FORUM REPORT

AFRICA FINANCE & INVESTMENT FORUM 2015

Cape Town, South Africa

24 - 26 November 2015

ACCESS TO FINANCE AND ENTREPRENEURSHIP

LORD CHARLES HOTEL

emrc AFIF 2015

Africa Finance & Investment Forum

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Access to Finance and Entrepreneurship

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emrc
AFIF 2015
Africa Finance & Investment Forum

EMRC International
Avenue Louise, 287
1050 Brussels, Belgium
Tel. : +32 (0)2 626 15 15
Fax.: +32 (0)2 626 15 16
Email: info@emrc.be

Text: Pierre Coetzer
Graphic Design: Bert Claessens
Photos: Berna Coetzee

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Executive Summary & Acknowledgements

The African continent is the second fastest growing area in the world behind south and east Asia, with GDP growth projected to reach 3.6% in 2016. Over the past decade, the continent has attracted ever increasing amounts of foreign direct investment, reaching an aggregate amount of US$470 billion between 2005 and 2014, according to the African Development Bank. But it's not only the volume of investment that has increased: The diversity of investment flows and deals has also seen significant improvement. Where almost all investment went to extractive industries two decades ago, Africa now attracts ever more significant flows in the sectors of energy, telecoms, infrastructure, health and agriculture, as well as retail and financial services.

Indeed, in 2015, Africa's biggest economic challenge is arguably no longer to attract investment, but rather to ensure that investment flows benefit everyone, and to ensure that economic growth is inclusive.

EMRC's decision to host the Africa Finance and Investment Forum 2015 in Africa for the first time, in the city of Cape Town, is fully aligned with this trend. The South African city is indeed fast becoming one of the continent's leading global centres of business and finance.

The Forum has brought together over 200 key players and decision-makers in the African finance and investment sector, as well as stakeholders from government and civil society from across the continent and the rest of the world. The conference has become one of the important annual international finance and investment gatherings on the African continent.

The theme of this year's Forum was "Access to Finance and Entrepreneurship". Over a three-day period, the Forum focused on innovative financial solutions to foster the growth of Africa's businesses, and showcased opportunities of the African continent in the key sectors of agriculture, health, infrastructure and energy.

One of the key events of the Forum was the initiation of a far-reaching **Public-Private Dialogue on Impact Investment in Africa, a joint initiative by the United Nations Development Programme (UNDP) and the African Union Commission (AUC). The concept of impact investment is becoming increasingly well known in Africa and around the world: It refers to investments driven by a social and environmental purpose, rather than only by financial imperatives; in other words, investing with the goal to achieve measurable social and environmental impact beyond the sole objective of financial return. Impact investment is a growing asset class, with some US$60 billion currently under management worldwide. Considering that the demand for SME finance in Africa is estimated at US$140 billion, there is very significant market potential for further growth.**

The dialogue provided a platform through which representatives of the public and private sectors discussed concrete interventions to catalyze the impact investment sector and contribute towards the achievement of the African Union's Agenda 2063, and the recently ratified Sustainable Development Goals (SDGs). It was intended to initiate a continental discussion around the concept of impact investment, how to attract investors and how to foster enterprise, and specifically social enterprise, to the benefit of all Africans.

AFIF's traditional plenary sessions were complemented this year with several lively panel discussions involving key global experts on such topics as improving access to finance for SMEs, financing agriculture and agribusiness, financing infrastructure and energy projects, and financing Africa's healthcare sector.

The Forum also hosted the AFIF 2015 Entrepreneurship Award, sponsored by the Rabobank Foundation, which saw four selected projects (out of 49 applications) presented to the audience and selection committee. The pitches were made by Mary Cherop Maritim from **Cherebut Foods (Kenya),** Adewumi Sule Owolabi representing **Aerobic Foods (Nigeria),** Lazaro Mwakipesile, Founder of **Raphael Group (Tanzania)** and Wachira Kariuki of **Classic Foods (Kenya). Lazaro Mwakipesile** was named the overall winner and received a cash prize as well as the commitment by EMRC to develop a one-year communication strategy.

For the first time, AFIF also included a special session on "**Access to Finance on Health", and presented the "Pfizer Health Entrepreneurship Award" as well as a pitching session by The Innovation Hub (South Africa), which culminated in the nomination of Markus Labuschagne from Altis Biologics, South Africa.**

Behind the scenes, over 600 Business-to-Business (B2B) meetings were organized over two afternoons, allowing delegates to establish partnerships, close deals and translate the work at the Forum into tangible reality on the ground.

The Forum concluded with the **Cape Town Declaration on Impact Investment. The Declaration, a UNDP initiative, is the result of the comprehensive dialogue held throughout the Forum and represents a reference for private sector, government and civil society to take action and leverage Africa's economic potential. The Declaration calls on investors, governments and the private sector to catalyze and strengthen impact investment** in Africa, notably by establishing an impact investment convening organ, by developing conducive and relevant regulatory frameworks, by establishing impact measurement standards, and by creating a dedicated **African Impact Investment Fund**.

AFIF 2015 was initiated by Brussels-based EMRC and organised in collaboration with the **United Nations Development Programme (UNDP), the European Investment Bank (EIB), German Development Finance Institution (DEG/KfW), along with Afreximbank, Old Mutual Investments Group, Agri Academy, Pfizer, Rabobank Foundation, BlueCloud, Islamic Corporation for the Development of the Private Sector (ICD) and the International Finance Corporation (IFC).**

ABOUT EMRC

EMRC's Goals and Mission

EMRC is an international organisation aiming to promote sustainable economic development in Africa by supporting and growing business partnerships, with a specific focus on economic and trade relations with the private sector. EMRC includes a vast network of entrepreneurs, financiers and officials from over a hundred countries around the world.

In order to achieve its mission, EMRC develops the following initiatives:

The Africa Finance & Investment Forum (AFIF), an annual event which attracts 200-300 financial experts and decision makers from across the African continent and the rest of the world, including private entities, financiers, donors, multinationals, governments, international organisations, NGOs and consultants. Originally held in Europe, the Forum has now for the first time taken place on African soil, in Cape Town, South Africa. Each Forum revolves around a core theme that tackles topical issues around investment and finance on the African continent.

The **AgriBusiness Forum,** an annual event which attracts over 500 decision makers annually, including private entities, financiers, multinationals, researchers, governments, international organisations, civil society and consultants worldwide. First launched in Europe, it has moved to Africa in 2009, with each annual event revolving around a core theme that tackles the challenges and opportunities in the agro-food sector. The AgriBusiness Forum 2012 was held in Dakar, co-organised by EMRC, UNDP & PanAAC, in partnership with FAO, Rabobank and others. The AgriBusiness Forum 2013 took place in Kigali, hosted by Rwanda's Government and organised in collaboration with FAO, Rabobank and UNDP. The most recent AgriBusiness Forum took place in March 2015 in Kinshasa and was hosted by the Government of the DR Congo.

In addition to these regular events, EMRC initiates country visits aimed at promoting inter-regional trade and business relations. The EMRC team accompanies a group of decision-makers from the public and private sectors across Africa to meet their counterparts in other countries. The missions consist of site visits, knowledge-exchange sessions and business networking.

Two key components of EMRC events are the annual **EMRC Awards** and the **business to business (B2B) meetings.** EMRC first launched the "Project Incubator Award" in 2008 at the headquarters of the UN Food and Agriculture Organisation (FAO) in Rome. The award aims to encourage innovation and entrepreneurship in Africa among small and medium-sized enterprises (SMEs). Entrepreneurs from around Africa are invited, through a public call, to put forward their project proposals and apply for a cash prize. At the AFIF 2015 event, EMRC launched two awards: the AFIF Entrepreneurship Award (sponsored by Rabobank Foundation) and the Health Entrepreneurship Award (sponsored by Pfizer). The award ceremonies are held in conjunction with EMRC's two main business Forums (AgriBusiness & AFIF), during which finalists present their business projects. The winning project is announced at the gala evening, which forms part of the Forum proceedings.

The business to business (B2B) meetings allow participants to forge partnerships and establish business links. EMRC has a large client base of African companies and financing institutions, international and bilateral organizations, NGOs and foundations working in Africa. The B2B meetings are a critical part of each Forum, and are often listed by delegates as the highlight of their participation in EMRC Events.

PROGRAMME

Tuesday, 24 November 2015

08h00
08h45 **Registration**

09h00 **AFIF Official Opening**

- ***Idit Miller*** – Vice President & Managing Director, EMRC, Belgium
- ***Lebogang Motlana*** – Director, UNDP Regional Service Center for Africa, Ethiopia
- ***Carmelo Cocuzza*** – Head of Regional Representation, European Investment Bank, Southern Africa
- ***Khaled Al-Aboodi*** – CEO, Islamic Corporation for the Development of the Private Sector (ICD), Kingdom of Saudi Arabia

UNDP-AUC Event

A Public-Private Dialogue on Impact Investment in Africa

Mapping the Road to Developing Africa's Impact Investment Sector

Moderator: Michael E.M. Sudarkasa – CEO, Africa Business Group, South Africa

Presentation:Tomas Sales – Special Advisor, Private Sector (AFIM) Unit, UNDP Regional Service Centre for Africa, Ethiopia

Panellists:

- ***Diatourou Ndiaye*** – Director of Cabinet of the Prime Minister's Office, Republic of Senegal
- ***Lebogang Motlana*** – Director, Regional Service Centre for Africa, Ethiopia
- ***Mark Van Wyk*** – Head Infrastructure & Portfolio, Mergence, South Africa
- **Carmelo Cocuzza** – Head of Regional Representation, European Investment Bank, Southern Africa
- ***Zakheni Ngubo*** – Senior Managing Partner, Siyafunda (Social Entrepreneur), South Africa
- ***Ullrich Klins*** – Project Manager, Business for Development (B4D), Germany

11h00 **Coffee Break**

11h30 **Plenary Session I – Improving Access to Finance for SMEs in Africa**

Part 1 – Innovative solutions on Access to Finance in Africa

Moderator: Arthur Levi – Member of the Executive Committee, EMRC, Belgium

- ***Pierre Van Hedel*** – Managing Director, Rabobank Foundation, The Netherlands
- ***Tor Jansson*** – Principal Investment Officer, IFC/World Bank, South Africa
- ***Elaine Jones*** – Executive Director, Pfizer Ventures, USA
- ***Hendrik Jordaan*** – President & CEO, One Thousand & One Voices, USA
- ***Kshama Fernandes*** – CEO, IFMR Capital, India

13h00 **Lunch**

14h30 **Plenary Session I – Improving Access to Finance for SMEs in Africa**

Part 2 – Promoting Entrepreneurship & Strengthening the Capacities of

Moderator: Arthur Levi – Member of the Executive Committee, EMRC, United Kingdom

- ***Khaled Al-Aboodi –*** CEO, ICD, Kingdom of Saudi Arabia
- ***Eric Kacou –*** Co-Founder and Managing Director, ESPartners, Cote D'Ivoire
- ***Allon Raiz*** – Founder & CEO, Raizcorp, South Africa
- ***Paul Malherbe*** – CEO & Managing Director, AMSCO, South Africa
- ***Jetro Chitereka*** – Risk Management, Afreximbank, Egypt

16h00 **Coffee-Break**

16h30
18h30 **B2B – Pre-arranged Business Meetings**

19h00 **AFIF 2015 Networking Dinner**

PROGRAMME

Wednesday, 25 November 2015

09h00 12h00 **Parallel Session I: Impact Investment in Africa :**

Developing the Impact Investment Sector in Africa

Facilitators:

- ***Tomas Sales*** – Special Advisor, Private Sector (AFIM) Unit, UNDP RSCA, Ethiopia
- ***Priscilla Sani Chimwele*** – Programme Analyst, Private Sector (AFIM) Unit, UNDP RSCA, Ethiopia
- ***Michael Sudarkasa*** – UNDP Consultant, South Africa
- ***Refilwe Mokoena*** – UNDP Consultant, South Africa

09h00 **Parallel Session II: Financing Agriculture & Agribusiness**

Moderator: Arthur Levi – Member of the Executive Committee, EMRC, Belgium

- ***Lina Keyter*** – Managing Director, Agri Academy, South Africa
- ***Franziska Hollmann*** – Director Corporates Africa & Latin America, DEG, Germany
- ***Heike Ruttgers*** – Head of Portfolio Management and Policy Division ACP, EIB, Luxembourg
- ***Nelly Elimbi*** – Technical Assistance Program Manager, Symbiotics, South Africa
- ***Comlan Jean Panti*** – Managing Director, FNM, Benin
- ***Rutger Koopmans*** – CEO, Biomass Feedstock, The Netherlands

10h50 **Coffee-Break**

11h15 **Parallel Session III: Financing Infrastructure and Energy Projects**

Moderator: Arthur Levi – Member of the Executive Committee, EMRC, Belgium

- ***Michael Fischer*** – Director Regional Office Southern Africa, DEG, South Africa
- ***Andre Kruger*** – AVID Programme Manager, NEPAD Business Foundation, South Africa
- ***Paul Boynton*** – CEO, Old Mutual Alternative Investments, South Africa
- ***Vivek Dharni*** – Private Equity & Principal Finance, Mota Engil, South Africa
- ***Tali Levin*** – Impact Projects Developer, Milcom, Belgium

12h45 **Lunch**

14h00 **AFIF Entrepreneurship Award 2015**

Presentation: G20 SME Finance Challenge

- ***Hourn Thy*** – Head of SME Finance Forum, IFC, USA

AFIF Entrepreneurship Award – Introduction:

- ***Pierre Van Hedel*** – MD, Rabobank Foundation, The Netherlands
- ***Idit Miller*** – VP & MD, EMRC, Belgium

AFIF Entrepreneurship Award – Project Pitching:

- ***Adewumi Owolabi*** – Managing Director, Aerobic Integrated Concepts, Nigeria
- ***Mary Cherop Maritim*** – Managing Director, Cherubet Company Ltd, Kenya
- ***Wachira Kariuki*** – Managing Director, Classic Foods Ltd, Kenya
- ***Lazaro Mwakipesile*** – General Manager, Raphael Group Ltd, Tanzania – WINNER

15h15 **Coffee-Break**

15h45 18h45 **B2B – Pre-arranged Business Meetings**

19h45 **Gala Evening:** **Presentation of the Entrepreneurship Award 2015 Winner, in the presence of government officials, ambassadors, media & the business community.**

PROGRAMME

Thursday, 26 November 2015

09h00 Plenary Session II – Financing Africa's Healthcare Sector

- Financing Africa's Healthcare Sector: An Introduction to the Dynamic Investment Environment

- ***Steven Adjei*** – Founding Partner, BlueCloud Healthcare, United Kingdom

Panel Discussion: Financing & Strengthening Africa's Private Healthcare Sector: Is there a role for Institutional Investors and multinational companies

Moderator: Barry Kistnasamy – Executive Director, National Institute for Occupational Health/National Cancer, South Africa

- **Eric Soubeiga** – Senior Investment Officer – Health and Education, IFC, South Africa
- ***Elaine Jones*** – Executive Director, Pfizer Ventures, USA
- ***Dorien Mulder*** – Product Development Manager, PharmAccess Foundation, The Netherlands
- ***Patrick Osewe*** – Lead Health Specialist, Southern Africa, World Bank, South Africa

10h30 Coffee-Break

10h45 The AFIF 2015 Pfizer Entrepreneurship Award

Pitching Session by The Innovation Hub:

Moderators:

- ***Les Funtleyder*** – Consulting Partner, BlueCloud and Healthcare Investor, United Kingdom
- ***Tiroyaone S. Mampane*** – Founder & President, Boitekanelo Group, Botswana
- ***Jérôme Koelewijn*** – Board member, Symbid, The Netherlands

Project Pitching:

1. ***Markus Labuschagne*** – Altis Biologics, South Africa
2. ***Dean Hodgskiss*** – Look See Do, South Africa
3. ***Portia Mngomezulu*** – Portia M Skin Solutions, South Africa

11h50 Presentation: Agriculture Impact Investing in Africa

- ***Hywel George*** – Director of Investments, Old Mutual Investment Group, South Africa

12h15 Health Entrepreneurship Award Presentation

12h30 Presentation: Investment policy and investment opportunities in South Africa

Introductions by: Idit Miller – VP & MD, EMRC, Belgium

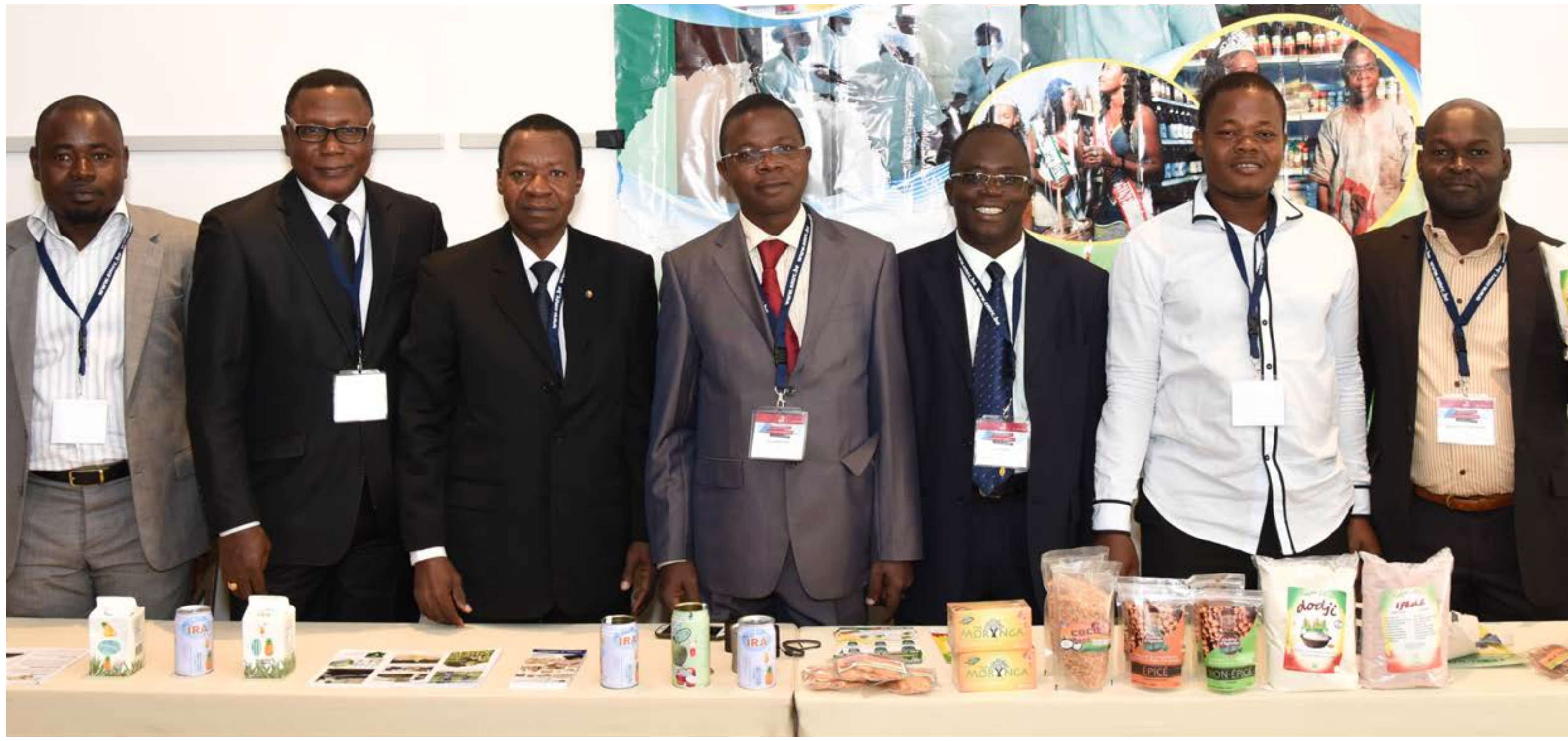
- ***Niki Kruger*** – Chief Director Trade Policy and Negotiations, Ministry of Trade, South Africa
- ***Tim Harris*** – CEO, WESGRO, South Africa

13h00 UNDP – Cape Town Declaration on Impact Investment in Africa

- ***Lebogang Motlana*** – Director, Regional Service Centre for Africa, Ethiopia

13h15 Official Closure Africa Finance & Investment Forum 2015

13h30 Lunch



DAY I

Tuesday, 24 November 2015

Official Opening

Idit Miller, Vice President & Managing Director, EMRC, Belgium

Idit Miller

Idit Miller was the first speaker to address the audience. "It is a great honour for me to welcome you all to this beautiful city of Cape Town. It is an even greater pleasure for me to open the very first AFIF Forum in the history of EMRC to be held on African soil. I would like to thank our sponsors and partners, including specifically the United Nations Development Programme (UNDP) for our deepening partnership. We also have a huge debt of gratitude towards the European Investment Bank, DEG, the Rabobank Foundation, Afreximbank, the Old Mutual Investment Group, Pfizer, the Islamic Corporation for the Development of the Private Sector, as well as the IFC (the World Bank's private sector arm), Bluecloud and Agri Academy".

"This year's Forum will mark several more milestones: One is that we will launch the first **Public-Private Dialogue (PPD) on impact investment in Africa**. The concept of impact investment is increasingly well known: The idea that investors and businesses should not only look at financial returns, but also at the social and environmental impact on local communities of their activities", Miller continued.

"We'll also have a panel discussion and a session on health care in Africa, another first in the Forum, which we are proud to co-organise with Pfizer and BlueCloud".

"Finally, yet another milestone for AFIF: For the first time, we'll have two separate awards. As many of you know, the EMRC-Rabobank Project Incubator Award is becoming an institution, and a recognition of Africa's young and dynamic entrepreneurs. We will now also have a health award, sponsored by Pfizer and which will be announced on the final day of our proceedings".

"Many of us have come here to listen and learn, but many have also come for business. We have worked hard in order to make sure that you, as participants, make the most out of the Forum and that you leave with ideas, discussions and agreements that will soon translate into growth, employment, added value and increased prosperity for the communities in which you work.

"Without further ado, I'd like to invite the director of UNDP to the podium. I wish you a very successful Forum and hope you will enjoy the coming three days of work", she concluded.

Lebogang Motlana, Director, UNDP Regional Service Center for Africa, Ethiopia

Lebogang Motlana

Lebogang Motlana welcomed the delegates: "The United Nations Development Programme is very happy to be a co-sponsor of the 2015 Africa Finance and Investment Forum. As you may be aware, UNDP is working in full alignment with the African Union's Vision 2063, which focuses on transformation, growth, dynamism, progress and partnership. Furthermore, as a central part of the United Nations system, UNDP will also be contributing towards the implementation of the newly adopted set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new UN sustainable development agenda", he continued.

Motlana went on to emphasise the key challenge of financing and creating an enabling environment at all levels for sustainable development. "The recently ended 3rd Financing for Development conference in Addis Adeba noted that investment, innovation and private business activity are major drivers of productivity, inclusive economic growth and job creation. As a result, the conference called on all businesses to apply their creativity and innovation to solving sustainable development challenges, and invited them to engage as full partners in the development process, by investing in areas critical to sustainable development as well as shifting to more sustainable consumption and production patterns", he said.

"Today, UNDP joins this call, and would like to emphasize the role that businesses and investors can play in contributing to inclusive and sustainable development".

Motlana went on to note the key importance of supporting SMEs and meeting their financial needs: "The SME sector is often the largest provider of employment. It is often the only source of income and employment for many, as SMEs tend to employ poor and low income workers. If SMEs are properly integrated into competitive and essential market, they can play a huge role in reducing poverty on the continent and driving inclusive economic growth".

"Businesses can be full partners in development, and that means that businesses should be responsible and innovative by developing inclusive core business models that are financially viable but equally allow participation and benefit communities, especially by integrating SMEs in their supply, distribution and service chains", he continued.

Motlana further outlined the importance of targeted policies favouring SMEs and the development of inclusive business models, and how UNDP has actively promoted innovative strategies for the private sector in development, focusing on the linkage between inclusive growth, inclusive market development and business, as well as innovative finance and investment tools: "A recent contribution, specifically responding to the gap in innovative finance models for Africa, is our report on "Impact investment in Africa: Trends, Constraints and Opportunities."

"Impact investment", Motlana explained, "is a new innovative capital deployment approach targeting social, environmental and financial returns. It 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 socio-economic needs, and allowing ODA inflows and public spending to address social needs for which there is no viable market-based solution".

"Work with us, and make your investment capital work for the greater good and sustainable profits"

"Today, at AFIF 2015, we would like to initiate a continental discussion on impact investment through the facilitation of a public-private dialogue on the topic. The PPD on Impact Investment in Africa aims to provide a platform through which the public sector, the private sector and other key stakeholders in Africa can discuss, agree and follow up on concrete interventions to catalyze the impact investment sector in Africa, so that it can contribute further towards the achievement of the AU's Agenda 2063 and the recently approved Sustainable Development Goals (SDGs)".

"As we begin this dialogue with you here today, we present, for the first time, the 2015 UNDP report on Impact Investment in Africa. We also bring to you a draft Action Plan on Impact Investment in Africa, which we hope will, after fruitful discussions, contribute and catalyze support for the development of the impact investment sector of Africa", he continued.

Motlana then urged the delegates to join this dialogue: "The guidance and participation of key stakeholders such as yourselves is indispensable for its successful implementation", he emphasised. "While the role of governments and development partners is critical for development, they cannot deliver the required sustainable development results for Africa alone. Broad and practical partnerships, including the private sector, investors and social entrepreneurs, are needed".

"Work with us, and make your investment capital work for the greater good and sustainable profits", he concluded.

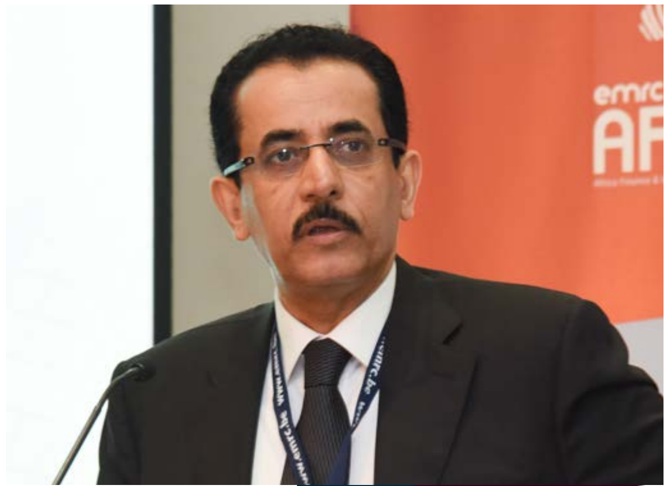
Carmelo Cocuzza

Carmelo Cocuzza, Head of Regional Representation, European Investment Bank, Southern Africa

Next in line was Carmelo Cocuzza, Regional Head of the European Investment Bank based in South Africa. "The EIB was created in 1958. It is owned by the EU member states, and its broader mandate is to finance infrastructure and private sector development. We are one of the largest multilateral IFIs. Most of the EIB's loan funding goes to EU member states, with approximately 10% of its annual lending envelope targeting projects outside the EU. Out of this portion, a significant amount is also going towards funding projects which contribute to the promotion of economic growth in Africa", he explained. "EIB has also set aside a €500 million Impact Financing Envelope for funding high socio-economic impact projects with higher risk profiles in the ACP region".

"The key financing instruments are loans, equity, guarantees and intermediated funding through venture capital funds. We support the private sector through commercial banks, microfinance institutions, and in general we are interested in supporting projects with solid promoters and a large socio economic impact", he concluded.

Khaled Al-Aboodi, CEO, Islamic Corporation for the Development of the Private Sector (ICD), Kingdom of Saudi Arabia



Khaled Al-Aboodi

The final speaker of the opening session was Khaled Al-Aboodi, CEO of the Islamic Corporation for the Development of the Private Sector (ICD, Saudi Arabia). "From the ICD's perspective, business opportunities in Africa are flourishing, and increasingly promising. Our activities across the continent are growing, and sub-Saharan Africa has become one of our key areas of investment, now reaching 25% of our approvals. In the next few years, we want to increase our footprint, always using Islamic finance principles as the guiding pillar of our approach to finance and banking. So far, ICD has accumulated assets of over US$53 billion in 54 countries around the world", he explained.

"Our achievements are related to the use of Islamic finance products. The adoption of Islamic finance products has gained significant traction in recent years, including in the African context".

UNDP-AUC EVENT

UNDP-AUC Event

Public-Private Dialogue (PPD) on Impact Investment in Africa

Mapping the Road to Developing Africa's Investment Sector

Following the official opening session, the Forum's participants went straight to work, with an in-depth public-private dialogue session on impact investment in Africa. The dialogue was moderated by Michael Sudarkasa, CEO of the Africa Business Group.

Moderator: Michael Sudarkasa, CEO, Africa Business Group, South Africa

"We have a very illustrious group of panellists to discuss impact investment here today", Sudarkasa started. "But before we start, I'd like to briefly recap a few key milestones of impact investment. Impact investment has become a new tool in development finance around the world over the past decade or so, starting in 2004. By 2009, the concept was sufficiently advanced to have a set of agreed global standard, called IRIS (Impact Reporting and Investment Standards). A series of reports, notably by investment bank JP Morgan, predicted that the industry would grow to US$1 trillion by 2020. We still have some way to go before we reach that", Sudarkasa continued.

"In 2011, Dalberg Consulting conducted the first regional study on impact investment in West Africa, followed by a continental report by UNDP in 2015 incorporating updated research and knowledge".

"Now, we're at a point where we need to scale up and ensure that impact investment is leveraged and translated into action on the ground. This is the driver of our dialogue here today", Sudarkasa explained.

In an effort to address constraints around the growth of the impact investment sector in Africa, it has been deemed necessary to support the creation of an Impact Investment in Africa Action Plan, the seven key areas of which we hope our panellists will touch on today, i.e.:

- A coordinating network / body primarily responsible for implementation of the action plan, co-ordination of relevant stakeholders and support to the development of the impact investment sector of Africa;
- A dynamic advocacy and awareness raising programme on impact investment in Africa;
- A strong pipeline of viable impact investees that are able to meet financial, social and/or environmental requirements;
- Enabling policy and regulatory environment in which impact investment can thrive;
- Good practice in impact investment by high capacity, skilled and experienced impact investors;
- Appropriate infrastructure and mechanisms to facilitate impact investment deals;
- Consensus on and broad-based adoption of impact measurement standards and metrics to demonstrate social and environmental returns.

Tomas Sales

Tomas Sales, Special adviser Private Sector (AFIM) Unit, UNDP Regional Service Centre for Africa, Ethiopia

Tomas Sales, through an introductory presentation, reminded the audience what exactly was meant by impact investment: "It refers to investments made into companies, organisations, and investment funds, with the intention to generate measurable social and environmental impact alongside financial returns".

"Impact investment stands somewhat between pure philanthropy and socially responsible investment. It also evolves within a particular 'ecosystem', Sales explained: "This ecosystem includes components such as the regulatory environment, information and data, and support institutions, for example".

"There have been several drivers of impact investment. The crisis of 2008-2009 made it clear that 'traditional' finance was not able to address major social needs. The same is true to pure philanthropy. Other drivers include fast rising GDP growth in several key African markets and lower flows of official development assistance (ODA).

Key challenges include:

- Sourcing viable investments
- Limited innovative fund structures
- Difficulty of existing investment
- Limited supply of capital
- Unclear regulatory environments.

"Please allow me to conclude with a call to action", Sales continued: "Join the working session at this Forum, engage, discuss and pledge commitments, agree on coordination, and participate in drafting the declaration. Impact investors have a key role to play, and the moment in which you can take part in this is right now", he concluded.

The introductory presentation was followed by a lively panel discussion moderated by Michael Sudarkasa.

Panel Discussion

Why is impact investment important for Africa from the perspective of development institutions? Can you give examples of actions that your institution has implemented or is planning to implement to support the growth of the impact investment sector in Africa?

Lebogang Motlana, Director, UNDP Regional Service Center for Africa, Ethiopia

Lebogang Motlana emphasised the fact that impact investment can contribute to the achievement of the SDGs and AU Agenda 2063. Through impact investment, the private sector (both companies and investors) can ensure positive social and environmental returns in addition to their financial returns.

Quoting a UN SDSN 2015 study, Motlana noted that: "In order to deliver on the SDGs, developing countries will need to increase their level of public and private annual expenditures by some US$1.3 trillion. Low income countries, the majority of which are located in Africa, will require US$342-355 billion annually to deliver on the SDGs, but will not meet these huge investment needs with their own domestic resources. Consequently there will be a funding gap of approximately US$130-160 billion for the implementation of the SDGs."

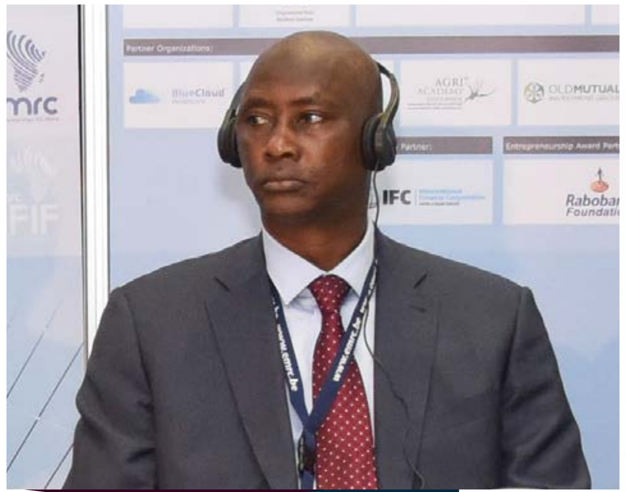
Motlana further noted that there is decreasing availability of direct funding to development institutions like UNDP from traditional donors. There is therefore an urgent need to identify and tap into non-traditional and innovative sources of finance to be able to address the large unmet traditional development needs as well as to implement the SDGs in Africa. The space available for partnerships between the private sector (where the money is) and development institutions (where the expertise for development work is) needs to be explored. Multi-stakeholder partnerships between African governments, the private sector, civil society and development partners must be strengthened.

Lebogang Motlana

In closing his intervention, Motlana noted that UNDP's role and mandate is to bring together different stakeholders to the table, such as the private sector, development institutions, SMEs, local communities and social entrepreneurs for the development of the Impact Investment sector in Africa. In this regard, UNDP:

- Produced a knowledge product on the "Trends, Constraints and Opportunities for Impact Investment in Africa" ;
- Facilitated the first "Public Private Dialogue on Impact Investment in Africa" during the AFIF 2015 with the aim to catalyse the active engagement of key stakeholders to jointly strategize and agree on actionable interventions (through an action plan on impact investment in Africa) for the development of the sector in Africa.

UNDP remains committed to the process and will continue to support the development of the impact investment sector in Africa.



Minister Diatourou Ndiaye

Carmelo Cocuzza

Governments have a unique role to play. From the Senegalese experience, are there key policies that government can implement? How has Senegal approached the issue of PPPs (public-private partnerships) in terms of policies?

Minister Diatourou Ndiaye, Director of Cabinet of the Prime Minister's Office, Republic of Senegal

"From our perspective one of the key things is to put in place a conducive environment and infrastructure. In Senegal, we have started with this process over a decade ago with a framework called the BOT in 2004, revised in 2009-2011 and again in 2015. We have an agency specifically dedicated to developing and implementing PPPs. One of the flagship examples of impact in this regard is the new road linking Dakar's city centre with its new airport. So our PPP framework is well developed".

What is the role of a DFI, and how might the EIB respond to the need in Africa?

Carmelo Cocuzza, Head of Regional Representation, European Investment Bank, Southern Africa

"From the EIB's perspective, the key focus in Africa is private sector development as a means to target poverty alleviation and improved access to financial services for the poor. We seek to target a number of priority sectors. I see the EIB's role as that of a facilitator and a provider of improved access to capital for the private sector. One of the ways in which we are doing this at the moment is through loan intermediation and equity funding to venture capital and impact funds, which have developed tremendously over the past few years".

"We also support SMEs and microfinance institutions and provide direct lending for impact investment, working with other financial intermediaries".

"We need to work together with other DFIs and gather a number of stakeholders and intermediaries within the ecosystem of innovation and impact finance, and spread the workload in terms of providing the appropriate policy framework, on the one hand and developing the adequate financial instruments to target impact investments on the other".

What role can NGOs play in measuring impact?

Ullrich Klins, Southern Africa Trust, Business for Development (B4D), South Africa

Ullrich Klins

"Southern Africa Trust has developed a specific benchmark, with the B4D (Business for Development) tool, to measure inclusive business and measure impact. These tools can be connected to impact assessment. We work with the philanthropic networks and directly with the firms involved to assess impact. We also conduct qualitative research and case studies".

"Our key role is one of facilitating, and we work with all key players: Governments, the private sector and civil society. We conduct regular workshops and look at sectors such as the agro-processing sector, and how smallholder farmers can be integrated into the value chains. We're very much in the field of PP dialogue, but also supplier development programme for the micro-enterprises".

How do we combine financial return with impact, and how do we ensure that impact investment grows further?

Mark Van Wyk

Mark Van Wyk, Head, Infrastructure & Portfolio, Mergence, South Africa

"From a practitioner's perspective, and as a custodian of long-term savings, it's important for us to preserve capital, and generate a return. Impact investment is a great idea, but the investment pipeline, in other words bankable projects and investment opportunities, also need to be there. Here in South Africa, the combination of social impact financial return is written into our national development plan. Sometimes it's more sector specific, and other times it's generic. We need more supporting institutions and organisations, such as social innovation labs, to help us identify, create and develop an investment pipeline. We also need more investors prepared to take risks, such as angel investors. Finally, I believe that for instruments such as social impact bonds, for instances, remittances from overseas could also be harnessed to a great extent".

How can we get the ecosystem to support ventures like Siyafunda?

Zakheni Ngubo

Zakheni Ngubo, Senior Managing Partner, Siyafunda, South Africa

"First of all, we need to secure more funding. Social enterprises are often focused on solving a problem, but are mostly not equipped to approach investors".

"The conditions and requirements of investments also form a great obstacle: They simply do not take into account the challenges entrepreneurs face. We need more capacity development, and more incubators to get there".

Plenary Session I:

Improving Access to Finance for SMEs in Africa

Part 1: Innovative Solutions on Access to Finance in Africa

Pierre Van Hedel, Managing Director, Rabobank Foundation, The Netherlands

Pierre Van Hedel introduced the topic of the session, on Innovative Solutions on Access to Finance in Africa. "Rabobank's roots go back more than one century in the Netherlands, as a bank specifically meant to cater for farmers and their needs. This background provides us with a special understanding for the needs of the agricultural sector, which in Africa still accounts for close to 60% of employment.

"However, Africa is also a continent in motion, and is already well into a period of tremendous change. Within a few decades, its population will have grown from one to two billion people. The economic and social impact of this change is going to be very far-reaching".

Pierre Van Hedel

"Rabobank is firmly entrenched in Africa and will continue to accompany the continent over the coming decades. We support SACCOs (Savings, credit and cooperatives), and also provide donations, loans, trade and finance guarantees. We provide technical assistance through local experts, Rabobank experts, and external experts".

"Everything we do is focused on helping to feed the world. But there is still a gap between what banks can offer and the needs of smallholder farmers. This led to the creation of the Rabobank Rural Fund", he concluded.

Tor Jansson, Principal Investment Officer, IFC – World Bank, South Africa

"Why do we keep talking about innovative solutions on access to finance in Africa?", Jansson asked rhetorically. "Well, according to research conducted by McKinsey and the IFC, we have around 365 to 445 million micro, small and medium sized enterprises (MSMEs) in emerging markets, out of which 25-30 million are formal SMEs and another 55-70 million are formal micro-enterprises. These businesses account for between 60 and 70% of employment. And yet, currently the funding gap for theses MSMEs is estimated at around US$2 trillion. If we can address this gap, we could make a significant contribution to growth", he said.

IFC is actively supporting the sector through various initiatives. Apart from supporting collateral registries and credit bureaus, we are helping mainstream banks expand lending to SMEs, and have provided US$520 million investment and US$30 million advisory support to 27 banks in 18 countries in sub-Saharan Africa so far. We are also supporting the expansion of specialised SME banks such as Sasfin and Mercantile Bank. IFC is also the founding shareholder of 20 microfinance banks throughout Sub-Saharan Africa".

Tor Jansson

"We are building SMEs through microfinance, starting with simple deposit accounts and gradually introducing SME lending and a broader range of services. Microfinance banks have some in-built strengths, including on-site knowledge of their clients and better reach to populations. Of course they also face challenges, not least the complexity of dealing with heterogeneous SMEs and the mismatch between often young and inexperienced loan officers and their older, more sophisticated clients".

"We are providing significant assistance to microfinance banks by helping set up alternative distribution channels. This takes the form of IFC's collaboration with the MasterCard Foundation to scale up seven MF banks in Senegal, Madagascar, Cameroon, Tanzania, DRC and Rwanda, and a focus on branchless banking through proprietary agent channels with PoS (point of sales) devices".

"One of our key recent achievements was to help a bank in the DRC establish a branch network in the DRC with 500 agents across the country", Jansson concluded.

Elaine Jones, Executive Director, Pfizer Ventures, USA

"Pfizer Ventures was founded in 2004 and its mission is to invest in areas of current or future strategic interest to Pfizer", Jones started.

Elaine Jones

"Pfizer Ventures seeks to remain at the forefront of life science advances, looking to identify and invest in emerging companies that are developing compounds and technologies that have the potential to enhance Pfizer's pipeline and shape the future of our industry".

"We focus on areas in which Pfizer deems strategic, and always invest with other like-minded investors. We exclusively do equity investments, with a very long-term outlook: seven to nine years on average, and we expect to get a significant capital gain", Jones explained. "We strive to own less than 20% of a company. We source deals from abroad through internal groups like our business development organisations and from our network of investors and entrepreneurs. Our only investment in Africa currently was initiated by our emerging markets group here in South Africa. Pfizer Ventures supports innovation in medical and therapeutic areas, and we seek to gain market expertise and expand our networks".

"One of the areas in which we have particular interest is mobile health technologies, and we may directly invest in such ventures in the short to medium term. One of the most relevant aspects here to us is syndication: We do not invest alone and so are always looking for potential partners", she added.

"We are struggling to find experienced teams and co-investors in the emerging markets. It's also critical to have other investors "on the ground", as well as access to experienced legal advice. Our typical lead time is around six months, so we spend a significant amount of time evaluating an investment. Our average investment is between US$3-5 million, often broken into tranches, and where new disbursements are triggered by very clear benchmarks".

Hendrik Jordaan, CEO, One Thousand & One Voices, USA

Next in line was Hendrik Jordaan, CEO of One Thousand & One Voices (1K1V). "One Thousand & One Voices is a private capital fund seeking to combine private equity investment with the intellectual capital, relational capital and patient financial capital, also known as "three-dimensional capital", of some of the world's wealthiest families".

Hendrik Jordaan

"We invest in leading companies in some of the fastest growing regions and industries in sub-Saharan Africa", Jordaan explained. "Most of our portfolio can be described as "patient capital". We typically invest between US$10-40 million at a time, and at the moment our total portfolio in Africa is valued at around US$300 million".

"Our investment model", explained Jordaan, "is designed to provide three-dimensional capital to companies in sub-Saharan Africa that have demonstrated solid growth characteristics. We look primarily at companies with annual earnings greater than US$2 million, which are well established, market leading businesses with sustainable competitive advantages. We also naturally consider that job creation and environmental considerations are of paramount importance", he continued.

"On the African continent, our main target sectors are agribusiness, consumer goods, logistics and manufacturing, but we also explore opportunities in financial services, health care, education, and technology. The initial countries that we have targeted for investment are among sub-Saharan Africa's fastest growing economies, and ones that we believe have positive future economic and political indicators. In this early stage, the bulk of our investments will be anchored in South Africa, Kenya and Nigeria".

Jordaan then provided the audience with the example of one of 1K1V's most recent investment, in RedSun Dried Fruit and Nuts, a processor of high quality raisins in South Africa's Northern Cape Province. The investment is One Thousand & One Voices' first in the agribusiness processing and distribution sector. It is expected to double RedSun's current workforce, and create a significant number of additional jobs, as well as to help position agribusiness as a driver of economic development in an arid part of South Africa.

Kshama Fernandes

Kshama Fernandes, CEO, IFMR Capital, India

The final speaker of the session was Kshama Fernandes of IFMR Capital in India. IFMR Capital is a leading non-banking finance corporation providing the crucial link between debt capital markets and high quality originators who reach the emerging consumer and business owner. "We provide financing to everyone not served by the banks", Fernandes explained.

"There is a whole sector which needs access to finance but cannot get it. IFMR seeks to build a bridge to complete this gap financing need. Our mission is to ensure that every individual and every enterprise has complete access to financial services", she continued.

"Currently, we cover the following asset classes: Microfinance, Affordable Housing Finance, Small Business Loans Finance, Vehicle Finance and Agri Finance. So far, we have done 300 plus capital rated capital markets transactions across 85 financial institutional clients, and raised US$3 billion for the sectors we work in".

"We have significant experience and rely on very precise data, proven and proprietary risk management processes. We ourselves invest in the transactions we finance, so we have skin in the game, and have a zero delinquency rate", Fernandes said. "We deliver superior risk-adjusted returns to a growing client base of Indian and international investors keen to tap into a growing market opportunity".

"We have a huge variety of clients and investments, and have not lost a single dollar to date", Fernandes continued. "There is significant potential for improving access to finance through crowdfunding. This is a function of technology, and millennials who want returns to be aligned with their values. We need to shift the thinking around us that the poor are risky", she concluded.

Plenary Session I:

Improving Access for finance for SMEs in Africa

Part 2: Promoting Entrepreneurship & Strengthening the Capacities of Financial Institutions and Businesses

Khaled Al-Aboodi, CEO, ICD, Kingdom of Saudi Arabia

Khaled Al-Aboodi, CEO of the Islamic Corporation for the Development of the Private Sector (ICD), was the first speaker for this session, with a presentation on the ICD's role in promoting SME finance and entrepreneurship.

ICD is the private sector arm of the Islamic Development Bank (IsDB) Group, a multilateral development financial institution based in Jeddah, Saudi Arabia. It was established in 1999, and is 47% owned by the Islamic Development Bank, 44% by member countries of the IsDB, and 9% by Public Financial Institutions.

Khaled Al-Aboodi

"ICD is a major player in the development and promotion of the private sector as a vehicle for economic, social growth and prosperity in its member countries", Al-Aboodi explained. "Our key strategic objectives are to **support private sector growth** in member countries through financing and advisory services, to develop Islamic finance and capital markets, and to facilitate the growth of the SME sector".

"We are increasingly focusing on Africa and Central Asia, and specifically Sub-Saharan countries offering high growth and investment opportunities. So we are developing our regional expertise across the region", he continued.

"We have started a technical assistance fund in West Africa to support SME private companies in sub-Saharan Africa to grow by helping them prepare sound and 'bankable' feasibility studies, to conduct internal capacity and governance gap analysis and provide recommendations to improve their prospects".

"SMEs at various stages of development face unique financing challenges. Through its vast experience of SME programmes, ICD can offer financing solutions and instruments to meet funding needs of SMEs at every stage of their development: from the start-up phase to the growth and expansion phase. We offer a wide range of Islamic products for SMEs that can be structured through different contracts such as murabahah (trade with declared mark up or cost plus sales contracts), mudaraba (profit sharing agreements), and musharakah (equity participation). The contracts used will depend on objectives, regulatory requirements and market dynamics".

"Typical private equity funds don't want to touch SMEs – and on our side, we try to address this through Islamic finance. Islamic Banking and Finance deserves to be much better understood", Al-Aboodi concluded.

Eric Kacou, Co-Founder and Managing Director, ESPartners, Côte d'Ivoire

"We probably can all agree that Africa has potential. But the key question is how do we transform potential into prosperity?" Kacou started. "We know there is a huge need in West Africa, especially Francophone West Africa, for improved business development services, but also for working capital and small capital expenditure".

"ESPartners is an Intelligent Capital firm focused on deploying the right combination of insight and capital to high-growth entrepreneurs in underserved African countries. We believe in the power of entrepreneurs to enable prosperity. Yet entrepreneurs in Africa face a vicious cycle keeping their businesses underskilled, undercapitalized and vulnerable. We exist to help these entrepreneurs grow", Kacou explained.

Eric Kacou

Our vision is to foster prosperity through high-growth entrepreneurship. In order to reach that vision, we want to deploy intelligent capital, the right combination of insights and investments to enable growth of high-impact entrepreneurs."

"We do this by running a variety of entrepreneurial competition and supporting incubators and accelerators to enable early stage development. We work directly with firms as strategic advisors to help them grow their businesses. We facilitate the raising of capital by investing directly in high impact ventures", he added.

"We see ourselves as pioneers in underserved areas in Francophone and Portuguese-speaking countries, as well as fragile states and conflict states. We seek to adapt best-practice models to our markets and pilot innovative approaches to address unmet needs".

Jetro Chitereka, Manager - Risk Management, Afreximbank, Egypt

Afreximbank is a Pan-African financial institution, created in 1993, aimed at stimulating economic expansion and diversification, as well as the development of African trade. "We were established under the auspices of the African Development Bank (AfDB) to overcome difficulties faced by African financial institutions during the global economic crisis of the 1980s, by bringing together African and international public and private financial institutions and other investors to promote and develop African trade finance through commercial approaches".

Afreximbank's key objectives are to:

- Promote intra and extra African trade;
- Facilitate value-addition in the continent's primary exports, especially those arising from extractive industries;
- Promote improved access to trade finance in Africa as well as facilitating transparency and efficiency in the conduct of Africa's commodity markets;
- Facilitate the creation of capacity among Africans on matters of international trade negotiations and trade finance.

Jetro Chitereka

Selected products and initiatives include:

The Intra–African Trade Facilitation Programme (INTRAFAP), which seeks to promote trade, economic cooperation and regional integration in the African continent;

The Construction/Tourism-Linked Relay Facility (CONTOUR) , which seeks to support the development of tourism infrastructure by financing construction of first class hotels across the continent;

The Export Development Finance Programme (EDP), through which Afreximbank leverages certain bilateral and multilateral market access opportunities such as the African Growth and Opportunity Act (AGOA), the EU-ACP Accords, and similar initiatives involving Africa and India and Africa and China;

The Special Risk Programme, which includes the Country Risk Guarantee as an Investment Guarantee Facility;

The Africa Cocoa Initiative (AFRICOIN), which is part of the Bank's Enterprise development programme to hasten the pace of industrialization of the continent.

"We collaborate very closely with African Central banks, as well as with African governments to boost intra-African trade. We also work with international financial institutions, export credit agencies and development finance institutions, using syndications as a risk-sharing instrument to leverage international trade and project financing into the continent. In the last few years, total syndicated loans arranged or co-arranged by the Bank amounted to about US$30 billion", Jetro continued.

Examples of Afreximbank's most recent deals include:

- A US$500 million trade promotion programme in **Egypt;**
- A EUR 35 million revolving pre-export facility for the procurement of cocoa beans for export in **Cote d'Ivoire;**
- A US$300 million syndicated term loan facility in **Gabon's** agribusiness sector;
- A US$663 million trade facility for **Nigeria** for the acquisition of an oil mining lease
- A US$50 million revolving import facility for a fertilizer manufacturer in **Zambia.**

Paul Malherbe, CEO and MD, AMSCO, South Africa

Next in line was Paul Malherbe, of AMSCO. "The African growth story is real enough, but we also face a number of constraints: In fragile states and low-income countries, the top two constraints are electricity and access to finance. In middle-income countries, the key constraints are skills shortages and labour regulations", he started.

"Let me give you three key numbers:

- The funding gap for the private sector in Africa is estimated at US$100 billion;
- Investment flows into Africa last in 2014 reached US$285 billion;
- The losses that Africa suffers due to stealing amount to US$548 billion."

"As you can gather for yourselves, the investment flows we receive on the continent don't come close to covering what we lose to theft and outflows", Malherbe continued.

Malherbe then provoked the audience with some challenging statements. "Business models are a waste of paper – even when they're good, banks in most instances simply don't have the skills and knowledge to handle them and interpret them. We have seen commercial funding institutions who don't know how to assess what's in front of them".

"What, therefore, is needed? I don't necessarily believe that educating the youth is going to be enough, there simply are not enough jobs for them to go to. And by 2025, 49% of tertiary education will be outdated by the time students get their degree. We need to think much harder about youth entrepreneurship".

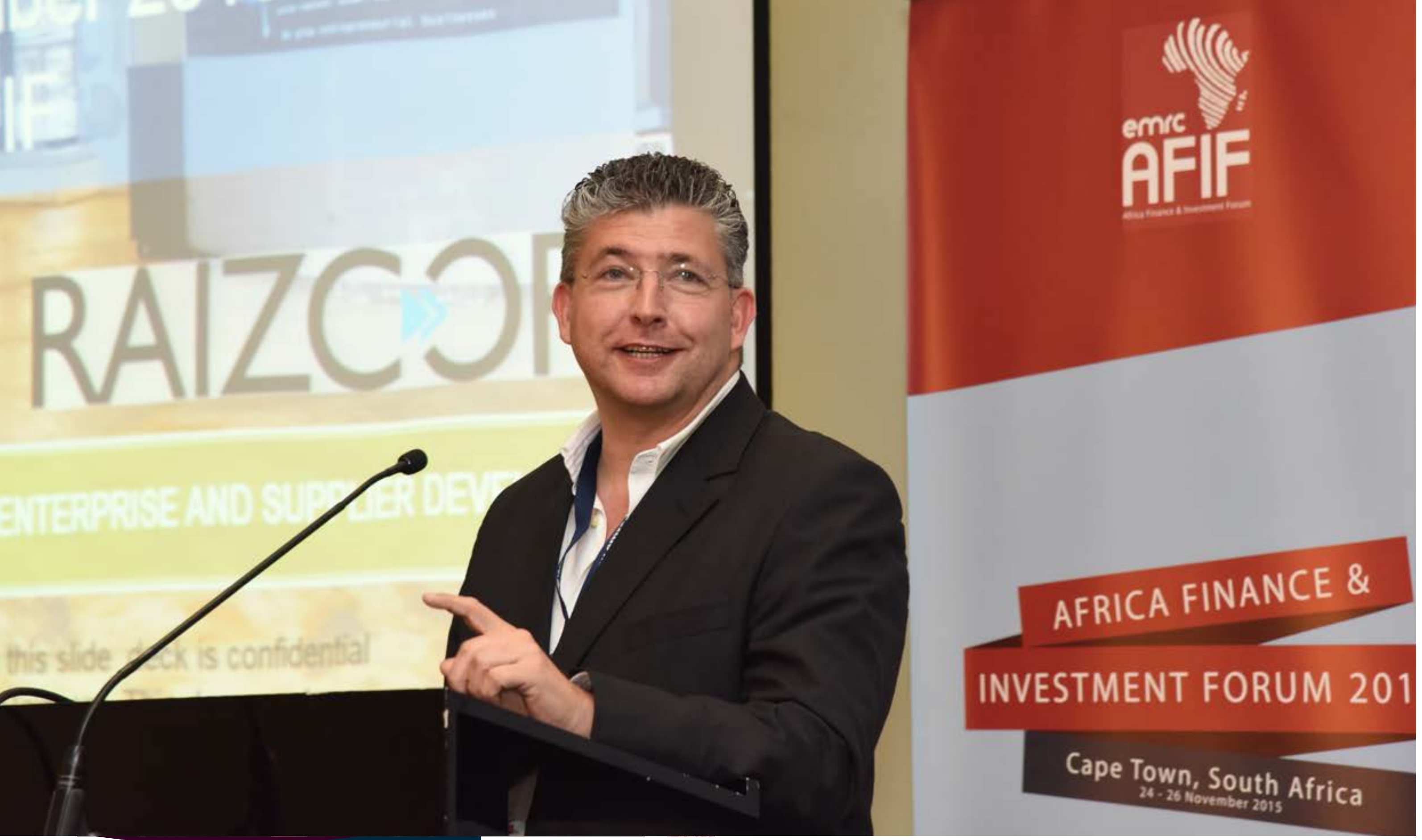
Paul Malherbe

"So what is AMSCO doing about this? We provide integrated human capital solutions to achieve economic growth of enterprises, communities and society in 29 countries across the African continent".

"We place international and regional experts in senior management positions; design and coordinate training programmes; recruit international, local and diaspora experts and skilled managers; and implement government or donor-funded projects with development partners", Malherbe explained.

"Our focus areas are agriculture and agri-business, financial inclusion, inclusive business, and conflict affected states and fragile states. We embrace technology, and develop broader skills to address management gaps, mitigate risks and improve operations".

"Skilled management changes the destiny of business", he continued. "Our experience shows that properly managed businesses attract better funding, and outperform their peers by a factor of three to one in terms of profit. We also need many more women in management positions and on the boards of companies, in leadership positions. We cannot fix a continent in which half the population is excluded", he concluded.



Allon Raiz

Allon Raiz, Founder & CEO, Raizcorp, South Africa

The final speaker of the session was Allon Raiz, founder of Raizcorp. "I have a confession to make", he started. "I am an impostor – I know nothing about finance. So I am here to talk to you about something else altogether: About how to connect entrepreneurs on the African continent to better lives".

"I agree with Paul Malherbe's assessment of business plans. From my point of view, they're overrated. They all look the same and all have the same failure rate. Please allow me to share a personal story with you: At the age of 23, I was living on the streets of Durban, here in South Africa. Eventually, I managed to get a job and started a newspaper. I met a billionaire who told me he'd help me with anything. I started a catering company, but failed miserably after six months. I was embarrassed and defeated, but then, something amazing happened: The billionaire said to me that he'd still back me, but with people rather than money".

"That became the story of Raizcorp. We look for entrepreneurs. We don't look at business plans. We created a unique, world-renowned model of business incubation. Currently we have 130 staff members and eight incubators across South Africa and Angola, supporting 500+ businesses".

We developed stringent selection processes for our different programmes because we believe that quality trumps quantity, and that the selection of a smaller number of top quality beneficiaries will result in a stronger, more positive local impact. We need to change our mindset about quantity, because it won't help if we keep looking for the next Starbucks. Being obsessed with creating a massive operation may cause us to miss the opportunity to create many small businesses that each end up creating 20 jobs in many places", he explained.

"We designed our programmes in such a way to reduce the beneficiaries' level of dependence on the programme over time, thereby creating truly empowered beneficiaries. For instance, we use **guiding, rather than mentoring,** as an engagement methodology. Whereas mentoring makes use of telling and doing, guiding assists entrepreneurs to identify options and their consequences, allowing the entrepreneurs to then choose a direction and implement it themselves", Raiz explained.

"All our programmes are designed with sustainability in mind: this also means that we avoid focusing on getting immediate short term results, because too often, quick wins ultimately result in no medium-term sustainability. If the medium-term result is that the business closes down and all the newly-employed become unemployed, there is no point, and often in such cases, the entrepreneur loses confidence to try again, and the net result for the local ecosystem is negative", he continued.

We provide entrepreneurs with the following key ingredients:

- Access to infrastructure;
- Back office support (books, accounting…);
- Entrepreneurial learning;
- Guiding (5 types of guides;)
- Access to markets;
- Access to Finance;
- Access to Specialists;
- "Raizcorp magic".

One of the great dimensions of any incubator is that they foster resilience: Considering the fact that 96% of businesses don't survive their first 10 years, working in a cohort environment with others is of huge help, because entrepreneurs who are battling are pulled through by the others", Allon continued.

"As a final thought: We so often have the wrong sort of conversations around the topic of entrepreneurship in Africa. For example, I often hear about how lack of funding is the issue. But it is not enough to say "banks don't want to finance me". You need to have a product or service that the **market wants.** In fact, entrepreneurs need only to get two things right: Their model needs to be constructed along market-related principles, and they need to have a mental paradigm that says "I can!", he concluded.

DAY II

Wednesday, 25 November 2015

Special Session on Impact Investment – UNDP

The special session on strengthening the ecosystem for impact investment in Africa followed the plenary PPD session of the previous day, and was aimed at discussing the Draft Impact Investment in Africa Action Plan.

The draft content of a complementary declaration document to the action plan was also discussed.

Facilitators:

- **Tomas Sales, Special advisor, Private sector AFIM unit, UNDP RSCA**
- **Priscilla Sani Chimwele, Programme Analyst, Private sector AFIM unit, UNDP RSCA**
- **Michael Sudarkasa, UNDP Consultant**
- **Refilwe Mokoena, UNDP Consultant**

Tomas Sales introduced the special session with a presentation of the action plan. "Today's session is the product of a 2-year consultation process, which included investors, social entrepreneurs, and other key players". The sections of the Action Plan were presented in detail and overall feedback and inputs solicited from conference delegates.

The delegates were split into several smaller working groups under the following themes and sections of the Action Plan:

- Working Group on Impact Investment network/convening organ to carry the Action Plan forward
- Working Group on Strengthening the Pipeline of Viable Impact Investments
- Working Group on Creating an Enabling Policy & Regulatory Environment
- Working Group on Strengthening Impact Investor Skill and Practice
- Working Group on Strengthening Impact Measurement Practice

Each of the Working Groups then discussed the following questions related to the Group's theme:

- Which of the activities of this section of the draft Action Plan need to be refined and how?
- What additional key activities are missing from this section of the draft Action Plan?
- Which institutions are required to take the lead in implementing these activities?
- Who is already working in the area and what resources can you commit to it?
- What are the appropriate indicators for successful implementation of these activities?

The aim of the discussions was to devise suggestions on how to improve the Action Plan and to secure for example the commitments of resources, responsibility etc. from delegates on specific activities.

Key quotes from delegates included:

"Let us link this to what's going on globally. We're too focused on what's happening only on the African continent. There's a lot of initiatives happening around the world that are relevant to us".

"Development Finance Institutions need to be far more involved in this discussion: Over 50% of capital for impact investment comes from the DFIs. But they need to be more involved".

"Let's not get stuck around labels like "social enterprise". There are multiple stakeholders and that will drive the way in which we define concepts".

"We need to have a good debate on concepts: Some social enterprises which would be benefiting from impact investment are actually shying away from that definition. In India, they are just entrepreneurs. In some places, such as Kenya, for instance, it's seen as entirely a foreign label".

"Let's be very specific on things like policies. Talking about tax breaks and other generic policies is not sufficient, we need to be extremely specific".

Key Conclusions
from the Working Groups

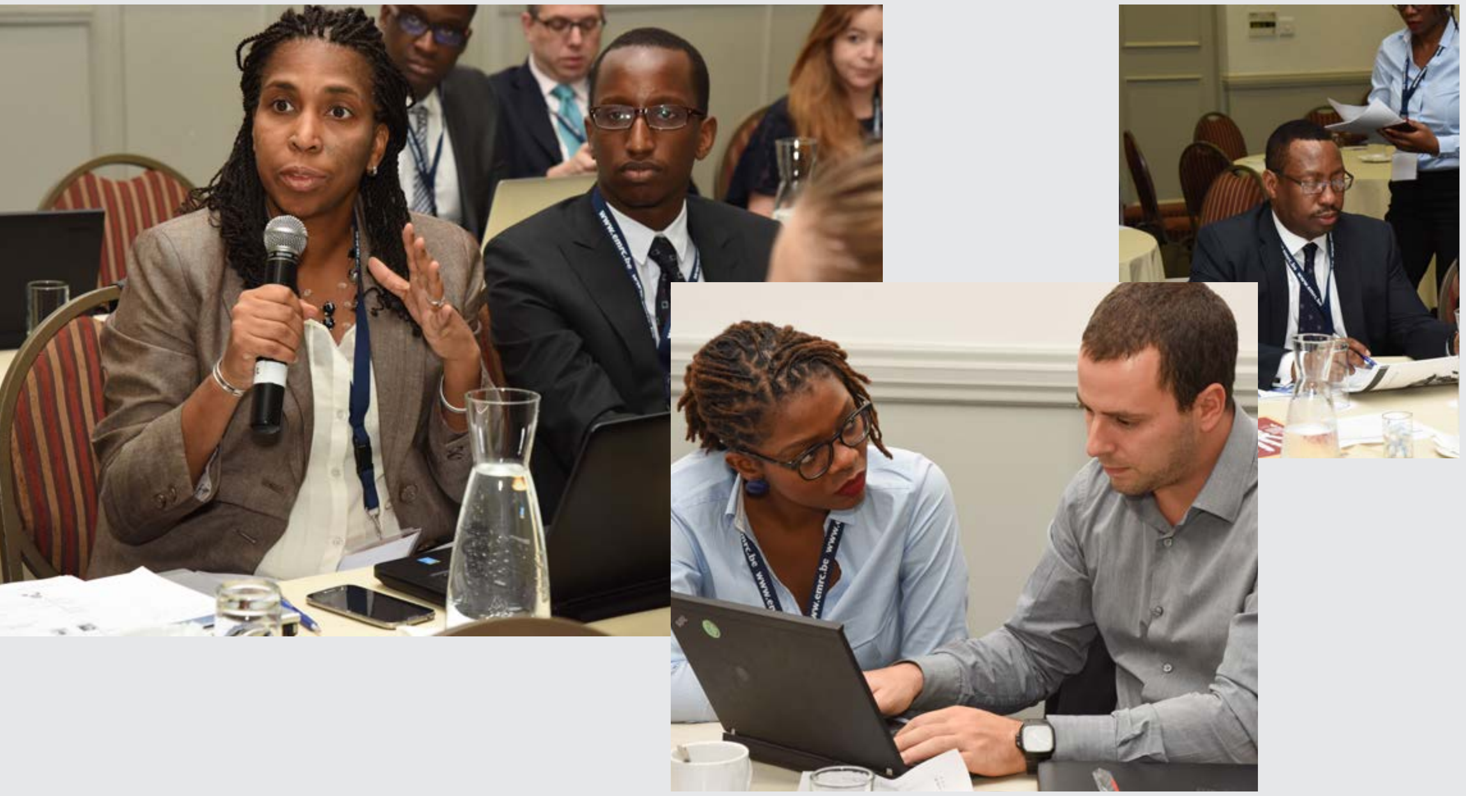
WORKING GROUP 1:

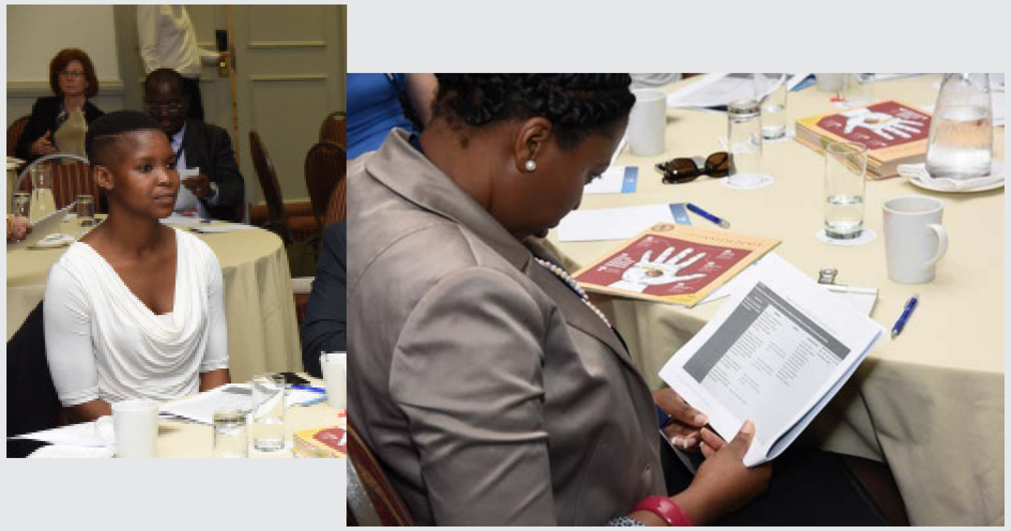
Working Group on Impact Investment Network / **Convening Body to Carry the Action Plan Forward**

- It was suggested that there be a general focus on leveraging activities and presence of pre-existing institutions rather than creating an entirely separate entity. Organisations such as the AU (African Union) and AfDB (African Development Bank) could be key resources in the future. Either entity should serve, at least in the interim, as a key "anchoring" institution for Impact Investment. The upcoming conferences and events in early 2016 (notably the next African Heads of State summit in Addis Ababa) could provide an important opportunity to make contact with the AfDB and cement this initiative within the AU.
- It was also recommended that regional networks of entities can also be extremely useful as an entry point to ensure an inclusive and "bottom up" approach, but it would be valuable to consider best practice from the rest of the world and create linkages. A Steering Group could drive that process.
- A special request from UNDP was to create a TV series about impact investment on the continent. UNDP and Bloomberg would collaborate, and increase the visibility and awareness of the concept and its outcomes around the continent.
- The suggested timeline was to have a network/convening organ established by the end of December 2016

WORKING GROUP 2:
Strengthening the Pipeline of Viable Impact Investments

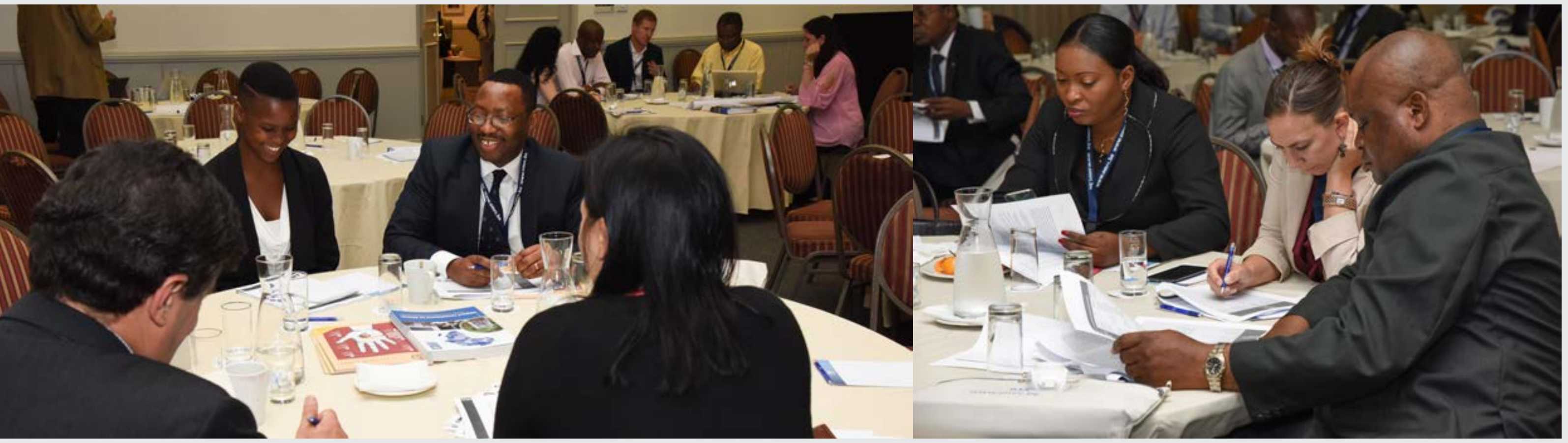
- As entrepreneurs and their businesses have very different needs at each stage of development, discussions highlighted that it is important to ensure that business development support services are readily available and tailored to meet the specific needs of businesses at each stage of their development. There is a big gap in the availability of services at the early stages of development in particular.
- It was also recommended that the impact investment industry consider establishing standards of practice for "quality" incubators. This would include defining a set of standards against which performance of incubators can be measured, and capacitating incubators to meet these standards for instance through the provision of technical assistance. Finally it was also recommended that a certification body be established to monitor and assess the quality of these incubators.
- A key outstanding step identified was to build on existing work to map the ecosystem of incubators and social enterprises in Africa. In future, a country-level analysis will be needed.
- Delegates present in the Working Session that volunteered to contribute towards this section of the Action Plan included: Intellecap, the Impact Hub, Soros Economic Development Fund and Dream Venture. Other key institutions recommended to participate in and lead these activities included ANDE (Aspen Network of Development Entrepreneurs) which already partly serves as a network for incubators.
- Suggested indicators to measure performance in this section of the Action Plan included: Number of enterprises; number of sustainable incubators; and number of regional bodies that adopt the above practices.





WORKING GROUP 3:
Creating an Enabling Policy & Regulatory Environment

- As a guiding principle, it was suggested that efforts to develop a regulatory and policy environment conducive to impact investment should build on the current UNDP report to build the business case for impact investment. This business case (including statistics and specific case studies to inform policy making e.g. x policy intervention could unlock y amounts of capital) should be targeted at the relevant government officials or policymakers. Initial suggestion was to explore the possibility of using available COMESA (Common Market for East and Southern Africa) country case studies as a potential information source for a sample of country-level baseline studies.
- This process of engagement would then include advocacy, education and clear 'guidelines' on the role, timeframes and means of intervention governments should have. Any agreed-upon actions of this Action Plan would then be integrated into policies and strategies that exist at e.g. regional levels – such as the SADC industrialisation strategy.
- While the impact investment network/convening organ would target specific government departments and champions, it was suggested that it would be important to continue to encourage and support existing efforts of governments to improve broader business / operating environments to include the specific need for well-functioning financial sectors.
- Include examples of specific mechanisms in the Action Plan, such as tax incentives, infrastructure spend, catalytic capital, unclaimed life policies, pension funds and state-owned enterprises (with pension funds) that could encourage impact investment. Also specify in the Action Plan that champions to drive enabling policy within government should be at the equivalent of National Treasury level.
- In parallel, efforts should be encouraged that unlock local forms of capital that would reduce the requirements for impact investing – such as land reform where some countries are exploring policies that enable people to borrow against land.
- Suggested indicators to measure performance in this section of the Action Plan would need to be informed by the advocacy activities of the impact investment network / convening organ. In the long term these indicators would be based on the outcomes of policies, interventions etc. and in the short term (the next 5 years) indicators should focus on policy changes.
- Delegates present in the Working Session that volunteered to contribute towards this section of the Action Plan included: GreaterCapital, COMESA and Bertha Centre for Social Innovation & Entrepreneurship. Other recommended contributors included: Trademark, Open Capital, Dalberg, Intellecap and Equity Bank.



WORKING GROUP 4:
Strengthening Impact Investor Skill and Practice

- Discussions revealed that there are a number of institutions and organisations that can be leveraged to enhance skills and knowledge of impact investors:
  - The GIIN fund manager training, which offers specialized impact investment training for fund managers through a variety of courses that help fund managers build applied skills to successfully attract, deploy, and manage capital;
  - The ANDE investment manager training programme;
  - The Financing for development course of the World Bank (run through Coursera);
  - The University of Cape Town's Business School Executive education course on impact investing for fund managers;
  - Universities and business schools across the continent can be further encouraged to develop and offer such fund management courses as part of their MBA programmes
- Beyond formal courses and training, it was suggested that technical assistance for first time fund managers in impact investing should be made available
- There is a need to develop the sector's market intelligence through targeted research. For instance, discussions highlighted that the impact investment industry has seen a strong focus on the supply-side of impact investment in general, as well as in Africa, for example the sub-regional impact investment studies commissioned by the GIIN (Global Impact Investing Network). Therefore key gaps that exist include comprehensive country-level knowledge on the demand for impact investing as well as the availability and standard of incubation and other business development services.
- It was recommended that research be conducted to profile and understand the available models, structures, and instruments that are currently being used for the purpose of impact investment. This would include an analysis of their relative performance, to determine which have worked, which have not and the reasons informing their relative performance.
- Stock exchange platforms should be considered carefully with special emphasis on capacity building and efforts to prepare enterprises to list on these exchanges. Consideration should be given to existing platform examples, such as the Impact Exchange on the Stock Exchange of Mauritius.
- Delegates present in the Working Session that volunteered to contribute towards this section of the Action Plan included: the Bertha Centre for Social Innovation & Entrepreneurship, the European Investment Bank and the Global Alliance for Improved Nutrition. Other suggested institutions to participate and/or lead in these activities included: AMSCO (African Management Services Company), other development finance institutions, as well as the Rockefeller and Mastercard Foundations.

WORKING GROUP 5:
Strengthening Impact Measurement Practice

- The discussion focused on key areas needing clarification, including the mapping of existing impact measurement tools, frameworks and practices relevant to the impact investment sector; co-ordination of efforts to measure and report on impact and transparency of results and approaches used.
- It was also highlighted that environmental impact needs to be emphasized more.
- As a first step, key stakeholders involved in impact measurement such as the GIIN (Global impact Investing Network), WBCSD (World Business Council on Sustainable Development), Ted London, Abraaj Group etc., Intellecap and the GIIRS (Global impact Investing Reporting Standards) were identified for their current efforts in the sector, and it was later emphasized that they should be included in the efforts of the Action Plan.
- It was suggested that following and building on the initial mapping exercise, there is a need for standardization of approaches to impact measurement, and possibly considering narrowing down measurement tools by sector. It was also noted that Social enterprises should input into the development of tools and share their best practice experience of measuring impact. It was also suggested that the needs and priorities of governments be integrated into these standards.
- Discussions also considered which impact assessment(s) would be most useful and relevant and whether the industry should adopt a general impact measurement tool or one that is sector-specific. The discussion concluded that both a general and sector-specific tools could be relevant and that more stakeholders from the impact measurement field would need to be included in the Action Plan implementation as it progresses.
- A lack of data and information on the status quo of impact measurement was identified as a serious problem. It was suggested that a pilot involving 20 companies be conducted in order to understand and document impact measurement practice and gather relevant data. This pilot would be led by or at least include the participation of impact measurement experts.

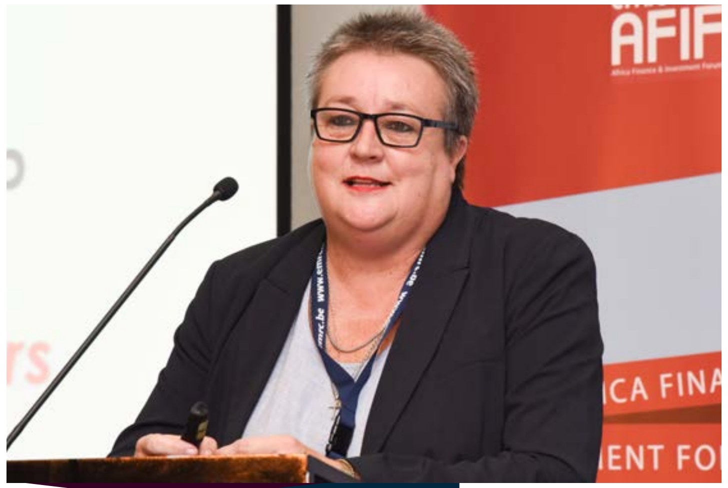
Each Working Group presented the above feedback to the Working Session's plenary group. The draft Cape Town Declaration on Impact Investment was shared and following these presentations and then feedback on its content solicited from conference delegates.**The final Declaration was then ratified during the AFIF 2015 Closing Ceremony.**

Parallel Session II:

Financing Agriculture and Agribusiness

Lina Keyter, Managing Director, Agri Academy, South Africa

Lina Keyter was the first speaker to intervene at this session, with a presentation on the topic of financing agriculture and agribusiness. "The Agri Academy (SAAA) is a non-profit company (South Africa's version of a social enterprise) providing training, capacity building, cluster development, business advice, and strategic market linkages to the small holder farmers in the agricultural sector. We have been in existence for 15 years and have built local and international partnerships. Agri Academy is the voice of small holder farmers", she explained.



Lina Keyter

Keyter proceeded to explain Agri Academy's footprint and impact through a number of examples of successful farmers in several provinces of South Africa.

"One of the key aspects of our approach is the cluster methodology. By grouping smallholder farmers into clusters per product, farming operations can benefit from aggregation and economies of scale. This helps to reduce transaction costs and contributes to farming operation's economic sustainability, Keyter continued.

"A cluster refers to a group of small holder farmers who collaborate as buyers of farming inputs and as and sellers of produce".

Keyter then provided a number of examples of successful clusters developed by Agri Academy over the past decade:

- The Friemersheim Honey Cluster in Mossel Bay
- The Free State Poultry Cluster
- The Grasp Cluster in Limpopo
- The Fairhills Cluster in Rawsonville
- The Ericaville farming Cluster in Plettenberg bay
- The Forest lodge vegetable farming Cluster In Mpumalanga.

"Our ultimate strategic goal is always to create a positive economic impact, foster lifelong learning and provide emerging agricultural entrepreneurs with an opportunity to gain business experience through internships", she concluded.

Franziska Hollmann, Director Corporates, Africa & Latin America, DEG, Germany

Franziska Hollmann

Franziska Hollmann, from DEG (German Development Finance Institution) was next in line and highlighted the scope of DEG activities, mentioning that the institution promotes business initiatives in developing and emerging market countries contributing to sustainable growth and the improvement of living conditions of local populations. To this end, DEG makes long-term financing and provides advice services to private enterprises investing in these countries.

"We invest in undertakings in all sectors of the economy, including the agribusiness sector. DEG uses almost exclusively its own funds rather than funds from the German Federal Government budget. We pay particular attention to ensuring that our investments generate positive development impacts in our partner countries. DEG thus contributes to the Millennium Development Goals, which are a joint commitment of industrial and developing countries to tackle poverty in a sustainable manner".

"DEG has developed an extensive experience in agribusiness over the past 50 years. We believe that private investment in agribusiness plays a crucial developmental role, especially when local resources and value chains can be leveraged".

"We invest in agribusiness companies that grow and process agricultural products for the domestic or foreign markets, and have specialized in the production, processing and distribution of agricultural and forestry raw materials. A decisive yardstick for our commitment is compliance with international environmental standards, particularly for production enterprises in the primary sector. We provide long-term finance, with average loan periods of six to ten years.

"Africa has been one of our focal regions for many decades, particularly in sub-Saharan Africa. We have a portfolio of EUR 900 million and have committed around EUR 561 million for investments in Africa over the past two years", she concluded.

Heike Ruttgers, Head of Portfolio Management and Policy Division ACP, EIB, Luxembourg

"The European Investment Bank is the largest multilateral bank in the world. We are a non-profit, policy-driven EU bank, playing an integral role as an instrument of EU development policy. We focus primarily on private sector development and aim for high socio-economic impact".

"While we focus specifically on lending within the European Union, we committed EUR 1.2 billion in lending to ACP countries in 2014".

Heike Ruttgers

Agriculture is a pillar of the Africa-EU Joint strategy, which calls for increased investments in agriculture to support food security, food safety and quality. This includes specifically to:

- Facilitate **access to agricultural finance** with the goal of boosting environmental and social resilience, food security and nutrition;
- Provide support to **value chain development** by removing bottlenecks caused by limited access to finance, especially long-term finance
- Consider **re-enforcement** potential between agricultural finance and investments with relevant linkages to rural areas (e.g. rural infrastructure, broadband development).

"The EIB acknowledges the reinforcement between agricultural finance and investments and follows a holistic approach in analysing investments in agri-food-fish-forest-value chains. Our major screening criteria for supporting projects include the following:

- **Socially-inclusive** and **environmentally** sustainable projects;
- Role in securing a more stable access to food in the respective country;
- Adoption of **good agricultural practices** in order to, e.g., avoid soil erosion/degradation and improper water management;
- **Sector experience** of the promoter;
- Feasibility and profitability under **realistic assumptions;**
- **Marketing strategy** of the promoter;
- Process of **land right transfer,** if any.

Rutggers then outlined a number of successful examples of EIB in Mauritius and Malawi, and two major projects currently being developed: The Senegal River Valley Rice project, a €16 million agri-food company in the Senegal River Valley, in which the promoter follows a socially responsible investment approach to guarantee the project's long-term success and has developed a comprehensive social plan, and a EUR 20 million forestry development project in Mozambique's Nampula and Niassa provinces.

"Further value chain projects earmarked for the next few years include the rice sector in Benin, cocoa in Côte d'Ivoire, cashew nuts in Burkina Faso and vanilla in Madagascar", she concluded.

Nelly Elimbi, Technical Assistance Program Manager, Symbiotics, South Africa

"Symbiotics is a leading investment company dedicated to inclusive and sustainable finance in emerging and frontier markets.

"We specialize in emerging, sustainable and inclusive finance and offer market research, investment advisory and asset management services. We are headquartered in Geneva, with offices in Cape Town, London, Zurich, Mexico City and Singapore with a staff of over 80 professionals. Since 2004, Symbiotics has invested over US$2.4 billion in more than 275 microfinance institutions in 50 emerging countries, working with more than 28 investment funds and many institutional investors".

"We are a global leader in microfinance investment and SME impact investment services and have so far funded over one million micro, small and medium-sized enterprises, thereby indirectly supporting the access to capital and financial services to over four million people from low-income households", she continued.

"We see microfinance as emerging, sustainable and inclusive finance for micro, small and medium enterprises and low-income households. By investing in microfinance, we invest in the democratization of access to capital. By broadening and deepening the access to capital, microfinance institutions finance an array of activities at the bottom of the pyramid, which constitute impact investing themes. Symbiotics is driven by four core themes:

- **Food:** Microfinance supports rural activities, farmlands and livestock, agribusiness, food processing and small distribution.
- **Homes:** Microfinance supports housing and access to property, home constructions and refurbishments, as well as small local infrastructure.
- **Jobs:** Microfinance supports employment and entrepreneurship. Our clients' investments reach out today to 849,719 micro, small and medium enterprises and support the employment of over 4 million people in 49 emerging economies.
- **Energy:** Microfinance supports technology transfer, development and distribution at the bottom of the pyramid, in particular in relation to energy efficiency, renewable energy and clean technology.

Nelly Elimbi

"Our REGMIFA facility, dedicated to sub-Saharan Africa, involves 79 capacity building projects for EUR 5.7 million, with an outreach of 40 financial institutions in 18 countries and over 2,000 staff of partner institutions trained".

Elimbi concluded her intervention by providing some details of Symbiotics projects in Cameroon and Senegal.

Comlan Jean Panti

Rutger Koopmans

Comlan Jean Panti, Managing Director, FNM, Benin

"The Fonds National de la Microfinance (National Microfinance Fund) is Benin's key microfinance support institution. Our beginnings go back to 2006, when President Boni Yayi made a strategic policy choice to turn microfinance into a strategic tool in the field of development and the fight against poverty", Panti started.

"When the FNM was established in 2006, the Government's aim was mainly to put in place an appropriate regulatory framework for financial tools aimed at the country's most vulnerable people", he continued.

"The FNM's mission is to strengthen the financial and operational capacity of microfinance institutions, in order to increase the accessibility of all financial products and services needed for the growth and development activities. We have three main areas of intervention:

- Refinancing and implementation of credit lines;
- Capacity building and institutional support;
- Securing loans and interest rate subsidies.

The FNM's intervention approach is essentially based on providing incentives. The resources mobilized by FNM are available to professional institutions who comply with Benin's objectives, as well as best practice in the microfinance industry.

Rutger Koopmans, CEO, Biomass Feedstock, The Netherlands

Rutger Koopmans was the final speaker in this session, with a presentation on the sustainable mass cultivation of high caloric biomass woodchips.

"There is a global pressure to reduce global CO2 emissions and carbon footprints, and a growing number of countries are setting concrete CO2 reduction targets. As a result, there is a demand for high caloric, carbon neutral woodchip, which is expected to keep on increasing for many years. There is enormous potential provided by fast growing, high yield trees providing such woodchips. Our company, Biomass Feedstock, produces such high caloric, CO2 neutral woodchips from fast growing, high yield Pauwlonia Elongata trees", Koopmans explained.

We are focusing specifically on the market potential in several West Africa countries (Sierra Leone, Cote d'Ivoire and Ghana), where a number of conducive conditions are currently driving the market: Welcoming local authorities, good climate and soil conditions, fast growing economies and strong local demand, support from the World Bank and the IFC, and relative proximity to our core markets (Europe and Africa). On a broader level, our growth is driven by investor's interest in green impact investment opportunities and strong potential returns.

"Biomass woodchips are not only suitable for energy production and local demand, but also for alternative buyers in the paper, pulp & packaging industry and construction".

Biomass feedstock is a true impact investment, and value creation, sustainability and social impact are in our DNA", Koopmans concluded.

Parallel Session III:

Financing Infrastructure and Energy Projects

Michael Fischer, Director Regional Office Southern Africa, DEG, South Africa

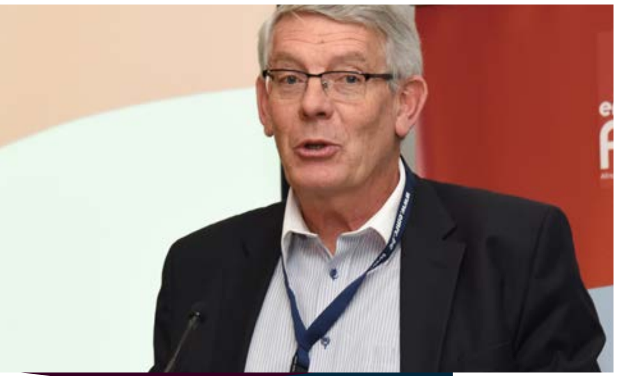
Michael Fischer

Michael Fischer provided a brief overview of DEG, Germany's key development finance institution: "Africa has been one of DEG's focal regions for the last 53 years, particularly sub-Saharan Africa. We invest in sustainable private sector projects around the continent, and we currently have about EUR 2 billion worth of investments on the continent in the form of finance or equity, in 28 countries around the continent".

"Infrastructure and energy projects are one of our key focus sectors, because the foundation for continued growth in developing countries is a working infrastructure. However, urgently needed investments in infrastructure often exceed the scope of state finance. So we provide direct loans and venture capital to facilitate reliable access to long-term capital for companies investing in Africa. Moreover, we provide funds at market-orientated conditions to African banks and investment companies to safeguard finance for investment projects of local companies".

Within the infrastructure sector, DEG focuses on electricity generation and distribution, telecommunications, as well as water supply and waste water management.

"It is crucial for African entrepreneurs to be part of an event like AFIF and be connected to investors from all over the world. Africa is a growing continent with growing needs. From our perspective, the future remains bright, despite the commodities crisis and other challenges. We believe that the financial services sector will be a key player in driving growth and development, and we are here to support that process", he concluded.



Andre Kruger

Andre Kruger, AVID Programme Manager, NEPAD Business Foundation, South Africa

Andre Kruger gave a presentation on NEPAD Business Foundation's role in financing water infrastructure.

"Let me briefly give you an outline of NEPAD Business Foundation: the NBF was originally formed as the NEPAD Business Group in June 2002.

"NBF's mission is to promote sustainable social and economic development in Africa through private sector-led initiatives that partner with governments and other stakeholders. We provide critical linkages between public and private sector with the intention of accelerating development projects, programmes and initiatives from inception to implementation for the prosperity of Africa.

NBF recently launched a new programme, the Africa Investment and Integration Desk (AVID), to generate a pipeline of projects for financiers and private sector as new business opportunities in all sectors, including: infrastructure, agriculture, water and services in the African Continent.

AVID supports development projects financiers' strategies as follows:

- Coordinate financiers (including DFIs, Private Equity Capital, Export Credit Insurance Providers, etc.), builders and operators of infrastructure, to develop a compelling end-to-end approach to projects opportunities in the African continent;
- Provide private sector companies and financiers with a forum to form consortiums/alliances/ syndication to work on opportunities in the African continent;
- Support Financiers' investments in African countries by linking them to African investment opportunities across the sectors of Infrastructure, Energy, Agriculture and Water.

"We used blended finance, in other words, the strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets.
"Why involve the private sector in the water industry?" Kruger asked. There are a number of reasons:

- Utilities lack capacity to integrate good technical planning with a long term capital planning;
- They suffer from inefficient cost and risk management, where the private sector can provide assistance and capacity, and
- Inadequate maintenance / performance.

NBF is currently working on existing and future operations in Cote d'Ivoire, South Africa, Egypt, Rwanda and Zambia.

Paul Boynt, CEO, Old Mutual Alternative Investments, South Africa

Old Mutual is one of the African continent's largest asset managers and financial services providers.

Paul Boynt

Catering to 17 million customers in Africa, Europe, the Americas and Asia, it provides investment, savings, life assurance, asset management, banking insurance services.

"Old Mutual began in Cape Town in 1845 as South Africa's first mutual life insurance company, offering financial security in uncertain times. Today, 170 years on, we build on this heritage of trust and accountability by meeting a broad range of our retail and commercial customers' financial services needs at each stage of their lives. We take a long view, aiming ultimately to enable a positive future for all our stakeholders. We have been listed on the London and Johannesburg stock exchanges since 1999".

"Our aim is to build a financial services champion in Africa".

"Old Mutual Alternative Investments, which is part of the Old Mutual Group, is based in Cape Town. We have approximately US$5 billion of assets under management, almost equally divided into three main areas of investment: Infrastructure, Private Equity and Impact Investment", Boynton explained.

We employ around 130 employees within our division. Africa represents an extraordinary investment opportunity over the next decade or two. The listed markets in Africa are still undeveloped, so looking at unlisted companies represents a very opportunistic way of leveraging this potential".

"Our aim is to build a financial services champion in Africa"

"We have just completed a buy-out of our historical equity partner and are now a fully owned independent unit of Old Mutual. OM Alternative Investments was started 15 years ago and has grown substantially over the years. We now have three offices on the continent, in Cape Town, Lagos, and Nairobi".

"We plan to come to market in 2016 with a new pan-African fund. We're very optimistic for the future of the business".

"What is particularly exciting about AFIF is its truly pan-African outlook, with an excellent focus on all regions."

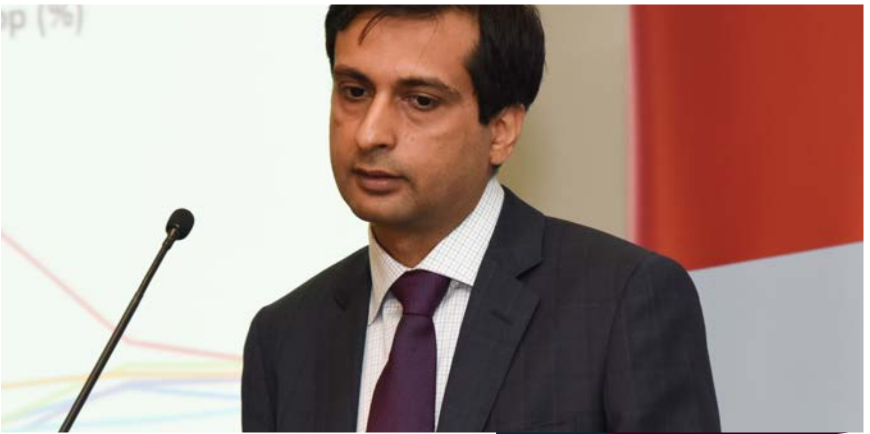
Vivek Dharni, Private Equity & Principal Finance, Mota Engil, South Africa

Vivek Dharni gave a presentation on the mitigation of structural issues in project finance.

Mota-Engil is a diversified and multinational business group based in Portugal, with know-how throughout the entire value chain of construction and infrastructure management and a very significant and long-standing presence in Africa.

"Raising debt and equity capital for infrastructure development remains challenging in Africa", Dharni started. "In 2003-2013 over 5,000 infrastructure projects were financed worldwide with total debt of US$2 trillion, yet sub-Saharan Africa accounted only for 3% of that amount.

"Africa's annual infrastructure needs are currently estimated at around US$93 billion, but only US$45 billion of that amount is invested annually. One of the main reasons for this gap is that low or non-existent sovereign credit ratings undermine Africa's ability to raise finance for infrastructure", Dharni explained. Mota Engil plays a significant role in creating and rehabilitating infrastructure on the African continent. In Mozambique, for instance, it is rehabilitating the Nacala corridor,



Vivek Dharni

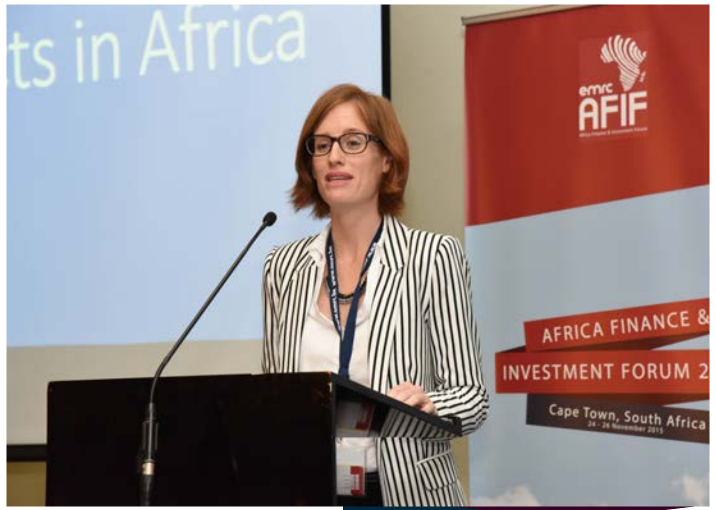
linking landlocked Malawi to the Indian Ocean. "We are creating an extended gateway facility that not only is able to consolidate/deconsolidate in/outbound cargo, with modal shift facilities and a cluster of value added activities, but also that houses all governmental and private services deemed necessary for export/import, all within a bonded area with direct link to a deep water port".

"Another project is located in the Tete Province in Mozambique, consisting of the construction of a new bridge, as well as the rehabilitation, operation and maintenance of 260 km of roads under a tolled concession agreement for 30 years".

"The infrastructure gap in Africa is an opportunity", Dharma continued. In our experience, raising debt and equity capital for infrastructure development is possible by:

- Detailed and thorough project planning
- The proper identification of risk and the counterparties of such risks
- Applying right mitigation measures
- Local knowledge and experience
- Long standing relations with key local players as well as international finance providers active in the region.

Tali Levin, Impact Projects Developer, Milcom, Belgium



Tali Levin

Tali Levin was the final speaker of this session. "Based in Belgium, Milcom develops and initiates Impact Projects in Africa", she explained. "We are active in the fields of water, agriculture and energy. We work with technology partners and integrate full solutions to ensure our customer's satisfaction and the success of our projects".

"In direct accordance with the principles of impact investing, our IMPACT projects are designed to have **a real impact** on people, the economy and/or the environment".

"We look for impact, sustainability, benefit to communities, as well as the environment. We ensure that all stakeholders are synchronised and work on the basis of defined timetables.

"Our projects focus on:

- Water infrastructure – transportation of water to people and fields
- Water treatment and purification – health and sanitation
- Protected crop production (greenhouses and tunnels) – food security
- Aquaculture – high protein nutrition
- Poultry – egg layer, broiler – food security.

One example of a project where Tali Levin worked is the Welkait sugar farm in Northern Ethiopia. It is a 300 ha plantation, where Levin designed, engineered and implemented a complex irrigation system using innovative irrigation technologies. The project has a long-term beneficial impact for its surrounding communities, is environmentally sustainable and has a clear timeline.

"We are engaged in all the project stages: from the design to all necessary equipment supplied to the installation of all irrigation system components – supply stations, filtration, field figures, sprinkler systems, command & control and electric panels."

"In Africa there are numerous challenges to ensure reliable water supply for agricultural and other uses. Our approach, which places impact at the centre of any project we undertake, delivers convincing results in terms of social, environmental and economic benefits. The key is to ensure end-to-end solutions from design to implementation, have full accountability on any project and provide continuous support", she concluded.

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ENTREPRENEURSHIP AWARD 2015

Special Presentation SME Finance Forum G-20
Hourn Thy, Head of SME Finance Forum, IFC, USA

The SME Finance Forum was initiated by G-20 countries and is managed by the IFC as a collaborative platform for the exchange of knowledge, the promotion of good practices in SME finance-related matters.

The Forum brings together financial institutions, technology companies and development finance institutions to share knowledge, spur innovation and promote growth of SMEs.

The finance forum works to expand access to finance for SMEs. It operates a global membership network that brings together financial institutions, technology companies and development finance institutions to foster the development of SMEs.

OUR KEY SELECTION CRITERIA ARE:

Innovation:	Leverage:	Social and Economic Impact:	Sustainability and Soundness:
Entrants are required to propose a systemic and/or transformational solution that is not now widely applied but which has demonstrated potential for unlocking large-scale private financing for SMEs.	Proposed solutions are supposed to maximize the leverage of scarce public resources in catalysing private finance.	Proposals are required to demonstrate a track record with measurable and impact on access to finance, as demonstrated by results from pilot or other empirical testing.	Proposals are required to credibly demonstrate potential for scaling and sustainability over the long-term after public support is phased out.

Entrepreneurship Award Presentations

Adewumi Owolabi, Aerobic – Integrated Concepts Limited, Nigeria

Aerobic Integrated Concepts produces and distributes pelleted (organic) fertilizer of chicken waste. The company's turnover was EUR 900,000 in 2014.

Adewumi, the founder, is a crop physiologist by trade.

"Our goal is to pioneer a new frontier in the production, processing, packaging and distribution of pelleted fertilizers of poultry manure in West Africa, and to establish value chains for poultry waste in order to leverage the economic, agricultural and environmental potential associated with organic waste" he explained.

Our product helps to improve crop yields, shelf life and profits, so it has a clear impact on the improvement of agriculture in Nigeria, not to mention the environmental benefit of using organic produce.

"We currently produce 5,000 tonnes annually. We are not indebted, and we have made significant profits in 2015. Our income is rising very fast, with sales reaching almost EURO1 million in 2014.

"We see excellent market potential, as the raw material is almost free. The current market for organic fertilizer stands at an estimated US$100 million, of which over 80% is imported. We can supply a growing proportion of that market in the near future".

Mary Cherop Maritim, Cherubet Company Ltd, Kenya

"What inspired me to start my business", Cherop Maritim explained, "was the challenges that working women go through every day: providing nutritious foods for their families".

"I started with very little money or knowledge in business and basically started my business in my kitchen, selling small portions of cooked grain-based meals in sealed plastic packaging to neighbours and friends."

"Soon, demand pushed me out of my kitchen to the veranda – a bigger borrowed pan and some old firewood stove", she continued.

"Why food grains? Because they have high nutritional value, because grains are relatively inexpensive and because maize and beans are common to every community. The real challenge is that they take lots of time and energy to cook".

"Today, my company's income is growing very fast. I now employ 23 women, and get supplies from local farmers that are contracted to supply us with grains, empowering them as well. My greatest pride is that my sister, who is recently divorced, supported her daughter through university thanks to our business".

"Cherubet now has sales of over US$100,000 per year and supplies all the major retailers in Kenya, including Nakumatt and Uchumi supermarkets. We plan to expand next year by purchasing boiling equipment and improving our packaging. My business changed my life, it has given me confidence, independence, and above all, it has enabled me to make decisions for myself", she concluded.

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ENTREPRENEURSHIP AWARD 2015

Adewumi Owolabi | Lazaro Patrick Mwapesile | Wachira Kariuki | Mary Cherop Maritim

Raphael Group
was selected as the winner of the 2015 edition

Wachira Kariuki, Managing Director, Classic Foods Ltd, Kenya

“Classic Foods is a food processing and distribution business based in Nairobi, Kenya. Our range of products includes pasteurized milk, yoghurt, maize flour, real fruit juice, honey, tomato sauce and animal feeds”.

“Our products symbolize quality and progress in the food industry. Each product comes with the classic guarantee of superior quality and taste. Each product is passed through stringent quality control procedures to meet international standards. A team of well-trained staff carries out quality controls. We take the initiative of training the farmers on mechanisms of maintaining the best output.

“Almost a decade ago I started to buy raw milk from farmers, and sell it on to supermarkets. But I became frustrated at being a middleman, so in 2009, I took out a loan, leased an old facility and started processing the milk myself”.

“Today we are involved in processing a wide range of products, including pasteurised milk, yogurt, maize flour, honey, tomato sauce, juices and animal feeds. Over the next decade, we intend to build a US$100 million business”.

“The potential in the food industry is unlimited because people will never stop eating,”

“Classic Foods products are available across Kenya from supermarkets to remote rural areas. In 2011, we established Enhance Business Solutions as a non-profit arm of the company to offer support to farmers in terms of best practice and climate change mitigation. EBS has already trained over 20,000 farmers in the cultivation of various crops, including fruits, which are used by Classic Foods to make juices. And we plan to train 100,000 more over the next five years to ensure constant supply of the raw materials needed for our expansion”, he concluded.

Lazaro Patrick Mwapesile, General Manager, Raphael Group Ltd, Tanzania

“Raphael Group was established in 1995 and became fully registered in 2010. We are located at Uyole, in the south western part of Tanzania near the Zambian border. We have two shareholders and 25 permanent employees”.

“Our average annual turnover is US$6 million. We want to be a leading food processing and trading company nationally and regionally.

“Through a complete value chain, the company procures, processes, sells and distributes rice, beans, groundnuts and sunflower cooking oil. However, our business is dynamic and flexible with changing market demands. One of our proudest achievements are the Farmer Business Schools we set up in four Mbeya districts. Through this set up, a total of 458 farmers have been trained and graduated”.

We intend to increase our local market share from 1.8% to 3.6% and gain regional market share by at least 0.5% on the company’s traded food products by the year 2020. We also want to impact 26,500 smallholder farmers’ livelihood through contract farming of paddy, beans and sunflower by the year 2020, and double our revenue and profits by then”.

Raphael Group was selected as the winner of the 2015 edition of the Entrepreneurship Award. The announcement was made during the Gala Evening on the 25th November 2015.

DAY III

Thursday, 26 November 2015

Plenary Session II:

Financing Africa's Health Sector

Steven Adjei, Founding Partner, BlueCloud Healthcare, UK

Steven Adjei

Steven Adjei opened the session with a brief introduction of the topic and of BlueCloud Healthcare.

"Healthcare funding remains woefully inadequate. According to IFC estimates, around US$25-30 billion in new investments would be required to meet demand for medical care through 2016-2017", he started.

Africa's key health care challenges are:

- **Upgrading the continent's physical and knowledge assets:** 650,000 beds, 90,000 physicians, 500,000 nurses and 300,000 community health workers are needed;
- **Too little expenditure:** Despite the Abuja summit in 2001, where African countries promised to commit 15% of their annual budget to improving the health sector, only Rwanda and South Africa have achieved this target, while 19 others have either stagnated or regressed. Average health expenditure is only 6.2 % of GDP;
- **Worst health outcomes in the world:** Africa's population accounts for 11% of the world total but accounts for only 3% of global health expenditure, just 1.5% of the world's health professionals and 25% of the world's disease burden;
- **Out of pocket expenditure** forms 85% of private spending in health care, and constitutes a massive drain on household budgets.

"Healthcare is still very politicised. It is also run by doctors and nurses who are not business people by trade. This does not attract investors", Adjei explained.

"However, with a fast growing middle class, Africa's health sector is bound to expand very fast over the next decades. At the moment, very little foreign direct investment is channelled towards health care in Africa. We want to change that. Africa's disease burden is changing fast, with chronic non-communicable diseases approaching a third of the total disease burden. In addition, better governance, improved regulatory environments and the increasing availability of capital are contributing to improve prospects".

"We need to move away from western-style models and change the way in which health care is provided, and this is where BlueCloud Health care will play a role. BlueCloud is one of Africa's first healthcare-specific incubator firms. We facilitate investment by scouring for "latent" projects, in other words businesses that can be upgraded to investment status".

"In 2016, we expect to start a new US$50 million health care fund to invest between US$500,000 and US$10 million in the 'missing middle' health care businesses".

"Our intention is to hold equity or debt over periods of four to seven years with an expectation of 15-20% return".

Panel Discussion

Financing & Strengthening Africa's Private Health Care Sector:

Is There a Role for Institutional Investors and Multinational Companies?

Patrick Osewe, Lead Health Specialist, Southern Africa, World Bank, South Africa

Dorien Mulder, Product Development Manager, Pharm-Access Foundation, The Netherlands

Elaine Jones, Executive Director, Pfizer Ventures, USA

Eric Soubeiga, Senior Investment Officer, Health and Education, IFC, South Africa

Patrick Osewe: “The World Bank is currently establishing a fund of between US$500 million to US$1 billion as a rapid response for future epidemics. Following the recent experience with Ebola in Sierra Leone, Liberia and Guinea, we believe this will enable us to respond much more efficiently, anywhere in the world. We are also looking at similar approaches to respond to the epidemic of non-communicable diseases in emerging countries”.

Dorien Mulder: “PharmAccess works on both the demand and supply side to increase investments in health with the view that the private sector can play in complementing public health care sectors. On the demand side we develop low cost insurance systems. On the supply side we raise investments in health infrastructure”.

Elaine Jones: “Pfizer Ventures Investments makes equity investments in young life science companies. We target primarily drug development in non-communicable diseases and areas of innovation”.

Eric Soubeiga: “IFC invests around US$1,7 billion in developing the health sector around the world, of which 25% is in Africa. We invest specifically in health services, life sciences (manufacturing, distribution and retail) and risk pooling (health insurance schemes)”.

What are the challenges, lessons learnt in accessing private sector funding, that you can share with us ?

Dorien Mulder: “We extend our loans working with commercial banks. We bring small SME health care providers to the banks. There are lots of challenges of course. SMEs lack collateral and business skills. Doctors also often don’t trust banks. At the moment we work with nine banks in several countries (Tanzania, Ghana, Nigeria, Kenya and others). That also creates a huge opportunity and enables us to attract private capital”.

“We not only attract capital at the level of the loan to the healthcare provider, but also at fund level, combining private and public money, to provide risk capital for the sector to grow”.

“By attracting private money, the public sector can use its limited resources to focus on its core tasks. Governments in Africa increasingly recognise that the private sector can play an important and positive role in improving healthcare on the continent”.

WhatshouldAfricanhealthbusinessdotobeinabetterpositiontoattractinvestmentandcapital?

Eric Soubeiga: “Building a scalable health care industry in Africa requires a multiple tier approach. There isn’t enough money – we need US$25 to 30 billion, but even if you threw that money into the system tomorrow, you would not be able to absorb it – there are simply not enough human resources, not enough healthcare professionals. Also, doctors are not trained to run a business of course. There are issues with the technical capacity to acquire and use equipment that is worth millions of dollars. IFC tries to tackle these questions, on the financing side, as well as on the technical side. We also look at policy aspects of healthcare”.

How about support to SMEs ?

Eric Soubeiga: “IFC has a direct investment programme (debt or equity) and we also have an indirect funding programme in which we invest through banks or equity funds (Abraaj, based in Nairobi) and the Investment Fund for Health in Africa”.

What are the major trends taking place in African healthcare at the moment ?

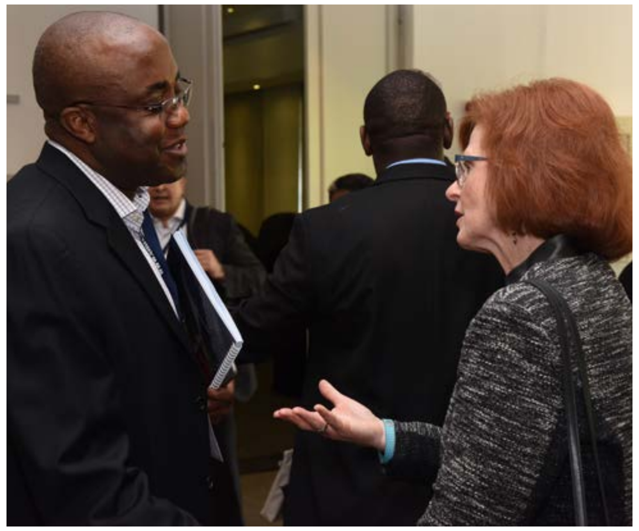
Patrick Osewe: “The continent is changing, in the past healthcare was provided by government. Over the last few years, many governments have introduced health financing through national insurance schemes. In South Africa for example, the planned introduction of a National Health Insurance system will change the dynamics of how South Africans get health care. We see similar movements in Kenya and other countries. The World Bank provides around US$10 billion per year to this sector, but also indirectly through other investments in sectors such as mining and resources”.

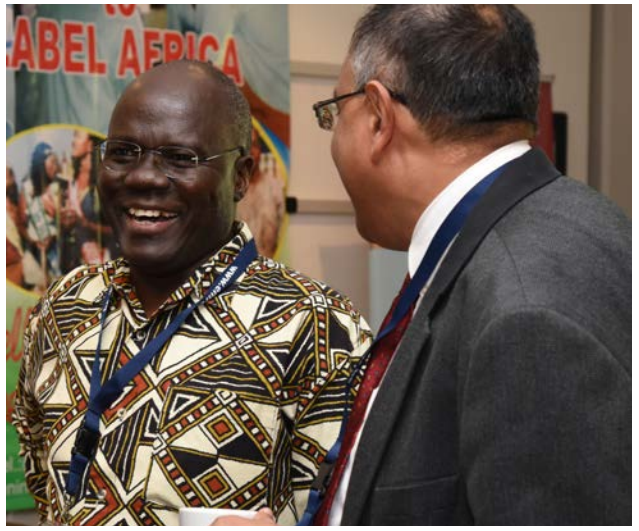
“So what are the opportunities? In many African countries, the focus has long been on infectious diseases, to the detriment of non-communicable diseases. We need far more investment in targeting non-communicable diseases, as well as support services to the healthcare system, such as emergency services and trauma centres, for example”.

“We have also seen, with the recent Ebola crisis in West Africa, just how weak some of the healthcare systems are. As the World Bank, we are setting up a fund to address this type of crisis in a more efficient manner”.

HowdoesPfizerseekoutopportunitiesintheSMEcategory,andwhatdotheSMEsyouinvestin look like ?

Elaine Jones: “We still have very finite resources and there is also a huge demand for investors. As Pfizer we are constantly looking outside our four walls for new strategies and new approaches. The Ventures group focuses on small entities, and we are looking at young companies that have new ideas that just need time to test their ideas and see if they work. Issues such as lack of access to funding, experienced management teams, and robust exits (such as limited access to capital markets), while at a different scale, are actually quite similar in Europe and North America as they are in Africa. So, we share many of the same generic issues you have here in Africa.





AFIF Pfizer ENTREPRENEURSHIP AWARD 2015

Markus Labuschagne, Altis Biologics, South Africa

Altis Biologics (Pty) Ltd is a company specializing in the research and development of osteogenic biomaterials for use in skeletal regeneration therapies.

The technological basis underlying Altis Osteogenic Bone Matrix (OBM) are the bone morphogenetic proteins (BMPs), a family of growth factors capable of inducing new bone formation commencing shortly after implantation into human recipients. Altis has also developed an injectable delivery system based entirely on bone matrix. "Fractures or pathologies don't always heal very well. Until recently, patients' most common option was basically an autograft, or an allograft. Now, a new option exists, by which the body's stem cells are induced to reproduce bone", Labuschagne explained.

Our product, OBM trauma, is a revolutionary new bone filler used to treat bone voids. OBM-trauma is a naturally derived bone morphogenic protein complex bound to an engineered collagenous bone matrix that allows instant rehydration into an injectable composite intended for the restoration of bone voids. "This is an African product – and I really want to tell you next year that we have increased our success". **Altis Biologics was selected as the winner of the first edition of the AFIF 2015 Pfizer Entrepreneurship Award.**

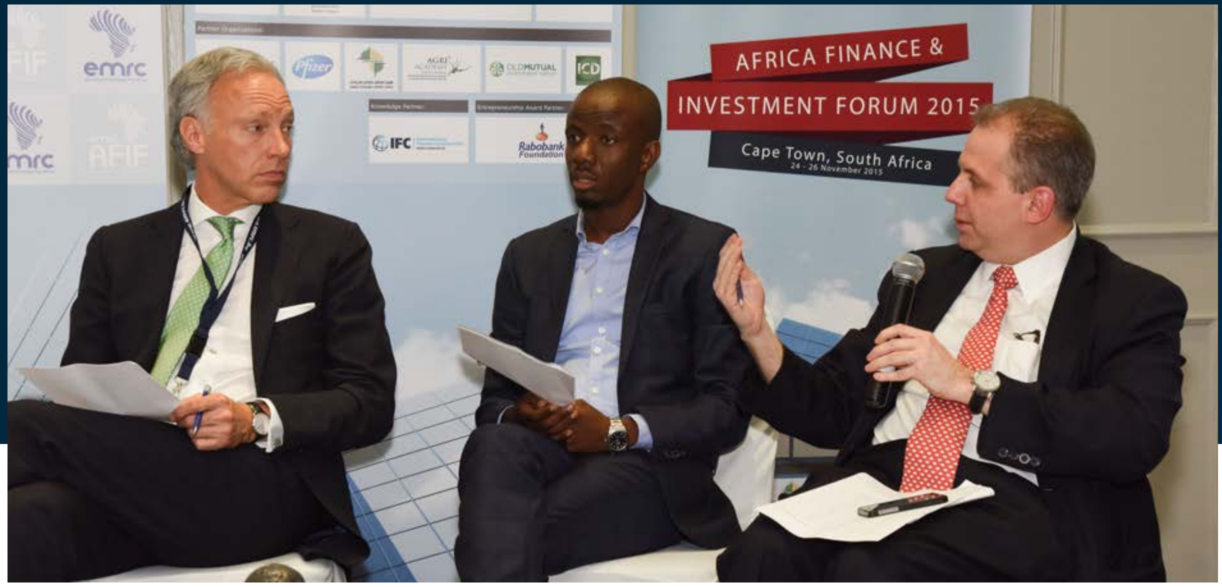
Dean Hodgkiss, Look See Do, South Africa

Look See Do is based in Johannesburg, South Africa and was incorporated in 2010. "Our core experience is medical equipment maintenance. The current maintenance model on the African continent is not working: Indeed, about 40% of equipment is not used because of maintenance. This is due to a shortage of skilled operators and technicians, and the high cost of maintaining equipment", Hodgkiss told the audience.

"Look See Do wants to change this through an app, which would introduce a novel communication technology with instant messaging, video, photo and live annotation, and 3D model manipulation and annotation. Let me give you an example. A physical maintenance call-out to Angola would typically cost around US$10,000, with a 2-week delay and result in hundreds of patients not being treated and loss of revenue of over US$100,000".

"With our app, that same maintenance cost would amount to between US$500 and US$1,000, and the maintenance would actually take place immediately. Additional services include distance learning and spare parts delivery", he explained."Our value proposition is that our app introduces very significant efficiencies and cost savings, on the job training and lower entry barriers for new markets. We are rolling out 4 pilots, 3 in Southern Africa and one in East Africa, and looking at revenue of US$450,000 by 2018 and a 40% net margin".

THE JURY



Portia Mngomezulu, Portia M-Skin solutions, South Africa

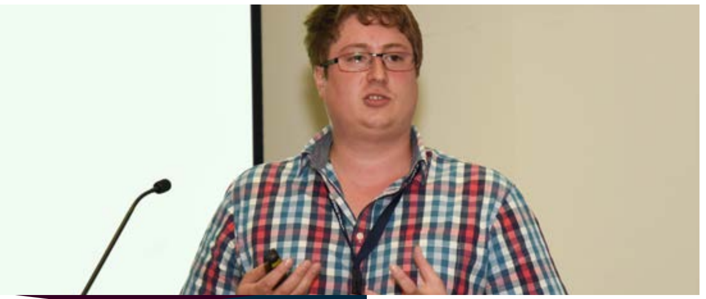
Portia M is a proudly South African skin care brand based in Pretoria, South Africa. The company employs four permanent staff and 12 contractors."Our skin care products are manufactured using the ancient Marula oil as our primary ingredient. Marula oil is rich in omega 3, 6 and 9 fatty acids that hydrate, nourish and moisturize the skin. Our products are especially formulated for uneven skin tone, stretch marks, dehydrated skin and blemishes", Mngomezulu explained.

"We currently sell our products through major retailers in the country such as Makro, Pick n Pay and selected Alphapharmacies and private pharmacies. We want to become a leading skin care and cosmetics brand in Southern Africa, Africa and the world at large, specializing in quality skin care with African based ingredients, and we want to give every African the confidence to take pride in their skin under the African sun by providing them with healthy quality skin care".

"Our key target markets are females aged 18-65, males aged 18-45 and pregnant women. We are competing in a US$110 million industry in South Africa alone. Our main competitors are Bio Oil, Nivea and L'Oreal".

"We plan to get 1% (1.5 million people) market share by year ending 2016 and getting young people from high schools, universities and colleges to identify with our brand".

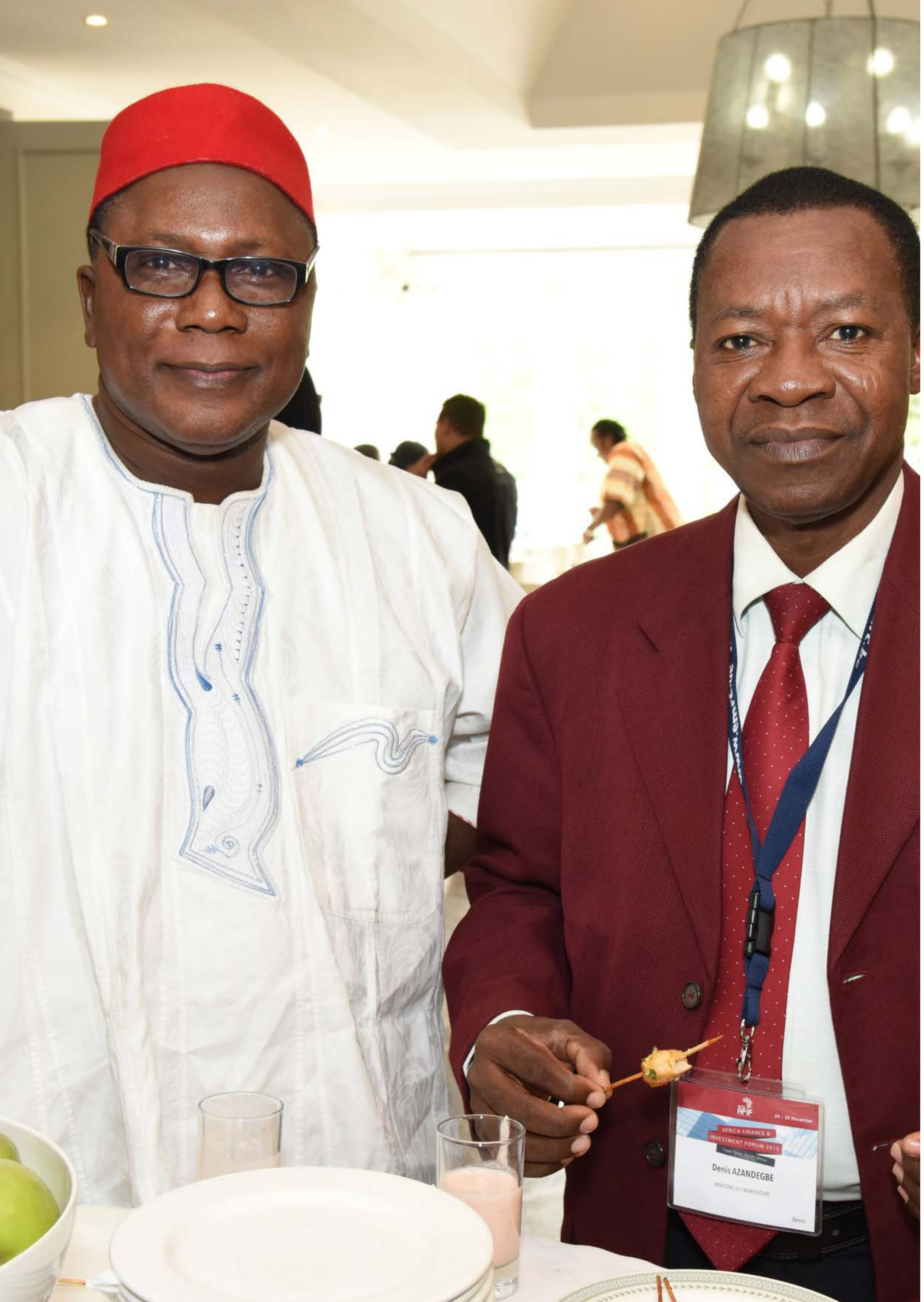
THE WINNER



Markus Labuschagne

Dean Hodgkiss

Portia Mngomezulu



Presentation:

Investment Policy and Investment Opportunities in South Africa

Nikki Kruger, Chief Director Trade Policy and Negotiations, Ministry of Trade, South Africa


Nikki Kruger

Nikki Kruger, representing the South African Department of Trade & Industry, provided a short presentation on investment policy and opportunities in South Africa. "South Africa is one of the most sophisticated, diverse and promising emerging markets globally. It is a key investment location, both for the market opportunities that lie within its borders and as a gateway to the rest of the continent, a market of about one billion people", she explained.

"South Africa is the economic powerhouse of Africa and forms part of the BRICS group of countries with Brazil, Russia, India and China. It has a favourable demographic profile and its rapidly expanding middle class has growing spending power".

"Our excellent infrastructure, exciting innovation, R&D capabilities and an established manufacturing base put the country at the forefront of the development and rollout of new green technologies and industries, creating new and sustainable jobs in the process and reducing environmental impact".

"We also benefit from one of the world's most highly rated financial, legal and telecommunications sectors, which has attracted, among others, a range of global business process outsourcing (BPO) operations to the country".

"We compare favourably to other emerging markets in terms of the overall cost of doing business. For professional jobs, labour costs are less than half of the cost of European countries. For manufacturing jobs, labour costs are around one-third cost of Europe", she continued.

"The South African Government has introduced wide-ranging legislation, specifically to reflect policy positions on investment protection. One key element is that we are seeking to conform with UNCTAD's policy recommendations. We have terminated most of our Bilateral Investment Treaties (BITs) as there is no effective correlation between BITs and investment flows. The new bill, which will cover all investments regardless of the country of origin or destination, aims to ensure coherence with South Africa legal framework and constitution", she explained.

"The underlying philosophy of the bill is to clarify rules, create a predictable environment and international investment treatment. South Africa is one of the most open countries for FDI flows, and we welcome international trade and investment in all sectors", she concluded.

Tim Harris, CEO, WESGRO, South Africa

WESGRO is the official tourism, trade and investment promotion agency for the Western Cape Province of South Africa. It is funded by the Western Cape provincial government, the City of Cape Town and the national Department of Agriculture.

Tim Harris

"Our strategies are driven by research and real time business intelligence", Harris explained.

"Over the past five years, WESGRO has secured total investment of US$450 million, created 4,415 direct jobs across the Western Cape Province, taken 578 companies in outbound missions to drive exports and helped to attract 7.1 million foreign tourists".

"Our research arm, Wesgro Research, published 487 reports on all aspects of the Western Cape economy.

WESGRO's priorities for the next five years are:

- To market Cape Town and the Western Cape as a tourism destination, and to grow foreign arrivals to two million and domestic arrivals to three million over the next five years;
- To recruit and facilitate between US$500 million and US$750 million worth of domestic and foreign direct investments into the Western Cape;
- To support the trade and export promotion for 3,250 qualified Western Cape exporters.

"We are focusing on three key sectors: Oil and gas, agribusiness, and tourism. "We want to position Cape Town on the list of great cities and gateways, and our uniting vision is to see Cape Town as a global city", Harris concluded

Hywel George

Hywel George, Director of Investments, Old Mutual Investment Group, South Africa

"Why should one invest in Africa?" Hywel George asked the audience. He answered with some basic facts: "The continent offers tremendous opportunity. Its current GDP has grown from US$587 billion in 1990 to US$2.5 trillion in 2015."

George then added that there is increased good governance, more democratic accountability and better economic management. Africa's attractiveness has consistently been rising in international rankings over the past 5 years, and it's now considered the second most attractive destination for FDI after North America, he explained.

The agricultural sector in particular presents very significant opportunities for growth, and should be part of any investment portfolio:

- Farmland investment offers a monthly running yield (as opposed to volatile, soft commodity investments)
- There is a low correlation of other asset classes
- Investment in agriculture provides a hedge against inflation
- Agriculture presents favourable long-term fundamentals for growth

With an estimated 202 million ha of arable land, Africa's potential supply of land far outstrips that of any other region.

Lebogang Motlana, Director, UNDP Regional Service Center for Africa, Ethiopia

Lebogang Motlana proceeded with a closing speech and concluding remarks.

"Over the past few days, the United Nations Development Programme, in collaboration with the African Union Commission, has hosted a Public Private Dialogue on Impact Investment in Africa within the auspices of the Africa Finance and Investment Forum 2015, convened by EMRC", he started.

Motlana went on to remind the audience of the role of the private sector and investors in development: "As we emphasized at the beginning of this dialogue, the role that private sector and investors like you can play in the development of Africa cannot be overemphasized. We know for instance, that more than 90% of new jobs in developing countries are created in the private sector, and that many of the SMEs discussed during this forum here, are the main providers of employment in Africa", he continued.

"It is therefore critical that we explore all the ways in which the private sector can engage and work with institutions like ours to contribute towards the successful implementation of regional and global development agendas; such as the AU's Agenda 2063 and the Sustainable Development Goals".

Motlana then gave a direct message to the private sector: "As you design your business models, you need to explore how you can contribute to ending poverty as part of your way of doing business. It is possible to be profitable and simultaneously contribute to the larger goal of development and poverty reduction. You need to do this by being more inclusive, by targeting and integrating low-income people into your value chains and thereby helping to create opportunities for this group, especially women and youth".

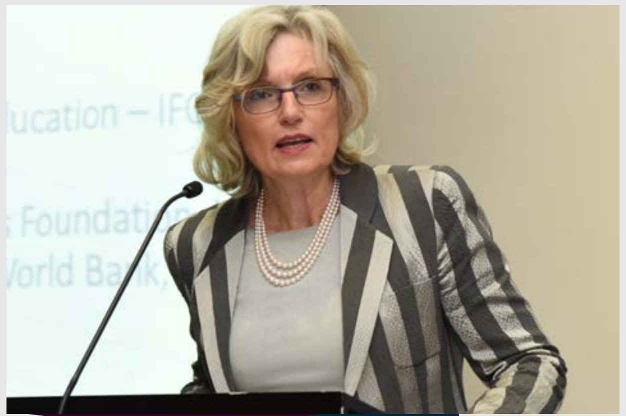
Lebogang Motlana

He went on to assure the delegates of UNDP's firm engagement in this regard: "We at the UNDP are committed to continue to catalyze the development and growth of impact investment in Africa, and through the partnerships established here during these past few days, to explore all possible ways to partner with you in the development of Africa".

"We encourage you to continue to engage and contribute to the operationalization phase of the Impact Investment in Africa action plan, which is a key part of the Cape Town Declaration that has just been agreed upon".

"As we close, we thank all our partners in this process, the Economic Commissioner of the African Union, H.E Mothae Maruping, Mr. Manuel Sager; State Secretary, Director General Swiss Agency for Development and Cooperation (SDC), and of course, Idit Miller, executive Director of EMRC as the host and organizers of AFIF 2015. Finally, a special thank you to all delegates gathered here today for your valuable contributions towards the development of the impact investment sector in Africa".

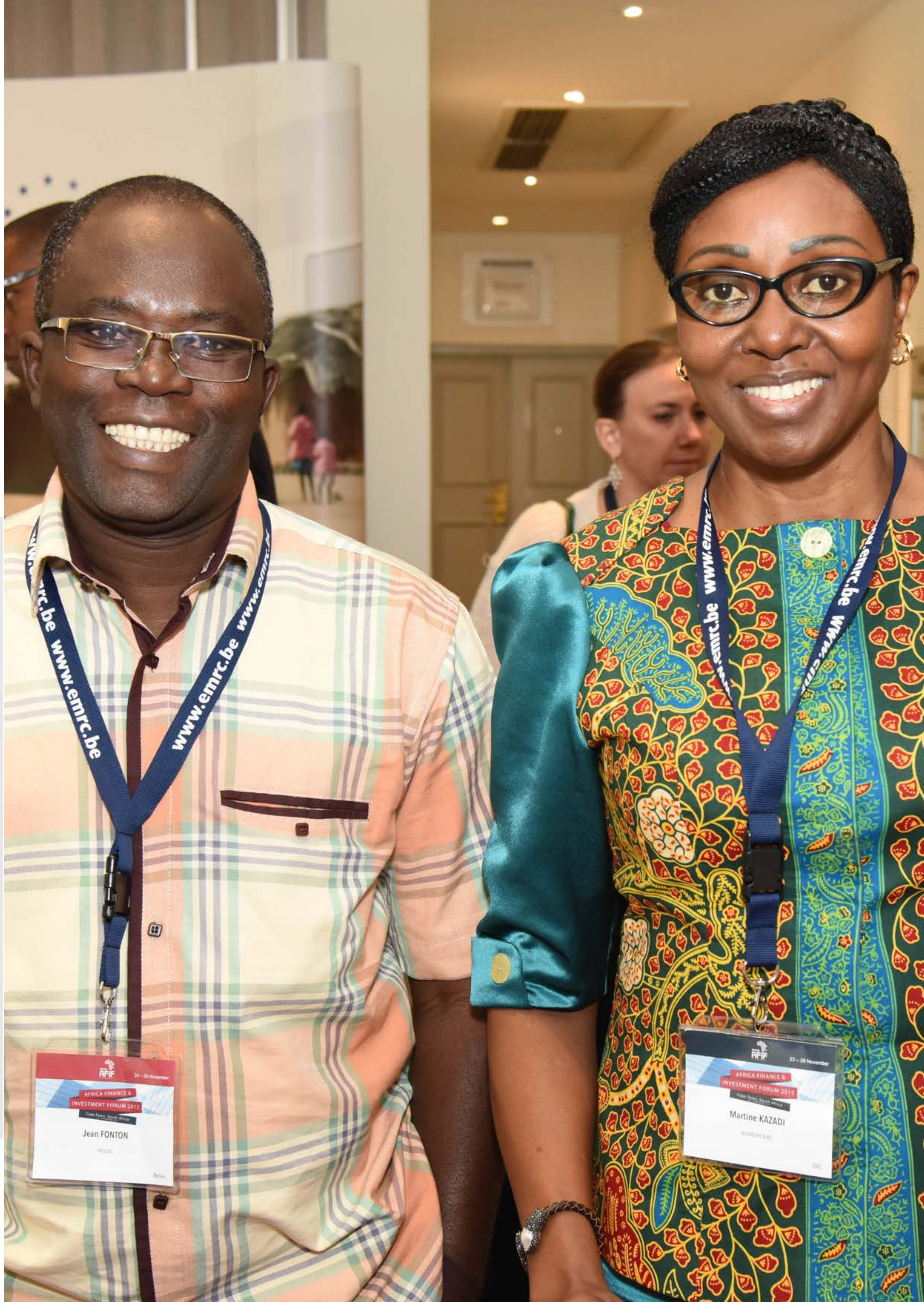
Idit Miller, Vice President & Managing Director, EMRC, Belgium



Idit Miller

Idit Miller closed AFIF 2015 with a rousing speech, highlighting the record numbers of countries and participants present in Cape Town, and adding that the diversity of the panel speakers, sessions and the level of the award nominees was unparalleled in the history of AFIF. She reiterated EMRC's belief in the importance of creating a platform for business-to-business opportunities to ensure sustainable economic growth across Africa. She also thanked the audience for being so active throughout the two days and pointed out that this is what made EMRC forums so unique: The fact that participants left with tangible business results after two days of networking.

She went on to add, "This forum has once again fulfilled the criteria we set out for ourselves and more. The fact that we hosted the first Public-Private Dialogue on Impact Investment here in Africa, as well as hosting AFIF in Africa for the first time and hopefully the first of many Health Awards, not only makes me proud to lead EMRC but gives me even more hope for the future of Africa's private sector and the platform that EMRC provides for this."



Cape Town declaration on IMPACT INVESTMENT IN AFRICA

November 26, 2015 - Lord Charles Hotel, Cape Town, South Africa

Impact investment is increasingly seen as the future of investment in Africa. The volume, and scope, of impact investment is growing very fast: According to the 2015 impact investment barometer of the Bertha Centre for Social Innovation, more than US$ 338 billion of investment assets in only three countries, Kenya, Nigeria and South Africa, explicitly comprise an impact strategy. In other words, if the practice of investing with an impact can be generalized to the entire continent, and to all investments, the effect on driving Africa's growth and development could be game changing. UNDP is at the vanguard of driving this change, by supporting the development of conducive ecosystems for impact investment across the entire continent. The Cape Town declaration on Impact Investment is the first comprehensive call for action to develop such as ecosystem. It calls on all stakeholders, governments, investors, and civil society actors to each take concrete measures to further encourage the development of impact investment as a key asset class.

WE, the more than 150 representatives of African government ministries; social enterprises; SME business development and advisory services providers; commercial banking institutions; development finance institutions; African regional economic communities; bilateral and multilateral development partners; economic researchers and business-focused academia; innovation and technology institutions; policy making and advocacy institutions; public and private sector impact investment practitioners and the media from more than 40 countries; gathered in Cape Town, South Africa, 24-26 November 2015 for the 13th African Finance & Investment Forum (AFIF 2015), held under the theme "Access to Finance / Promoting Entrepreneurship"**, within which an African Union and UN Development Program "Public-Private Dialogue on Impact Investment in Africa" was convened;**

ACKNOWLEDGING our appreciation to the Government and People of South Africa for graciously supporting and hosting AFIF 2015, which has offered us an opportunity to share amongst ourselves, outline strategies for promoting and committing ourselves to the development of Africa's impact investment sector – and to dedicate ourselves to helping to implement a number of sector development strategies in Africa over the next three years;

RECOGNISING the importance that has been placed on private sector development and engagement as a critical catalyst for economic transformation in Africa by the member states of the African Union in its strategic plan, "Vision 2063: The Africa We Want", as well as the important role that the private sector and private sector investment is expected to play in the achievement of the 2015-2030 Sustainable Development Goals (SDGs);

ENCOURAGED by the growing body of work that has been undertaken by the Global Impact Investment Network and various international and continental stakeholders, particularly amongst foundations, development finance institutions and academic institutions to structure and expand investment in the impact investment sector and to develop more universally accepted impact measurement standards;

WELCOMING the contribution of UNDP in engaging and bringing together key continental and international stakeholders leading up to this important meeting and appreciative of the work that has been undertaken in the related report entitled "Impact Investment in Africa: Trends, Constraints and Opportunities ";

AWARE of the various interviews and consultative processes that have preceded this meeting, including:

a) The 7th African Union Private Sector Forum (Nairobi, Kenya, 2014);
b) The Sankalp Africa Summit (Nairobi, Kenya, 2015);
c) The African Grantmakers Network Assembly (Arusha, Tanzania, 2015); and the
d) The 3rd Financing for Development Conference – AU – UNDP Swiss Development Corporation Impact Investment Side Event (Addis Ababa, Ethiopia, 2015);

UNDERSTANDING the need to address the challenges that have impeded the growth of the impact investment sector in Africa, including, but not limited to: poor understanding of the potential and the inherent assets and resources in the continent; limited capacity among both social enterprises and impact investment fund managers; a relatively weak impact investment regulatory and policy enabling environment; inadequate mobilization, allocation and utilization of possible funding streams to support impact investment growth; limited engagement with continental and international development finance institutions to leverage their potential support for the sector; and too few social enterprise and SME focused business development advisory service providers and business incubators, coaches/ mentors and entrepreneurship development initiatives;

COMMITTED to the Impact Investment in Africa seven point Action Plan to catalyze and strengthen impact investing in Africa through: 1) the establishment of an industry network/ convening organ; 2) the development of dynamic advocacy program; 3) improvement in the origination and preparation of potential impact investment opportunities (i.e. pipeline development); 4) preparation and adoption of required enabling regulations and policies and legal frameworks; 5) the development of greater capacity throughout the impact investment sector, including the creation of a designated Africa impact investment fund, or fund of funds 6) establishment of critical infrastructure and a robust impact investment ecosystem; and 7) development and adoption of clearly defined and agreed upon; impact measurement standards, monitoring and evaluation processes, and professional practice;

WE HEREBY CALL UPON ALL STAKEHOLDERS, INCLUDING INVESTORS, GOVERNMENTS, THE PRIVATE SECTOR, DEVELOPMENT FINANCE INSTITUTIONS, CIVIL SOCIETY, DEVELOPMENT PARTNERS AND DONORS, AND OTHER MEMBERS OF THE IMPACT INVESTMENT COMMUNITY IN AFRICA, TO WORK TOGETHER TO SUPPORT AND OPERATIONALIZE THE ACTION PLAN (BELOW ATTACHED) FOR THE DEVELOPMENT OF THE IMPACT INVESTMENT SECTOR IN AFRICA.

FURTHERMORE, WE AGREE THAT WE WILL RECONVENE AND ENCOURAGE OTHER KEY STAKEHOLDERS TO ATTEND AN ACTION-PLAN IMPLEMENTATION KICK-OFF MEETING IN THE SECOND QUARTER OF 2016!

This Declaration was adopted by the participants who attended the 2015 Africa Finance and Investment Forum

AFRICA FINANCE & INVESTMENT FORUM 2015

Cape Town, South Africa
24 - 26 November 2015

Initiated and conceived by:

In collaboration with:

Partner Organizations:

Knowledge Partner:

Entrepreneurship Award Partner:

Africa Finance & Investment Forum