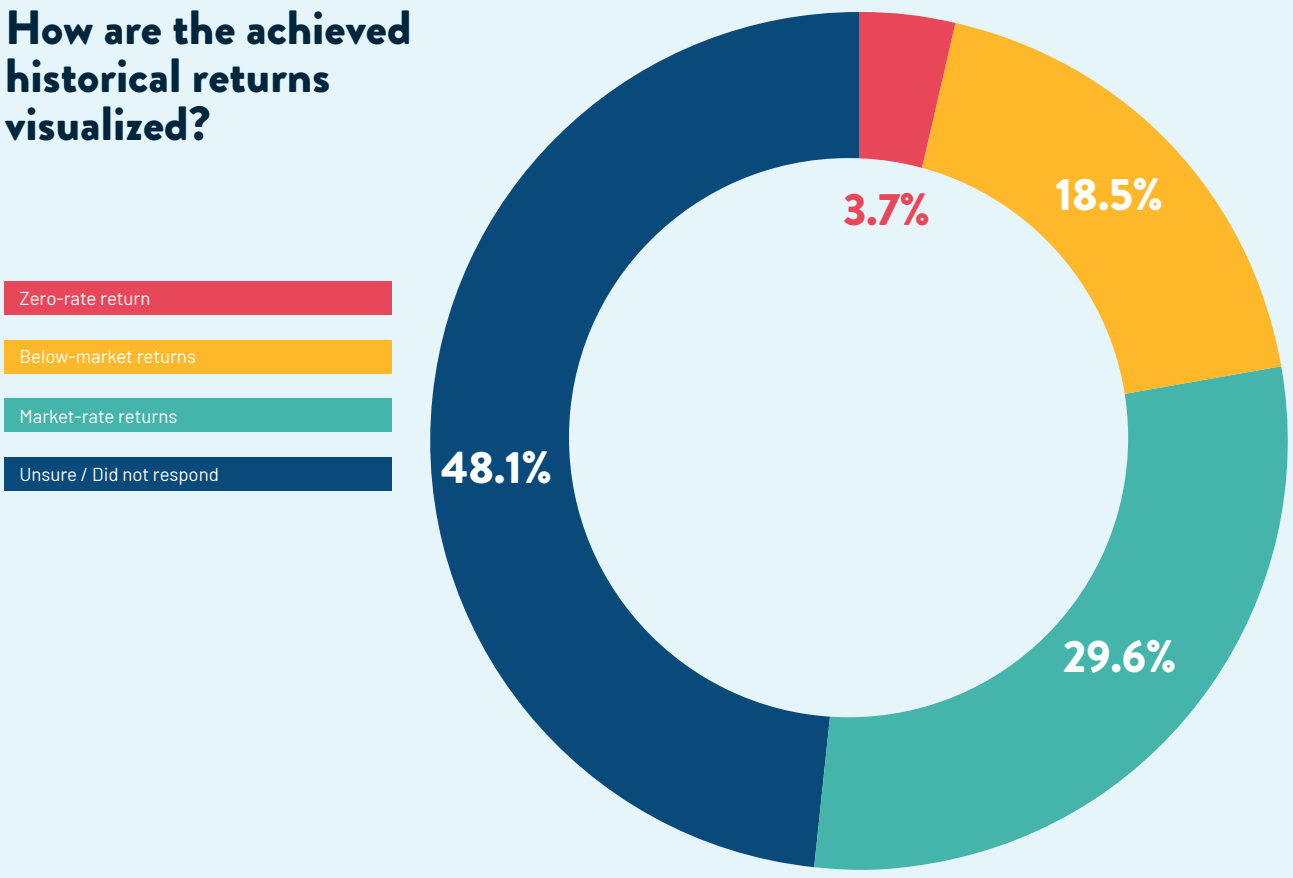


Fig. 26 Achieved historical returns

Exit Strategies and Long-Term Value Creation

How investors plan and execute their exits reveals much about the real nature of value they are creating. In Mexico, an ecosystem exists that privileges strategic exits but operates on extended time horizons.

The preference for sales to strategic buyers (42.3%) suggests investors seek continuity in impact missions beyond their participation. This strategy, common in impact investing markets according to Convergence (2023), seeks to ensure social or environmental impact persists after the original investor's exit. However, the 26.9% lacking clarity about their exit strategies represents significant risk, especially considering the long investment horizons prevalent in the sector.

What are the most commonly used investment exit strategies?

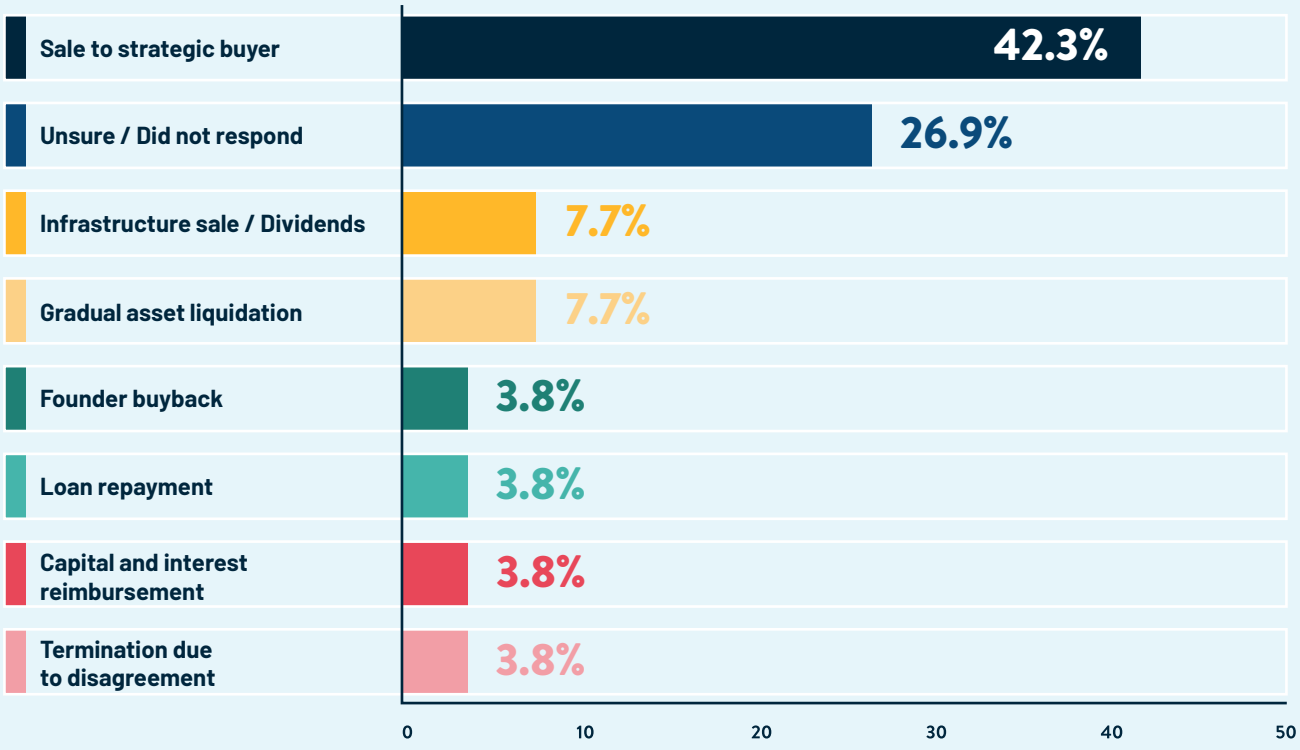


Fig.27 Exit strategies used

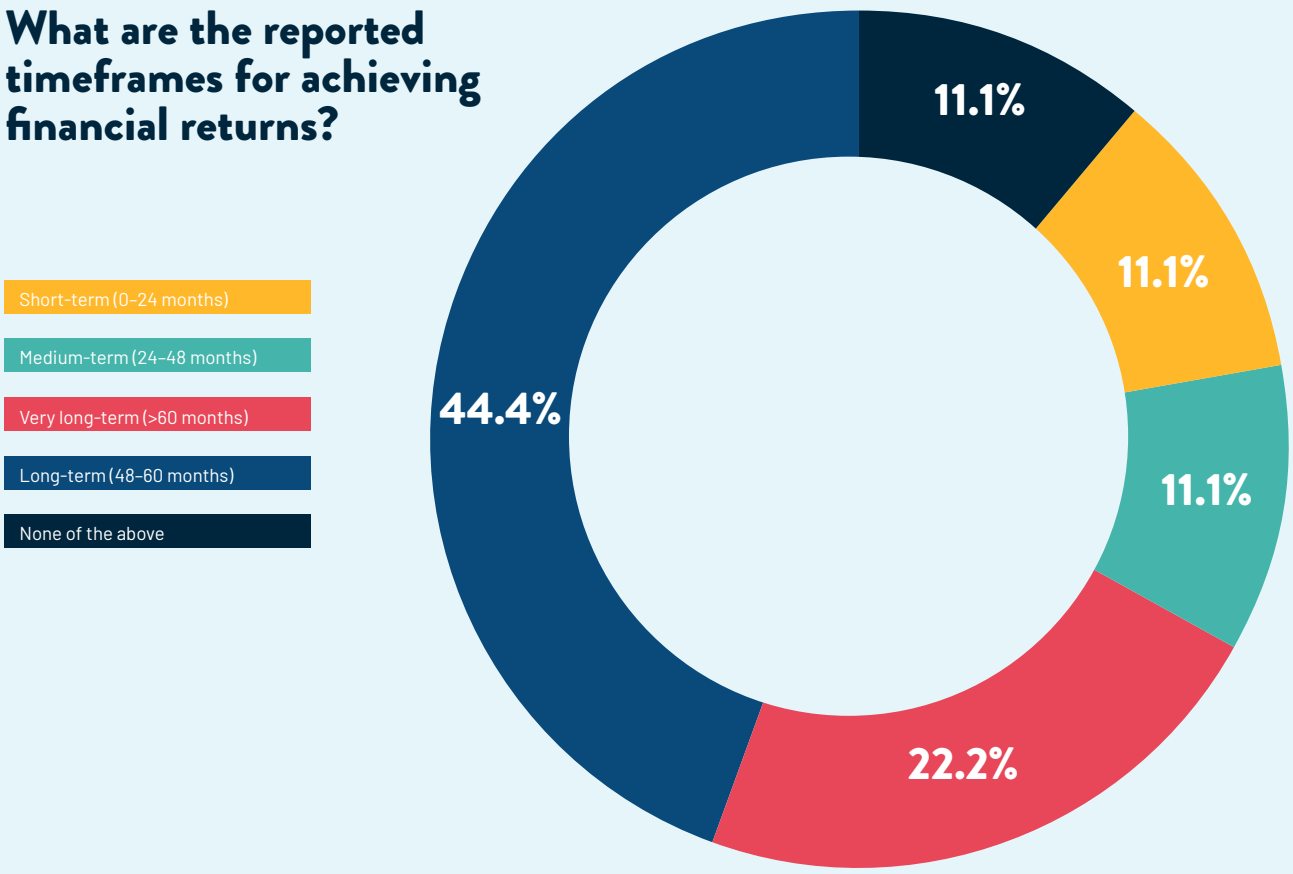


Fig. 28 Timeframes for Achieving Returns

The finding that 66.6% of investments require more than 48 months to generate returns has profound implications for market structure. These extended horizons require patient capital sources and managers with capacity to maintain operations during prolonged periods without distribution.

Exit Planning Factors

Factors considered for planning exits reveal important ecosystem priorities. 35.7% prioritize timelines and return expectations as the main factor, while 21.4% focus on financial profitability. Only 7.1% explicitly considers generated impact as a determining exit factor.

This apparent contradiction between declared values and decision criteria may reflect practical market pressures. Investors may deeply value impact but recognize that without financial sustainability, they cannot continue operating.

It also suggests that methodologies truly integrating both dimensions in exit decisions still need development.

Synthesis: Toward an Ecosystem of Greater Transparency and Rigor

The data presented in this chapter paint a nuanced portrait of Mexico's impact investing ecosystem. On one hand, encouraging signs of maturity are identified: most seek market-rate returns without sacrificing impact, clarity exists in objectives, and evidence shows these objectives can be met. On the other hand, information gaps are significant: nearly half the ecosystem operates without clear visibility on historical performance, and more than a quarter cannot evaluate whether they are meeting their impact objectives.

Three strategic implications emerge from this analysis:

1. The urgent need to strengthen measurement and reporting systems. Without reliable performance information, the ecosystem cannot learn, improve, or attract sophisticated capital. Adoption of standards like GIIN's IRIS+ must be accelerated and deepened.

2. The importance of developing secondary markets and liquidity mechanisms appropriate for long investment horizons. Extended timeframes are a structural characteristic of impact investing in Mexico, not an anomaly to correct.

3. The need to evolve toward more genuine integration of financial and impact dimensions. While investors declare balance but make decisions based primarily on financial criteria, the risk exists that impact becomes a secondary consideration.

Mexico's ecosystem is at a critical transition moment. It has surpassed the initial phase where impact investing was primarily philanthropic or experimental. It now faces the challenge of professionalizing without losing its dual-purpose essence. The coming years will determine whether Mexico can build an impact investing market that is both financially robust and genuinely transformative in social and environmental terms. Evidence suggests the potential exists, but realizing it will require overcoming the information and management gaps identified in this analysis.

STRATEGIC RECOMMENDATIONS

Impact investing in Mexico faces a paradox. Capital has never been more abundant. Interest from international investors has never been higher. Yet fragmentation among stakeholders prevents this potential from translating into social transformation at scale. This study has documented how the disconnect between those who have capital but lack investable projects and those who have transformative projects but lack access to capital perpetuates a suboptimal equilibrium that no single actor can break alone.

The history of other markets shows that impact investing ecosystems do not mature gradually but advance in quantum leaps catalyzed by moments of convergence. As documented in Chapter 5, Spain doubled its market when pension funds received targeted tax incentives. Colombia transformed its ecosystem when the public sector joined as an active partner of its National Advisory Board. Brazil unlocked massive capital when state governments created their own investment vehicles. Mexico stands precisely at one of these pivotal moments, where decisions over the next 18 months will determine whether we remain a promising market or consolidate our position as the undisputed leader in Latin America.

What makes this moment unique is not just the availability of capital or the maturity of entrepreneurs, but the convergence of three structural forces that may not align again: nearshoring is redefining supply chains with ESG criteria, demographic transition is creating massive markets in the care economy, and the climate crisis is channeling unprecedented resources toward nature-based solutions. Capturing these opportunities, however, requires each stakeholder to step outside their comfort zone and assume roles that have traditionally not been theirs.

This final chapter does not seek to prescribe universal solutions but rather to acknowledge that each ecosystem participant operates under different logics, incentives, and constraints. A pension fund cannot simply "take more risk" without regulatory changes. A social entrepreneur cannot "better measure impact" without resources and training. A development cooperation agency cannot "be more flexible" without redefining its mandates.

The recommendations that follow are designed from the operational reality of each stakeholder, identifying specific actions within their immediate sphere of control while signaling the collaborations necessary to unlock systemic change. The question is not whether Mexico needs a more robust impact investing ecosystem—the evidence is overwhelming—but whether we have the collective will to build it before the window of opportunity closes.

The following recommendations constitute a call for differentiated yet coordinated action, where each stakeholder's success depends on the success of all others.

Traditional Investors

The current moment presents a unique window of opportunity for traditional investors to participate in Mexico's impact investing market. The convergence between traditional finance and impact finance is creating new structures that allow investors to maintain return objectives while generating social and environmental value. Traditional investors who act now can position themselves strategically in a consolidating market that offers portfolio diversification and access to high-growth sectors.

Recommendation 1: Enter through co-investment structures with established specialized impact funds.

Investment funds concentrate 59.3% of the sector with proven experience in direct capital deployment. Traditional investors can leverage this existing expertise by participating as anchor investors in co-investment vehicles that reduce due diligence costs and mitigate operational risks. This strategy provides access to specialized sector knowledge while maintaining partial control over investment decisions.

Initial steps include identifying funds with proven track records in financial inclusion (53.3% of the market), establishing co-investment agreements with minimum entry tickets, and participating in investment committees for gradual knowledge transfer. Evidence from the report indicates this approach facilitates market entry while building internal capacity.

Recommendation 2: Develop hybrid products using quasi-equity instruments.

Quasi-equity already represents 25.9% of the market, demonstrating the ecosystem's maturity for innovative financial structures. Traditional investors can design vehicles that combine debt and equity, aligning incentives between investors and entrepreneurs while mitigating risks for both parties.

Implementation requires creating specialized teams for hybrid instrument structuring, developing proprietary evaluation methodologies that integrate ESG criteria (adopted by 36.4% of the market), and establishing clear impact and financial return metrics. These instruments allow traditional investors to maintain familiar risk-return profiles while participating in impact investments.

Recommendation 3: Activate partnerships with Mexican family offices to create thematic investment clubs.

Family offices manage an average of USD 23.4 million but maintain only 3.7% market participation, representing latent capital waiting for the right conditions. Traditional investors can catalyze this capital by creating investment clubs focused on specific sectors such as agriculture, health, and the circular economy.

First steps include convening joint investment roundtables with interested family offices, establishing shared knowledge platforms to reduce entry barriers, and developing investment products that allow differentiated tickets based on capacity and risk appetite. This collaboration multiplies available capital while distributing risks and operational costs among participants.

KEY ACTIONS FOR TRADITIONAL INVESTORS

1 ENTER THROUGH CO-INVESTMENT

Partner with specialized funds that concentrate 59.3% of the sector, leveraging their expertise—particularly in financial inclusion—to facilitate market entry

2 DEVELOP HYBRID PRODUCTS

Build on the 25.9% of the market using quasi-equity instruments; align incentives while maintaining familiar risk-return profiles and integrating ESG criteria

3 ACTIVATE FAMILY OFFICE PARTNERSHIPS

Form thematic investment clubs to mobilize currently underutilized capital, expanding capabilities and distributing risks

International Cooperation Agencies

International cooperation agencies are uniquely positioned to catalyze the growth of Mexico's impact investing market. Public and cooperation resources each represent only 9.1% of the ecosystem, revealing untapped transformative potential. The following recommendations allow agencies to dynamize the ecosystem and increase its credibility and resource mobilization capacity.

Recommendation 1: Deploy blended finance structures with first-loss catalytic capital.

International cooperation agencies can leverage their risk tolerance to design structures that attract private capital to sectors with high social potential but perceived high risk—particularly agriculture, health, and the circular economy.

Implementation includes structuring first-loss funds that absorb initial losses, designing partial guarantees that reduce perceived risk for traditional investors, and creating pilots for financial innovation in underserved sectors. Evidence from Convergence (2023) demonstrates that each dollar of public catalytic capital can mobilize between 4 and 10 dollars of private capital in emerging markets.

Recommendation 2: Strengthen impact measurement through technical assistance and standardization.

The report identifies that 30.8% of organizations face challenges determining which measurement frameworks to use, and 28.2% struggle to establish homogeneous metrics. Agencies should channel their technical cooperation resources toward developing shared measurement capabilities.

Specific actions include financing the adoption of standardized frameworks like IRIS+ with Mexican adaptations, developing digital tools that simplify impact reporting for small and medium-sized organizations, and creating impact evaluator certification programs. Strengthening these capabilities increases sector transparency and credibility, facilitating the entry of new institutional capital.

Recommendation 3: Establish strategic alliances with Development Finance Institutions to scale successful interventions.

DFIs already hold second place with 17.4% of capital, but their participation could be greater considering the magnitude of resources they manage globally. Agencies should coordinate efforts with institutions like IDB Invest, IFC, and DEG to create joint programs that combine technical assistance with investment capital.

The strategy includes developing pilot programs for financial innovation in underserved sectors, designing structured products that meet regulatory requirements while maintaining impact additionality, and documenting success cases that demonstrate viability to attract more private capital. This collaboration allows agencies to amplify their reach by leveraging DFI infrastructure and experience in the Mexican market.

KEY ACTIONS FOR INTERNATIONAL COOPERATION AGENCIES

1 ESTABLISH DFI ALLIANCES

Combine technical assistance and capital to develop financial innovation pilots and scale effective models that attract greater institutional investment

2 STRENGTHEN IMPACT MEASUREMENT

Provide technical assistance, methodology standardization, and digital tools addressing the difficulties faced by nearly a third of ecosystem organizations

3 IMPLEMENT BLENDED FINANCE STRUCTURES

Deploy first-loss catalytic capital to mobilize private capital and reduce risks, especially in agriculture, health, and circular economy sectors

Federal and State Ministries of Economy

The Mexican government has a historic opportunity to accelerate the growth of the impact investing market. With public resources representing only 9.1% of the ecosystem and the regulatory framework identified as one of the main obstacles by the private sector, federal and state economic development agencies can implement public policies that mobilize private capital toward projects with social and environmental benefits.

Recommendation 1: Create state-level public co-investment trusts.

The regional analysis shows significant variation in investment concentration, with most capital in Mexico City while states with great social needs remain underserved. State-level co-investment trusts can attract up to four private pesos for every public peso, especially in states with more developed entrepreneurial ecosystems.

Implementation includes establishing co-investment trusts with governance that includes public and private representatives, defining clear investment criteria aligned with state development plans, and designing efficient disbursement mechanisms adapted to the pace of private investment. Brazil's experience shows how subnational governments can play a strategic role in strengthening impact ecosystems, mobilizing local capital, building institutional capacity, and generating financial innovation with a territorial focus.

Recommendation 2: Establish tax incentives for high-impact companies.

Mexican pension funds (Afores) manage more than USD 220 billion but contribute only 2.9% to the impact ecosystem. Tax incentives can activate this capital through a certified national registry and income tax deductions that encourage private investment—including from Afores—in projects with proven social benefit.

The strategy includes creating a national registry of certified high-impact companies, designing income tax deductions for investments in registered companies, and developing investment vehicles that meet Afore regulatory requirements. Spain doubled its impact market when pension funds received specific tax incentives. These measures would mobilize capital, improve public efficiency, and accelerate regional development.

Recommendation 3: Implement pilot social impact bond programs.

Social impact bonds currently represent only 2.7% of instruments used in Mexico. Governments can lead innovation by becoming the first buyers of these bonds, allowing investors to finance public programs where the government pays only if verifiable results are achieved.

Initial steps include identifying public programs with measurable outcomes suitable for impact bond structuring, designing pilots in areas like employment, education, or health with clear success metrics, and establishing independent verification mechanisms that generate investor confidence. This structure allows governments to pay for results rather than activities while attracting private capital to public social programs.

KEY ACTIONS FOR FEDERAL AND STATE MINISTRIES OF ECONOMY

1 ESTABLISH TAX INCENTIVES

Create a certified national registry of high-impact companies with income tax deductions that encourage private investment—including from Afores—in projects with proven social benefits

2 CREATE STATE CO-INVESTMENT TRUSTS

Design public co-investment trusts capable of attracting up to four private pesos for every public peso, especially in states with more developed entrepreneurial ecosystems

3 IMPLEMENT SOCIAL IMPACT BOND PILOTS

Allow investors to finance public programs where government pays only upon achieving verifiable results

Entrepreneurs

Mexican entrepreneurs face an impact investing ecosystem with clear opportunities but specific barriers that must be navigated strategically. While capital is available at different stages—25.4% directed to growth-stage companies and 19.4% to seed stage—the main challenge identified by 14.9% of investors is finding viable projects. Entrepreneurs who understand how to position themselves before investors and demonstrate measurable impact will have significant competitive advantages in accessing available market capital.

Recommendation 1: Actively participate in the impact ecosystem to increase visibility.

The data shows that 28.2% of investors find opportunities through ecosystem recommendations, 23.1% at startup events, and 21.8% through incubator and accelerator events. Entrepreneurs should maximize their presence in these spaces that function as connection points with investors.

The strategy includes applying to accelerator and incubator programs (7.4% of the ecosystem each, functioning as quality filters), consistently participating in impact ecosystem events where investors seek projects, and building relationships with other entrepreneurs who can provide cross-referrals. Opportunity generation depends heavily on human interaction; entrepreneurs who invest time in building solid networks multiply their chances of accessing capital.

Recommendation 2: Integrate impact measurement systems from early stages.

The report identifies that 30.8% of organizations face challenges determining which measurement frameworks to use and 28.2% struggle to establish homogeneous metrics. Entrepreneurs who demonstrate measurable impact have a competitive advantage.

Steps include adopting standardized frameworks like IRIS+ or the SDGs from the idea or pre-seed stage, systematically documenting social and environmental results even while the project is in its initial phase, and preparing impact reports that speak the same language as investors. Investment funds (59.3% of the sector) value projects with clear metrics; entrepreneurs who have them reduce entry barriers and accelerate due diligence processes.

Recommendation 3: Prepare the company for different financial instruments.

The ecosystem uses diverse instruments: equity (37.9%), quasi-equity (25.9%), and debt (24.1%), but many entrepreneurs are prepared for only one.

Entrepreneurs should structure their company to accept equity investment while maintaining clear governance and a dilution plan, explore hybrid instruments like convertible debt that allow flexibility and align incentives with investors, and validate their business model at the seed stage to access the 25.4% of capital directed to growth stage. The analysis shows 72.3% of actors prefer direct investment; entrepreneurs prepared to receive active investors in their governance have higher success probabilities.

KEY ACTIONS FOR ENTREPRENEURS

1 PREPARE FOR DIVERSE INSTRUMENTS

Structure the company for various financial instruments—from equity and debt to hybrid schemes—ensuring clear governance structures and validated models

2 INTEGRATE IMPACT MEASUREMENT EARLY

Adopt recognized frameworks like IRIS+ or SDGs from early stages, systematically documenting results to reduce friction in due diligence processes

3 STRENGTHEN ECOSYSTEM PRESENCE

Actively participate in events, incubators, and accelerators—the main sources where investors find opportunities—while building solid networks

Incubators and Accelerators

Incubators and accelerators occupy a unique but underestimated position in Mexico's impact investing ecosystem. Although each represents 7.4% of the sector and manages the lowest average capital at USD 3.9 million per organization, their value significantly transcends invested amounts. They function as critical quality filters that reduce risk for investors: 21.8% find opportunities at their events and 28.2% value ecosystem recommendations. Incubators and accelerators that strengthen their role as bridges between entrepreneurs and investors can multiply their systemic impact.

Recommendation 1: Establish formal co-investment alliances with investment funds.

Foundations contribute catalytic capital that can mobilize between 3 and 5 pesos of commercial capital for every peso invested. Incubators and accelerators should replicate this multiplier model by establishing structured agreements with investment funds, which concentrate 59.3% of the market.

The strategy includes creating "guaranteed graduation" programs where funds commit capital for the best portfolio projects, developing shared due diligence processes that reduce operational costs for both parties, and establishing joint success metrics that align preparation and scaling incentives. Investment funds manage an average of USD 32.5 million; an alliance with just three funds can mean access to more than USD 100 million for graduated entrepreneurs. This collaboration transforms accelerators from mere preparers into strategic capital partners.

Recommendation 2: Specialize sectorally to become recognized centers of excellence.

The analysis shows 14.9% of investors identify detecting viable opportunities as their main challenge, while capital is available at all stages (25.4% for growth, 19.4% for seed, 16.4% for pre-seed). Incubators should differentiate through deep specialization in specific sectors such as agriculture, health, or the circular economy.

Steps include developing technical expertise and specialized networks in a maximum of two sectors, creating thematic cohorts that facilitate synergies and peer learning, and building reputation as the obligatory entry point for investors interested in those sectors. Specialization allows accelerators to command better terms, attract specific talent, and guarantee better project preparation for investors' exact needs.

Recommendation 3: Integrate intensive impact measurement training from day one.

The report identifies that 30.8% of organizations face challenges determining which measurement frameworks to use and 28.2% struggle to establish homogeneous metrics. Incubators can differentiate by preparing entrepreneurs who speak the impact language investors need.

Implementation requires incorporating mandatory IRIS+ and SDG modules in all acceleration programs, developing simplified digital tools so startups document their impact from early stages, and certifying graduates with an "impact investment readiness seal" that investors recognize. Accelerators that produce entrepreneurs with demonstrated impact measurement capabilities significantly reduce barriers to capital entry and increase their fundraising success rates.

KEY ACTIONS FOR INCUBATORS AND ACCELERATORS

1 ESTABLISH CO-INVESTMENT ALLIANCES

Create formal arrangements with investment funds, including "guaranteed graduation" programs, shared due diligence processes, and joint metrics

2 SPECIALIZE SECTORALLY

Become centers of excellence by focusing on one or two strategic sectors such as agriculture, health, or circular economy

3 INTEGRATE IMPACT MEASUREMENT TRAINING

Incorporate IRIS+ and SDG frameworks from program inception, certifying entrepreneurs to reduce financing access barriers

Corporations and Large Enterprises

Large companies and Mexican corporations represent the largest untapped opportunity in the impact investing ecosystem. With only 1.4% direct participation and 4.3% private sector corporate participation, there exists dormant transformative potential. While 36.4% of actors already integrate ESG criteria, corporates have not yet activated their unique capacity to mobilize capital, develop inclusive value chains, and scale impact solutions. Companies that integrate impact investing into their corporate strategy can generate shared value while strengthening their competitiveness in the USMCA context.

Recommendation 1: Create corporate venture capital vehicles with an explicit impact mandate.

The corporate sector represents the largest untapped opportunity, while capital is available at all business stages (25.4% for growth, 13.4% for mature private companies). Corporates should establish specialized investment arms that combine business objectives with measurable impact.

Implementation requires allocating 1–3% of the innovation budget to a corporate impact fund, establishing specialized teams with investment experience and core business knowledge, and defining investment theses that align impact opportunities with corporate competitive advantages. Mexico has unique structural advantages within USMCA, where requirements to generate responsible value chains are increasing; companies that lead this transition will capture significant economic and reputational value.

Recommendation 2: Develop inclusive value chain investment programs.

Agriculture and rural development concentrates high investment demand while 14.7% of capital goes to community development. Corporates can create shared value by investing in strengthening their supply chains with impact criteria.

Steps include mapping the value chain to identify small and medium suppliers with impact potential, designing financing and technical assistance programs for suppliers at early stages, and establishing guaranteed purchase contracts that reduce risk for impact investors. Each corporate capital peso can mobilize between 3 and 5 additional pesos when properly structured. This strategy strengthens supply chain resilience while generating direct social impact in producer communities.

Recommendation 3: Lead the creation of specialized sectoral funds in alliance with existing impact investors.

With 59.3% of the market concentrated in investment funds managing an average of USD 32.5 million, corporates can multiply their impact through strategic alliances. Companies should co-create thematic funds in their sectors of expertise, contributing anchor capital and technical knowledge.

The strategy includes identifying active impact funds in sectors relevant to the corporate business, structuring co-investment vehicles where the corporate contributes 30–40% of total capital, and sharing technical capabilities, market access, and distribution networks with portfolio companies. Already 25.5% focus on the circular economy and 36.4% integrate ESG criteria; corporates that lead sectoral funds can accelerate the transition toward sustainable business models throughout their industry.

KEY ACTIONS FOR CORPORATIONS AND LARGE ENTERPRISES

1 LEAD SECTORAL FUND CREATION

Form alliances with impact investors, contributing anchor capital, technical knowledge, and market access to catalyze investments in circular economy and sustainability

2 DRIVE INCLUSIVE VALUE CHAIN PROGRAMS

Invest in small suppliers through technical assistance, financing, and guaranteed purchase contracts that reduce risks and generate shared value

3 CREATE CORPORATE VENTURE CAPITAL WITH IMPACT MANDATES

Allocate innovation budget to specialized corporate funds, defining investment theses aligned with the business while leveraging USMCA opportunities

Impact Investors and Investment Funds

Impact investment funds dominate Mexico's ecosystem with 59.3% of the market and manage an average of USD 32.5 million, but this concentration generates both efficiencies and systemic vulnerabilities. While 72.3% prefer direct investment to maintain "control," less than 6.4% use intermediation structures that would enable scaling. Additionally, 48.1% are uncertain about their historical returns, evidencing significant gaps in measurement and transparency. The funds that lead the evolution toward more collaborative and transparent models will define the sector's future.

Recommendation 1: Create a joint thematic fund of funds to democratize ecosystem access.

Less than 6.4% of the market uses funds of funds, while family offices with an average of USD 23.4 million remain underrepresented at 3.7% participation. Leading funds should create an aggregation vehicle that allows entry for smaller investors.

Implementation requires the five largest funds to commit 20% of their next raise to a shared fund of funds, establish rotating governance that distributes decision-making power among participants, and open participation to family offices and foundations with tickets starting at USD 1 million. This structure multiplies available capital, reduces shared due diligence costs, and strengthens ecosystem resilience against the exit of large actors. Each dollar of catalytic capital can mobilize between 4 and 10 additional dollars.

Recommendation 2: Establish a unified impact measurement and reporting system.

The report identifies that 30.8% face challenges determining which frameworks to use, 32.3% use internal objectives without comparability, and 48.1% lack clarity on historical returns. Funds should collaborate to create common standards that generate institutional confidence.

Steps include collectively adopting IRIS+ as a base framework with consensus Mexican adaptations, creating a shared digital platform where all report quarterly on financial and impact metrics, and publishing a joint annual sector report with benchmarks by stage and sector. Radical transparency will attract institutional capital: Mexican pension funds (Afores) managing USD 220 billion need reliable data to justify sector entry.

Recommendation 3: Develop innovative exit strategies that guarantee impact continuity.

The analysis shows 35.7% consider investment terms as the main factor for exits, but only 17.9% evaluate whether generated social impact will continue. Funds should design mechanisms that protect companies' social and environmental mission after exit.

The strategy includes structuring golden shares that maintain veto power over changes to social mission, developing strategic buyers committed to impact through alliances with the 4.3% of corporates already participating, and creating a specialized secondary fund to purchase stakes from funds needing liquidity. These innovations allow funds to offer liquidity to their investors while protecting generated impact, differentiating from traditional funds and attracting patient capital with aligned values.

KEY ACTIONS FOR IMPACT INVESTORS AND INVESTMENT FUNDS

1 CREATE A JOINT THEMATIC FUND OF FUNDS

Expand access for new investors, reduce power concentration, and mobilize additional capital through shared governance and accessible tickets

2 ESTABLISH A UNIFIED MEASUREMENT SYSTEM

Adopt common frameworks like IRIS+, create a shared quarterly reporting platform, and publish an annual report with sectoral benchmarks

3 DEVELOP IMPACT-PRESERVING EXIT STRATEGIES

Include golden shares to protect social mission, alliances with corporates as responsible buyers, and creation of a specialized secondary fund

GLOSSARY OF TERMS

Afores - Administradoras de Fondos para el Retiro (Retirement Fund Administrators). Private Mexican financial institutions that manage workers' pension funds.

AIIMx - Alianza por la Inversión de Impacto en México (Mexico Impact Investing Alliance). Organization that brings together the main actors in the country's impact investing ecosystem. Serves as Mexico's National Advisory Board (NAB) within the GSG network.

ANDE - Aspen Network of Development Entrepreneurs. Global network supporting entrepreneurship in emerging markets.

BID — Banco Interamericano de Desarrollo (Inter-American Development Bank / IDB). Multilateral development finance institution for Latin America and the Caribbean.

CAGR — Compound Annual Growth Rate. The rate of return required for an investment to grow from its beginning balance to its ending balance over a specified period.

CONAPO — Consejo Nacional de Población (National Population Council). Mexican public agency responsible for the country's demographic planning.

CONEVAL — Consejo Nacional de Evaluación de la Política de Desarrollo Social (National Council for Social Development Policy Evaluation). Agency that measures poverty and evaluates social programs in Mexico.

DEG — Deutsche Investitions- und Entwicklungsgesellschaft. German development finance institution.

DFI — Development Finance Institution. Bilateral or multilateral development banks that provide financing for private sector projects in developing countries.

ESG — Environmental, Social, and Governance. Criteria used to evaluate the sustainability and ethical impact of an investment.

EUR — Euro. Official currency of the European Union.

GIIN — Global Impact Investing Network. Organization dedicated to increasing the scale and effectiveness of impact investing worldwide.

GIZ — Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation). Germany's international development cooperation agency.

GSG — Global Steering Group for Impact Investment. Independent organization that promotes impact investing globally.

IFC — International Finance Corporation. World Bank Group institution focused on the private sector in developing countries.

IMM — Impact Measurement and Management. The practice of measuring and managing the social and environmental performance of investments.

INEGI — Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography). Autonomous Mexican agency responsible for generating statistical and geographic information.

IRIS+ — Impact measurement and management system developed by GIIN that provides standardized metrics.

ISR — Inversión Socialmente Responsable (Socially Responsible Investing / SRI). Investment strategy that excludes or limits investments in industries considered harmful.

KPI — Key Performance Indicator. Metric used to evaluate success in meeting objectives.

M&E — Monitoring and Evaluation. System for tracking and evaluating the progress and impact of projects.

MXN — Mexican Peso. Official currency of Mexico.

NAB — National Advisory Board. National body that promotes the development of the impact investing market in each country within the GSG network.

OECD — Organisation for Economic Co-operation and Development. International organization that promotes policies to improve economic and social well-being.

ODS / SDGs — Objetivos de Desarrollo Sostenible / Sustainable Development Goals. The 17 global goals adopted by the United Nations in 2015 to eradicate poverty and protect the planet.

ROI — Return on Investment. Measure of the financial performance of an investment.

SGBs — Small and Growing Businesses. Companies with 5–250 employees with significant growth potential. ANDE's standard terminology for the "missing middle" of enterprises.

SROI — Social Return on Investment. Methodology for measuring the social value created per monetary unit invested.

T-MEC / USMCA — Tratado entre México, Estados Unidos y Canadá / United States-Mexico-Canada Agreement. Trade agreement that replaced NAFTA in 2020.

TIR / IRR — Tasa Interna de Retorno / Internal Rate of Return. Discount rate that makes the net present value of an investment equal to zero.

USD — United States Dollar. Official currency of the United States.

VPN / NPV — Valor Presente Neto / Net Present Value. Difference between the present value of incoming and outgoing cash flows of an investment.

Technical Terms

Additionality — Principle establishing that impact capital should generate outcomes that would not have occurred without that specific investment.

Assets under management (AUM) — Total value of capital that an organization manages or invests on behalf of its clients or beneficiaries.

Benchmark — Reference point used to compare the performance of an investment or fund against an established standard.

Blended finance — Strategic use of development finance and philanthropic funds to mobilize private capital flows toward emerging markets.

Catalytic capital — Investment capital that is patient, risk-tolerant, concessionary, and flexible in ways that enable impact-focused fund managers and enterprises to address market gaps.

Due diligence — Comprehensive appraisal of a business undertaken by a prospective investor to establish its assets, liabilities, and commercial potential.

Exit strategy — Plan for how an investor will liquidate their position in an investment while maximizing returns and, in impact investing, preserving the social/environmental mission.

First-loss capital — Capital structured to absorb initial losses in a fund or facility, protecting other investors and enabling deals that might otherwise not close.

Fund of funds — Investment vehicle that invests in other investment funds rather than directly in companies or projects.

Golden shares — Special class of shares that grants veto power over certain corporate decisions, often used to protect mission integrity in social enterprises.

Nearshoring — Relocation of production processes to geographically nearby countries to optimize costs and supply chains.

Patient capital — Long-term investment capital that prioritizes social and environmental returns alongside financial returns, with extended time horizons and tolerance for illiquidity.

Quasi-equity — Financial instruments that share characteristics of both debt and equity, such as convertible debt, revenue participation agreements, or mezzanine financing.

Regulatory sandbox — Framework that allows businesses to test innovative products, services, or business models in a live environment under relaxed regulatory requirements.

Risk-return profile — Characterization of an investment based on the relationship between its potential returns and the level of risk required to achieve them.

Social impact bonds (SIBs) — Pay-for-success contracts in which private investors fund social programs and government pays only if predetermined outcomes are achieved.

Theory of change — Comprehensive description of how and why a desired change is expected to happen in a particular context, mapping inputs to outcomes.

Track record — Historical record of performance and experience, used by investors to evaluate fund managers.

Valley of death — Critical period in business development between the initial phase and sustainable growth where many companies fail due to lack of financing.

Investment vehicle — Legal structure used to channel investments (funds, trusts, corporations).

Venture capital — Risk capital invested in early-stage companies with high growth potential.

Additional Sector Terms

Crowdfunding — Collective financing through digital platforms where multiple investors contribute small amounts.

EVPA — European Venture Philanthropy Association. European venture philanthropy association referenced in the study.

Fintech — Financial technology that improves and automates the delivery of financial services.

Impact enterprise — Business that intentionally generates measurable social and/or environmental impact alongside financial returns.

Inclusive value chains — Supply chain models designed to integrate small-scale producers, often from marginalized communities, into commercial markets.

Investment thesis — The rationale or hypothesis underlying an investor's strategy, defining the types of companies, sectors, or impacts they seek.

Market-rate returns — Financial returns comparable to those available from conventional investments with similar risk profiles.

Missing middle — Gap in financing for enterprises too large for microfinance but too small or risky for traditional bank lending or private equity.

REFERENCES

AIIMx. (2018). Inversión de impacto en México: Agenda de un mercado en crecimiento. Ciudad de México: Alianza por la Inversión de Impacto en México.

Alianza por la Inversión de Impacto en México. (2018). Inversión de impacto en México: panorama y recomendaciones. Ciudad de México: AIIMx.

ANDE. (2018). The Impact Investing Landscape in Latin America. Aspen Network of Development Entrepreneurs and Association for Private Capital Investment in Latin America.

ANDE. (2020-2022). El Panorama de Inversión de Impacto en América Latina. Aspen Network of Development Entrepreneurs. [Serie de reportes regionales 2020-2021 y 2021-2022].

ANDE. (2023). Why SGBs: Small and Growing Businesses as Engines of Growth. Aspen Network of Development Entrepreneurs. https://andeglobal.org/why-sgbs/

Aspen Network for Development Entrepreneurs. (2016). El panorama de inversión de impacto en América Latina 2014–2015–2016 (M. Dumont). Washington, D.C.: ANDE.

Aspen Network for Development Entrepreneurs. (2018). El panorama de inversión de impacto en América Latina 2016–2017–2018 (K. Davidson). Washington, D.C.: ANDE.

Aspen Network for Development Entrepreneurs. (2020). El panorama de inversión de impacto en América Latina 2018–2019–2020 (M. Victoria). Washington, D.C.: ANDE.

Aspen Network for Development Entrepreneurs. (2016). El panorama de inversión de impacto en América Latina: Tendencias 2014-2015. México/Washington, DC: ANDE.

Aspen Network for Development Entrepreneurs. (2022). El panorama de inversión de impacto en América Latina 2020-2021. México/Washington, DC: ANDE.

Aspen Network for Development Entrepreneurs & Latin American Private Equity & Venture Capital Association. (2018). The Impact Investing Landscape in Latin America. ANDE & LAVCA.

Auerswald, P. E., & Branscomb, L. M. (2003). Valleys of Death and Darwinian Seas: Financing the Invention to Innovation Transition in the United States. The Journal of Technology Transfer, 28(3-4), 227-239.

Bain & Company. (2024). India Private Equity Report 2024. https://www.bain.com/insights/india-private-equity-report-2024/

Banco Interamericano de Desarrollo (BID). (2023). Esta Casa es Mía: Vivienda incremental con enfoque de impacto social en América Latina.

Big Society Capital. (2022). The UK impact investment market: Size, scope, potential. Big Society Capital.

Bolay, J. C., & Rabinovich, A. (2004). Intermediate cities in Latin America risk and opportunities of coherent urban development. Cities, 21(5), 407-421.

Bugg-Levine, A., & Emerson, J. (2011). Impact investing: Transforming how we make money while making a difference. Innovations: Technology, Governance, Globalization, 6(3), 9-18.

Cámara Mexicana de la Industria de la Construcción (CMIC). (2024). Desafío presupuestal e impacto al mercado: Los retos del nuevo plan de vivienda. https://www.cmic.org/desafio-presupuestal-e-impacto-al-mercado-los-retos-del-nuevo-plan-de-vivienda/

Climate Bonds Initiative. (2024a). Global State of the Market Report 2024. London: Climate Bonds Initiative.

Climate Bonds Initiative. (2024b, agosto 28). Mexico accumulates USD38.3 billion in thematic bonds until 2023. https://www.climatebonds.net/resources/press-releases/2024/08/mexico-accumulates-usd383-billion-thematic-bonds-until-2023

Green Climate Fund (GCF). (2023). Investment Framework and Eligibility Criteria. https://www.greenclimate.fund

Combs, K., Fernández, J. A., & Gutiérrez, J. (2023). Intraregional capital flows in Latin American impact investing: Patterns and potential. Journal of Sustainable Finance & Investment, 13(2), 245-267.

CONAPO. (2023). Proyecciones de la población de México y de las entidades federativas 2020-2070. Consejo Nacional de Población. https://www.gob.mx/conapo/documentos/proyecciones-de-la-poblacion-de-mexico-y-de-las-entidades-federativas-2020-2070

CONEVAL. (2020). Medición de la pobreza 2018-2020. Consejo Nacional de Evaluación de la Política de Desarrollo Social. México.

Convergence. (2023). The State of Blended Finance 2023. Convergence Blending Global Finance. https://www.convergence.finance/resource/state-of-blended-finance-2023

Creswell, J. W., & Plano Clark, V. L. (2011). Designing and conducting mixed methods research (2.ª ed.). Sage Publications.

Dalberg & Programa de Innovación de Impacto Colectivo (PiiC). (2023). Diagnóstico del ecosistema de inversión de impacto en Centroamérica. San José, Costa Rica: PiiC.

Deloitte. (2025, enero 14). Mexico economic outlook. Deloitte Insights. https://www.deloitte.com/us/en/insights/topics/economy/americas/mexico-economic-outlook.html

Departamento de Estado de EE.UU. (2024, enero 4). 2024 Investment Climate Statements: Brazil. https://www.state.gov/reports/2024-investment-climate-statements/brazil

Drexler, M., & Noble, A. (2013). From the margins to the mainstream: Assessment of the impact investment sector and opportunities to engage mainstream investors. World Economic Forum.

Econometría Consultores. (2022). Medición del mercado de inversión de impacto en Colombia 2022. Consejo Nacional Asesor (NAB Colombia) & Global Steering Group for Impact Investment (GSG).

El Economista. (2025, agosto 26). México alcanza su mejor posición histórica en el Índice de Complejidad Económica de Harvard.https://www.eleconomista.com.mx/economia/indice-complejidad-economica-harvard-mexico-anota-mejor-nivel-20250826-774381.html

European Commission. (2023). EU Taxonomy for Sustainable Activities: Technical Screening Criteria. https://finance.ec.europa.eu/sustainable-finance

Gaggiotti, A. (2022). Accelerating Impact: The European Impact Investment Market Report. EVPA.

Gianoncelli, A., & Gaggiotti, G. (2021). Impact Measurement and Management in Practice: Evidence from European Social Enterprises. European Venture Philanthropy Association.

Glaeser, E. (2011). Triumph of the city: How our greatest invention makes us richer, smarter, greener, healthier, and happier. Penguin Press.

Gobierno de Jalisco. (2024). Fondo de Fomento Empresarial de Jalisco (FODEIJAL) y FOCRECER. https://economia.jalisco.gob.mx

Global Impact Investing Network. (2018a). GIIN impact investing guide. GIIN.

Global Impact Investing Network. (2018b). Roadmap for the future of impact investing: Reshaping financial markets. GIIN.

Global Impact Investing Network [GIIN]. (2019). Core characteristics of impact investing. GIIN.

Global Impact Investing Network [GIIN]. (2023). Annual Impact Investor Survey 2023. GIIN.

Global Impact Investing Network. (2024). Impact investing market trends update. GIIN.

Global Impact Investing Network. (2024). Sizing the impact investing market 2024. New York: GIIN.

Global Steering Group for Impact Investment. (2018). Impact investment: The invisible heart of markets. GSG.

Hand, D., Ringel, B., & Danel, A. (2022). Sizing the Impact Investing Market: 2022. Global Impact Investing Network (GIIN).

Hand, D., Sunderji, S., Pardo, N., & Durante, I. (2024). 2024 GIINsight: Sizing the Impact Investing Market. Global Impact Investing Network.

Hand, D., Ulanow, M., Pan, H., & Xiao, K. (2024). Sizing the impact investing market 2024. Global Impact Investing Network (GIIN).

Harji, K., & Jackson, E. T. (2012). Accelerating impact: Achievements, challenges and what's next in building the impact investing industry. The Rockefeller Foundation.

Hausmann, R., & Hidalgo, C. A. (2009). The building blocks of economic complexity. Proceedings of the National Academy of Sciences, 106(26), 10570-10575.

Hockerts, K., et al. (2022). Impact investing: An essentially contested concept. Journal of Business Ethics, 178(3), 551-574.

Hsieh, C. T., & Olken, B. A. (2014). The Missing "Missing Middle". Journal of Economic Perspectives, 28(3), 89-108.

ICE, ANDE, & FIIMP. (2020). Investimentos de impacto no Brasil: Pesquisa nacional. Brasil: Instituto de Cidadania Empresarial (ICE), Aspen Network for Development Entrepreneurs (ANDE) & Foros de Investimento de Impacto e Negócios de Impacto (FIIMP).

International Capital Market Association (ICMA). (2023). Green, Social and Sustainability-Linked Bond Principles. https://www.icmagroup.org

ImpactAlpha. (2024). Latin America Impact Investment Trends Report. ImpactAlpha Intelligence.

Impacto Colombia, Global Steering Group for Impact Investment [GSG], & Fedesarrollo. (2024). Segunda medición del tamaño del mercado de inversión de impacto en Colombia. Bogotá: Impacto Colombia.

INEGI. (2019). Censos Económicos 2019. Instituto Nacional de Estadística y Geografía. México.

INEGI. (2020). Censo de Población y Vivienda 2020. Instituto Nacional de Estadística y Geografía. https://www.inegi.org.mx/programas/ccpv/2020/

Kenny, C. (2022). Development outcomes of International Finance Corporation (IFC) projects: A review of the evidence. Center for Global Development.

Krugman, P. (1991). Increasing returns and economic geography. Journal of Political Economy, 99(3), 483-499.

Lexology. (2020, agosto 14). Private equity fundraising in Mexico. https://www.lexology.com/library/detail.aspx?g=cd4bfab6-5820-4eff-a090-127aefe61de9

Mexico Business News. (2024). Investing in the future of Mexican agriculture. https://mexicobusiness.news

Monitor Institute. (2009). Investing for social and environmental impact: A design for catalyzing an emerging industry. San Francisco: Monitor Institute.

Mudaliar, A., Bass, R., & Dithrich, H. (2019). Annual Impact Investor Survey 2019. Global Impact Investing Network. https://thegiin.org/research/publication/impinv-survey-2019

NAB Colombia & Econometría Consultores. (2022). Medición del mercado de inversión de impacto en Colombia 2022. Bogotá: NAB Colombia.

North, D. C. (1990). Institutions, institutional change and economic performance. Cambridge University Press.

ONU-Hábitat. (2024). Barrio Modelo: Estrategias para el mejoramiento urbano y la vivienda asequible en América Latina. https://unhabitat.org/es

Organisation for Economic Co-operation and Development [OECD]. (2019). Social impact investment 2019: The impact imperative for sustainable development. OECD Publishing.

Pandit, V., & Tamhane, T. (2017). Impact investing: Purpose-driven finance finds its place in India. McKinsey & Company, Private Equity and Principal Investors Practice.

PwC Sudáfrica. (2024, abril 29). South Africa Economic Outlook - April 2024. https://www.strategyand.pwc.com/a1/en/press-release/south-africa-economic-outlook-april-2024.html

Rockefeller Foundation. (2019). History of impact investing. Rockefeller Foundation.

Rodríguez-Pose, A., & Crescenzi, R. (2008). Research and development, spillovers, innovation systems, and the genesis of regional growth in Europe. Regional Studies, 42(1), 51-67.

Saltuk, Y., & El Idrissi, A. (2015). Eyes on the horizon: The impact investor survey. J.P. Morgan Social Finance and GIIN.

SHCP. (2018). Atlas de Complejidad Económica de México. Secretaría de Hacienda y Crédito Público, CIDE y Universidad de Harvard. México.

Secretaría de Economía. (2024). Explorador de Complejidad Económica de México. https://www.economia.gob.mx/datamexico/es/profile/economic_complexity/1

SpainNAB. (2022). Informe sobre la oferta de capital de impacto en España. SpainNAB.

SpainNAB. (2023). Impact investing en España: Taxonomía y crecimiento del capital. SpainNAB.

Spiess-Knafl, W., & Scheck, B. (2023). Impact Investing: Instruments, Mechanisms and Actors. Palgrave Studies in Impact Finance.

Trelstad, B. (2016). Impact investing: A brief history. Capitalism and Society, 11(2), Article 4.

Triulzi, E., Silberstein, E., & Jáuregui, A. (2025, mayo 13). Trends and developments: Mexico (Venture Capital 2025). Chambers Global Practice Guides. Chambers and Partners. https://practiceguides.chambers.com/practice-guides/venture-capital-2025/mexico/trends-and-developments/020932

Turner, S. F., Cardinal, L. B., & Burton, R. M. (2015). Research design for mixed methods: A triangulation-based framework and roadmap. Organizational Research Methods, 20(2), 243–267. https://doi.org/10.1177/1094428115610808

UBS & Credit Suisse. (2022). Global family office report 2022: Impact investing trends. UBS Global Wealth Management.

Vargas, C. A., Guerrero Alvarado, A., Rotondaro, A., & Servigón Caballero, V. J. (2020, septiembre 21). In Latin America, Impact Finance Demonstrates Remarkable Progress and Untapped Potential. Stanford Social Innovation Review.

World Bank. (2021). The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19. World Bank Group.

World Bank. (2024). Mexico data. World Bank Open Data. https://data.worldbank.org/country/mexico

APPENDICES

Sectoral Matrix

The following matrix provides a summary of Chapter 6, synthesizing the most relevant findings on the priority sectors within Mexico's impact investment ecosystem. It presents the frequency of mentions, percentage values, level of investment demand, and growth potential for each sector, along with qualitative observations that highlight the main opportunities and challenges identified.

This analysis offers a comparative and strategic view of the sectoral landscape, helping to identify where investor interest is concentrated, which areas show greater maturity or lag, and which represent emerging opportunities for the growth of impact capital. Overall, the matrix provides a comprehensive reading of the diversification, maturity, and opportunities within the Mexican market, serving as a key tool to guide public policy and investment decisions.

SECTOR	SHARE (%)	INVESTMENT DEMAND	GROWTH POTENTIAL	OBSERVATIONS
Water, sanitation, and hygiene	5%	★★★★☆	Medium	Investment opportunity in community infrastructure and clean technologies.
Food and beverages	5.80%	★★★★☆	Medium-High	Associated with rural development and sustainable value chains.
Agriculture and rural development	10.10%	★★★★★	High	Most mentioned sector. Strong link with food security and rural communities.
Trade	3.60%	★★☆☆☆	Medium-Low	Popular sectors in inclusive business models.
Environmental conservation and natural resource management	5.00%	★★★★☆	Medium	Great need for financing in sustainable ecosystem management.

SECTOR	SHARE (%)	INVESTMENT DEMAND	GROWTH POTENTIAL	OBSERVATIONS
Sustainable construction	4.30%	★★★★☆	Medium	Linked to decent housing and energy savings, but with regulatory barriers.
ECircular economy (e.g., waste management or reduction, and recycling)	8.60%	★★★★★	High	Emerging sector with alignment to sustainability.
Care economy	0.70%	★☆☆☆☆	Low	Opportunity for innovative impact approaches.
Education	5.00%	★★★★☆	Medium	Growing demand in vulnerable areas and digital training.
Alternative and renewable energies	5.00%	★★★★☆	Medium	Key in energy transition; high interest from green funds.
Manufacturing industries	3.60%	★★★★☆	Medium-Low	Related to sustainable production chains.
Infrastructure	2.90%	★★★★☆	Medium-Low	Key social infrastructure to enable other sectors.
Microfinance	6.50%	★★★★☆	Medium-High	Vital instrument for financial inclusion, especially in rural areas.
Health	8.60%	★★★★★	High	High post-pandemic priority, although with regulatory barriers and costs.

SECTOR	SHARE (%)	INVESTMENT DEMAND	GROWTH POTENTIAL	OBSERVATIONS
Financial services (excluding microfinance)	7.90%	★★★★★	High	Essential for scaling solutions; leverages hybrid funds
Information and communication technologies (ICT)	5.00%	★★★★☆	Medium	Potential for rural digitalization, health, and education
Labor and employment	3.60%	★★☆☆☆	Medium-Low	Central to inequality reduction and training programs
Transportation	3.60%	★★☆☆☆	Medium-Low	Need for sustainable mobility, especially in urban areas
Tourism	2.20%	★★☆☆☆	Medium-Low	Potential if aligned with regenerative tourism models
Affordable housing	1.40%	★☆☆☆☆	Low	High need, low supply of structured investment
Gender	0.70%	☆☆☆☆☆	Low	Opportunity to mainstream gender across other sectors
Aquaculture	0.70%	☆☆☆☆☆	Low	Niche with potential in coastal communities

Success Cases

The following table presents a selection of representative success cases in impact investing in Mexico, illustrating the diversity of sectors, financial models, and results achieved in recent years. These examples emerged from the data collection and survey process, in which participating organizations reported their own success cases, sharing lessons learned and results obtained.

These cases reflect how different actors—from funds and accelerators to social enterprises and hybrid organizations—are contributing to solving social and environmental challenges through innovative instruments. Each case includes information on the social or environmental problem being addressed, the impact sector, financial instruments used, and a comparison between expected and achieved impact and returns.

This provides a more transparent and realistic view of the ecosystem by presenting concrete cases where we can observe whether projects achieved expected results, failed to do so, or whether it is still too early to fully evaluate them. These cases can be followed and tracked over time by those who wish to explore their evolution. This is considered a valuable contribution for grounding what impact investing looks like in Mexico today through real, verifiable examples at different stages of maturity.

CASE	SOCIAL/ ENVIRONMENTAL PROBLEM	INVESTMENT YEAR	SECTOR	INSTRUMENTS USED	IMPACT: EXPECTED VS. ACHIEVED	RETURNS: EXPECTED VS. ACHIEVED
Microfinanciera	Financial inclusion and credit access for women in rural areas	2014 2017 2018 2020	Microfinance	Debt	Impact achieved exceeded expectations	Expected returns fully achieved
Mar+Invest	Mesoamerican reef conservation	2023-2030	Environmental conservation and natural resource management	Debt, Grants, Equity, Guarantees, Quasi-equity	Long-term project started in 2023; insufficient data by 2025 to determine if expected impact will be achieved	Long-term project started in 2023; insufficient data by 2025 to determine if expected returns will be achieved
BioPlaster Research	Nanomaterials and materials research company for environmental care	2024	Environmental conservation and natural resource management	Equity		
Backbone Impact Health	Improve access to medical care for middle-low and low-income populations	2020	Health	Debt	Expected impact fully achieved	Expected returns fully achieved
Cafe Capitan	Regenerative agriculture – Indigenous cooperative empowerment	2024	Agriculture and rural development	Debt	Recent investment	Recent investment, but should fully achieve

CASE	SOCIAL/ ENVIRONMENTAL PROBLEM	INVESTMENT YEAR	SECTOR	INSTRUMENTS USED	IMPACT: EXPECTED VS. ACHIEVED	RETURNS: EXPECTED VS. ACHIEVED
Yotepresto	Access to financing	2018	Financial services (excluding microfinance)	Debt, Equity, Quasi-equity	Impact achieved exceeded expectations	Returns achieved exceeded expectations
INPRODEVA, SAPI de CV. Proyecto Apatzingán	Decapitalization of agricultural producers	2015, 2019 y 2021	Agriculture and rural development	Equity	Expected impact not achieved	Expected returns not achieved
Retorna	Access to financial services for migrants	2024	Financial services (excluding microfinance)	Equity	Too early, but expectations are being met	Too early, but expectations are being met
Terminator Water Solutions	Contamination from untreated wastewater	2025	Water and sanitation	Debt, Guarantees	Investment made in February 2025; 18-month loan; impact not yet measured	Investment made in February 2025; 18-month loan; returns not yet measured
Water project	Water issues	2025	Water and sanitation	Debt	Expected impact fully achieved	Uncertain / Prefer not to answer
Clínicas del Azúcar	Access to dignified and affordable health services	2013	Health	Debt, Equity, Quasi-equity	Impact achieved exceeded expectations	Returns achieved exceeded expectations
Clivi	Diabetes, obesity	2021	Health / ICT	Equity, Quasi-equity	Impact achieved exceeded expectations	Exit not yet completed
Universidad Tres Culturas	Access to education	2014	Education	Debt, Equity	Expected impact fully achieved	Expected returns fully achieved
E6PR	Recycling	2021	Circular economy / Care economy	Debt, Equity	Still invested in the company	Still invested in the company
Jüsto	Support for small producers and waste reduction	2024	Commerce	Equity	Expected impact fully achieved	Recent investment requiring maturation, but company growth is very satisfactory
Netwey	Internet access	2022	Health / ICT	Equity	Impact achieved exceeded expectations	Returns achieved exceeded expectations
Grupo Reina Madre	Increase access to high-quality health services at accessible prices for women and children in Mexico through a chain of private gynecology, obstetrics, and pediatrics clinics	2023	Health / ICT	Debt	Expected impact fully achieved	Expected impact fully achieved

AI Bot – ANDE Impact Investing Expert

We present the AI Bot: ANDE Impact Investing Expert, a conversational assistant powered by artificial intelligence designed to accompany you in exploring the impact investing ecosystem.

Through this tool, you can:

- Explore definitions, key concepts, and best practices in impact investing
- Access data and real examples of projects in Mexico and Latin America
- Resolve specific questions about financial instruments, impact metrics, and blended finance structures
- Obtain practical guidance for structuring investment models with social and environmental purpose

Access the bot at the following link:
ANDE Impact Investing Expert

The AI Bot: ANDE Impact Investing Expert is a tool under constant construction and improvement, so its content, functionalities, and accuracy may experience updates or adjustments over time. It is recommended to use it as an evolving resource and complementary technological support, intended to facilitate learning, consultation, and knowledge dissemination on impact investing.

For more information, visit the website:

andeglobal.org

cooperación alemana
DEUTSCHE ZUSAMMENARBEIT

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ASPEN NETWORK OF DEVELOPMENT ENTREPRENEURS
aspen institute