OECD Workshop: Taking Social Impact Investing in Africa to the Next Level

Workshop Summary Report

February 2017

OECD BETTER POLICIES FOR BETTER LIVES

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Contents

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Introduction

On 22nd February 2017, the Organization for Economic Co-operation and Development (OECD) in partnership with Intellecap Advisory Services hosted a workshop titled ***"Taking Social Impact Investing in Africa to the Next Level"*** in Africa. The goal of the workshop was to identify the opportunities and challenges, as well as recommendations, for taking social impact investing to the next level in Africa. The workshop brought together local and international stakeholders for an interactive brainstorming discussion about social impact investing and related private sector financing approaches.

Social impact investing provides finance to organizations addressing social and/or environmental needs with the explicit expectation of a measurable social as well as financial return. The workshop saw representation from a selected mix of stakeholders in this space including Impact Investors, Private Equity Funds, Impact Entrepreneurs, DFI's, International Development Organizations, and Advisory firms (see annexure for list of attendees). The one day workshop, witnessed highly engaged and participative attendees, who provided important insights and details to help shape Social Impact Investing in the region and guide OECD's research. This report captures the key recommendations that emerged from the discussion on taking Social Impact investing in Africa to the next level.

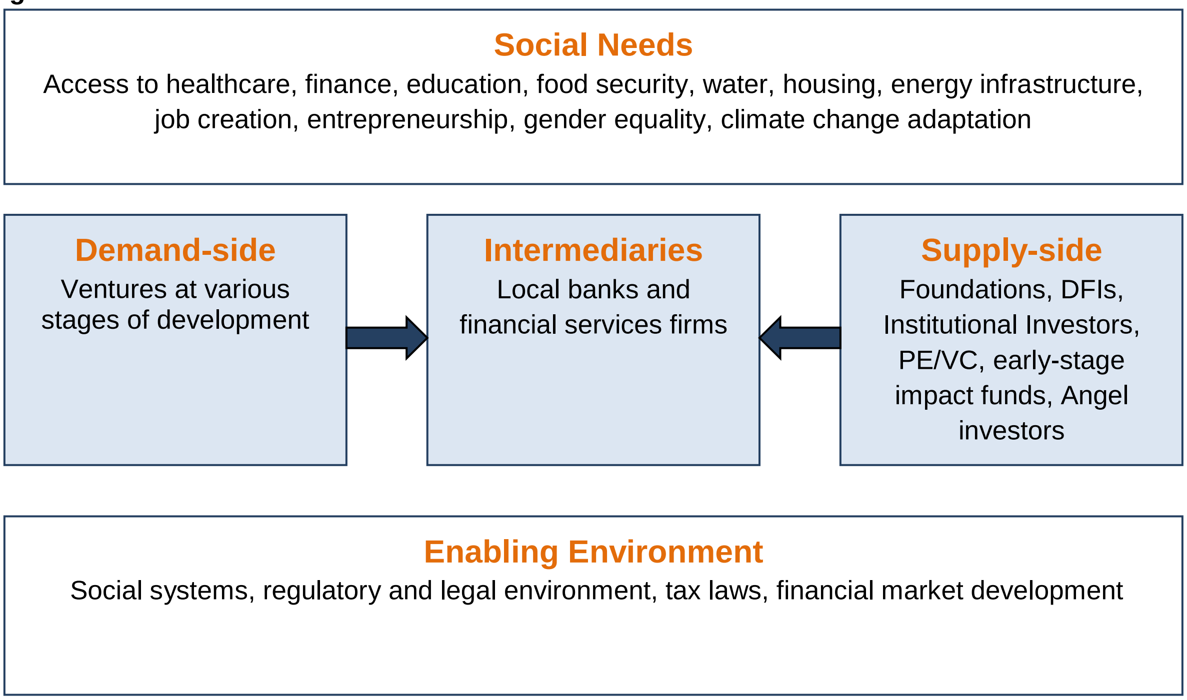
Intellecap Advisory Services and Organization for Economic Co-operation and Development (OECD) extend our deepest thanks to all workshop participants for their enthusiastic engagement and contributions during the workshop. The inputs made the discussion richer and provided important insights on raising the bar for Social Impact Investing in Africa. We also acknowledge the funding and support from the International Development Research Centre (IDRC)

Background and Context

The social impact investment sector in Africa has seen significant growth and interest from across the world, in the past few years. A wide range of actors in the social impact investment market are contributing to the development of an ecosystem (Figure 1). As in mainstream financial markets, the intermediaries – such as social banks or social impact investment funds – play a pivotal role in developing the social impact investment ecosystem. They create the links between investors, investees and others, and offer innovative solutions that can help to improve efficiencies, lower costs (e.g. by creating liquidity and facilitating payment mechanisms) and reduce risks (WEF, 2013). They can also offer guidance, and help in structuring deals and in managing funds. However, in many countries, the ecosystem is underdeveloped with fewer intermediaries and limited access to support.

Below is the Social Impact Investment market framework, used in the Phase I OECD publication, adjusted to apply to the market in Sub-Saharan Africa.

Figure 1: Market framework for SII in Sub-Saharan Africa



Source: OECD Africa Workshop Background Note (adapted from OECD 2015)

Social Impact Investment: Mapping and trends by sub-regions in Africa

There are a wide variety of countries in the Sub-Saharan Africa region each at various stages of financial market development, including SII development. Figure 2 below divides the region into three sub-regions, East Africa, West Africa, and Southern Africa and provides a summary of impact investments made by Development Finance Institutions (DFIs) and non-DFIs.

Figure 2: Overview of SII in Sub-Saharan Africa (2011-2014)

Region	**Total SII committed** (USD)		**SII Sectors**		**Average Deal Size** (USD)		**Venture Stage**	
	DFI	Non-DFI	DFI	Non-DFI	DFI	Non-DFI	DFI	Non-DFI
East Africa *(11 countries)*	7.9B	1.4B	Financial Services and Energy	Agriculture and Financial Services	Over 18 M	Under 1 M (60% of impact deals)	N/A	Early Stage
West Africa *(16 countries)*	6.5B	.221B	Energy, Manufacturing and Infrastructure	Financial Services, Agriculture, and Housing	16.6 M	0.9 M	N/A	N/A
Southern Africa *(12 countries)*	16.7 B[1]	5.6B	Energy, Financial Services, WASH	Financial Services, Manufacturing, Housing	25.7 M	11.2 M[2]	Growth Stage	Early Stage

Note: DFIs are Development Finance Institutions, government-backed entities that invest in the private sector for the purpose of economic development. Non-DFIs include fund managers, foundations, angel investors, banks, and pension funds.

Source: OECD Africa Workshop Background Note (reference GIIN 2016b, 2015a and 2015b)

In terms of total SII committed, Southern Africa is the largest market in Africa. Across all the sub-regions, capital committed by local and international DFIs is much larger than that by non-DFI. Regarding sectors and venture stage, there are some common features across the sub-regions. Energy is a big sector for DFIs, and non-DFIs favor investments in financial services and agriculture. DFIs prefer to invest in growth-stage businesses while non-DFIs focus on early-stage ventures. The average deal size for DFIs is much larger than that of non-DFIs in general. Note that in South Africa, which absorbs 85 percent of non-DFI capital disbursed in Africa, the three largest deals obtained USD 2.3 billion from non-DFIs.

It is important to address the skewed concentration of the social impact investing funds in few selected countries: Of the 186 investors in East Africa, for example, more than 50% are concentrated in Kenya.[3] In West Africa, there are only around 46 vehicles with most of them concentrated in Ghana.[4] In Southern Africa, impact investing is almost entirely concentrated in South Africa while the need is also critical in other countries

[1] excluding domestic DFIs
[2] but half of impact deals are under 1M
[3] The Landscape for Impact Investing in East Africa, Global Impact Investing Network
[4] The Landscape for Impact Investing in West Africa, Global Impact Investing Network

such as Malawi and Zambia. There is hence a need to build capabilities in smaller markets and more nascent ecosystems.

Insights: Pathways to Scaling-Up Social Impact Investing in Africa

Insight 1: Building the Social impact investing continuum from idea to scale

More non- DFI actors are entering the social impact investing sector with an interest to deploy capital with the intent to create social impact. In order to optimize the entry and expansion of international and local impact investors, there is a need to strengthen the African impact investing ecosystem further, to facilitate capital absorption. Currently, there seems to be a mismatch between investor expectations and enterprise demand, in terms of capital requirement, return expectations and time horizon. In order to address this gap, workshop participants highlighted that the sector needs to overcome the binary world of grant and equity and instead start developing a broader range of financing instruments that meet the requirements of firms/investees.

Workshop participants identified a set of pathways to move impact investing to the next level through creating a capital continuum– from idea and innovation to scale-up and growth.

Moving downstream: Risk-taking seed capital and proof of concept finance

There are a number of impactful businesses such as M-Kopa, M-Pesa, or Bridge International Academies that have benefited from impact investors but to grow the sector, new successes need to be nurtured. Risk-taking seed capital is scarce. Only few investors exist who provide high risk taking innovation, seed, and proof-of concept funding. Philanthropic impact investors and others with high risk-taking ability and low or no return expectation have a particular role to play at this end of the continuum. Grant capital can be catalytic in this stage, crowding in more commercial forms of funding if proofs of concept and early results have been achieved. For example M-Kopa began in 2010 with grant funding from Shell Foundation and Africa Enterprise Challenge Fund (AECF) and that played a catalytic role in the organisations growth and helped the enterprise attract commercial capital.

Closing the Missing Middle: financing instruments to overcome the scale-up challenge

Similarly, early stage growth oriented ventures (also often referred to as Small and Growing Businesses) that experienced first success in their operations but are still small ventures, lack capital to scale-up their operations. Their financing needs are typically between USD 20.000 and USD 200.000 per transaction[5], which is far below the average USD 18 million of capital per transaction provided by DFIs and USD 1 million typically provided by non-DFIs (Intellecap 2015, GIIN 2015b). While efforts have been

[5] http://www.intellecap.com/publications/closing-gap-kenya

made in the last few years to address the missing middle, the future lies in innovating financial instruments that are able to structure deals based on the unique needs of enterprises. In a bid to cater to different segments of enterprises, investors are experimenting with new structures to disburse impact capital.

Beyond Equity: Affordable long-term growth capital

Equity is not necessarily the right instrument for everyone. Equity funding works best for high growth enterprises. However, many equity investors prefer to invest at the later stages, when the enterprise has more of a track record and the risk is lower. Meanwhile early stage enterprises need patient capital and more flexible funding instruments. At present, the majority of social impact investments are targeted at the growth stage (53% of investors) rather than start-up and early venture stage companies (DFID 2015). Early stage enterprises require working capital and affordable, long term growth capital. However, bank finance is often difficult to access for these early stage enterprises as local commercial banks hesitate to lend to enterprises without 100% collateral. Enterprises hence often depend on equity to meet their working capital requirements rather than debt. Few investors exist that address the working capital gap or provide venture debt or hybrid of debt and equity. Blended finance models and pay-for-results instruments are being piloted by organizations like Business Partners International (BPI), CDC, DFID and Global Innovation Fund (GIF) to provide more flexible capital to African enterprises.

Grofin or Business Partners International (BPI), for example are providers of long-term growth capital. Enterprises like Hello Tractor have demonstrated growth success by using debt in early stages. They raised investment in 2013 at an 8 percent convertible debt note, at a 20 percent discount or convertible to 7.5 percent equity after two years. They are currently raising USD 1.5 million in the convertible debt, of which they have commitments for $500,000. Funds like Grassroots Business Fund focus on growing viable, sustainable and inclusive businesses that generate earnings or cost savings for people in Africa, Asia and Latin America. They make equity, mezzanine equity, mezzanine debt and straight debt investments. They provided debt capital to KZ Noir to support the company’s day-to-day operations.

Insight 2: Going local and the need to build domestic capabilities

Social Impact Investing is growing in Africa; however, the source of that growth is external. Feedback from participants showed that in reality the sector is driven largely by investors from outside the continent (mostly DFIs). A majority of impact investors are foreign and operating from abroad while only few investors are based on the continent with local teams. Similarly, many of the continent’s impact investing success stories are expat-led enterprises, calling for the need to strengthen local entrepreneurship. Based on the discussions, here are a few identified pathways for building capabilities of local capital providers, and enterprises.

Strengthening capabilities of local impact investors

Impact funds with 'feet on the ground' are better positioned to identify promising social enterprises, and work closely with the investee companies, perform better. Finding the right investment opportunities and assessing risks adequately requires a good understanding of local realities and intensive engagement with enterprises that can only be ensured with local presence. While a number of funds are shifting their offices to entrepreneurship hubs like Nairobi, many funds still have head offices abroad and with lean teams on the ground covering a huge geography and with little decision-making power. This can cause challenges for investment decisions, and portfolio management. Longer deal cycles frustrate timely financing that enterprises may not be in a position to bridge with their own capital. . There is hence a need to build up local teams and decentralize decision making. On the other hand, the continent faces challenges in terms of meeting the demand for local talent such as fund and portfolio managers, an area that few organizations have started to address recently. GIIN through DFID's Impact Program, for example, aims to support the capabilities of local fund managers through capacity building programs. Capria, a program for local fund managers, aims to build competencies amongst impact investing teams. Such efforts are needed to scale up the industry locally.

Unlocking domestic capital

Local angel investors have a critical role to close the 'missing middle', as they often bring more than capital to their investees: They often come from a variety of backgrounds and are able to provide expertise about markets, customers and competitors, sales channels, and through their personal networks can facilitate potential partnerships. By serving as mentors and taking an "active" role, angels are often catalytic in the early stages of the enterprise. In the past few years angel networks such as Investeq's Kenya Business Angel Investor Network, VC4Africa, Viktoria Solutions and the East Africa Chapter of Intellecap Impact Investing Network (I3N) have emerged to facilitate investments by angels. However, overall there is still limited angel investment activity observed across the continent. Reasons for this are many: On one hand, angel investing as a concept is new and while High Networth Individuals have been investing informally, the culture of formal angel networks is not yet widely spread. Even until recently, HNWIs have been investing in traditional and established sectors such as real estate and housing. Likewise, local informal investment groups, so called 'chamas' offer the potential to get engaged in impact investing, as they already deploy capital into enterprises – however, often through informal approaches. Overall, awareness levels about investment opportunities as well as investment approaches are low. There is hence need for increased capacity building efforts to strengthen the angel investing ecosystem and unlock the potential for impact investing.

Building a pipeline of investment-ready local entrepreneurs

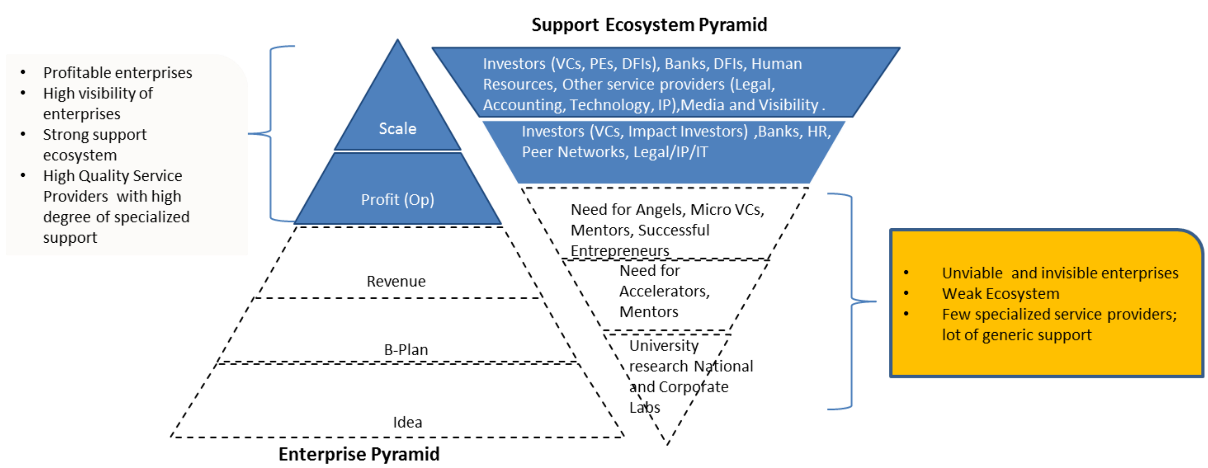
Due to the dominance of foreign investors in impact investing, there is a run after a few 'usual suspects'. Participants highlighted that impact investors seem to go for 'what is familiar', resulting in well-connected and well-articulated expat entrepreneurs receiving the bulk of the capital, while local entrepreneurs face challenges convincing the investors of their business model. Local entrepreneurs often lack the confidence, connections and language foreign investors expect or are not able to represent the business in the templates and models that investors are used to from other markets. Hence, there is a 'translation asymmetry' that is partly bridged through intermediaries that aim to match investors with enterprises, but which poses an overall challenge to the sector. As a result, there is need to increase efforts to build capacities of local entrepreneurs and make them ready for investment through pre-investment technical assistance and support.

Insight 3: Supporting efforts of intermediaries

Africa is emerging as an innovation hub, with many countries including Kenya, Nigeria and South Africa rating high on Global Innovation Index. The success of innovations such as M-Pesa, M-KOPA and One Acre Fund has triggered a boom of high impact SME with several international investment funds looking for opportunities in the region.

Recent Intellecap research[6] revealed that the amount of support for small and growing impact ventures is in an inverted relationship to the demand: Mature enterprises benefit from an evolved support landscape with a variety of specialized service providers, whereas early stage enterprises get less visibility than their mature peers; and, service providers are either expensive or provide rather generic support.

Figure 3: The Challenge in East Africa



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[6] Catalyst for Change: Creating an Ecosystem for Young Entrepreneurs in East Africa, Intellecap. 2015; Accelerating entrepreneurship in Africa, Omidyar, 2012. http://www.intellecap.com/publications/catalyst-change-creating-ecosystem-entrepreneurs

During the workshop, participants stressed the need to build the ecosystem of intermediaries in order to provide support to both sides – demand and supply side and address the information asymmetry, provide complementary services that support supply or demand side challenges, and introduce efficiencies in the system.

Boosting pre- and post investment technical assistance providers

90% of start-ups do not survive the first year[7]. In order to address enterprise related challenges, especially with regard to building up the pipeline of local entrepreneurs, there is a need for more pre-investment technical assistance that supports enterprises in the capital raising process and provides support with building ancillary skills such as management and leadership, human resource management, or financial reporting. The consultation showed that lack of a core business skill can be a deal breaker for many investors, even if the business model is convincing. The challenge is often amplified especially for early stage enterprises that are unable to fund their capacity building and technical assistance, out of their own pocket. Consequently, there is a need to provide pre-investment support to these entrepreneurs. This calls for increased efforts by philanthropic organizations, bi- or multilateral donor agencies or governments to support capacity building efforts and technical assistance. These activities are typically ecosystem building efforts and do not accrue financial returns in the short term, and must hence rely on grant capital. Structures like the USAID-funded East Africa Trade and Investment Hub, which has partnered with Open Capital Advisors to provide technical assistance to potential investment targets or a deferred fee structure currently piloted by Intellecap, where enterprises pay for the technical assistance once they have raised the capital, are existing examples that aim to address this ecosystem gap. Some funds like Acumen Fund are setting up technical assistance facilities themselves, accompanying the investment and providing capacity building through own team members or empaneled experts.

Strengthening capital facilitation and transactions

While a number of service providers exist, the ecosystem is fragmented and enterprises and investors find it difficult to navigate the ecosystem. The number of venture capital funds and Private Equity funds has been increasing, however, early stage enterprises find it difficult to raise capital as they are not always "investment ready". It was noted by the participants during the workshop that the language and expectation mis-match between investors and entrepreneurs is large. Bridging this gap requires structured facilitation and intermediation that organizations like Intellecap, Open Capital, Growth Africa, iDev currently offer. Building capacity for the enterprises and educating investors on the realities of the market are both equally critical to overcoming this

[7] http://fortune.com/2014/09/25/why-startups-fail-according-to-their-founders/

challenge. Common action platforms such as Sankalp Forum, VC4Africa, ANDE help enable such convergence through strategic conversations and collaborations.

Increasing deal flow through investor networks and platforms

Impact investing in Africa is still driven by relationship-based investments. Investors often tend to identify their potential pipeline at networking events and other forums. This limits their pipeline of enterprises, as many 'hidden treasures' may not be well-networked or not be part of the closely knit impact investing community, which is largely unknown to enterprises outside this community. While there are a number of organizations working to aggregate data at the sectoral or regional level and to provide information on investable enterprises, there is a need for more industry networks and platforms. Deal-making platforms, for example, are needed to exchange investment opportunities and hence support deal flow. Sankalp Forum is one example of a platform that aims to bring together enterprises and investors with different capital requirements, supporting visibility of investment opportunities on one hand, but also allowing investors to collaborate on investments. Investment networks like the Kenya Business Angel Investor Network (KBAIN), VC4Africa, Viktoria Solution, and Intellecap Impact Investing Network (I3N) facilitate co-investment and hence decrease due-diligence costs.

Insight 4: Building an enabling policy environment

The importance of private sector financing has been highlighted in discussions surrounding the Sustainable Development Goals. Social Impact Investment can complement public spending by catalyzing private capital willing to innovation and take risks that can pilot new models to improve access to basic goods and services and work towards addressing the SDGs.This requires public private partnerships. Social impact investment approaches can facilitate these partnerships as has been demonstrated through pay for success models such as Social Impact Bonds and Social Success Notes. Governments have an opportunity to partner and incentivize experimentation of new structures. However, there has not been enough dialogue between the public sector and the social impact investment community in Africa to date.

To attract private capital to their countries, policy makers need to ensure that the proper framework conditions are in place. A country's regulatory and financial system affects the mix of public and private capital[8]. Appropriate policies are critical to supporting the growth potential of enterprises as well as the financial markets on which these entities rely. Corporate governance and regulations are also essential to keep checks and balances to safeguard interest of customers.

[8]Social Impact Investment: Building the Evidence Base, OECD, 2015
The OECD Policy Framework for Investment (PFI): http://www.oecd.org/daf/inv/mne/countryreviews.htm

Need for alternate sources of revenue for economic prosperity

With declining levels of ODA and public sector financing, more than 2/3rd of African countries will receive less aid in 2017 than in 2014[9]. This has forced governments to evaluate alternate sources of revenue and investment to manage and respond to macro – level shocks. Private sector financing is critical and , social impact investing can play an important role, particularly in the context of the SDGs..

Creating robust markets for investment

The condition of policy and legislation in the region varies widely. In addition, unpredictable policies and unclear legislation in terms of energy tariffs, taxation, tendering processes and land policies are strong barriers as well (GIIN 2015a) and insufficient investment in infrastructure, i.e. renewable energy, water and sanitation, that hinder investment. Security issues in Nigeria, currency volatility in Ghana, and epidemics such as Ebola have contributed unfavorably to the overall investment climate. It was highlighted during workshop discussions that while governments in African countries are looking for private sector financing and new innovative financing mechanisms, there are a limited understanding of social impact investing. Workshop participants stressed the need to work with governments on identifying specific barriers to be addressed in the enabling environment as well as policies that can promote investment, including social impact investment.

For example, the interest rate cap by the Government of Kenya had a huge negative impact on lending to SMEs in Kenya. On similar lines, a 20% VAT on off-grid solar products can instantly break an enterprise's business model. Such regulations can have a long-run negative impact on the economy and other initiatives undertaken to support impact enterprises. South Africa is an anomaly where the government has taken steps to support black-owned SMEs in the country.

Building robust capital markets

Most investors look for exit options and with very few such examples, it is a challenge for investors to see growth potential from their investments. With such constrained liquidity in the market, investors are forced to deliberate exit options prior to the investment. Investors generally are most confident placing capital in environments in which economic and entrepreneurial activity are encouraged, and where their *rights* will be protected. This highlights the need for a robust and strong capital market in Africa to catalyze further investments. In terms of exit opportunities for social enterprises, the creation social stock exchanges have been providing some new models and approaches.

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

Legal status for social enterprises

Currently social enterprises and impact investors do not have a separate category and are labeled along with regular SMEs and investors. While industry certifications such as BLab are present and used by some investors and enterprises, there is no continent wide agreement on definition or certification. In the absence of this, enterprises are treated by the mainstream players including banks and others without any preferential terms. By clarifying the legal status of social enterprises, these businesses will be able to attract a broader range of capital sources and potentially benefit from targeted incentives.

Insight 5: Measuring performance

The past years have seen significant efforts made by various organizations to demonstrate the financial viability of impact investing. A study in 2015 analyzed fund data and documented the financial performance of impact investments across geographies (e.g. Cambridge Associates & GIIN 2015). The Impact Investing Benchmark[10], concluded that, in aggregate, impact investment funds launched between 1998 and 2004 have outperformed comparable conventional private equity funds launched during that same time period. Reports such as these have triggered mainstream interest in the impact investing market.

Against the backdrop of reports such as these, workshop participants raised concerns about possible overselling of the social impact investment market and stressed the importance of building the evidence base and developing more accurate and comparable metrics for measuring performance, including both financial and impact. I

Insight 6: Facilitating common action

For nascent industries such as the Social Impact Investing industry, a common roadmap can be helpful to leverage resources and improve efficiencies in further developing the market. Collective action also enables stakeholders to influence policy, improve standards and maintain checks and balances against external shocks. Some recommendations that emerged from the discussions at the workshop:

Being a collective voice for policy and industry standards

International organizations such as the UN and OECD as well as global and regional organizations on the ground in Africa such as ANDE, Sankalp Forum, VC4Africa, chambers of commerce enable diverse stakeholders to come together to share experiences and build collaborations to further the industry agenda. The strength of such groups is recognized by policy makers, media representatives and mainstream sector in general.

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[10] https://www.cambridgeassociates.com/research/introducing-the-impact-investing-benchmark/

Building an intra-Africa corridor for learning

The social impact investing ecosystem across countries is fragmented and varied in terms of levels of maturity. There is a lot that can be learnt to accelerate growth cycles of enterprises through collaboration and conversation between stakeholders across the countries. For example, the off – grid energy ecosystem in East Africa has seen tremendous growth through unique innovations and a supportive market landscape and West Africa is on a similar trajectory.

Conclusion

Participants suggested that going forward it is critical to take an ecosystem approach to Social Impact Investing to overcome fragmentation and further develop the markets. Social Impact Investors can collaborate at various levels with other players in the ecosystem, including the public sector, to unlock more private capital and channel it towards achieving desired social outcomes in Africa. Generating more data, evidence and knowledge emerged as a key priority for building the market.. Also, it was noted that links between the public and private sector need to be improved and that there is a role for policy makers to play in creating a more conducive environment for social impact investment.

Next Steps

The recommendations and suggestions from the workshop will inform the ongoing OECD work on private sector financing and particularly the work on social impact investment. The findings from the workshop as well as further research will be part of the OECD Phase II publication on social impact investment, scheduled to be published in 2018.

Aavishkaar Intellecap group will further strengthen its ecosystem building work for Social Impact Investment in Africa. Sankalp Forum, an initiative of the group that celebrates entrepreneurship, convenes and connects enterprises, industry and policy makers to foster collaboration of ecosystem players will intensify engagement across Africa to expand its footprint to West and South Africa to build a common action platform for key global and regional stakeholders.

About the workshop organizers

OECD Social Impact Investment Initiative

The OECD has been playing a key role in a global social impact investment (SII) initiative launched in 2013. The Phase I report[11], which was published in 2015, focuses on building the evidence base in the social impact investment market. The OECD Social Impact Investment (SII) Phase II work builds upon the earlier work with a focus on developing countries. Phase II includes research and workshops in selected developed and developing countries. This workshop in Nairobi is the first in the series of regional workshops.

In parallel to the regional research, case studies are being developed to better understand what is happening in practice in the social impact investment market. The cases focus on the use of a variety of social impact investment instruments at various stages of the enterprise development cycle and their applicability in a variety of sectors and across different country settings. The case studies aim to provide insights into what is working in terms of investment and what is not so that relevant models can be highlighted and scaled.

The SII initiative also convenes experts from the social impact investment community to discuss data and data collection processes with the aim of developing a framework for collecting internationally comparable global data for the market. In addition, Phase II includes a focus on policies to facilitate social impact investment, within both a national and international context. These findings from all of this work will be pulled together into a second OECD Social Impact Investment report with the aim of publication in early 2018.

About Intellecap Advisory Services

Founded in 2002, today Intellecap is one of the largest and fastest growing consulting firms providing on-the-ground business consulting and thought leadership to base-of-the-pyramid initiatives across diverse sectors. As a result, Intellecap has successfully designed and delivered several ecosystem-level programs for multilaterals and donors. It carries out market infrastructure building through policy advocacy, development of industry associations (e.g. ***Impact Investors Council***), and development of shared tools and resources for the social enterprise industry as a whole. Intellecap provides direct support to social enterprises through an acceleration program and an in-house virtual incubation platform called ***StartUpWave*** (a virtual incubation platform for the social enterprise industry in India and East Africa; in partnership with DFID and GIZ). Intellecap has also created ***PRISM*** (impact fund performance measurement tool; in partnership with IFC and GIZ), which is currently being replicated in East Africa. Other

[11] For more information, please see http://www.oecd.org/sti/ind/social-impact-investment.htm

initiatives include ***Collaboration for Impact Facility*** (CIF) – a facility through which Intellecap facilitates impactful partnerships between corporates and SGBs in order to bring synergies in areas such as co-creation of innovation, go-to-market, technology transfer and last mile distribution. We also engage in research such as ***Corridors for Shared Prosperity*** (in partnership with World Bank Group and IFC), focused on mapping inclusive business landscapes in India and Africa, and finding opportunities for social enterprise transfer. Our angel network ***I3N*** (launched with support from IFC G-20 Inclusive Business Challenge) and ***Sankalp Forum*** (supported by Rockefeller Foundation, DFID, Lemelson Foundation, Shell Foundation and others) are also outcomes of gaps identified through our ecosystem mapping and diagnostic initiatives.

Intellecap has a network of 35 incubators and accelerators, 30 business support service providers (legal, marketing, technology support, etc.) and a vast network of 80+ investors (angels and VCs). We have a database of 120+ incubators and business support providers in Africa.

Annexures

Annex 1: Workshop Agenda

Taking Social Impact Investing in Africa to the Next Level
Wednesday, February 22, 2017 9:00 - 18:30
Location Zen Garden, Westlands
Nairobi, Kenya

09:00-9:30	**Coffee and registration**
9:30-10:30	**Opening Session** *Welcome and expectation setting:* - Nisha Dutt, CEO, Intellecap - Brenda Killen, Deputy Director, Development Co-operation Directorate (DCD), OECD - Karen Wilson, Statistics and Development Finance Division, DCD, OECD **Overview of OECD Private Sector Financing for Development Work** In this session, we will provide an overview of the OECD strategy on mobilising private investment in the context of the SDGs, framing the main goals and outputs to date. We will also give an overview of the OECD Social Impact Investment Initiative.
10:30-12:00	**Session 1. Social Impact Investing and the spectrum of private sector investment in Sub-Saharan Africa** This session will explore how social impact investing (SII) fits into the broader spectrum of capital and will highlight the various types of private sector investments in Africa. The goal of the session is to broaden the understanding of private flows in Africa, including investment models, goals, investees and differences between different types of private capital as well as differences across countries and the role that framework conditions play. The session discussions will be kicked off with introductions to some recent initiatives and research across sub-Saharan Africa. *Discussion questions:* • What is the role of the public and private sectors in the financing landscape in Sub-Saharan Africa? • Where the financing gaps and what are are the implications for SII and development outcomes? *Facilitator:* • Karen Wilson, Statistics and Development Finance Division, DCD, OECD *Kick-off Speakers:* • Ashley Elliot, Global Impact Investment Network • Tomas Sales, UNDP

	• Susan de Witt, Bertha Centre for Social Innovation and Entrepreneurship • Kanini Muthoni, East Africa Trade and Investment Hub
12:00-13:00	**Lunch**
13:00-14:30	**Session 2. Private sector instrument deep-dive – A case study approach** This session will provide a more in-depth look at private sector investment models in Africa. Participants will discuss lessons learned from practical applications of social impact investment in Africa by looking at examples of funding across various stages of an enterprise's growth (seed, early growth, later stage growth, scaling). Specific investment case studies will be reviewed which highlight the role of the respective stakeholders. *Discussion questions:* • Which private sector financing instruments are being applied at various stages of an enterprise's development? • How effective have current approaches been in supporting the growth of the enterprises and in helping them achieve their social mission? *Facilitator:* - Wiebke Bartz, Statistics and Development Finance Division, DCD, OECD *Kick-off speakers:* - Nikhil Nair, M-Kopa - Shakir Merali, LGTVP - Moka Lantum, Microclinic Technologies - Leila Ahlstrom, USAID - Marilou van Golstein, Triodos Investment Management
14:30-16:00	**Session 3. Opportunities and challenges for social impact investing in Africa** In this session, the participants will discuss concrete opportunities and challenges inherent in the social impact investing market in Africa, building upon the discussions earlier in the day. Participants will assess the opportunities and challenges from four perspectives, i.e. (1) Investees, (2) Investors, (3) Intermediaries, (4) Policy makers. *Discussion questions:* • Based on the current landscape of social impact investment in Africa where are the opportunities and challenges to take the market to the next level? • What are some of the critical gaps in the market which need to be addressed particularly as they relate to the collaboration between public and private funders? *Facilitator:*

	- Stefanie Bauer, Intellecap *Kick-off speakers* - Richard Gomes, Shell Foundation - Irene Hu, Open Capital Advisors - Ben Peterson, AHL Venture Partners - Patricia Richter, ILO
16:00-16:30	**Coffee Break**
16:30-17:30	**Session 4. Recommendations for unleashing Social Impact Investing in Sub-Saharan Africa** In this session, the participants will work in smaller groups to develop recommendations to leverage the opportunities discussed in the earlier sessions and mitigate challenges, building upon the outcomes of the earlier session and focusing in particular on the role of public and private investors as well as intermediaries. *Discussion questions:* • What actions and incentives can be put in place to facilitate SII and private sector investment more broadly in Sub-Saharan Africa? • How can SII help to address the financing gaps to achieving the SDGs/2030 Agenda? *Facilitator*: • Stefanie Bauer, Intellecap • Karen Wilson, Statistics and Development Finance Division, DCD, OEC
17:30-18:30	**Wrap up and next steps** - Vineet Rai, CEO & Managing Director, Aavishkaar - David O'Brien, IDRC - Karen Wilson, Statistics and Development Finance Division, DCD, OECD

Annex 2: Participants List

	Name	Organization
1	Patricia Richter	ILO
2	Kanini Muthoni	East Africa Trade and Investment Hub
3	Irene Hu	Open Capital Advisors
4	Suresh Samuel	OPIC
5	Tomas Sales	UNDP Regional Service Centre for Africa
6	Priscilla Chimwele	UNDP
7	Vineet Rai	Aavishkaar - Intellecap Group

8	Moka Lantum	MicroClinic Technologies
9	Nikhil Nair	M-Kopa
10	Olivia Muiru	B Lab / B Corporation
11	Susan de Witt	Bertha Centre for Social Innovation and Entrepreneurship
12	Luca Etter	SDC
13	Ashley Eliott	GIIN
14	Richard Gomes	Shell Foundation
15	Leila Ahlstrom	USAID
16	Aun Ali Rahman	IFC/World Bank
17	Drew Von Glahn	IFC/World Bank
18	Kate McElligott	ANDE
19	Ivan Tumhumbise	Ford
20	Ben Peterson	AHL Venture Partners
21	Tsakane Ngoepe	AHL Venture Partners
22	Paula Tjossem	Mastercard Foundation
23	Ory Okolloh	Omidyar Network
24	Shakir Merali	LGT
25	Diana Hollman	GIZ
26	Kennedy Manyala	Kenya Chamber of commerce
27	Martha Bekele	Development Initiatives (Kenya)
28	Sam Nganga	Africa Enterprise Challenge Fund (AECF)
29	Wambui Chege	Africa Enterprise Challenge Fund (AECF)
30	Pauline Mbayah	AMSCO
31	Randy Welsch	Jibu
32	Mercy Mutua	Dob Equity
33	Kim Tam	Transformational Business Network (TBN)
34	Reuben Coulter	Transformational Business Network (TBN)
35	Eva Warigia	EAVCA
36	Esther Ndeti	EAVCA
37	Amanda Feldman	Bridges Ventures
38	Tracey Austin	Palladium
39	Sally Walkerman	Small Foundation
40	Rachel Keeler	KPMG
41	Rishi Khubchandani	GroFin
42	Marilou van Golstein	Triodos
43	Arif Neky	United Nations Kenya
44	Sandra Chege	Equity Bank Kenya
45	David Aitken	Carbon Trust UK (Part of World Bank network)
46	Ami Dalal	Finca International
47	Hesbon Mgogo	Honey Care Africa

48	Sam Slaughter	PowerGen
49	Sue Chaffin	SBC Global Advisors
50	Flaubert Mbiekop	IDRC
51	Aaron Cheng	
52	Karen Wilson	OECD
53	Wiebke Bartz	OECD
54	Brenda Killen	OECD
55	David O'Brien	IDRC
56	Kanika Kumar	Intellecap
57	Stephanie Bauer	Intellecap
58	Shruti Goel	Intellecap
59	Nisha Dutt	Intellecap