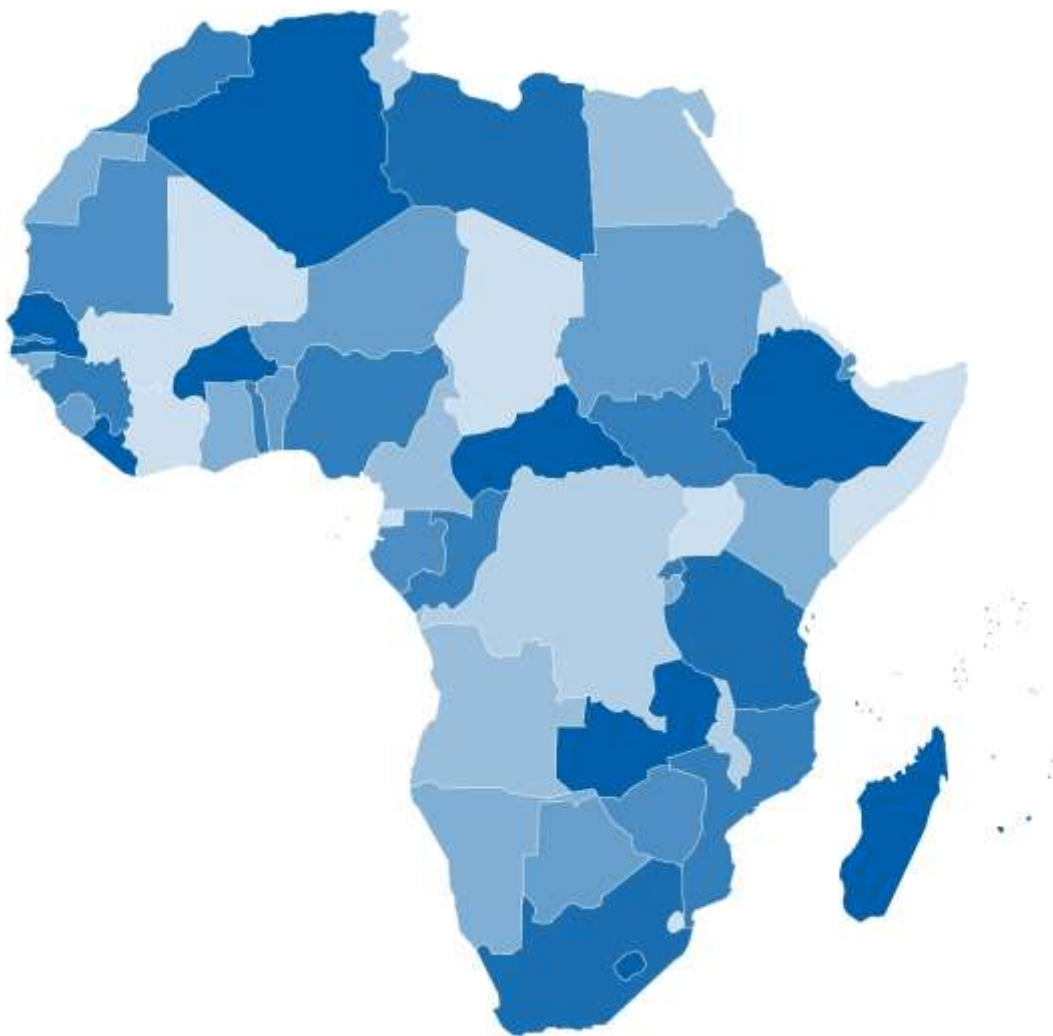


Impact Investment in Africa

An Action Plan



Version: February 2016

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ACRONYMS

AU	African Union
AUM	Assets Under Management
GIIN	Global Impact Investing Network
IPO	Initial Public Offering
ODA	Official Development Assistance
PPD	Public-Private Dialogue
R&D	Research & Development
SDG	Sustainable Development Goals
SME	Small & Medium-Sized Enterprise
SSA	Sub-Saharan Africa
UNDP	United Nations Development Programme

1. BACKGROUND

Impact investments represent an investment practice of the investment continuum that see investors intentionally seeking to create social, environmental as well as financial value. Since the term was coined at the Rockefeller Foundation's 2007 Bellagio Conference, the impact investment industry has steadily grown, and impact investment today constitutes one of the more proactive and promising approaches on the responsible investment continuum, representing a huge opportunity to contribute to the implementation of the Sustainable Development Goals (SDGs), the African Union's (AU) Agenda 2063, as well as the funding of inclusive and green businesses.

The United Nations Development Programme's (UNDP) 'Impact Investment in Africa: Trends, Constraints and Opportunities' report (herein after referred to as "the Report"), seeks to support the development of the African impact investment sector by exploring the trends, challenges and opportunities for impact investment in Africa. The Report's overarching goal is to contribute to UNDP's growing body of knowledge and recommended actions that seek to emphasize and encourage the private sector's role in supporting inclusive growth in Africa. Specifically, the Report furthers UNDP's recommendation from their 2013 "Realizing Africa's Wealth –Building Inclusive Businesses for Shared Prosperity"¹ publication on mobilizing and channeling private finance to contribute to the achievement of Africa's transformational development goals.

"Impact investments are investments made in companies, organisations and funds, with the intention of generating measurable social and environmental impact, in addition to financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on the circumstances.

Impact investments can be made across asset classes, including but not limited to, cash equivalents, fixed income, venture capital and private equity"...

Global Impact Investing
Network (GIIN)

2. IMPACT INVESTMENT IN AFRICA

Impact investment as a practice remains nascent in Africa but has the potential to significantly contribute to the continent's economic growth and development objectives. Over the last decade, private financial flows² to Africa have already started to rise, growing from 63 percent of total external resources in 2002-06 to over 70 percent in 2010-14³. However, these private flows have not been sufficiently deployed in the provision of products and services to address the continent's development challenges. Therefore, even with an increase in available private capital, the lack of investment in key areas and sectors, coupled with a general decline in traditional official development assistance (ODA), means that African

¹ UNDP African Facility for Inclusive Markets. 2013. *Realizing Africa's Wealth*. Available at: <http://www.undp.org>

² Private flows consist of flows at market terms financed out of private sector resources and private grants. OECD Glossary of Statistical Terms

³ AfDB, OECD, UNDP. 2015. *Chapter 2: External financial flows and tax revenues for Africa, African Economic Outlook*. African Economic Outlook. Available at: www.africaneconomicoutlook.org

governments will need to continue to diversify sources of funding to be able to finance the achievement of the AU's Agenda 2063 and the SDGs.

Data indicates that in 2014, Africa received 15 percent of impact investment assets under management (AUM)⁴, with Sub Saharan Africa (SSA) constituting the second highest regional allocation, globally. Impact investment therefore has the potential to complement public spending and development assistance by crowding-in private sector capital and skills to reduce African economies' vulnerability to external shocks, providing a market-based solution to address environmental and socio-economic needs. In addition, impact investment can allow ODA inflows and public spending to focus on addressing social needs for which there is no viable market-based solution.

This prominent position of Impact Investment is anticipated to strengthen, with SSA identified as the geographic area into which most surveyed investors intend to increase their allocations in 2015⁵. The profile of Africa's impact investors includes primarily fund managers of private equity and asset management funds, development finance institutions, institutional investors and foundations. Impact investments have tended to focus on those sectors where the government cannot adequately deliver social services, such as healthcare and education *and* where a viable market solution can provide goods and/or services⁶.

In spite of this promise, impact investment in Africa has not realized its potential largely due to an under-developed impact investment support ecosystem. The UNDP study on "Impact Investment in Africa: Trends, Constraints and Opportunities" ("the Report"⁷) identifies the following challenges which will need to be overcome if the Impact Investment sector is to grow in Africa:

- A **general lack of awareness and understanding** of impact investment as a concept and investment practice by Africa's policymakers, mainstream investors and the general public.
- **Difficulty sourcing viable investments that meet both financial and social/environmental objectives**. This lack of deal flow is partly due to limited numbers of social enterprises⁸ able to demonstrate a sufficient track record and capacities, in accordance with financial return

⁴ This percentage is calculated by adding the total percentage of Sub-Saharan Africa AUM (14%) to half the total percentage of Middle-East & North Africa AUM (1%), assuming North Africa represents half the AUM for that region. From the 2015 Impact Investor Survey conducted by the Global Impact Investing Network and J.P. Morgan

⁵ Saltuk, Y; El Idrissi, A; Bouri, A; Mudaliar, A; Schiff, H. 2015. *Eyes on the Horizon: The Impact Investor Survey*. J.P. Morgan Social Finance and Global Impact Investing Network. <http://www.thegiin.org/>

⁶ Bugg-Levine, A; Emerson, J. 2011. *Impact Investing: Transforming How We Make Money While Making a Difference*.

⁷ See the Report "Impact Investment in Africa: Trends Constraints and Opportunities" for more detailed insight into the background and rise of impact investment globally and specifically in Africa; the current status quo and key characteristics of the sector and impact investment activity; Africa's unique context – poised to realise the benefits of impact investment; key barriers to a vibrant impact investment sector in Africa and high-level recommendations for overcoming the current challenges in order to realise the promise of impact investment on the continent.

⁸ Social enterprises are organizations with a primary intent to deliver products and/or services that have a social or environmental purpose and measurable positive impact. They are distinguished by use of a business-like approach to achieve their social or environmental purpose and typically make use of inclusive business approaches to achieve their social impact; typically earn their income and are not structurally dependent on grants; and create good quality employment. Social enterprises may be incorporated as for-profit or non-profit entities. – The Impact Trust. 2013. *Recommendations For Amendments to the South Africa Tax Policy and regulatory framework for Small and Medium Enterprises and Social Businesses in South Africa*.

expectations of impact investors, coupled with limited capacity to measure and report adequately on impact performance.

- **Limited availability of innovative fund and deal structures.** Linked to the difficulty in sourcing investment-ready social enterprises is the challenge with finding deals and funds that speak to a range of investor preferences and are not prohibitively costly. Due to the lack of track record of many impact investment funds, investors may incur high transactional costs in deploying capital due to extensive due diligence and deal sourcing processes. Fund structures that reduce risk and cost to the investor (by for instance including first-loss guarantees etc.) are still uncommon.
- **Difficulty exiting investments.** Value in venture capital investments in the traditional financial markets is typically sought and realized through Initial Public Offerings (IPOs) as the end point of the funding value chain. While Africa had the second highest number of impact investment exits (17 percent) of the 10 geographies surveyed by the Global Impact Investing Network (GIIN) in 2015, the only exit via IPO was reported in South East Asia, with none reported in Africa. The challenge of finding profitable and varied exit options stems from the fact that most African capital markets are at an early development stage.
- **Poor visibility and inadequate recognition of social enterprise status.** Currently, most social enterprises in Africa operate without a 'label' that provides them with external, third party identification against an agreed social enterprise definition. There is currently no social enterprise label available across Africa that can fulfill this important function with the purpose of providing legitimacy and credibility to social enterprises, giving investors and customers comfort around mission protection and social value creation, and in turn enabling social enterprises to attract investment and clientele.
- **Lack of capital supply across the risk/return spectrum.** As with social enterprises globally, those in Africa lack funding, particularly at the early stages, suggesting a low appetite for risk and reinforcing the funding gap at this critical stage of development. Only 9 percent of the assets committed to impact investment by the 2015 GIIN survey respondents were invested in venture and early stage businesses⁹.
- **Inadequate policy and regulatory environment.** One of the key challenges facing the impact investment ecosystem in all African countries is to create an enabling and stable regulatory and policy environment for both investors and social enterprises. The need to improve the general "ease of doing business" remains in most countries, as does the need to stabilize currency exchange rates, so as to lower risk to investors.
- **Poor linkages between social enterprises, investors and innovation networks.** The majority of Africa's social enterprises are not members of professional associations or other formal networks, which makes finding lists or databases of investible enterprises a challenge for investors¹⁰. In addition, social enterprises themselves may operate outside of the more established innovation and enterprise development networks commonly employed in low-income and developing economies to improve rates of entrepreneurship and in turn, development of job-creating small and medium enterprises. Furthermore, social enterprises may have limited access to academic

⁹ Saltuk, Y; El Idrissi, A; Bouri, A; Mudaliar, A; Schiff, H. 2015. *Eyes on the Horizon: The Impact Investor Survey*. J.P. Morgan Social Finance and Global Impact Investing Network. <http://www.thegiin.org/>

¹⁰ Dalberg Global Development Advisors. 2011. *Impact Investing in West Africa*. Dalberg Global Development Advisors. Available at: www.assets.rockefellerfoundation.org

and research institutions focusing on research and development (R&D) that can be developed into goods and services for markets.

- **Poor and inconsistent impact measurement practice.** Measuring, understanding and improving the impact created by an investment is central to the definition of impact investment, but continues to be a challenge for investors and social enterprises alike in Africa¹¹. Currently, there is a lack of consistency and standardized reporting frameworks and metrics that sufficiently cater for the impact information needs within the market and enable comparison of prospective investments, as well as measurement of performance against clear impact targets and deliverables.

3. THE ROADMAP TO AN IMPACT INVESTMENT ACTION PLAN FOR AFRICA

In an effort to address these constraints, it was deemed necessary to support the creation of an Impact Investment in Africa Action Plan (the “Action Plan”). To this end, the Action Plan begins to outline the preliminary interventions that will be required to support the initial development of the impact investment sector in Africa. The Action Plan acts as a complement to the Report and is a proposed guide for the key areas of intervention needed to unlock the potential of impact investment in Africa. In addition, it identifies the potential roles of various key players and stakeholders, and outlines what they can contribute towards each of the recommended actions and steps.

This Action Plan was developed with the input of a number of stakeholders and experts in the lead up to the “Impact Investment in Africa Public Private Dialogue (PPD),” held between 24-26 November 2015, at the Africa Finance & Investment Forum. The primary objective of the PPD was to finalize input into the Action Plan, and to get stakeholder commitment to develop the sector through an Impact Investment in Africa Declaration. The PPD comprised of an opening plenary panel discussion on impact investment and the Report, as well as an introduction to the draft Action Plan. The opening was followed by a Working Session during which the proposed activities of the draft Action Plan were tabled and expanded upon by the participating stakeholders. The Cape Town Declaration on Impact Investment in Africa (“the Declaration”) was also drafted at the PPD, based on the immediate outcomes of the Working Session. The draft Action Plan was subsequently updated to incorporate input from the PPD, and the process was concluded with a presentation and adoption of the Declaration at the closing ceremony of the 2015 Africa Finance & Investment Forum.

Following the PPD, further engagement will be facilitated to develop the appropriate structures made up of key ecosystem stakeholders who will carry the implementation of the Action Plan forward. To facilitate the enactment of the declaration, which will lead to the implementation of the action plan, a taskforce comprising industry stakeholders was created at the PPD. This Task force will organise and work towards the convening of a meeting to launch or “kick off” the Action Plan implementation in the second quarter of 2016. The main activities of this Taskforce primarily include the drafting of a concept note of the “kick off” meeting as well as gathering the necessary stakeholders to participate in this meeting. It is envisioned

¹¹ Bridges Ventures. 2014. *Investing for Impact: A Strategy of Choice for African Policymakers*. Bridges Ventures and the African Private Equity and Venture Capital Association <http://www.bridgesventures.com/>

that the “kick off” meeting may result in the establishment of an overarching pan-African network/ body that will house the Action Plan and oversee its implementation as reflected in Figure 2 below.

A. OVERVIEW OF THE IMPACT INVESTMENT IN AFRICA ACTION PLAN

The ultimate aim of the Impact Investment in Africa Action Plan is to support the development a vibrant impact investment sector on the continent. The Roadmap and Logical Framework (“Log frame”) presented in this Action Plan illustrate the proposed actions required to achieve this goal. Figure 1 below provides an overview of the intermediate outcomes of the Action Plan which are expected to support the overall development of a vibrant impact investment sector ecosystem in Africa.

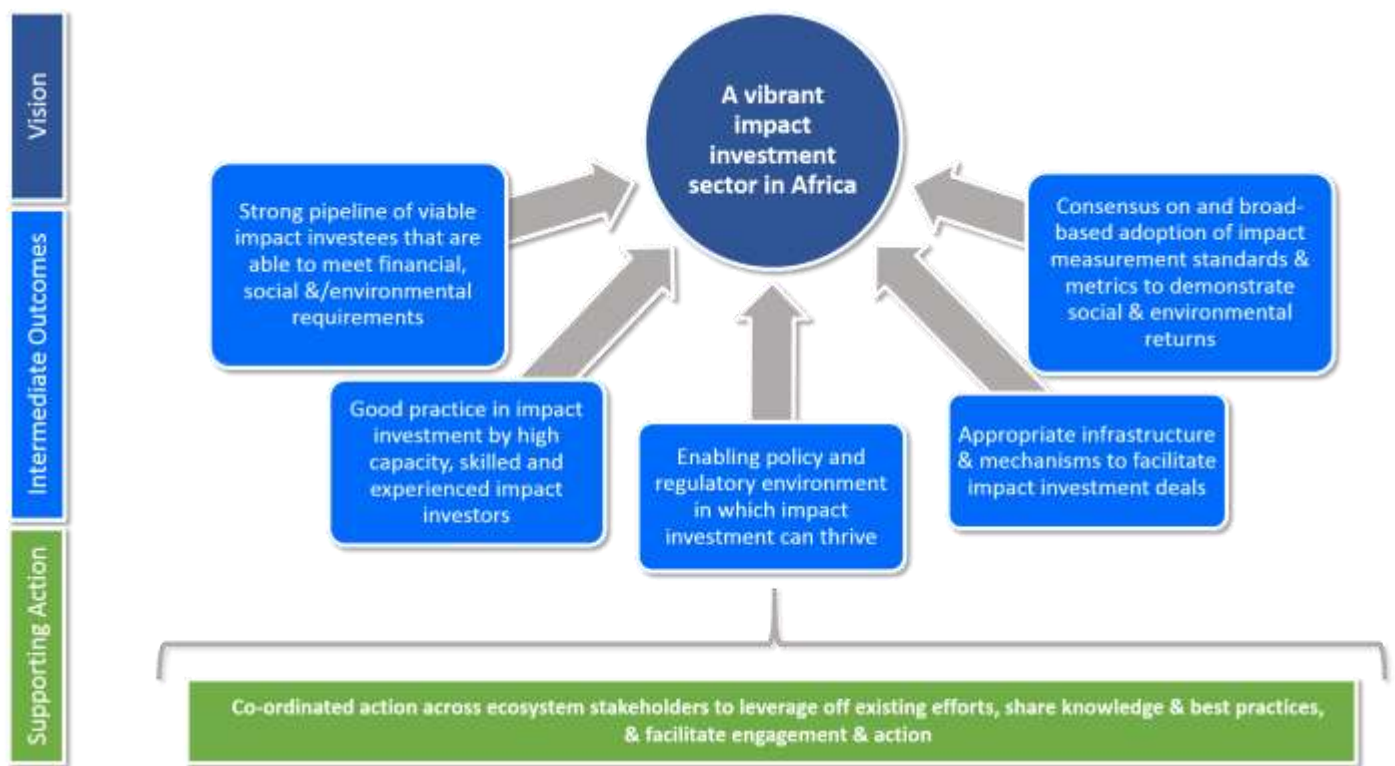


Figure 1. Overview of the ‘Impact Investment in Africa Action Plan’

The five ‘intermediate outcomes’ presented above are based on extensive consultation and recommendations from sector stakeholders on how to alleviate the challenges identified in the “Impact Investment in Africa: Trends, Constraints and Opportunities” Report. In order for these outcomes to be achieved, coordinated action across all stakeholders in the impact investment sector ecosystem will be necessary. To facilitate this coordinatrion, it will be necessary to establish a pan-African network/body which will support the implementation of this action plan through the coordination of sector ecosystem stakeholders.

This coordinating network/body could then facilitate the detailed mapping of all key stakeholders in the impact investment sector ecosystem which will build on the initial mapping that was conducted in the Report. This mapping will assist in making sure that all relevant ecosystem stakeholders are included in, and made aware of, the Action Plan moving forward. Detailed research on topics related to the five outcome areas will be undertaken in order to establish a baseline of data upon which the interventions necessary for developing the sector will be designed and implemented. In addition, this data will be used to inform advocacy which will contribute to the final phase in the Action Plan’s implementation – the formation of linkages and networks among ecosystem actors in order to implement recommended interventions. All activities of the Action Plan will be undertaken through an inclusive approach and leverage existing efforts ongoing in the impact investment.

Figure 2 below represents an initial proposal of activities required to support the implementation of the action plan against a 3 year timeline, as stipulated in the “Impact Investment in Africa Declaration”. These activities will be championed by the coordinating network/body.



Figure 2. Supporting Actions for Implementation of the Impact Investment Action Plan Outcomes

It is critical to note that all the outcomes of the action plan can and will occur in tandem where possible, especially where stakeholders are already implementing activities and there are already established structures. Many activities outlined in the Log Frame in relation to the ‘intermediate outcomes’ described in figure 1 above will be implemented on an ongoing and long-term basis, as such subsequent plans will need to be developed.

To that end, it is estimated that the continental coordinating network/body will be established by the end of 2016, and that a detailed sector ecosystem mapping for Africa will have been developed by the end of 2017. This mapping will contribute both to identifying key implementation partners for the coordinating network /body to work with, and to the development of more detailed research on identified key topics as recommended in this Action Plan. This research is to be completed by the end of 2018, and updated

thereafter as more data is generated by other stakeholders. The subsequent advocacy and awareness raising intervention will be a long term exercise, however the presentation of case studies and other campaigning related to specific activities of the Action Plan are to be completed by the end of 2018.

Again, it should be noted that general advocacy and awareness raising activities in the sector will begin and continue outside of the specific timelines of this Action Plan, however the dates included here act as a guideline for those advocacy activities that would be supported by this Action Plan and by the coordinating network/body. Other industry stakeholders are encouraged to work with the coordinating network/body to support the implementation of activities within this action plan that are aligned to their various mandates and plans.

The Log Frame that follows illustrates specific outputs, activities, proposed implementing actors and resource commitments proposed and available to achieve the outcomes of this action plan.

The log frame discusses seven key outcomes as follows:

- A.** Outcomes 1 and 2 aimed at creating a conducive environment for the successful implementation of the five main outcomes of the action plan:
 - 1. A coordinating network / body primarily responsible for implementation of the action plan and co-ordination of relevant stakeholders
 - 2. A dynamic advocacy and awareness raising programme on impact investment in Africa

- B.** Outcomes 3 to 7 required to support the development of a dynamic impact investment sector in Africa:
 - 3. A strong pipeline of viable impact investees that are able to meet financial, social and/or environmental requirements
 - 4. Enabling policy and regulatory environment in which impact investment can thrive
 - 5. Good practice in impact investment by high capacity, skilled and experienced impact investors
 - 6. Appropriate infrastructure¹² and mechanisms to facilitate impact investment deals
 - 7. Consensus on and broad-based adoption of impact measurement standards and metrics to demonstrate social and environmental returns

¹² Infrastructure in the context of this Action Plan refers to the institutions, tools and instruments required for the impact investment industry to develop. This includes but is not limited to impact investment member networks and similar associations, appropriate funding mechanisms and models, appropriate platforms to source and make deals etc.

4. IMPACT INVESTMENT IN AFRICA: ACTION PLAN LOG FRAME

Outcome 1:

A coordinating network / body primarily responsible for implementation of the action plan and co-ordination of relevant stakeholders

Outputs	Activities	Indicators	Timeline	Implementation Actors	Indicative Resources				
					2015	2016	2017	2018	Ongoing
1.1. Stakeholder agreement on Impact Investment in Africa Action Plan	1.1. Hold PPD as part of 2015 Africa Finance & Investment Forum, to discuss and agree on Impact Investment in Africa draft Action Plan	Impact Investment in Africa Action Plan incorporating stakeholder input	End of 2015	UNDP					
1.2: Establishment of network / body including leadership and funding by second quarter 2016	1.2.1 Within PPD discuss feasibility, value-add and potential role of pan-African impact investment network / body including consideration of leadership composition, resource provision etc.	Agreement on need to establish impact investment network / body	End of 2015	All attendees at 2015 African Finance & Investment Forum PPD					
	1.2.2 Identify sub-regional and continental representatives that will form overarching Task Force that will co-ordinate and organize Action Plan launch or	Impact Investment in Africa Task Force established	End of 2015	Committed actors: Nigeria Institute of Management(check); Global Alliance for Improved Nutrition; Joint Heirs Chambers					

	<p>“kick off” meeting in second quarter of 2016. This Task Force is to be made up of voluntary representatives of the sector ecosystem</p> <p>1.2.3 Task Force to contribute to concept note on Action Plan “kick off” meeting including drafting agenda, participant list, locating meeting venue etc.</p> <p>1.2.4 Task Force to engage relevant stakeholders and potential “kick off” meeting attendees through existing sub-regional meetings such as the Sankalp Africa Summit 2016 and Annual African Development Bank General Meeting</p> <p>1.2.5 Hold meeting to establish impact investment network / body including securing network / body leadership; establishing</p>	<p>Final concept note for Impact Investment in Africa Action Plan “kick off” meeting</p> <p>Endorsed coordinating network / body mandate</p> <p>Amount of financial resources secured for sector ecosystem mapping</p> <p>Amount of financial resources secured to establish a continental coordinating network/body</p>	<p>First quarter of 2016</p> <p>End of second quarter of 2016</p>	<p>Suggested actors: Sub-regional representatives such as Southern African Impact Investment Network, Africa Pension Fund Network, Africa Venture Capital & Private Equity Association, Aspen Network of Development Entrepreneurs (South Africa, West Africa, East Africa); continental actors such as African Development Bank and African Union Commission; GIIN; Acumen Fund; Tony Elumelu Foundation; UNDP etc</p>	<p><i>Estimated \$60,000 to convene “kick off” meeting in alignment with existing meeting (assuming 50 participants)</i></p> <p><i>Estimated \$160,000 to convene “kick off” meeting separately (depending on # of attendees and hosting venue)</i></p>
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	network / body mandate; identifying funding gaps and securing financial resource commitments (particularly for sector ecosystem mapping) from participants				
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Outcome 2:									
A dynamic advocacy and awareness raising programme on impact investment in Africa									
Outputs	Activities	Indicators	Timeline	Implementation Actors	Indicative Resources				
					2015	2016	2017	2018	Ongoing
2.1. Advocacy campaign to lobby for impact investment designed	2.1.1 Develop and design advocacy programme to lobby for the needs of the impact investment sector in Africa	Agreed upon advocacy campaign incorporating mapping of ecosystem actors and research to inform advocacy	End of 2016	Suggested actors: impact investment network / body; taskforce ; relevant intermediaries such as consultancies, research institutions and academics, UNDP					
2.2. Material for awareness campaign developed	2.2.1 Create awareness campaign material for impact investment, communicating main trends and opportunities in Africa	Awareness campaign material developed and agreed on	End of 2016	Suggested actors: Impact investment network/ body in partnership with impact investment member networks, media (Bloomberg etc.)					

<p>2.3 List of awareness campaign targets finalized</p>	<p>2.3.1 Compile list of campaign targets – “mainstream” investors, public sector actors, social entrepreneurs, sustainable social enterprises, pension fund trustees, media etc.</p>	<p>Agreed on awareness campaign targets</p>	<p>End of 2016</p>	<p>Suggested actors: Impact investment network/ body, African Union, African Development Bank, foundation such as Tony Elumelu Foundation and other African foundations, development partners such as GIZ, DfID, Ambassador’s offices, key investors such as CDC, IFC, Proparco and intermediaries such as the OECD, the GIIN, Aspen Network for Development Entrepreneurs</p>	
<p>2.4 Impact investment message delivered to prioritized targets</p>	<p>2.4.1 Communicate importance and potential role of impact investment to prioritized list of targets.</p>	<p>Coverage of impact investment by media (print, news, social media etc.)</p>	<p>Ongoing from 2016</p>	<p>Suggested actors: impact investment network / body; taskforce ; UNDP</p>	
<p>2.5 Impact investment publication and relevant media developed</p>	<p>2.5.1 Support creation of Impact Investment in Africa annual magazine, online publications, web page (to include a repository of successful impact investment practice in Africa). Bloomberg & UNDP to partner on hosting television series on Impact Investment in Africa</p>	<p>Coverage of impact investment by media (print, news, social media etc.)</p>	<p>Ongoing from 2017</p>	<p>Suggested actors: Impact investment network/ body in partnership with impact investment member networks, media (Bloomberg etc.)</p>	<p><i>Committed Resources (available)</i> Bloomberg & UNDP to partner on hosting television series on Impact Investment in Africa</p>

2.6 Hosting of annual impact investment award	2.6.1 Support hosting of annual impact investment award	Annual impact investment award granted	Ongoing annually from 2018	Suggested actors: impact investment network / body; taskforce ; UNDP	
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Outcome 3:

A strong pipeline of viable impact investees that are able to meet financial, social and/or environmental requirements

Outputs	Activities	Indicators	Timeline	Implementation Actors	Indicative Resources				
					2015	2016	2017	2018	Ongoing
3.1 Map of Africa impact investees (sustainable social enterprises) & business development support service providers	3.1.1 Commission/support detailed mapping of sustainable social enterprises; and business development support service providers in Africa	Agreed upon map of key sustainable social enterprises; and business development support service providers in Africa	End of 2017	Suggested actors: Consultancy, research institution or other appropriate intermediary commissioned by impact investment network / body					
3.2 Published research including case studies, models and guidelines on research topics relevant to strengthening the pipeline of impact investments able to meet financial & social and / or environmental objectives of impact investors	3.2.1 Commission consultancy, research institution or other intermediary to work with sub-regional actors to conduct research on the following key topics using a similar approach of the GIIN regional studies on impact investors ¹³ : <ul style="list-style-type: none"> Strengthening the pipeline of impact investment prospects able to meet financial & social and/or environmental objectives of investors including: 	Baseline data or study on key research topics relevant to strengthening the pipeline of impact investments able to meet financial & social and / or environmental objectives of impact investors	End of 2018	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body					

¹³ The GIIN has undertaken a series of sub-regional impact investment landscape reports to provide the impact investment industry with detailed research on activity and trends of impact investors.. Thus far landscape reports have been published on South Asia, East Africa and West Africa.

	<p>Data and research on sustainable social enterprise label</p> <p>Demand for impact investment (scale, need & absorptive capacity of sustainable social enterprises)</p> <p>Business development support needs of sustainable social enterprises</p> <p>The definition of a quality incubator including relevant metrics (research on & development of metrics to be done in collaboration with existing entities already engaged in this activity (e.g. Global Accelerator Learning Initiative)).</p> <ul style="list-style-type: none"> • Intermediaries that build the pipeline 				
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<p>3.3 Formal engagement with policymakers to advocate for interventions to support strengthening of the pipeline of impact investments able to meet financial & social and / or environmental objectives of impact investors</p>	<p>3.3.1 To policy makers, present “business case” for:</p> <ul style="list-style-type: none"> • Leveraging existing government support of Small & Medium-Sized Enterprises (SMEs) and entrepreneurship to develop sustainable social enterprises • Leveraging existing government programmes/policies on innovation to increase the number of academic programmes in Africa that focus on developing IP that seeks to address social and / environmental challenges through business-based models • Support quality & privately run business development support services for sustainable social enterprises 	<p>Number of formal engagements with national government, regional and continental bodies presenting “business case” for policy interventions supporting the strengthening of the pipeline of impact investments able to meet financial & social and / or environmental objectives of impact investors</p>	<p>End of 2018</p>	<p>Confirmed actors: COMESA; Suggested actors: national governments; impact investment network / body; regional impact investment networks and similar associations; development partners; Trademark, Open Capital Advisors, Dalberg, GreaterCapital, Intellectap, Equity Bank</p>	
<p>3.4 Formal engagement with</p>	<p>3.4.1 To investors, present “business case” for:</p>	<p>Number of formal engagements with</p>	<p>End of 2018</p>	<p>Suggested actors: national governments; impact investment</p>	

<p>investors to advocate for interventions to support strengthening the pipeline of impact investments able to meet financial & social and / or environmental objectives of impact investors</p>	<ul style="list-style-type: none"> Investing philanthropic capital into strengthening the pipeline of impact investments 	<p>investors presenting “business case” for investment into strengthening the pipeline of impact investments</p>		<p>network / body; sustainable social enterprise networks including Aspen Network of Development Entrepreneurs; technical experts including B Lab / GIIRS; intermediaries specialized in industry standard and best practice</p>	
<p>3.5 Formal engagement with sustainable social enterprises to advocate for consideration of social enterprise label, adoption of impact measurement standards and use of quality private-led business development services</p>	<p>3.5.1 To sustainable social enterprises, present “business case” for:</p> <ul style="list-style-type: none"> Adoption of social enterprise label including strengths and drawbacks if deemed appropriate by impact investment network / body Linking to investor networks Adoption of impact measurement standards 	<p>Number of formal engagements with sustainable social enterprises presenting “business case” for consideration of social enterprise label. adoption of impact measurement standards and use of quality private-led business development services</p>	<p>End of 2018</p>	<p>Suggested actors: national governments; impact investment network / body; technical experts including B Lab / GIIRS; intermediaries specialized in industry standard and best practice and impact measurement</p>	
<p>3.6 Ongoing formal and informal engagement with sustainable social</p>	<p>3.6.1 Conduct ongoing advocacy and engagement with sustainable social enterprises and business</p>	<p>Number of ongoing engagements with sustainable social enterprises and business</p>	<p>Ongoing starting in 2017</p>	<p>Committed actors: , Impact Hub Africa, Intellectap, Dream Venture, Soros Economic Development Fund</p>	<p>Intellectap – incorporate Impact Investment in Africa Action Plan activities into Sankalp Africa Summit 2016 working groups</p>

<p>enterprises and business development support service providers</p>	<p>development support service providers to:</p> <ul style="list-style-type: none"> • Advocate for development of quality assurance and certification body for business development support service providers • Raise awareness of available quality business development services, inclusive business ecosystem platforms and other innovative support network s/bodies 	<p>development support service providers</p>		<p>Suggested actors: Business development service providers and associations such as Catalyst for Growth, and other incubators and accelerators that are Africa-based, Aspen Network of Development Entrepreneurs, government representatives of Departments such as Small & Medium Sized Enterprise, Development partners</p>	
<p>3.7 Published best practice manual(s) including case studies of specific efforts and success stories related to each key research topics related to strengthening the pipeline of impact investees</p>	<p>3.7.1 Commission consultancy, research institution or other intermediary to develop best practice manual(s) and case studies highlighting specific efforts and success stories related to each key research topic in individual African counties</p>	<p>Best practice manual(s) illustrating practical steps to implement efforts related to each research topic</p>	<p>Ongoing from end 2018</p>	<p>Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body</p>	

3.8 Sustainable social enterprises linked to quality business development support service providers and investor networks	3.8.1 Support existing sustainable social enterprise networks to establish links with identified quality and privately-run business development support services and investor networks through dissemination of information on existing business development support services and investor networks	Number of sustainable social enterprises registered with quality business development support service providers Absorptive capacity of sustainable social enterprises ¹⁴	Ongoing from end 2018	Confirmed actors: Impact HUB Africa, Intellectap, Soros Foundation Suggested actors: Business development support service providers, sustainable social enterprise networks including Aspen Network of Development Entrepreneurs	
3.9 Increased financial and technical support to quality business development support services	3.9.1 Mobilise technical assistance & financial resources to support existing quality and privately-run business incubators, accelerators, and business development services, and especially (but not exclusively) those that support social entrepreneurs	Number of quality business development support service providers	Ongoing from end 2018	Confirmed actors: Impact HUB Africa, Intellectap, Soros Foundation Suggested actors: Business development support service providers, sustainable social enterprise networks including Aspen Network of Development Entrepreneurs	<i>Committed Resources (available)</i> Impact Hub – global network of sustainable incubators and accelerators to share best practice and successes on work globally Intellectap – incorporate Impact Investment in Africa Action Plan activities into Sankalp Africa Summit working groups
3.10 Country-level published research on key topics related to strengthening the pipeline of impact investees	3.10.1 In long-term crowd-in skill to perform research of key topics and additional ones identified per country	Country-level baseline data or study on key research topics	Ongoing from 2020	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body	

¹⁴ The term absorptive capacity refers to a sustainable social enterprise's ability to spend all resources

Outcome 4: Enabling policy and regulatory environment in which impact investment can thrive									
Outputs	Activities	Indicators	Timeline	Implementation Actors	Indicative Resources				
					2015	2016	2017	2018	Ongoing
4.1 Map of Africa impact investment policy actors	4.1.1 Commission / support detailed mapping of policy actors in Africa	Agreed upon map of key impact investment policy actors in Africa	End of 2017	Suggested actors: Consultancy, research institution or other appropriate intermediary commissioned by impact investment network / body					
4.2 Published research including case studies, models and guidelines on key topics relevant to development of enabling regulatory and policy environment	4.2.1 Commission consultancy, research institution or other intermediary to work with sub-regional actors to conduct research using a similar approach of the GIIN regional studies on impact investors: <ul style="list-style-type: none"> • Policies & policy environment 	Baseline data or study on key topics relevant to development of enabling regulatory and policy environment	End of 2018	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body					
4.3 Formal engagement with policymakers to advocate for need for policy-related interventions to support impact investment	4.3.1 To policy makers, present “business case” for: <ul style="list-style-type: none"> • Policy interventions that support 	Number of formal engagements with national governments, regional and continental bodies presenting “business case” for policy interventions supporting impact investment	End of 2018	Confirmed actors: COMESA; Suggested actors: national governments; impact investment network / body; regional impact investment networks and similar associations; development partners; Trademark, Open Capital Advisors, Dalberg,					

	<p>impact investment</p> <ul style="list-style-type: none"> Identifying cross-departmental champions at national level of Ministry of Finance or Treasury to work with impact investment network / body 			GreaterCapital, Intellectap, Equity Bank	
4.4 Ongoing formal and informal engagement with policymakers	<p>4.4.1 Conduct ongoing advocacy and engagement with policymakers to:</p> <ul style="list-style-type: none"> Educate and provide clear guidelines on the role, means of intervention and timeframes of intervention by government Lobby for integration of impact investment advancing clauses into relevant regional and national level policies. 	<p>Number of ongoing engagements with policymakers</p> <p>Number of policy interventions and programmes supporting impact investment implemented</p>	Ongoing from 2017	Suggested actors: impact investment network / body; Trademark, Open Capital Advisors, Dalberg, GreaterCapital, Intellectap, Equity Bank, Bertha Centre for Social Innovation & Entrepreneurship, national governments	

	<ul style="list-style-type: none"> Devise appropriate, research-based policy mechanisms. 				
4.5 Published best practice manual(s) including case studies and success stories related to each key research topics related to policy development	4.5.1 Commission consultancy, research institution or other intermediary to develop best practice manual(s) and case studies highlighting specific efforts and success stories related to each key research topic in individual African counties	Best practice manual(s) illustrating practical steps to implement efforts related to each research topic	Ongoing from end of 2018	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body	
4.6 Impact investment network/ body liaises with identified cross-departmental champion at National Treasury level	4.6.1 Facilitate linkages between impact investment industry and policymakers by liaising with identified cross-departmental champions at National Treasury level	Number of formal engagements between identified cross-departmental champion and impact investment industry and/or impact investment network/ body	End of 2019	Suggested actors: National government; impact investment member network including Southern African Impact Investing Network and similar associations	
4.7 Country-level published research on key topics related to policy development	4.7.1 In long-term crowd-in skill to perform research of key topics and additional ones identified per country	Country-level baseline data or study on key research topics	Ongoing from 2020	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body	

Outcome 5:Outcome 5:

Good practice in impact investment by high capacity, skilled and experienced impact investors

Outputs	Activities	Indicators	Timeline	Key Implementation Actors	Committed Resources					
					2015	2016	2017	2018	2019	2020
5.1 Map of Africa impact investors	5.1.1 Commission/support detailed mapping of all categories of impact investors in Africa	Agreed upon map of key impact investors	End of 2017	Suggested actors: Consultancy, research institution or other appropriate intermediary commissioned by impact investment network / body						
5.2 Published research including case studies, models and guidelines on key research topics related to improved impact investor practice	5.2.1 Commission consultancy, research institution or other intermediary to work with sub-regional actors to conduct research using a similar approach of the GIIN regional studies on impact investors: <ul style="list-style-type: none"> Impact investment best practice, standards 	Baseline data or study on key research topics related to improving impact investor practice	End of 2018	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body						
5.3 Formal engagement with investors to advocate for investment into strengthening the pipeline of impact investments and improving investor	5.3.1 To investors, present “business case” for: <ul style="list-style-type: none"> Adoption of impact investment industry 	Number of formal engagements with investors presenting “business case “for investment into strengthening the pipeline of impact investments and improving investor practice and capacity	End of 2018	Suggested actors: national governments; impact investment network / body; sustainable social enterprise networks including Aspen Network of Development Entrepreneurs; technical experts including B Lab /						

practice and capacity	<p>standards and best practices</p> <ul style="list-style-type: none"> Adoption of impact measurement standards and practice 			GIIRS; intermediaries specialized in industry standard and best practice	
5.4 Relevant material on industry standards & practices to improve impact investor skill used	5.4.1 Facilitate use of relevant material on industry standards & practices and material appropriate for the African context to improve skill of impact investors in Africa	Material on impact investment industry standards used by impact investors in Africa	Ongoing from 2018	Suggested actors: Academic institutions including the University of Cape Town's Bertha Centre for Social Innovation & Entrepreneurship equivalent academic institutions in African sub-regions (Strathmore University (Kenya), GIIN, Aspen Network of Development Entrepreneurs, Impact investment member networks, impact investment network / body	
5.5 Academic institutions engaged in impact investment connected across continent by end 2019	5.5.1 Facilitate partnership between academic institutions offering programmes/courses/incubation relevant to impact investment through development of central portal or database for impact investment	<p>Number of impact investment in Africa courses / training material guides / academic programmes profiled on central portal or database</p> <p>Number of online or formal meetings between academic institutions</p>	Ongoing from 2018	Suggested actors: Academic institutions such as University of Cape Town Bertha Centre for Social Innovation & Entrepreneurship; impact investment member network including Southern African Impact	

	<p>coursework & material relevant to Africa</p> <p>5.5.2 Support development of programmes and curricula on social entrepreneurship at African universities by facilitating resource mobilization for such programmes; facilitating knowledge-sharing amongst networks & institutions with experience providing such programmes.</p>	<p>engaged in impact investment in Africa</p>		<p>Investing Network and similar associations</p>	
<p>5.6 Impact investors connected to quality capacity building networks and other providers</p>	<p>5.6.1 Support existing impact investment member networks and similar associations to increase investor capacity by co-ordinating exchange of best practice and capacity building material through continental meetings and/or webinars hosted by impact investment network/body</p>	<p>Number of impact investment teams with impact measurement technical skill</p> <p>Number of impact investment fund managers reporting track record of successfully sourcing investments and deploying capital as a result of interventions of this action plan</p>	<p>Ongoing from 2018</p>	<p>Suggested actors: Impact investment member network including Southern African Impact Investing Network and similar associations; impact investors</p>	
<p>5.7 Case studies of innovative finance models disseminated to impact investment member networks and similar</p>	<p>5.7.1 Support development and profiling of innovative finance models (separating fund structures from financial instruments) through dissemination of case</p>	<p>Number of innovative finance models profiled on central portal or database</p> <p>Number of case studies of innovative finance models disseminated via impact</p>	<p>Ongoing from 2018</p>	<p>Committed actors: European Investment Bank</p> <p>Suggested actors: Impact investment member network including</p>	

associations, and featured on central database or portal by end 2019	studies via impact investment member networks and similar associations, and collation of profiles on central portal or database	investment member networks or similar associations		Southern African Impact Investing Network and similar associations; impact investors	
5.8 Country-level published research on key topics related to impact investment industry practice	5.8.1 In long-term crowd-in skill to perform research of key topics and additional ones identified per country	Country-level baseline data or study on key research topics	Ongoing from 2020	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body	

Outcome 6:

Appropriate infrastructure and mechanisms to facilitate impact investment deals

Outputs	Activities	Indicators	Timeline	Key Implementation Actors	Committed Resources				
					2015	2016	2017	2018	Ongoing
6.1 Map of Africa impact investment sector intermediaries, associations and similar actors	6.1.1 Commission/support detailed mapping of consultancies; research and/or academic institutions and other intermediaries such as impact investment member networks and other associations in Africa	Agreed upon map of key impact investment intermediaries, associations and similar actors	End of 2017	Suggested actors: Consultancy, research institution or other appropriate intermediary commissioned by impact investment network / body					
6.2 Published research including case studies, models and guidelines on key research topics by end 2018	6.2.1 Commission consultancy, research institution or other intermediary to work with sub-regional actors to conduct research using a similar approach of the GIIN regional studies on impact investors: <ul style="list-style-type: none"> Impact investment infrastructure needs 	Baseline data or study on key research topics	End of 2017	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body					
6.3 Formal engagement with development partners, private sector and foundations to advocate for support to develop industry	6.3.1 To development partners, private sector and foundations, present “business case” for:	Number of formal engagements with development partners, private sector and foundations to advocate for support to develop industry	End of 2018	Suggested actors: impact investment network / body; development partners such as DfID, Swiss Development Corporation, UN; private foundations including					

<p>infrastructure (institutions, tools, instruments etc.)</p>	<ul style="list-style-type: none"> Investment into development of key industry institutions such as impact investment member networks and other industry infrastructure Consideration of continental fund of funds Development of stage-appropriate investment platforms 	<p>infrastructure (institutions, tools, instruments etc.)</p>		<p>African foundations such as Dangote Foundation</p>	
<p>6.4 Ongoing formal and informal engagement with development partners, private sector, foundations</p>	<p>6.4.1 Conduct ongoing advocacy and engagement with development partners, private sector, foundations to:</p> <ul style="list-style-type: none"> Mobilise resources to support continental fund of funds Mobilise resources to support technical assistance and development of 	<p>Number of ongoing engagements with development partners, private sector and foundations</p>	<p>Ongoing from 2017</p>	<p>Suggested actors: Development partners such as USAID, DfID, Swiss Development Corporation, UN, private sector actors and investors such as European Investment Bank, institutional investors; foundations including African foundations such as Motsepe and Dangote foundations</p>	

	<p>appropriate institutions such as impact investment member networks</p> <ul style="list-style-type: none"> • Support testing and development of appropriate financing models and structures • Support development of stage-appropriate impact investment platforms including the development of pre-incubation pipeline platforms, which include training to act as recruitment ground for incubators, accelerators & other business development support service providers. 				
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<p>6.5 A range of financial structures and instruments (such as guarantees, first loss reserves, and other loss protection features) co-created to increase investment into sustainable social enterprises.</p>	<p>6.5.1 Profile and showcase tested and proven models of financial structures segmenting models of fund structures from transaction structures and illustrating successes and failures of each</p> <p>6.5.2 Support creation of new models of financial structures</p>	<p>Number of models of financial structures and instruments created and implemented</p>	<p>Ongoing from 2018</p>	<p>Foundations such as USAID, Bill & Melinda Gates, LGT, institutional investors including pension funds, commercial banks, fund managers, DFIs such as European Investment Bank, African Development bank (Grow Africa initiative), FMO, CDC, Proparco , intermediaries who have conducted research in this area – Open Capital Advisors, OECD etc</p>	
<p>6.6 Disseminated profiles of impact investment platforms and social stock exchanges</p>	<p>6.6.1 Facilitate linkages to develop impact investment platforms by building on the Report to profile and disseminate information on existing social stock exchanges and platforms</p>	<p>Number of profiles and information on impact investment platforms and social stock exchanges disseminated via impact investment member networks</p>	<p>Ongoing from 2020</p>	<p>Suggested actors: Social stock exchanges and experienced intermediaries e.g. Impact Trust, Impact Investment Exchange, MyC4, business development support service providers and incubators, research institutes, representatives of financial market regulators e.g. Financial Services Board</p>	
<p>6.7 A range of stage-appropriate & visible private impact investment platforms created</p>	<p>6.7.1 Facilitate addressing of sustainable social enterprise capacity gaps to list on impact investment platforms and social stock exchanges through support as outlined in Outcome 3</p>	<p>Number of sustainable social enterprises listed on platforms and social stock exchanges</p>	<p>Ongoing from 2020</p>	<p>Social stock exchanges and experienced intermediaries e.g. Impact Trust, Impact Investment Exchange, MyC4, business development support service providers and incubators, research</p>	

	<p>6.7.2 Leverage existing platforms and networks for social entrepreneurs</p> <p>6.7.3 Track performance and experience of existing impact investment platforms (e.g. the United Nations Social Impact Fund (UNSIF))</p>			institutes, representatives of financial market regulators e.g. Financial Services Board	
<p>6.8 Country-level published research on key topics related to relevant areas of infrastructure development including financing models, impact investment platforms etc.</p>	<p>6.8.1 In long-term crowd-in skill to perform research of key topics and additional ones identified per country</p>	Country-level baseline data or study on key research topics	Ongoing from 2020	Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body	

Outcome 7:									
Consensus on and broad-based adoption of impact measurement standards and metrics to demonstrate social and environmental returns									
Outputs	Activities	Indicators	Timeline	Key Implementation Actors	Committed Resources				
					2015	2016	2017	2018	Ongoing
<p>7.1 Map of Africa impact investment sector ecosystem actors specialized in impact measurement</p>	<p>7.1.1 Commission/support detailed mapping of all impact investment sector ecosystem actors specialized in impact measurement in Africa</p>	Agreed upon map of key impact investment sector ecosystem actors specialized in impact measurement	End of 2017	Suggested actors: Consultancy, research institution or other appropriate intermediary commissioned by impact investment network / body					

<p>7.2 Published research including case studies, models and guidelines on key research topics related to impact measurement</p>	<p>7.2.1 Commission consultancy, research institution or other intermediary to work with sub-regional actors to conduct research using a similar approach of the GIIN regional studies on impact investors:</p> <ul style="list-style-type: none"> Impact measurement tools, standards and best practice 	<p>Baseline data or study on key research topics related to impact measurement</p>	<p>End of 2018</p>	<p>Suggested actors: Appropriate consultancy, research institution or other intermediary commissioned by impact investment network / body</p>	
<p>7.3 Government priorities collated as part of research & reflected in tool development</p>	<p>7.3.1 Engage government to understand development priorities and ensure measurement tools & targets reflect these</p>	<p>Impact measurement tools reflect relevant development priorities of public sector</p>	<p>End of 2018</p>	<p>Suggested actors: Global Impact Investing Network, GIIRS B Lab, Impact investment oversight mechanism/body, sustainable social enterprises, World Business Council for Sustainable Development</p>	
<p>7.4 Formal engagement with impact investors and sustainable social enterprises to advocate for adoption of impact measurement standards</p>	<p>7.4.1 To investors and sustainable social enterprises, present “business case” for:</p> <ul style="list-style-type: none"> Adoption of impact measurement standards 	<p>Number of formal engagements with investors and sustainable social enterprises presenting “business case” for adoption of impact measurement standards</p>	<p>End of 2018</p>	<p>Suggested actors: national governments; impact investment network / body; technical experts including B Lab / GIIRS; intermediaries specialized in industry standard and best practice and impact measurement</p>	

<p>7.5 Profiles of sustainable social enterprises with strong impact measurement practice features on central database or portal and disseminated via impact investment networks and similar associations</p>	<p>7.5.1 Facilitate learning on implementation of impact measurement best practice and standards by profiling sustainable social enterprises with strong impact measurement practice on central database and via impact investment networks and similar associations</p>	<p>Number of profiles of sustainable social enterprises implementing impact measurement practice featured in central database and disseminated via impact investment networks</p>	<p>Ongoing</p>	<p>Suggested actors: Impact investment member network including Southern Africa Impact Investing Network and similar associations; impact measurement technical experts including B Lab / GIIRS, World Business Council for Sustainable Development, GIIN</p>	
<p>7.6 Impact measurement pilot of 20 sustainable social enterprises initiated</p>	<p>7.6.1 Facilitate linkages and learning on implementation of impact measurement best practice by raising funding to support and disseminating lessons learned from impact measurement pilot of 20 sustainable social enterprises in Africa</p>	<p>20 sustainable social enterprises with strong impact measurement practice recruited into pilot and lessons learned disseminated</p>	<p>Ongoing</p>	<p>Committed actors: B4D Pathfinder(Southern Africa Trust) Suggested actors: Impact investment member network including Southern African Impact Investing Network and similar associations; impact measurement technical experts including B Lab / GIIRS, World Business Council for Sustainable Development, GIIN</p>	
<p>7.7 Impact investment member networks and similar associations supported to build impact measurement capacity amongst membership</p>	<p>7.7.1 Support impact investment member networks and similar associations to endorse most appropriate impact measurement standards & practice and communicate /</p>	<p>Number of impact investment member networks and similar associations offering impact measurement capacity building activities to membership</p>	<p>Ongoing</p>	<p>Suggested actors: impact investment network / body, impact investment member networks and similar associations, impact measurement technical experts including B Lab / GIIRS, World</p>	

	disseminate to membership and provide platform for sharing best practice and partner with impact measurement experts to provide capacity building			Business Council for Sustainable Development, GIIN	
7.8 Cadre of third party assessors of impact measurement practice developed	7.8.1 Encourage and support development of specialist third party assessors of impact measurement practice in Africa	Cadre of third party assessors of impact measurement practice developed	Ongoing	Suggested actors: impact investment network / body, impact measurement technical experts including B Lab / GIIRS, World Business Council for Sustainable Development, GIIN	

5. CONTACTS

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