



IMPACT INVESTING SOUTH AFRICA
BOARD MEETING
19 NOVEMBER 2021

ATTENDEES:

Name	Role
Misha Morar Joshi	Secretariat, IISA
Motshegwa More	Secretariat, IISA
Jonathan First	Board member, GFA-CI
Elias Masilela	Board member, DNA Economics
Heleen Goussard	Board member, Riscura
Tshediso Matona	Board member, NPC
Tanya Van Lill	Board member, SAVCA
Dean Alborough	Board member, Old Mutual Alternative Investments
Heather Jackson	Board member, RBN
Tracey Austin	Board member
Claudia Manning	Board member, SA SME Fund

APOLOGIES:

Pat Pillai	Board member, LifeCo SA
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ACTION ITEMS

	Action	Responsible	Date
1	Confirm quantum of funding that will be extended by the Ford Foundation	Secretariat	30 Nov 2021
2	Introduce fundraising strategy at Working Group meetings and involve Working Group members in fundraising exercises where possible	All	Ongoing
3	Define Impact Investing SA's thematic focus areas and objectives and assess those areas with potential funders	Fundraising committee	6 Dec 2021
4	Table the appointment of a permanent Impact Investing SA resource focusing on fundraising for the next board meeting and start assessing the objectives and requirements for the resource	Secretariat	TBC
5	Ratify subcommittees through setting up subcommittee kick-off meetings	Secretariat	TBC
6	Have an engagement with the governance subcommittee to finalise the constitution	Secretariat	7 Dec 2021
7	Develop initial thoughts about impact investing landscape opportunity report	Secretariat	TBC
8	Include agenda item on impact investing regulatory landscape like Regulation 28 going forward	Secretariat	TBC
9	Share GSG podcast link with the board	Secretariat	30 Nov 2021
10	Confirm who the Old Mutual event panel participant by Impact Investing SA would be	All	TBC
11	Select potential Old Mutual event invitees from existing databases.	Secretariat	03 December 2021
12	Secretariat to send out calendar invites for 2022 board meetings based on accepted dates	Secretariat	Done – 26 Nov 2021

MINUTES

Agenda item 1: Introduction and welcome

Presented by: Elias Masilela (Chair)

- Elias Masilela (EM) began the meeting by conscientizing the board about the recent change in interest rates and the impact that it would have on the country.
- He further mentioned that he had observed the significant growth of impact investing since Impact Investing SA began and an increased awareness amongst investors about the impact investing philosophy.
- Tshediso Matona (TM) agreed with EM and shared that he had also observed more corporations and organisations interested in the idea of impact. He further added that he believed that one of the next steps in this regard would be for Impact Investing SA to make it easier for people who want to adopt impact investing by creating a clear pathway for them.

Agenda item 2: Approval of minutes

Presented by: Elias Masilela

- Minutes from the previous meeting were assumed to have been read by the board.
- There were no objections to any points on the minutes and they were therefore approved.

Agenda Item 3: Fundraising

Presented by: Secretariat

- Misha Morar Joshi (MMJ) began by mentioning that it had been decided that Impact Investing SA would be taking a more strategic approach when it came to fundraising in 2022.
- There were three aspects covered regarding fundraising:
 - Ford Foundation discussion

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- The Secretariat and chair met with the grant officer for Impact Investing SA, Margot Brandenburg from the Ford Foundation.
- Margot confirmed that Impact Investing SA would not be left in the lurch and the Ford Foundation would continue to fund Impact Investing SA. The quantum however has not been decided, the Secretariat will be following up to confirm the quantum.
- The approach to market for the re-funding process would be officially beginning in January 2022.
- Margot also mentioned that there is an Indonesian NAB coming on board so as new NABs emerge, they will be given funding preference rather than more established NABs. She was however impressed by the amount of additional funding that Impact Investing SA had managed to secure beyond the Ford Foundation funding.
- Margot also offered to assist Impact Investing SA try to secure other American funders.
- Fundraising strategy
 - The Secretariat has developed a funding pitch book. It is concise and defines what Impact Investing SA's value proposition is and it includes the theory of change.
 - The pitch book has also been developed to allow Impact Investing SA to be able to pick and choose how they would like to amend it based on the funder.
- Fundraising workshop
 - The fundraising committee is organising a workshop with some board members who would like to contribute towards the fundraising strategy.
 - The purpose of the workshop is to define which funders would be approached strategically, as well as how and when this would be done.
- EM added onto those points by sharing that Ford Foundation also has the expectation that as new NABs emerge, South Africa will support them in their

growth. EM thus believes playing this strategic role would guarantee that the Ford Foundation does not close the taps entirely towards Impact Investing SA.

- Heather Jackson (HJ) agreed with EM and further added that Impact Investing SA should be proactive about its fundraising strategy and that if that involved mentoring then Impact Investing SA should do so. HJ also followed by thanking the Secretariat for setting up the meeting and taking the fundraising strategy forward. Lastly, HJ encouraged the board to introduce fundraising at their next Working Group sessions and ask Working Groups to assist how to map out the focus areas of potential funders.
- Tracey Austin (TA) raised the issue of thematic focus areas in regards to fundraising. She specified that funders are more likely to fund specific topical themes such as climate, gender or technology. Therefore, it is important to align to those themes and take the approach of defining Impact Investing SA's thematic focus areas. She made the example of having been asked to share the wholesaler work by both the Nigerian NAB and the Impact Programme in London.
- EM brought up the point that relating to COP26, Africa should also be able to rely on domestic funding to fund its big programmes and not just Western funding. He mentioned that it is important for the South African government to be more involved, particularly as a more established country in comparison to other smaller countries.
- Tanya van Lill (TvL) commented that it is important that Impact Investing SA clearly defines their alignment to funders and what the priorities of the organisation are. She added that this would involve assessing which Working Groups are best suited to achieve certain objectives or more clearly align to the potential funder.
- EM agreed with TvL and added that Impact Investing SA also becomes specific about what the money received would be targeted for. He also brought up a previous idea that was brought up to appoint a full-time resource to focus on fundraising and asked for comments regarding that point.

- Jonathan First (JF) agreed with EM. He stated that he believed that for Impact Investing SA to be successful, it would be beneficial to appoint permanent staff. This would ensure fundraising becomes a focus and that the appropriate resources are allocated to it.
- EM in response proposed that at the next board meeting, a firmer approach should be taken regarding the appointment of that resource. Once the outcome of that is defined and it is more clearly defined what type of resource would be required, sequentially the next step would be to get a fundraising initiative to support that.

Agenda Item 4: Constitution and governance

Presented by: Secretariat

- Update on constitution:
 - MMJ began by declaring that the Secretariat had an engagement with Pat Pillai from the governance subcommittee. She shared that the good news regarding the constitution is that once the new resolution is signed by the board, then Impact Investing SA would be set up as a formal entity and would not require registration at the CIPC or similar regulatory bodies.
 - MMJ added that there is an outstanding comment regarding liability that needs to be finalised. Pat is still evaluating the commentary from the lawyers regarding the comment and once there is a resolution on that, the constitution should be finalised.
 - EM asked for further clarity about the risk-related matter.
 - MMJ responded that currently in the constitution it refers to a board member being covered by unlimited liability in the carrying out of official duties if a liability occurs. The governance subcommittee's concern regarding that is that it could lead to the risk of abuse of the clause where perhaps resources could be misused and board members would still be

covered due to that clause. The lawyers have thus responded to that concern that the clause can be amended to only cover duties that have been performed in a reasonable and responsible manner.

- EM stated that he did not believe that an organisation like Impact Investing SA would require that type of risk cover due to commercial risk being relatively low in comparison to for-profit organisations.
- TvL shared an example in response to this. She mentioned that SAVCA is also a non-profit organisation however board members have decision-making authority and there is the risk sometimes that board members can make negligent decisions, and this could impact SAVCA or those they influence beyond SAVCA, risk-cover is therefore beneficial in such cases.
- EM asked the board for other opinions regarding the matter and HJ responded that she also believed that risk cover is not critical for an organisation like Impact Investing SA as the touchpoint to have fiduciary duty is not as strong for an organisation like Impact Investing SA.
- TM additionally shared that in his experience of the boards he has been on, that type of cover has never been required to be utilised by the board and he therefore believes Impact Investing SA would also not have to use risk cover of that kind.
- The Secretariat will be engaging with the governance subcommittee to feedback the board's commentary and to finalise the matter.
- Finalisation of subcommittees:
 - Subcommittees have also been finalised with the Governance subcommittee. The Secretariat and governance subcommittee will be sending out an email to board members to ratify the subcommittees and set up the first subcommittee meetings.
- Appointment of deputy chair:
 - In the previous board meeting, the appointed deputy chairs were Heather Jackson and Tanya van Lill. The next step would be the full acceptance of their nomination and the board to vote for them.

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- The board voted in the session and Heather Jackson was elected to be the deputy chair, she was voted for through a poll where she received 60% of the votes and TvL received 40%.

Agenda item 5: Working group update

Presented by: Secretariat

- MMJ began by sharing that there has been great engagement with Working Group heads and that within the Working Groups, the Secretariat has experienced that there a few members who are more active and engaged and are driving the Working Group forward.
- She further shared that the only challenge is due to the timing in the year, there is some inertia across the Working Groups, as a result there has been more focus on planning for 2022 and assessing the strategic focus areas for then.
- Supply Side Working Group:
 - The Secretariat has been engaging a department within the University of Cape Town that focuses on case studies to assist Impact Investing SA draft some case studies in relation to infrastructure investment.
 - The FSCA has also been quite helpful towards trying to consolidate the case studies through asking their various contacts for further information or further advice regarding the case studies.
 - The Group will also be assessing having broader representation across the Group through adding new members.
 - The next Supply Side meeting will be held on Friday the 21st of January.
- Demand Side Working Group:
 - The education matchmaking session was held by the Demand Working Group in October and well attended.
 - A survey will also be sent out to Working Group members to assess what they believe their focus areas should be as a Working Group.

- Some members of the Working Group have put their hands up to develop an online ecosystem of an investable pipeline and that will be done in the new year.
- The Demand Side Working Group will also be speaking to the IMM Working Group as an action for next year as there is sometimes uncertainty from the Demand Side about what to measure.
- Foundation Working Group
 - The Working Group has been having various conversations about the regulatory report and has been in the process of receiving tax implication advice about recommendations in the report. The purpose of the advice has been to enhance the report and make it more digestible for Treasury and SARS prior to approaching them.
- Impact Measurement and Management Working Group
 - The Secretariat has tried to organise a meeting through the deputy Working Group lead, Candice. She would however still like the lead Dugan to play a leading role in organising Working Group meetings, the challenge with that however is that his capacity is limited.

Agenda Item 6: Annual Plenary

Presented by: Secretariat

- The date has been finalised for the annual plenary for the 3rd of December 2021 at 9am.
- MMJ asked various people within the board that will be providing an update at the annual plenary to take note of their agenda item and reach out to the Secretariat if there are any comments or amendments they would like to make.
- TvL communicated that she would not be able to attend and would therefore not be able to provide an update on the fundraising strategy.

- Motshegwa More (MM) shared that currently the confirmed attendance rate is slightly below 50%.
- MMJ mentioned that the purpose of the plenary would be to provide an update of the work that has been done in the past year

Agenda Item 7: GSG Update & G7 Committee

Presented by: Secretariat

- MMJ began by commenting on the past GSG Summit and shared that a debrief would be taking place between the Secretariat, Old Mutual and the GSG to evaluate how the Summit went.
- Following the Summit, a podcast was recorded with Cliff Prior from the GSG, the Secretariat and Tebogo Naledi from Old Mutual, this will be shared with the board. The podcast was GSG Summit highlight orientated.
- MMJ updated the board about the ITF task force being put together. She shared that Working Group A and B in the task force are on different tracks. She explained that in the last engagement with the task force, Working Group B which focused on measurement and standardisation was more advanced than Working Group A whose focus is on instruments that could scale impact investing.
- MMJ further alerted the board that the ITF has sent a draft report and are welcoming commentary on that, the deadline to send comments is however Monday the 22nd of November. The secretariat will be taking forward comments that have already been sent.
- HJ regarding the task force also shared that she believed South Africa's Just Transition journey could have been better incorporated and highlighted.

Agenda Item 8: Old Mutual event update

Presented by: Secretariat

- MMJ shared that it has been decided that the event will be on the 10th of February 2022.
- The format of the event is that it will be a panel discussion with involvement by a member of the NAB on the panel. In the next coming weeks, the Secretariat would appreciate the board's input regarding who would be best suited to represent Impact Investing SA.
- Regarding the invitees for the event, MMJ shared that it would be beneficial if the individuals invited are change makers who are advocates of impact investing and innovators in the sector. The Secretariat would therefore also appreciate the board's input of potential invitees based on the brief description of ideal invitees.
- TvL suggested that invitees be selected from the existing database of individuals who had previously attended events. MMJ agreed and communicated that the Secretariat would therefore conduct that exercise and share it with the board for them to add onto it.

Agenda Item 9: Presidential Investment Summit

Presented by: Secretariat

- MMJ shared the drafted proposals for the Summit. Two potential options for the impact investing session were proposed to the presidency.
- MMJ further shared the idea to incorporate the proposed topic “what do local and international investors require to invest for impact?” beyond just the Summit and into the potential report that was earlier suggested by DA.
- The potential participants for the panel format suggested in option 2 would include Nick Hurd from the Impact Task Force, Cliff Prior the GSG CEO, members from the Foundation and Supply Working Group, GreenCape to share their learnings from COP 26 and the Green Outcomes Fund, as well as the Bertha Centre to share their recent work on blended finance instruments.

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- EM shared that there is a possibility he might be out of the country during the Summit and as such HJ would represent as deputy chair.

Agenda Item 10: Proposed board meeting dates

Presented by: Secretariat

- MMJ shared the potential board meeting dates for 2022 and asked for input.
- TvL asked whether given the progress, it would still be necessary to meet monthly. EM responded that he suggests the dates remain diarised but the board aims to meet on alternative months instead.
- HJ suggested an in-person board meeting for one of the meetings and that it would be best to align it to the Old Mutual event in February. The February board meeting will therefore be on the 9th of February 2022, the day before the Old Mutual event.
- EM asked that next year's plenary session be finalised as well. He proposed it be held on the 8th or 9th of December 2022.
- TvL suggested that it would be best to first observe the turnout rate of the 2021 annual plenary before selecting a date, particularly in December when many are winding down. EM agreed with that approach.

Other Key considerations:

- HJ suggested that considering recent regulatory changes, Impact Investing SA should try to influence positive outcomes through submitting comments for Regulation 28 for example.
- Heleen Goussard (HG) responded that comments are closed for Regulation 28, if Impact Investing SA wanted to comment they would have to go through treasury. She further commented on the amendments to Regulation 28, that she believed that the changes towards infrastructure investment still needed to be adjusted as the limit towards investing

in any asset class is 35%, despite the 45% infrastructure investment limit. Therefore, a fund would not be able to invest 45% in infrastructure if they would have liked to.

- Dean Alborough (DA) brought up the point here that there is perhaps an opportunity for Impact Investing SA to play a more prominent role as a facilitator of knowledge and produce a regular report for example that would guide aspiring impact investors in what to invest in. He added that the potential study or report could touch on aspects such as the regulatory environment and where it is moving towards, Regulation 28 and the power sector and the advancements regarding that. He believes that overall, this could assist in defining what the areas are that could contribute significantly to development.
- EM agreed with DA's suggestion and further added that this could be a good opportunity to scale the investments going towards critical development areas and to foster more collaboration in the sector. He believes that it would be an amazing output as Impact Investing SA thinks of being more output-led.
- MMJ also agreed with DA and added that there would also be an opportunity with this output to leverage the networks being built in the industry, particularly with organisations like Batseta, the FSCA and the university itself. There is therefore the opportunity to create an updateable and holistic report that various industry bodies and the Working Groups can contribute towards. It may be possible to raise funding specifically for this activity.
- CM commented that she too believed it was a good idea and it aligns to the work being done by the Supply Side Working Group to educate the market. She further added that what could be helpful would be a landscape mapping exercise of the sector and within each investment area, it could be beneficial to provide examples of funds or projects that have previously been done.
- EM proposed that the report be a deliverable that the Secretariat brings to the next board meeting and circulates it with the board before the next board meeting.
- EM followed by asking HJ what the stance and perceptions of Regulation 28 have been by ASISA.
- HJ responded that ASISA had drafted the preamble for the Regulation 28 amendment. She believed that the amendment would have to be properly implemented to be effective and reporting would have to be more transparent as well going forward.

- EM proposed that we have the subject of the Impact Investing regulation landscape to the agenda going forward.
- TvL asked whether commenting on the regulatory environment is part of Impact Investing SA's mandate to which EM believed that it was. He shared that his view was that in the past there was not enough capacity to engage sufficiently on the policy environment however as Impact Investing SA develops capacity it would be beneficial to have an independent voice on regulatory matters.
- MMJ responded that she believed the Secretariat would have capacity to make this commentary on big issues through its Working group members.
- TvL pointed out that Impact Investing SA should be strategic in what they comment on as it could be a costly exercise, particularly because it would sometimes require legal opinions.
- MMJ shared the information that Jon Duncan will be leaving Old Mutual in 2022 and relocating.

Key decisions made:

- Heather Jackson has been elected as deputy chair.

Events:

- Annual plenary on the 3rd of December 2021.
- Old Mutual event on the 10th of February 2022.
- Presidential Summit on the 24th of March 2022.

Closing:

- EM thanked all attendees and commented that it was a productive meeting.

Meeting closed