



IMPACT INVESTING SOUTH AFRICA
BOARD MEETING
16 JULY 2021

ATTENDEES:

Name Surname	Role
Secretariat	
Shiluba Mawela	Secretariat Impact Investing South Africa
Misha Morar Joshi	Secretariat Impact Investing South Africa
Motshegwa More	Secretariat Impact Investing South Africa
Chairman	
Elias Masilela	Board member, DNA Economics
IISA Board members	
Jonathan First	Board member, GFA-CI
Mabatho Seeiso	Board member
Claudia Manning	Board member, SA SME Fund
Heleen Goussard	Board member, Riscura
Tracey Austin	Board member
Tanya Van Lill	Board member, SAVCA
Tshediso Matona	Board member, NPC
Pat Pillai	Board member, LifeCo SA
Dean Alborough	Board member, Old Mutual Alternative Investments
Heather Jackson	Board member, RBN

ACTION ITEMS

	Action	Responsible	Date
1	Add Tracey Austin to Supply Side Working Group	Secretariat	Done – 16 July 2021
2	Share Bowman report outputs with the Board before externally distributing	Secretariat	TBC
3	In board pack going forward, include progress matrix to indicate how working groups are functioning	Secretariat	TBC
4	Establish a financial sustainability plan for the Impact Investing South Africa	ALL	TBC
5	Circulate ticket allocation via e-mail to the Board	Secretariat	Done – 26 July 2021
6	Share the constitution with commentary and signatures to governance committee	Secretariat	TBC
7	Schedule time with governance committee to discuss process of electing Deputy Chair and potential subcommittees	Secretariat	Done – 23 July 2021
8	Tanya has offered to share the SAVCA subcommittees to assist IISA	Tanya	Done – 16 July 2021

MINUTES

Agenda item 1: Introduction and context setting

Presented by: Chair

- New members:
 - Heleen Goussard: Head of Unlisted Investment Services at Riscura
 - Mabatho Seeiso: Professional pension fund trustee
 - Motshegwa More (Secretariat): Development and sustainability management consultant

- Elias Masilela (EM) began by reflecting that it would be beneficial for the year to finish with measurable metrics in place. He began work on Impact Investing South Africa (IISA) in 2018 and has since not seen anything IISA has done on a global scale that is recognizable, would like for that to change going forward.
- EM encourages board members to establish their own metrics to measure impact and progress.

Agenda item 2: Working group update

Presented by: Secretariat

- From previous meeting there was an overwhelming response that we do need to provide more clarity about what is happening with working groups.
- Key to IISA are the working groups as the life blood of the organisation.
- **Supply side:**
 - Have recently appointed Heather Jackson (HJ) as Supply Side Working Group lead.
 - A decision was taken in that working group that a detailed workshop needs to take place where we outline what the plans are for the working group, and what the working group hopes to achieve.
 - Tracey Austin (TA) was accidentally omitted from Supply Side Working group, Secretariat to add her going forward.
- **Foundation:**
 - Key project that was undertaken in the Foundation Working Group is that Bowman was appointed to do the regulatory report. The purpose of the report was to identify hurdles that prohibit foundations from deploying impact investing funds. This report is being finalised and will be presented to SARS and / or Treasury.
 - There was a consideration by EM that the outputs of the Bowman report should be shared with the Board before being externally distributed.

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- EM further pointed out that with the session being planned with SARS, to what extent does SARS value the role of foundations. He pointed out that we need to define what we want to get from SARS and how will we define what success is for us after that.
- **Demand Side:**
 - Engagements have paused slightly to give Sawa Nakagawa (chair of Demand Side Working Group) the chance to relocate and recover.
 - From previous engagements with Demand Side, what was agreed upon was to better align the demand and supply of capital as a focus area. Sector matchmaking sessions were the resultant actions of the focus area.
- **Impact Measurement Management:**
 - There are various transitions occurring in this working group. Prospective objectives have however been defined with the chairman of the Working Group, Dugan Fraser.
 - It would be beneficial for Dean to join that Working Group. As it stands, Tanya van Lill (TvL) is only board member on the Impact Measurement Management Working Group.
- **IISA flagship project:**
 - Impact Investment Wholesale Vehicle (presented by TA):
 - EM suggested that we need to reconsider how this can be revived.
 - TA mentioned that it is important to be more output focused. We need to start making a link with external geo-political links because South African markets might not be able to assist us and fund us as we need them to.
 - The project was truncated and Tshikululu is the Secretariat of that programme.
 - TA further pointed out that they are awaiting permission to publish lessons learnt from the project however was able to share at a high level some lessons learnt about the project:

- i. The first is that the need for concessionary money in South Africa is limited, DFIs and other finances are more willing to fund South Africa working with other African countries.
 - ii. Secondly, there is a huge need for advocacy with getting funders familiar with Impact Investing.
 - iii. Thirdly, it is better received when there are strong demand side recipients, i.e., a fund of funds giving money to a well-established demand side that is already engaging with SGBs.
 - iv. Lastly, South African pension funds seen as gateway to the continent. The UK and US want to work with South African pension funds due to the large sums of funds held and their exposure.
- The project did not manage to get to the stage of deciding who demand side recipients should be, putting together a robust model or designing a request for proposal for a prospective future fund manager.
 - Following TA's update, HJ asked whether the project was just stalled or completely off the table and if other potential funders could re-initiate the project. TA responded to HJ that there is more work to be done on the project and they would still need a high level of funding to carry on. TA would also further suggest that the project be dissected, and each part be reconsidered on how it can work with different components. Therefore, picking up the project as a whole would be a challenge due to the lack of funding, however TA believes that there is an opportunity to carry on with individual parts of the project.
- o Education Outcomes Fund:
 - One of the challenges holding the project back is the lack of endorsement from the Department of Education and unions as unions deemed that the project would place additional pressure on educators.

- A decision was taken in a previous engagement that the project pauses until endorsement occurs.
- EM however mentioned that it is possible for us to make progress without unions and consult the private sector instead.

Agenda Item 3: Impact Investing South Africa Budget

Presented by: The secretariat

- Funding term has been extended to Mar 2022 by the Ford Foundation, which covers the Secretariat activities.
- There is an additional R500 000 that is for market building activities from Old Mutual. This is likely to be used for the smaller event around the GSG Summit.
- Travel expenses have been included for completeness, unlikely to be used unless we have a Hybrid GSG event.
- At this stage, staff costs have been the most significant costs due to the focus of the Secretariat on governance issues.
- Dean Alborough (DA) pointed out that we have used 86% of the budget yet have a significant amount of time left till March 2022, should we consider the rate at which this time is being used?
- Misha Morar Joshi (MMJ) responded to DA that there have been a few changes that have occurred that will also change staff costs. This includes the non-renewal of Shiluba Mawela's contract due to the short-term nature of the available funding. Secondly many aspects of the groundwork have now been done, and going forward the Secretariat will be focusing more on the Working Groups and the Summit.
- Mabatho Seeiso (MS) asked if we are sufficiently capacitated and funded to do the work that we need to do. To which MMJ responded, yes we have prioritised specific actions that we need to focus on until March 2022. Beyond that a solid fundraising strategy is required.

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- DA also pointed out that it is important that we focus more on outputs. Therefore, we need to consider how much of the capital that has been donated has directly resulted in an output, as this is an important exercise to manage donor expectations.

Agenda Item 4: IISA 2021-2023 Action Plan

Presented by: Secretariat

- Since the previous Board meeting:
 - All working groups have been engaged on their ideas and inputs for specific priorities;
 - The secretariat has produced a menu of potential actions to inspire IISA Board. These potential actions have been prioritized by ease of implementation, impact on the mission and additionality.
- The point of these actions is really to establish IISA as a convening party and give IISA a real figure and form.

Feedback on IISA strategic action plan:

- Jonathan First (JF) made the comment that there needs to be funding for three years at least, without this it would be difficult for Impact Investing South Africa to advance. JF further suggested that for us to really make a difference we need to appoint a CEO, as is the case for other NABs internationally. He further pointed out that if we do not have tangible wins by the end of the year, we will be seen as a talking shop.
- JF also suggested that there needs to be at least an executive on each of the working groups to make sure that WGs are coming up with tangible outcomes and to remove siloes.
- MS suggested four aspects in response to the action plan:
 1. That we need a structure in the IISA that focuses on implementation. MS also pointed out that the budget is also very limited.

2. MS suggested that we add to education and training “visibility and awareness,” to make education and training more holistic. MS suggested that we can even consider impact awards as another way to build visibility.
 3. On products, she is of the same mindset as the chair. The products are already out there in the South African market, our part should be doing more research, training and awareness.
 4. In terms of policy and regulation, MS believes that although it is beneficial to identify policy gaps in the market, to what degree are issues around impact holistically discussed?
- TvL made three comments in response to the action plan:
 1. Along with prioritising, financial sustainability should be paramount. From the financial sustainability plan we should identify what our value proposition is and who is value being created for. We need to look at the activities of who are we targeting for. Essentially it is important to answer what it is that the market wants that we can offer and they would be willing to pay for i.e. what we can offer the market in alignment.
 2. TvL also mentioned that important for IISA to partner so that IISA does not have to do everything on their own and so do not have to bear the full costs for tasks or secretariat implications.
 3. When it comes to products, we should not be creating products. Instead, we need to be a subject matter expert in helping to shape products that will benefit society.
 - EM agreed with TvL regarding their stance on products and pointed out that a previous discussion was resolved where we established that to say we are a facilitator, so we must do the things that enhance the work of the industry. Setting the standards and framework for monitoring and evaluation would be quite critical.
 - DA additionally pointed out that whatever the IISA is doing, we need to keep a clear and strong hold of what Impact Investing is and make sure we do not go deeply into the philanthropic space as lines between the two can get blurred.

Agenda item 5: GSG Summit

Presented by: Secretariat

- The secretariat has had a meeting with the OM team where it was decided that there would be an engagement between the head of the GSG and the IISA and the Old Mutual team as the Platinum Sponsor for the event.
- Old Mutual asked that in the plenary session there is an African representative. Secondly Old Mutual did allocate a budget for a hybrid event should it be safe to do so.
- 18 complimentary tickets have been allocated by the GSG to Impact Investing SA, all board members have been allocated a ticket. The secretariat will circulate the ticket allocation with the Board.
- While these tickets are complimentary there is a \$15 admin fee associated with them

Board commentary

- TA pointed out that it would be beneficial for improved transparency from the GSG and how much they have managed to fundraise as they have in the past struggled with their own fundraising.
- EM responded to TA that the GSG have a centralised system where all decisions are essentially made. The inclusion of African content and speakers is still a unresolved issue in the Summit. There is therefore a meeting scheduled between Old Mutual, the GSG and IISA on 2 Aug to clarify further proceedings regarding the summit.
- The secretariat clarified that the IISA is welcome to host their own events leading up to the Summit, as long as it does not clash with any of the Summit's planned events.
- Pat Pillai (PP) further encouraged IISA to keep in mind that our responsibility is to the South African market and that mindset needs to be kept in mind when engaging the GSG.

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Agenda Item 6: IISA Governance

Presented by: Pat Pillai

- PP acknowledged that Governance by the secretariat has gotten significantly better and the manner of presentation has improved.
- The constitution has not yet been fully signed as Wendy would like to add commentary on the constitution. The secretariat is to share that with the governance committee.
- Directors will be registered once the constitution has been finalised.
- It would be beneficial to implement sub-committees to ensure work is done faster, sub-committees will simply bring forward the work for the board to approve. PP to forward further details on the sub-committees with the board.
- TVL is in support of sub-committees and further suggested that there should be a distinction between some committees who focus on internal IISA governance and other committees that focus on strategic focus areas of IISA externally.
- MS further pointed out that there must be clarity with sub-committees about what their role is.

Other Key considerations:

- HJ made the consideration that there is a significant difference between how many members various working groups have. Having only the names of members is not indicative of the work being done by the working group. It would be beneficial to create a matrix or framework that provides more guidance as to whether working groups are functioning well or not.
- Going forward Adam and Zoheb from the Foundation Working Group will try to be more involved in Supply Side Working Group to start breaking down silos.
- EM pointed out about the wholesale project that if momentum has been developed without us having a fund, is there a need for us to have a fund. Rather than us providing capital in that case, we can provide intellectual capital and create more relevance for ourselves. There is an opportunity for us to steer

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corporates in South Africa to put their unclaimed benefits money proactively in the impact space. There are only two corporates in South Africa that have used unclaimed benefits for impact investing, there could be more.

- The governance committee would like to begin the process of nominating a deputy chair. This is to be facilitated by the secretariat. The role will be clarified through the process.

Key decisions made:

- The board approved the budget and strategic prioritisation action plan. The secretariat is to make changes requested by the Board
- Deputy chair will be nominated, this will be facilitated through the secretariat.

Events:

- GSG summit happening in October 2021.

Closing:

- EM encouraged all actions to be finalised before the next meeting.
- The next meeting has been scheduled for 20 August 2021.

Meeting closed

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