

National Task Force for Impact Investing

5th Plenary

12 March 2019

Attendees

Jon Duncan	Old Mutual
Monique Mathys-Graaf	PIC
Sizwe Nxasana	Sifiso Learning Group
Tanya van Lill	SAVCA
Martie van Rensburg	Independent
Jill Dyers	ABSA
Tine Henriksen	UCT GSB Bertha Centre
Paul Currie	DBSA
Susan de Witt	UCT GSB Bertha Centre
Barry Panulo	UCT GSB Bertha Centre

Apologies

Wendy Lucas-Bull	ABSA
Elias Masilela	DNA Economics
Tshediso Matona	NPC
Taffy Adler	Wits

GSG update

- The GSG held board meetings recently and documents relating to these (GSG business plan/strategic plan for the coming year) have been added to the Dropbox or shared via WeTransfer. There are also several excel sheets that have been shared with members previously (workplans, working group members, literature reviews etc.) and these and other Taskforce documents will be consolidated on Google drive.
 - The GSG has waived its membership fee from obligatory to voluntary. The IISA had to pay for the final quarter of 2018 but going forward the fees will be voluntary.
 - All NABs now have equal voting rights whether paying members or otherwise meaning the IISA can now nominate GSG trustees.
- The GSG is hosting a leadership meeting in London between 19-21 May. Elias and Susan will attend, and Elias will combine this engagement with a working group meeting on Impact Economy and Capitalism 2.0 (sponsored by the British Council)
- Kriztina Tora (GSG Marketing Director) had requested the IISA submit in a formal concept note for a working group focused on researching the African impact investing landscape. This was shared with the GSG by the secretariat and included a budget estimate that could be circulate to funders.
 - A UNEP FI event on the future of the green economy (supported by the Sustainable Finance Initiative) is being hosted this coming Monday at *the Saxon* in Johannesburg. UNEP FI is working with a variety private and public sector agency worldwide on building a low carbon future and are assembling a local grouping of financial services leadership, government and other representatives. It appears their objective is to put South Africa on the map in terms of the Green Economy and appears a high-profile event. Jon will forward more information on this to the Secretariat and it may be useful an IISA was able to attend.
 - Members queried the structure of the GSG working groups and were encouraged to review this information in the Google drive once available.
 - Members underlined the importance of ensuring SA and the rest of Africa are represented on African working group matters and suggested the IISA proactively explore options for

independent publication if the GSG can't support the African working group application. The secretariat should get a sense of prospective timelines for receiving a firm decision from the GSG on this matter.

- The secretariat noted that ad-hoc calls with the other prospective African NABs have occurred but group engagements between the IISA and these other NABs could form part of discussions around the IISA's hosting of the 2020 GSG Summit.
- The GSG Summit 2019, Chile is scheduled for November 2019 and ticket sales are open. Early bird specials apply, and IISA members are encouraged to look into these. The IISA is on the conference content committee and can thus nominate speakers for panels, plenaries etc. Members that may be interested in speaking or wish to recommend a speaker are encouraged to do so. Elias is already scheduled to speak but when a draft of content is available the secretariat will share it with members to spur further content suggestions.

IISA set up and governance

- The last Plenary discussed structure options for the IISA including continuing the hosting arrangement with the University of Cape town, affiliating with another organisation or creating a separate entity. Establishing an entity was identified as the long-term direction and would be done to institutionalise the work, create a sustainable body to drive market building efforts and ringfence fundraising.
- The agreement at the time was to retain the UCT Bertha Centre as the secretariat until there was greater clarity regarding potential governance arrangements and working group initiatives.
- This matter was raised once more in the regular call between the chairperson and secretariat last week and Elias recommended a further hold off on setting up the structure and conducting activities within UCT's governance infrastructure.
- UCT's strategic leadership was recently updated on IISA activity and plans to fundraise for the GSG Summit and extended its continued support to the IISA. The Ford Foundation is currently funding the work but at some point, this funding will deplete although the Bertha Centre can help bridge funding needs if required before fundraising is completed. Conversations have also been started about how to optimally manage the shared personality between the Centre and IISA.
- Funds raised will be ring-fenced within UCT in the interim. Explorations around the independent entity will continue in the interim to assess if this may streamline some aspects of administration or present any cost efficiencies. Norton rose Fulbright has agreed to provide support to the IISA to allow it to further develop the potential structuring options for an independent entity and the secretariat is also speaking to other NAB representatives to understand what the unique needs that need to be accounted for are.
- Members agreed on the outlined plan of action and proceeding to raise funds through UCT for the moment. However, would like to better define the tipping point that determines when the changeover to a new structure would occur. Efforts should assess how the structure could be designed.

GSG Summit 2020

- The secretariat is having regular, internal meetings to coordinate fundraising. At present planning to segment planning efforts into strategic oversight, content committee, partnerships, logistics and fundraising.
- The strategy group will oversee all the other efforts and will ideally have strong IISA member representation. Monique has offered to participate, and more members are welcome.
- With respect to content, the GSG tends to lead content development quite closely but there is likely to be opportunity for the IISA to strongly shape and enhance the content offering. Thus, will seek to design an offering that presents the GSG with a strong content proposition they can align with.
- Partnerships – this grouping will need to have strong representation from local and Pan African partnerships e.g. prospective NABs, industry associations.
- Logistics – a terms of reference for a conference organiser was issued last year and received two responses. The Secretariat will be reissuing this to secure more evaluable bids.
- The Summit venue was agreed as Johannesburg in a previous meeting. However, views expressed at the GSG conference last year indicated strong preference for Cape Town, and the secretariat subsequently reached out to organisations that had run conferences in South Africa for input. The bulk of these responses indicated a preference for Cape Town. Transport, safety and other issues seemed to drive this preference. Two of four African NAB representatives contacted said they preferred Cape Town (the remainder didn't respond) whilst both organisations that submitted TORs didn't have a preference but said they could more readily raise funding for Cape Town.
- Members expressed a preference for retaining Johannesburg as the venue, citing IISA objectives to showcase a more representative image of Africa, travel time and expense and access to compelling

project showcases. It will be important to engage with conference planners on risk mitigation strategies for matters such as security.

Fund raising

- Draft budgets for the secretariat and workstreams have been added to the online folder. Budgets have been broken down by activity in recognition that some funders will be interested in various pieces. At present these pieces are the secretariat, market map, wholesaler, impact measurement and management.
- The total budget is R3.5m until the end of 2020. 2 pagers for these budgets and the 2020 Summit are presently being prepared and will be circulated to funders in coming weeks.
- The GSG has agreed to raise 50% of the Summit the cost but ticket sales will be recouped to GSG contribution meaning the IISA will need to raise R7m for its half of the contribution without relying on ticket sales. The GSG has several sponsorship packages that can be offered to funders and these can be varied further if required.
- The GSG runs a very inclusive Summit with heavily discounted ticketing is very cheap which requires more fund raising to enable subsidisation.
- Martie recommends forming a smaller local organising committee that can engage with GSG as well as establishing who the GSG planning committee counterparts to being putting together a standing committee meeting. Martie won't be able to join regular meetings on the Summit but will share some detailed planning considerations with the secretariat to start with and is happy to be called upon to comment when necessary.

Working group updates

- Will be sharing information every few weeks and encourage those that have interest in particular pieces can signal this.
- The Supply side working group recently hosted a workshop and set up interviews with several banks and other intermediaries as well as establishing a work plan for engaging these stakeholders over the next 8 months or so.
 - There has been some interest in developing a wholesaler, the MacArthur Foundation presented an opportunity to access funds, but this required a matching commitment and submission timelines were too short to raise the funding. The opportunity was shared with an ESD fund, people involved in DBSA project pipeline platform and other IISA members to take up if able.
 - Work will continue this facility but will require time and expertise to develop. It has been budgeted for and the secretariat has held conversations with skilled personnel at ABSA and African Development bank who may assist in their personal capacities.
 - Presently working on a feasibility plan and building relationships with local and international experts e.g. GSG wholesaler working group. one of the key steps is identifying an institutional home and fund manager and that's going to be a key early task for this conversation.
 - Riscura is planning a pension fund conversation this month and want to start conversation around prescribed assets amongst other matters. Alexander Forbes is also working on a concept note around a social stock exchange and would want to share that with the IISA
 - Engaged JSE around several other potential sustainable finance initiatives, been thinking about listing requirements for social impact bonds, JSE is broadly looking at how they can facilitate market access for impact investing and there may be opportunities for IISA to inform the conversation.
- With regards the Policy working group, the National Economic Development Department launched its Social Economy policy paper last week. The secretariat was involved in its formulation and pulled in expertise from the Taskforce and its network to shape recommendations.
 - There was a lot of conversation on definitions when the draft was discussed, and the secretariat has pushed for more impact-oriented definitions of enterprises whereas department may want to err on keeping definitions broad.
 - The secretariat is presently participating in a revisions process and will be sending through another draft this Friday to the national department. That draft will be shared with members for feedback from the group.
 - There was language aimed at facilitating the creation of a wholesale in a previous draft but that got removed out by commentators and some argued such a facility could be introduced with adding specific language around it. The secretariat will connect with Sizwe further to consider any further efforts around this piece e.g. around use of dormant assets.

- The Impact measurement and management group held a workshop towards end of last year, selected Dugan Fraser to lead the working group and identified some areas of emphasis and working group members.
 - Identified a need to engage a wider group of people in the market and planning a survey in collaboration with Genesis Analytics to refine the areas of focus.
 - This group will feed into the National Sustainable Finance Initiative as it also seems to have some IMM relevant focus areas in its work.
- The Foundation group has about 15 members, most of them foundations but also several intermediaries. Its focus areas are increased foundational awareness around impact investing, what's possible for foundations to do in accordance with the legal framework (e.g. conversations with SARS, Treasury covering matters from basic clarity to potential tax incentives), potential pipeline, formulating strategy and blended finance.
- Demand side grouping has a focus on Early stage finance and packaging opportunities in various development sectors. The group has wide representation e.g. Intermediaries, DFIs and will hold a session this week.

Marketing and communications

- The secretariat will work to raise the profile of the Taskforce further this year by profiling members (and will be reaching out variously to members in support), preparing op-eds and similar efforts.
- The Presidents Investment conference may also run again this year and the secretariat will explore the possibility of running an Impact Investing stream within it.
- The secretariat welcomes any other suggestions for other opportunities to raise the Taskforce e.g. Trialogue conference