Impact Investing in Africa: An Action Plan

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Impact Investment in Africa: Set to grow

**POTENTIAL - AFRICA IS A KEY MARKET:**
- GIIN 2015 Investor Survey, SSA received highest allocation of AUM of any emerging market.
- More respondents plan to increase allocation to SSA than any other geography

**MOMENTUM – IMPACT INVESTMENT HOTSPOTS:**
- KENYA & SOUTH AFRICA – over 3 times impact capital of respective next largest sub-regional markets
- GHANA & NIGERIA – 54% of impact capital of the sub-region

**PRIORITY - CO-ORDINATION TO BUILD THE ECOSYSTEM:**
## Building an Impact Investment Ecosystem

### Key Constraints

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<th>Constraint</th>
<th>Description</th>
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<tr>
<td>Difficulty sourcing viable investments that meet <em>both</em> financial and social/environmental objectives</td>
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<td>Limited capacity of sustainable social enterprises and entrepreneurs</td>
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<td>Limited innovative fund and deal structures</td>
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<td>Difficulty exiting investments</td>
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<td>Poor visibility and credibility in the absence of a sustainable social enterprise ‘label’, legal status or certification</td>
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<td>Limited capital supply across the risk/return spectrum</td>
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<td>Unclear and inappropriate regulatory environment</td>
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<td>Poor linkages between sustainable social enterprises, entrepreneurs, investors and innovation networks</td>
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<td>Unclear and inconsistent impact measurement practice</td>
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The Road to an Action Plan for Impact Investment in Africa


3. Draft Impact Investment in Africa Action Plan development

The Plan for Africa

A vibrant impact investment sector in Africa

- Increased awareness of and advocacy for impact investment
- Strengthened pipeline of impact investees able to meet financial, social & environmental requirements
- Good practice in impact investment by high capacity impact investors
- Appropriate industry infrastructure
- Consensus on and broad-based adoption of impact measurement standards & metrics
- Enabling policy and regulatory environment
- Co-ordinated action across ecosystem stakeholders to leverage off existing efforts, share knowledge & best practices, & facilitate engagement & action
OVER-ARCHING STEPS ACROSS PILLARS OF ACTION PLAN

1. Detailed sector ecosystem mapping to build on initial efforts included in the report and identify key stakeholders to ensure broad-based participation in the realisation of the vision.

2. Commission research to provide detailed contextual understanding of the baseline, what’s in existence & current gaps within each pillar & develop case studies, models, & good practice guidelines for knowledge-sharing.

3. Advocacy & awareness raising, including presentation of case studies & business case to key implementation partners such as policy-makers.

4. Strategic networking and facilitation of linkages between ecosystem actors to facilitate action based on mapping and research initiatives.
Thank you

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