



**IMPACT INVESTING SOUTH AFRICA**  
**BOARD MEETING**  
**20 AUGUST 2021**

**ATTENDEES:**

<b>Name</b>	<b>Role</b>
Misha Morar Joshi	Secretariat Impact Investing South Africa
Motshegwa More	Secretariat Impact Investing South Africa
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
Dean Alborough	Board member, Old Mutual Alternative Investments
Heather Jackson	Board member, RBN
<b>Regulatory Report Team</b>	
Rob Hare	Bowmans
Aneria Bouwer	Bowmans
Talia Ben-David	Bowmans
Zoheb Khan	Foundation Working Group co-lead, Intellidex

## APOLOGIES:

Elias Masilela	Board member, DNA Economics
Pat Pillai	Board member, LifeCo SA
Tshediso Matona	Board member, NPC

## ACTION ITEMS

	Action	Responsible	Date
1	Secretariat to reach out to Pat Pillai regarding the resolution	Secretariat	TBC
2	Share the updated resolution with board for signing	Secretariat	TBC
3	Share the research SAVCA did assessing 12J with the Foundation Working Group lead/Bowmans team for the regulatory report	Tanya van Lill	TBC
4	Reach out to the Foundation Working Group to establish their funding appetite for next step for the regulation report and the Bowmans team to discuss the next steps.	Secretariat	26 August 2021
5	Assess board representation in the Foundation Working Group	Secretariat	30 August 2021
6	Map the theory of change and the potential funders identified to the value proposition	Secretariat	TBC
7	Share with the Secretariat a guideline for creating a pitch document for fundraising	Jonathan First	TBC
8	Contact Heather Jackson, Tracey Austin, Jonathan First and Dean Alborough to establish a separate subcommittee that focuses on fundraising	Secretariat	26 August 2021

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9	Assess the funders proposed and provide contacts where possible	Claudia Manning & Secretariat	TBC
10	Board members to suggest potential speakers for GSG Summit workshops	Board	31 August 2021
11	Secretariat to reach out to individual board members who offered to introduce potential speakers – being Heather Jackson, Tracey Austin and Heleen Goussard	Secretariat	TBC
12	Secretariat to reach out to Tracey Austin about her involvement in case studies and with Asset Owners Forum	Secretariat	20 August 2021
13	Share with the board potential dates for annual plenary along with proposed agenda	Secretariat	TBC

## MINUTES

### Agenda item 1: Introduction and context setting

**Presented by: Heather Jackson**

- Heather Jackson (HJ) started by giving a vote of thanks to the Secretariat regarding the work that has been done so far, following the departure of co-lead Shiluba.

### Agenda item 2: Approval of minutes

**Presented by: Secretariat**

- Going forward the approval of meeting minutes are to be integrated into the meetings for purposes of documenting progress and as requested by the governance sub-committee.
- The board is welcome to share comments or changes to minutes going forward with the secretariat.
- The secretariat presented the minutes from the previous meeting, particularly the actions still underway.

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- The board approved the minutes and believed them to be an accurate record of the previous meeting.
- HJ asked a question regarding the \$15 allocated to the GSG summit tickets, HJ wanted to clarify how that would be implemented. Misha Morar Joshi (MMJ) clarified with HJ that it would be implemented from the GSG's side.
- Tracey Austin (TA) pointed out that there is an opportunity to align the ticket allocation in a way that would benefit fundraising opportunities.

### **Agenda Item 3: The constitution**

#### **Presented by: Secretariat**

- There were two aspects brought forward regarding the constitution:
  1. The resolution around the chair and deputy chair responsibilities.
  2. The comments that have been received from external members, in particular Wendy from Absa. As well as the signing off on constitution from founding members.
- There has been a second resolution drafted by the governance sub-committee and the secretariat to the constitution where Wendy's comments have been included, the ones that can be addressed.
- The resolution has been drafted and is sitting with the governance sub-committee, it will be shared with the board for final signature as a resolution to the main constitution.
- There were two/three founding members who have not engaged the constitution at all. It has been advised by the governance sub-committee that members who have not been involved at all in the constitution should be excluded/dis-engaged going forward.
- HJ, on behalf of Elias Masilela, shared that he believed that the constitution is a living document, and that approval can occur whilst the document continues to evolve.
- MMJ indicated that in terms of setting up a separate entity as intended by Impact Investing South Africa, a signed constitution is necessary.

- HJ asked whether receiving Wendy's signature would be sufficient to finalise the constitution to which MMJ believed that it would be.
- HJ encouraged the Secretariat to reach out to members of the board as necessary regarding the constitution.
- Dean Alborough (DA) brought up that there is an imperative to establish a deadline for when a signed constitution is critical, particularly in the case where the lack of one would be a risk.

## Agenda Item 4: Regulatory report

### Presented by: **Bowmans & Zoheb Khan**

- Zoheb Khan (ZK) introduced himself and provided an introduction about the purpose of the regulatory report. In their experience with foundations, there are various opportunities for them to adopt impact investing. The reasons being:
  - There is potential for social service delivery to be more results-orientated
  - There is an opportunity to recycle grants made by foundations
  - There is also the potential to catalyse larger investments from commercial capital and bring more capital into social delivery.
- There are however barriers that the Foundation Working Group has found with foundations. The first barrier is knowledge and the second is the types of impact investments that are made / the potential threat that making impact investments has on non-profit status. These are aspects that are not clear in the legislation.
- Bowmans, after being awarded the RFP, began the process by engaging various foundations and getting their input. They then drafted three versions of the report, continuously integrating comments.
- Rob Hare (RB) then presented the recommendations from the regulatory report, which has two broad themes:
  - 1. The first recommendation is about considering how Public Benefit Organisations (PBOs) and Small Business Financial Exchanges (SBFEs) can earn

income sustainably and to what extent they can incorporate income-generating activity with their non-profits, for example Impact Investing.

- 2. The second theme is about attracting funding to PBOs and SBFES.
- The report is colour-coordinated from easiest to implement to more difficult to implement. Green highlighted recommendations represent non-legislative recommendations such as amending guidelines, yellow representing drafting recommendations already contemplated, and the orange represent a recommendation where a change in legislation would be required.
- Aneria Bouwer (AB) from Bowmans pointed out after presenting the recommendations that there are various clients who would like to practice impact investing but are restricted by the regulations for SBFES and PBOs. This report would therefore be enabling to them too.
- HJ asked the Bowmans team if they are empowered to go into the next stage of work or if they need anything from Impact Investing South Africa. Bowmans responded that they are comfortable going to Treasury / SARS and have shared with the Secretariat and Foundation Working Group leads a proposal to do so.
- Bowmans also pointed out that they are uncertain about how recommendations will be received by Treasury and SARS, they will however reach out to the project team as assistance is required.
- TA mentioned that she had done similar work in the UAE trying to motivate for more enabling regulations for social enterprises. She would recommend that a report like this is be shared publicly to show the impact that regulatory clarity could have on jobs, as a selling point for SARS and Treasury.
- Claudia Manning (CM) pointed out that this is a good opportunity to urge Treasury to relook at providing incentives for investors which were removed by the 12J. Investors previously used 12J to invest in property which was against what it was intended for. There is however an opportunity to re-introduce some objectives that 12J was originally intended to do. CM also mentioned that SAVCA did a lot of work about 12J.
- Tanya van Lill (TvL) agreed that she had done work analysing the value of 12J and recommended that there should be no ambiguity about where the money should be

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invested, as this was one of the challenges with 12J. TvL also offered to share some more information about 12J.

- Bowmans made a note of contacting TvL regarding taking the 12J work forward and how it could be used to influence Treasury.
- HJ pointed out that from the board there is only Tshediso on the Foundation Working Group, there is therefore a need to relook at representation of the board within the group.
- ZK mentioned that in the last Foundation Working Group meeting there was a willingness to contribute small amounts for the next piece of work, and members recognise the importance in taking the work forward. The project is being separately funded by the Working Group.
- The next step would be to establish what Foundation Working Group members are willing to contribute and guiding the Bowmans team.

## Agenda item 5: Fundraising

### Presented by: Secretariat

- The secretariat had a meeting with TA to discuss the fundraising strategy. Based on that discussion the Secretariat has:
  1. Defined Impact Investing South Africa's value proposition
  2. Established a list of potential funders and matched that to the value proposition
  3. Developed a theory of change for Impact Investing South Africa and the Working Groups and mapped that to the value proposition
- TA added that she did give some initial guidance but believes that the fundraising strategy would benefit from everybody's key inputs.
- MMJ asked for the board to provide input on whether the value proposition has been accurately defined and whether the right funders have been identified.

### Board commentary

- Jonathan First (JF) made two suggestions:

1. There is a need to put together a pitch document. JF happy to share a previous template in this regard.
  2. That the board takes some ownership with supporting the Secretariat and approaching funders.
- HJ and CM agreed with JF's two suggestions.
  - HG pointed out that some funders are more likely to fund outcomes than to fund the Secretariat, so there is a need to map out and define what we are asking for funding for.
  - JF agreed with HG that we need to understand the mandates of funders and whether they will fund the organisation as Impact Investing South Africa or only certain projects. JF further suggested that Impact Investing South Africa should also demonstrate to funders the value and impact that will be the outcome from their funds.
  - HJ asked about if there are international guidelines for fundraising. MMJ responded that she has spoken to some international NABs and is still awaiting response and reaching out to other NABs.
  - Mabatho Seeiso (MS) suggested that the Secretariat does further research to understand the mandates of funders. She further made the consideration that Impact Investing South Africa be mindful of how it positions itself. Lastly, she believed that it would be more beneficial for board members to target areas where they have networks.
  - TA in response to MS made the point that all board members should leverage their networks as there could be value across all networks.
  - HJ mentioned that in her work with ANDE, there was value in their position as being a convenor. She therefore suggested that it would be beneficial for Impact Investing South Africa to leverage their value in being a neutral party and a convenor.
  - CM offered to assist the Secretariat assess the fundraising list as she had contacts across some of the organisations listed.
  - MMJ suggested an approach of having various funders as not to limit the scope of work that Impact Investing South Africa can do.



- HJ advised that a dedicated working group be created to focus on fundraising. TA, JF, HJ and DA are willing to assist. Secondly, she suggested that we should attempt to identify where the opportunities are and match that to the value proposition.
- HG suggested that the Secretariat be clear about what Impact Investing South Africa's intent is and find funding for that as opposed to matching activities to funder's mandates.

## Agenda Item 6: Working Group updates

### Presented by: Secretariat

- The Secretariat presented a dashboard to the Board to provide an update. The metrics used to measure progress are frequency of meetings, engagement by the working group leads, engagement by number of members, the engagement level of members, the commitment to a common goal and the risk of stagnation.
- Based on the dashboard, the Foundation Working Group is the most engaged followed by the Supply Working Group. The Demand Side Working Group lead has been experiencing personal changes which impacted progress. The IMM Working Group has made basic commitments.
- Supply Side Working Group:
  - A meeting was set up with the Batseta CEO to see where the Asset Owners Forum has left off and Impact Investing South Africa's role going forward.
  - The Secretariat engaged HG to discuss who to target for the investment case studies, where would be the best pockets of knowledge for the actual case studies and who potential contacts could be for the audience group.
  - There is also an attempt to broaden the representation of stakeholder groups, the Secretariat has reached out to DFIs for example.
- Demand Side Working Group
  - There is a plan to have a working group session in September and the matchmaking session in October.

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- There is also a session being set up between different working group leads.
- Foundation Working Group
  - The Foundation Working Group is quite focused on the regulatory report.
- IMM Working Group
  - There is a working group set up for the 25<sup>th</sup> of August to confirm the groups strategy going forward

## **Agenda Item 6: Annual plenary**

### **Presented by: Secretariat**

- The Secretariat will share some proposed dates for that AGM for early December. The agenda will be shared along with that.

## **Agenda Item 7: GSG Update & G7 Committee**

### **Presented by: Secretariat**

- The Secretariat has met with the GSG Summit team and Old Mutual. The outcome of that engagement is that there is an opportunity to weave in the Africa thread across the Summit.
- The next steps from that session were also to reach out to Trevor Manuel to ask him to be a keynote speaker at the Summit. Old Mutual is confident that he will accept.
- The Secretariat asked for the board's input about some of the proposed speakers for various sessions:
  1. Pivoting your career into impact investing.
    - Proposed speakers: Shiluba Mawela & Barry Panulo.
    - TA suggested that we look at Oxford's Business School Said, they have an African tract and potential speakers. TA offered to connect the Secretariat to them.

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- HG also suggested someone from her organisation who pivoted into impact investing, she offered to share that contact with the Secretariat.
2. Wholesaler discussion
    - TA will be the speaker for that and will be sharing the learnings from the Wholesaler work that was done.
  3. Social entrepreneurship
    - This has not been firmed up, the suggestion was to get someone from the UNDP or SDGs.
    - HJ suggested to put the Secretariat with Cathy Wynberg from Fetola as their incubation programme has been successful in the past.
  4. Re-imagining capitalism
    - Proposed speakers: Jan Mahlangu
  5. Other key names and topics as suggested by Impact Investing South Africa
    - Proposed speakers: Sizwe Nxasana, Hubert from Africa Sovereign Wealth, Martin Kingston.
    - TA pointed out that because COP27 is going to be in Africa, a person in the climate space in Africa would be an appropriate fit, she therefore suggested Hubert.
    - Board members are welcome to share other proposed speakers with the Secretariat.
    - HJ suggested to also put the Secretariat from potential speakers from Just Share as it aligns with Just Transition.
    - MMJ shared that Elias Masilela suggested Martin Kingston as he would have a broad perspective on the African investment climate.
    - HJ also suggested Michael Starker (sp) from Rise as a representative across the continent.
- MMJ thanked the board for their contribution to the case studies so far.

- MMJ suggested that a meeting be set up with Nick Hurd from the G7 taskforce to advance Impact Investing South Africa's position. She then asked the board if there were any interested members who would like to be involved in the working group.
- DA suggested that it would be beneficial to look at biodiversity as the next topical issue, therefore there might be case studies there to potentially assess for the G7.
- Following DA's point, TA commented that Bain & Company and McKinsey & Company are both looking at biodiversity and marine diversity.
- HJ also suggested that the Secretariat look into WWF as they have been quite prominent in the biodiversity space.

#### **Other Key considerations:**

- TA made the consideration that there is an opportunity for ticket allocation to align fundraising.
- The ticket allocation decision will be put into the hands of the sub-group that works on the fundraising strategy.

#### **Key decisions made:**

- The board decided that it would be beneficial to form a sub-group to focus on fundraising.

#### **Events:**

- GSG summit happening in October 2021. Ticket sales for that are now open.

#### **Closing:**

- HJ thanked all attendees and pointed out that there would be a significant amount of work ahead.

**Meeting closed**