

National Task Force for Impact Investing  
First Plenary meeting  
26 June 2018

*Attendees*

Basel Maseko	National Treasury
Elias Masilela	DNA Economics
Heather Jackson	Ashburton Investments
Jon Duncan	Old Mutual
Jonathan First	DBSA
Khulekani Mathe	BASA
Martie Janse van Rensburg	Independent
Monique Mathys-Graaff	PIC
Nkanyiso Sikobi	National Treasury
Sizwe Nxasana	Sifiso Learning Group
Pat Pillai	LifeCo
Taffy Adler	WITS
Tshediso Matona	NPC
Wendy Lucas-Bull	ABSA
Barry Panulo	UCT GSB Bertha Centre
Susan de Witt	UCT GSB Bertha Centre

*Apologies*

Isaac Ramputa	Financial Sector Charter Council
Ismail Momoniat	National Treasury

**Selection of working group focus areas**

Moved from 5 to 2 groups – “Supply” and “Demand”

- The group was split in terms of how to proceed with working groups. Although some were happy to stick with the 5 groups that had emerged from desktop research and market engagement (understanding that more action was likely to occur in more focused groups), others wanted to take it back to a higher level and allow working groups to decide focus areas.
- It was decided to form a “Supply” and a “Demand” group.
- It was recommended that supply and demand processes run concurrently and inform each other thereby enabling an understanding of mismatches and measures required to overcome them. This would happen through cross pollination of membership across both working groups and through carefully curated plenary sessions.

Supply side suggestions

- Wealth holders and managers cannot be thought of isolation because they form sequential parts of the investment chain and can co-invest in the same enterprise. Though this be true it was agreed that the different owners and managers of capital tend to be distinct from each other in terms of risk return expectation/regulatory frameworks/institutional norms. It will thus likely be necessary to include different types in the working groups but not all in a single working group eg Foundations, DFIs and family offices are likely to face the same challenges and can be clustered. Specific expertise will be required to unlock each type of capital.

- Foundations were seen as potential source of catalytic capital even though they did not make the first cut (both the investment and grant portion of their funding) although less so than in developed markets as most of the corporate trusts (R32bn) tend to be single stock.
- HNWIs and family offices are an untapped source of funding
- Little appetite for innovation and early stage investments
- Enabling policies and pots of funding exist in the public sector to support this market. An opportunity was identified to interact with these facilities (at national, provincial and local level) and ask them to profile the demand for capital, explain why they have granted or with-held funding in different cases. The silo-ing and structural complexities that come with interacting with government was noted.
- It was noted that many conditional grants are unspent and present a significant opportunity that may require some dedicated consideration of the role of government.

#### Demand side suggestions

- Some believed that the demand side is far less developed than the supply side and thus requires priority attention
- Very few supply side participants have the appetite for innovative products and early stage investments, preferring to have other entities put up the risk capital for testing novel products. Advocated an approach that takes a continuum-based approach to profiling the demand side and forms an understanding stage of development, existing players in each market with a view toward stimulating a suitable supply side response depending on the understanding of such a continuum.
- Demand can be segmented into two distinct parts: Established high impact entities/business models (that require scaling) and early stage.

#### Environment related suggestions

- Although there seemed to be initial appetite for a policy specific group it was noted that there are multiple policies that address different capital holders, sectors, business stages and it would be better to include a policy component in each group to identify enabling and restrictive regulation.
- It was noted that ASISA (institutional funders), OECD and GSG were undertaking research on local and global policy that IISA could tap into in due course.
- Many conditional grants are unspent and present a significant opportunity that may require some dedicated consideration of the role of government.
- It was identified that government is relatively underrepresented around the table and some would like to explore how to best bring more public entities to the table.

### Terms of Reference

#### Selection criteria

- It was suggested that selection criteria for Task Force be articulated in ToRs and that criteria for Working Group members be made clear. It was decided that the current group have sufficient legitimacy but that the group was dynamic which means other members could be chosen if necessary.
- It was noted that some key stakeholders might be missing from the group (eg youth) although conceded that it would be impossible to represent everyone and it would be better to start with existing committed members
- WGs members to be chosen according to expertise, market credibility and clean reputation. All Task Force members will be allowed to comment on proposed members.
- Recommended that a provision that requires members to step down if integrity comes into question
- GSG does not interfere with country led selection processes and have been very impressed with caliber of IISA Task Force member.
- It was noted that some key stakeholders might be missing
- The issue of institutionalization was discussed and members asked to be given options with regards to possible structures in the short, medium and long term. It was agreed that it might be too early to formalise the group although the issue of fund raising was brought up as an urgent consideration. IN other words if funds are raised would they be so under the auspices of the secretariat or IISA. It was agreed that this would be decided at the next plenary once members had more information.
- Members agreed on a 24 month timeline

## Working Groups

- Members will be made aware of and be able to attend both working group meetings if they so desire to ensure continuity between groups
- Expressed the aim that the groups should endeavor to have draft working plans and budgets by the time of the next plenary session.
- Additional members for each group can be decided on and vetted by anyone in the Task Force

### Supply side working group

- Members joined preferred group for discussion but will not be restricted to single group (Wendy, Heather, Basel, Jonathan, Khulekani)
- Members to reach out to respective networks and extend research findings in order to identify focus areas (to be started prior to WG meeting)
- Decision taken to form expert networks, representative of each source of capital (see market map) – these are not formalised working groups
- Working groups will be formed once focus areas decided on

### Demand side working group

- Members joined preferred group for discussion but will not be restricted to single group (Tshediso, Monique, Martie, Pat, Taffy, Nkanyiso)
- Demand side to be divided according to sector and growth stage of business
- Demand side research (as outlined by secretariat and shared with NPC) put forward as priority (with caveat that PIC and NBI have done some of this work which has yet to be made available)