

# **GHANA IMPACT DIALOGUE**

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**CREATING A GHANAIAN  
IMPACT ECONOMY**

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**DECEMBER 6, 2018 | ACCRA, GHANA**

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**— EVENT BROCHURE —**

## About GSG



The Global Steering Group for Impact Investment (GSG) is an independent global steering group catalysing impact investment and entrepreneurship to benefit people and the planet. The GSG was established in August 2015 as the successor to, and incorporating the work of, the Social Impact Investment Taskforce under the UK presidency of the G8. The GSG currently represents National Advisory Boards in 21 countries plus the EU as members. Chaired by Sir Ronald Cohen, the GSG brings together leaders from finance, business and philanthropy to ensure measurable impact is considered in every investment and business decision. Our mission is to harness the energy behind Impact Investment to deliver impact at scale.

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## About DFID



The Department for International Development is a United Kingdom government department responsible for administering overseas aid. The goal of the department is "to promote sustainable development and eliminate world poverty". DFID is headed by the United Kingdom's Secretary of State for International Development and its main programme areas of work are Education, Health, Social Services, Water Supply and Sanitation, Government and Civil Society, Economic Sector (including Infrastructure, Production Sectors and Developing Planning), Environment Protection, Research, and Humanitarian Assistance.

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## About Impact Investment and The Impact Economy

To navigate the complexity of achieving a future where no one lives in poverty and the planet thrives, we need a simple unifying principle: that it is the role of all actors in society to examine how their actions affect the people and the planet.

Impact investment optimizes risk, return and impact to benefit people and the planet, by setting specific social and environmental objectives alongside financial ones, and measuring their achievement. Impact management is a critical practice to reach this potential.

As more people and organizations get involved and become more successful in impact investing, there is a cumulative effect. A vibrant and growing impact economy can develop where businesses, investment and activity deliver tangible improvements in outcomes for people and the planet and people have choices. In the impact economy, businesses use their capabilities to optimize both their positive impact on the world and their financial return. Investors use their resources to optimize business impact, adding and creating value beyond what would otherwise be achieved. The momentum of more positive impact being generated enlivens the possibility of an inspiring future.

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## Letter from The GSG Chair



Dear Friends,

Welcome to the #ImpactRevolution. These meetings come at a very opportune time as the world awakens to the fact that this revolutionary movement is about to reach Tipping Point. With \$22 trillion flowing in Responsible, Sustainable & Impact Investment, we are on the path to creating the impact economies of the future.

Impact Investments, defined as those that both intend to create impact and measure the impact created, reached \$268 billion in 2017, touching 507 million lives. By 2020, they are expected to amount to about \$500 billion and to touch more than 1 billion lives<sup>1</sup>

It's been a long journey. In 2000, when I was first called by the UK government to establish a Task Force to explore how can we unlock capital for social entrepreneurs in the way we have done for business entrepreneurs, it became apparent to me that we need an evolution in thought, and a revolution in means.

Since then, Bridges Fund Management, Social Finance, Big Society Capital, the Commission on Unclaimed Assets, and the G8 Task Force on Social Impact Investment have helped us to realize that we can measure social and environmental outcomes, and so optimize risk-return-impact when making investment and business decisions.

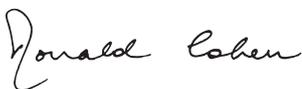
Doing so enables us to tackle great challenges like poverty and climate change by harnessing private capital at scale, to supplement what governments do.

Gordon Brown, former UK Prime Minister, captured the significance of this shift in thinking when he recently wrote about Impact Investment, that it is a big idea at a time when big ideas are few and far between<sup>2</sup>.

At the request of the UK government, the G8 Task Force led to creation of The Global Steering Group for Impact Investment to drive the global Impact Revolution forward. That is why members of the GSG team are with you in Africa today.

Whether you are an institutional investor, a philanthropist, a financial intermediary or an impact entrepreneur, you have an important role to play in this revolution. "On Impact: A Guide to the Impact Revolution" sets it out<sup>3</sup>. You can download a free copy at [www.onimpactnow.org](http://www.onimpactnow.org) and engage with us on this website to share your views.

I look forward to working you to improve millions of lives across Africa.



**SIR RONALD COHEN**

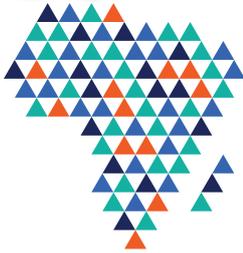
Co-Founder & Chair  
The Global Steering Group for Impact Investment  
London, UK

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<sup>1</sup> The Impact of Impact Investments by KPMG (October 2018)

<sup>2</sup> Gordon Brown in Financial News ([www.fn.london.com](http://www.fn.london.com)), 1 August 2017

<sup>3</sup> On Impact, A Guide to The Impact Revolution by Sir Ronald Cohen, October 2018



# GHANA IMPACT DIALOGUE

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IMPACT ECONOMY

## Objective

Colloquially known for centuries as the Gold Coast for its unrivaled production of the precious metal, Ghana is uniquely positioned to become a regional power as capital steadily pours into West Africa. But how Ghana can translate this interest into an opportunity to create impact is a question confronting its leaders and citizens.

How can investments in Ghana be best leveraged to solve social and environmental problems at scale?

What are the key issues that impact investment can address within Ghanaian borders - where can it support, and set examples for its neighbors? Which stakeholder will have a bigger role to play?

**Join leaders from Ghana and around the world across the ecosystem for a collaborative dialogue on Ghana's future as an impact economy.**

# Agenda

**Thursday, 6th December 2018**

Mövenpick Ambassador Hotel, Independence Ave, Accra, Ghana

Time	Title	Speaker/Moderator	Organization
08.00-09.00	Registration		
<b>I. OPENING PLENARY</b>			
09.00-09.05	Video #1: The Power of Impact		
09.05-09.10	Welcome	Micheline Nturu	The Global Steering Group for Impact Investment (GSC)
09.10-09.20	Launch of Ghana Impact Investing Report	Krisztina Tora	GSC
09.20-09.30	Theme Address: The Impact Movement	Amit Bhatia	GSC
<b>II. SECTOR SHOWCASE: EDUCATION</b>			
09.30-09.35	Video #2: Gordon Brown Video		
09.35-09.55	The Value of Investing in Learning Outcomes	Amel Karboul Shannon May	Education Outcomes Fund Bridge International Academies
09.55-10.35	Panel Discussion: Education & Impact	Juliet Asante Angela Lamensdorf Ofori-Atta Naomi Adjepong Amma Lartey Dr. Esi E. Ansah	Eagle Productions University of Ghana School of Medicine and Dentistry Alpha Beta Education Centres Reach for Change Ashesi University
10.35-11.00	Refreshment Break		
<b>III. CAPITAL &amp; IMPACT</b>			
11.00-11.05	Video #3: Bono Video		
11.05-11.15	Keynote: Capital & Impact	Yaw Owusu-Brempong	Ghana Venture Capital Trust Fund
11.15-11.55	Panel Discussion: Capital & Impact	Bernardino Avle Anna Samake Hamdiya Ismaila Yoofi Grant Jihane Hakimi	Omni Media Ltd. (Citi 97.3 FM) MBC Africa Ghana Venture Capital Trust Fund Ghana Investment Promotion Centre (GIPC) African Development Bank Group
<b>IV. HEADLINE KEYNOTE</b>			
11.55-12.00	Welcoming Hon. Ken Ofori-Atta, Minister of Finance	Amit Bhatia	GSC
12.00-12.20	Headline Keynote: Ghana & The Impact Movement	Hon. Ken Ofori-Atta	Ministry of Finance
12.20-12.30	Refreshment Break		
<b>IV. CLOSING PLENARY</b>			
12.30-12.35	Video #4: NABs Video		
12.35-12.45	Closing Keynote: Call to Action	Gita Welch	UNDP
12.45-12.59	Open House: Delegate Reactions	All Delegates	
12.59-13.00	Thank You	Krisztina Tora	GSC
13.03-14.00	Lunch		



# Ghana State of Impact Investing Report

## About the Report

The GSG is working to develop and strengthen the impact investment ecosystems in Africa. It does so by helping to unlock current supply and attract new capital, as well as by sharing knowledge and building capacity of various stakeholders in the impact investment space through the support to the establishment of National Advisory Boards in several countries in Africa. This report, relying on essential work delivered by other key players and GSG's strategic partners (ANDE, GIIN, British Council and others), provides an overview of the state of the impact investment sector in Ghana, looking at the five pillars of the ecosystem. This report aims to fill a critical information gap by providing investors and other market players with relevant information on the impact investment landscape in those ten countries. It highlights existing opportunities and challenges for the impact investors and entrepreneurs, and will be used to inform the formation of National Advisory Boards and their subsequent national impact investment strategies.

In addition to providing information on impact investing with this study, the GSG is working to strengthen the ownership and engagement of countries around impact investment. The GSG is currently supporting several countries in Africa in the formation of National Advisory Boards (NABs) for impact investing. A NAB is a vanguard for impact investment and serves as a national platform for private, public, and civil society actors to work together to create an enabling environment for impact investing. The findings of this report will therefore contribute to enhanced understanding of ecosystems by future NAB members, as well as provide relevant information as the Ghana's NAB develops its strategy.

Produced by:



Supported by:



## About Intellectap Advisory Services

Intellectap is a pioneer in providing innovative business solutions that help build and scale profitable and sustainable enterprises dedicated to social and environmental change. Intellectap Advisory seeks to build institutional capacity and channel investments into the development sector through consulting services, investment banking services, and knowledge and information services. Our work includes innovative and focused initiatives such as capital advisory services, intermediating impact investment capital, innovation management, strategy design, market research, stakeholder engagement and policy advocacy.

Founded in 2002, the Aavishkaar and Intellectap Group have directed USD 600 Million of capital to entrepreneurs working on such challenging problems sustainably through equity funds, venture debt vehicle, microfinance lending or investment banking intermediation.

# Ghana

## Introduction and Context

Since its independence in 1957, Ghana has been one of the most politically stable countries in West Africa. Ghana's economy is mainly dependent on agriculture which contributes about 30% of its GDP and employs more than 50% of its population<sup>1</sup>. There has also been a recent discovery of oil in the country (2010), which has significantly contributed to the GDP of Ghana's economy. Ghana observed a slowdown in its economy in 2013 with growth rates down from 14% in 2011 to 7% in 2013<sup>2</sup>. However, the country's gross domestic product (GDP) bounced back to 8.5 per cent in 2017 compared with 3.7 per cent in 2016.

Under the new government of President Nana Akufo Addo, industrialization was identified as the key driver of projected GDP growth. The government intends to specifically revitalize manufacturing through its flagship initiative '**The One District, One Factory**'; by resolving the shortage of energy in the country and by aggressively promoting exports of high-value manufacturing products. The government is also focusing on growing the agricultural sector through the interventions **One Village, One Dam** and **Planting for Food and Jobs**, among others.

Impact investment in Ghana is growing. This is predominantly due to a number of successful government interventions to increase the supply of capital in the market. There remains an opportunity for policy makers to work with intermediaries and with those in the demand of capital to further enhance sector.

Through extensive market research, this report outlines the key trends, challenges and opportunities that lie in the impact investment sector in the country. It is structured in accordance with the GSC's framework for impact investment, which outlines 5 main building blocks for an enabling impact investment ecosystem: supply of capital, demand of capital, intermediaries, policy makers & ecosystem support providers.

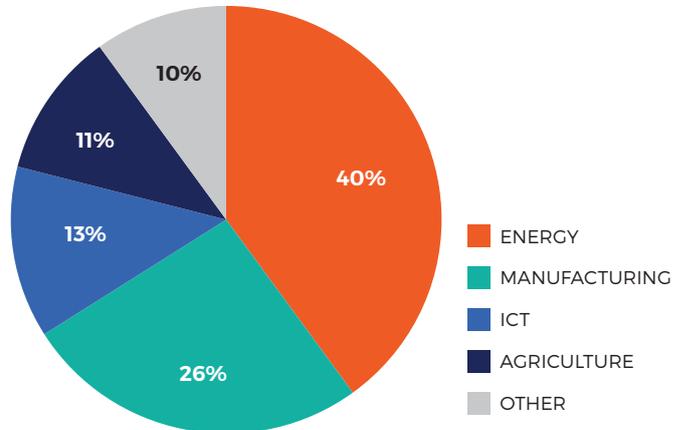
## The Impact Investment Landscape in Ghana

### SUPPLY OF CAPITAL

Impact investing is small and nascent sector in Ghana but it is starting to grow. The establishment of Ghana Venture Capital Trust Fund in 2004 and amendment of the Internal Revenue act in 2006, which provided tax benefits to funds domiciled in Ghana, led to the increased activities in the sector and in the emergence of the first few Ghanaian-owned private equity investors. Ghana is one of the few countries in Africa which has a significant number of Ghanaian-owned private equity investors, though they are significantly smaller in size than their international counterparts.<sup>3</sup>

During the ten year period between 2005 and 2015, the volume of impact capital deployed in the country (US\$ 1.69 Billion) was similar to that which was deployed in its neighboring country Nigeria (US\$ 1.94 Billion), despite the fact that Ghana's economy is less than one-tenth the size of Nigeria's<sup>4</sup>. Development Financial Institutions (DFIs) investment, accounted for more than 90% of the total capital deployed amounting to \$ 1.615 Billion while private impact investments amounted to US\$ 75 Million<sup>5</sup>. Of the total

### % OF CAPITAL DEPLOYED BY DFI'S



DFI capital deployed between 2005 and 2015, the energy sector represented the large majority (40%), followed by manufacturing (26%), ICT (13%) and agriculture (11%).<sup>6</sup>

This is in sharp contrast to the investments made by the private impact sector, where 40% of the capital deployed was focused on the financial services sector.<sup>7</sup>

Similarly to other African countries, time taken for due diligence process i.e. the time frame between the application for capital by impact enterprises and allocation of capital by impact fund managers is much longer compared to other parts of the world. This is due to the nascence of investment banking industry in the country, which in other parts of the world provides impact fund managers with vetted and selected deals. As a result fund managers have to spend a significant amount of their time and resources on due diligence process to develop their deal flow.

In the absence of viable exits options through national stock/capital markets, some investors in country are using innovative exit strategies such as listing on international stock exchanges. For instance, Emerging Capital Partners (ECP) had invested into Ecobank. ECP, finding few suitable exit alternatives in Ghana, exited through multiple listings on the Nigerian stock exchange, the Ghana stock exchange and the regional stock exchange Bourse Régionale des Valeurs Mobilières ("BRVM"). The fund exited profitably at US\$ 35.9 Million from its initial investment of US\$ 11.8 Million into the bank, profiting more than a 3x return, whilst significantly improving the lives of millions of people on Ghana who were previously unbanked and did not have access to financial services.

<sup>1</sup> <http://taxsummaries.pwc.com/ID/Ghana-Overview>

<sup>2</sup> United Nations Economic Commission for Africa, 2017

<sup>3</sup> Private Equity in Ghana: An analysis of investments and exits by Yaw Brako Osei-tutu, July 2014

<sup>4</sup> Global Impact Investing Network (GIIN), December 2015. The Landscape for Impact Investing in West Africa

<sup>5</sup> Global Impact Investing Network (GIIN), December 2015. The Landscape for Impact Investing in West Africa

<sup>6</sup> Global Impact Investing Network (GIIN), December 2015. The Landscape for Impact Investing in West Africa

<sup>7</sup> Global Impact Investing Network (GIIN), December 2015. The Landscape for Impact Investing in West Africa



## DEMAND FOR CAPITAL

There are a huge number of informal businesses in Ghana. Of the 638,234 businesses that exist in Ghana, only 9.5% are formalized while the other 90.5% operate informally.<sup>8</sup> This presents an additional challenge for impact investors, who typically rely on the existence of formal organizations to invest their capital.

The Social enterprise sector in Ghana is heavily dominated by young people and women: 39% of the Ghanaian social enterprises are run by women entrepreneurs, and 43% of all social enterprises are led by people between the ages of 25 to 34.<sup>9</sup> In addition, over half of all social enterprises in Ghana have been set up in the last 5 years.<sup>10</sup> It is reasonable to assume that this young industry is set to grow and develop over the next decade.

Stakeholders interviewed as a part of this research, cited that most social enterprises operating in Ghana operate at a regional or national level, with only few very who have expanded internationally.<sup>11</sup> These regional or national enterprises may be seeking very small ticket size financing, (US\$ 5,000- US\$ 500,000), which is currently not available in the market, due to the expense associated with investing in smaller sizes. This results in a financing gap for enterprises which require such capital.

The large majority of the demand for capital is in the form of debt in Ghana because equity is a new concept for many enterprises. Increased awareness and understanding of equity financing amongst social enterprises in Ghana would help support the impact investment sector.

## INTERMEDIARIES OF CAPITAL

Financial markets in Ghana are highly debt-driven. Most of the capital flowing in the country is in the form of debt and this is true both for traditional banking sector such as banks and micro-financial institutions as well as for impact investments. The preference for debt as the form of capital has made the financial sector in Ghana highly crowded with 33 commercial banks (excluding ARB Apex bank which is a mini-central bank for rural banks), 77 non-banking financial institutions, 141 rural and community banks (RCBs), and 564 microfinance institutions (MFIs).<sup>12</sup> Total assets of the industry at the end of March 2016 were US\$ 15.4 Billion, up by 18.8% compared US\$ 12.9 Billion at the end of March 2015.

Loan interest rates charged by Ghanaian banks are one of the highest in Africa, averaging around 24.5% (2018).<sup>13</sup> High interest rates combined with high collateral requirements, make it difficult for SMEs to access commercial capital from local banks.

There is a gap in the availability of long term and patient capital in Ghana, which is beginning to be realized by banks in Ghana. Consequently, banks in Ghana have started to play in private equity/impact investment space through the development of new services/products. Examples include Ecobank and HFC bank, which have established their fund under the names of Ecobank Venture Capital and HFC Capital Partners respectively.

## GOVERNMENT AND POLICY MAKERS

The government of Ghana has been taking initiatives to improve the working environment both for businesses and for investors. These initiatives have been successful, evidenced in the improvement of Ghana's ease of doing business ranking

for 2018 at 114, up from 2017 where it was ranked 120. Over the last two decades, the country has witnessed relative political stability and improved macroeconomic conditions making it an increasingly attractive investment destination. Some of the key initiatives taken by the government to promote investment sector include:

- ▶ Establishment of Ghana Free Zones Boards (1995) providing tax incentives to businesses operating in those zones and moving Ghana towards export oriented economy
- ▶ Establishment of the Ghana Securities and Exchange Commission (1998) and the Ghana Alternative Market exchange in 2013 for providing an alternative supply of capital to businesses in Ghana
- ▶ Establishment of Venture Capital Trust Fund (2004) for providing low-cost financing and technical assistance to small and medium enterprises in the country
- ▶ Establishment of a Microfinance and Small Loans Center (2006) for providing micro and small loans to small businesses and startups in the country with the particular focus on women owned enterprises
- ▶ Establishment of Ghana Angel Investment Network (2011) to promote angel investing in the country through capital from High Net worth Individuals (HNWIs)
- ▶ Re-establishment of Ghana Investment Promotion Centre (2013) to encourage and promote investments in Ghana, and to create an attractive incentive framework and a transparent, predictable and facilitative environment for investments in Ghana

## ECOSYSTEM SUPPORT PROVIDERS

The support providers' ecosystem in Ghana is small but growing. The ecosystem consists mostly of incubators, technical assistance providers and research organizations. Currently there are less than 10 incubators/accelerators in Ghana (supporting ~ 26,000 social enterprises), about a fifth of the number in Kenya (supporting ~ 44,000 social enterprises), highlighting the gap in support needed for the businesses to grow.<sup>14</sup>

There is also a need for increased coordination, cooperation and collaboration amongst the impact investors in the country. While eastern and southern Africa have developed region specific associations for venture capital (of which impact investors are also part of) i.e. East Africa Venture Capital Association and Southern Africa Venture Capital Associations, West Africa doesn't have such an association.

<sup>8</sup> Integrated Business Establishment Survey, Summary report, Ghana, 2015

<sup>9</sup> British Council, 2016, The State of Social Enterprise in Ghana

<sup>10</sup> British Council, 2016, The State of Social Enterprise in Ghana

<sup>11</sup> Intelicap research

<sup>12</sup> Sourced from <https://www.stanbicbank.com.gh/Ghana/About-Us/news/A-time-for-equity>

<sup>13</sup> Bank of Ghana banking sector report released in Feb'2018

<sup>14</sup> British Council, 2016, The State of Social Enterprise in Ghana

## Key Recommendations to Strengthen the Impact Investment Sector

### GOVERNMENT AND POLICY MAKERS

While the government of Ghana is taking on many initiatives to promote investment in the country; it doesn't give special or different recognitions to impact investments made in the country. The government can play a role in promoting the impact investing in the country by working on three fronts, i.e. supply side regulations, demand side regulations and ecosystem level regulations. On the supply side, it can provide tax incentives to impact investors, provide guarantees on the impact investments, promote local long term financing through pension funds and ease regulations for foreign investors. On the demand side, it can create specific regulations tiered regulatory system which varies with the size and stage of the company and offer tax benefits to those businesses which are solving social and developmental challenges. On the ecosystem side, it can create industry bodies which promote and market impact investing, thereby enhancing collaboration amongst various ecosystem players. Specifically, it can take initiatives on following fronts:

#### ▲ Amend the current Pension Funds Management Act to allow pension funds in Ghana to invest into private equity as an asset class:

Pension funds in Ghana currently have assets worth US\$ 1.2 Billion that have largely been invested into government debt and fixed income instruments issued by banks.<sup>15</sup> These assets are currently growing at 60% per annum and can be a readily available source for local financing for private equity and impact investors. However, as per the current regulations, pension funds in Ghana are not allowed to invest in private equity. Amending this can help ease the gap in long term financing capital and reduce the investors' reliance on foreign funding.

**Example:** The U.S. private equity industry saw sky-rocketing growth after the regulation allowed the 5% allocation of assets managed by pension funds into the private equity sector.

#### ▲ Redevelopment of the Ghana Alternative Exchange and integration with other regional stock exchange:

One of major challenges faced by impact investors is finding the right avenues to exit their investments. Revamping the Ghana Alternative Exchange would strengthen and deepen the local capital market. Further, it would be of benefit to the entire West African region if they can integrate and strengthen their country stock markets and regional stock market Bourse Régionale des Valeurs Mobilières ("BRVM"), as it would improve the exit opportunities for investors, allowing them to get better exit valuations and reaping better returns for their investments.

### SUPPLY OF CAPITAL

#### ▲ Impact investors to develop flexible investment strategies and innovative funding structures:

While angel and seed capital are appropriate financial instruments to meet the demand of high growth social enterprises, mezzanine instruments can play an important role for low and moderate growth social enterprises. Most of the impact investors in the market have deployed the same investment vehicles as their commercial counterparts (simple equity and debt), thereby cutting off a significant number of investees from their portfolio. Impact investors should consider other innovative structures of deploying impact capital, such as:

- ▶ Development of a tiered venture debt fund. Venture debt is the capital in the form of debt to high-risk businesses that lack the assets or cash flow for traditional debt financing. Further, venture debt is more flexible and is longer term than traditional form of debt.

**Example:** GroFin is a venture debt fund that provides medium term debt and technical assistance to startups and early stage enterprises across Africa and Middle East. It has invested in 675 SMEs since its inception in 2004. More such funds are needed in the region.

- ▶ Structuring deals with catalytic first loss or matching-grant guarantee. Catalytic first loss is the guarantee provided by an investor or grant provider to bear the first loss in case the investment fails to meet its return expectations

**Example:** Catalytic first loss capital models are starting to gain traction in the market due to their ability to offer protection to investors while engaging in high risk investments. A good example of this is in Tanzania where Equity for Africa leveraged a US\$1.2 Million grant from the Dutch government to catalyze an additional US\$ 3.6 Million investment towards setting up of EFTA, an SME equipment leasing company in Tanzania.<sup>16</sup> EFTA Ltd. is a Tanzanian equipment financing company specializing in serving small and medium enterprises and farmers. It focuses on equipment loans of up to US\$ 60,000 with no collateral except for the equipment itself.<sup>17</sup>

- ▶ Implementation of evergreen structures, which take a long term approach in provision of capital and allow enterprises to fulfill long term goals.

**Example:** UK-based impact investment fund, Bridges Ventures, launched Bridges Evergreen Holdings ("Evergreen") in 2016. The permanent capital vehicle is designed to provide long-term support to mission led enterprises. The capital vehicle is structured as a holding company rather than a fund so that it can provide ongoing support to enterprises over a long term, with no requirements to exit.<sup>18</sup>

**Example:** Five is an evergreen fund, launched by AfricInvest (fund manager) and FMO and BIO (anchor limited partners) in 2017. This long term fund aims to invest in financial institutions in Africa in order to increase the access to financial services for growing population. The fund's evergreen structure allows it to meet the requirements of investors, fund managers and investees.

#### ▲ Local fund managers to adopt co-investment models:

There is a lack of local capital in the country, which makes it difficult for Ghanaian owned fund managers to raise capital. In such scenario, it will be advisable for Ghanaian owned fund managers to make co-investments into the target businesses. The co-investment model will reduce the risks for the local investors; while at the same time will give them the opportunity to reap benefits from the upside of company's positive performance.

<sup>15</sup> <https://www.stanbicbank.com.gh/Ghana/About-Us/news/A-time-for-equity>

<sup>16</sup> <https://www.investingforgood.co.uk/news/blendedfinance>

<sup>17</sup> <http://www.equityforafrica.org/efta.html>

<sup>18</sup> <http://www.bridgesfundmanagement.com/bridges-launches-new-evergreen-permanent-capital-vehicle-mission-led-businesses/>



▲ **Impact investors to leverage funds from diaspora for investments into social enterprises:** Ghana has large diaspora population with remittances from them hitting US\$ 2.2 Billion in 2017. Primary uses of remittances currently are for household needs such as food, clothing, etc. Though, with the growing economy and political stability, more and more diaspora members are becoming interested in investing back in their country.<sup>19</sup> There is potential to tap these remittances, through a diaspora fund, to invest in high impact and high growth social enterprises. Remittances from the diaspora population currently lack structure and organization and formal recognition or the formulation of policies that encourage the diaspora will help investments into social enterprise sector.

**Example:** The Rwanda diaspora mutual fund is a pool of capital from Rwandans in the diaspora for collective investments into Rwanda. The fund aims at promoting the financial well-being of the Rwandan diaspora, while at the same time increasing their participating in the socio-economic growth of their country. The fund is open to all Rwandan diaspora communities, their organizations and networks, friends of Rwanda, Rwandan nationals, and any other interested parties both public and private.<sup>20</sup>

#### DEMAND FOR CAPITAL

▲ **Increased awareness amongst social enterprises on the benefits of formalizing their business:** The overwhelming majority of businesses in Ghana operate informally, which constricts their ability to grow if they don't formalize their structures.<sup>21</sup> An investor or a financial institution such as bank will not invest in a business that doesn't have proper financial records or fails to meet regulatory requirements. Therefore, there is a need to create awareness amongst the informal sector on the benefits of formalizing their businesses. Ecosystem support providers are well placed run campaigns across the country, in partnership with the government, to educate informal businesses and assist them in formalizing. The government should introduce incentives and ease the regulatory requirements to attract informal businesses to formalize.

▲ **Creation of replication corridor for knowledge transfer:** There is a need a replication corridor to provide information, advisory services and collaboration support to match small businesses with large companies within and outside of the Greater Accra region. Most of the businesses in Ghana are present in the Greater Accra region – large sized (>50% present in Greater Accra region), medium sized (> 70% present in Greater Accra region), small sized (>30% present in Greater Accra region), and micro sized (30% present in Greater Accra region).<sup>22</sup> Creating connections between these large businesses with smaller businesses will assist in transfer of knowledge and allow the smaller businesses to learn and grow. Further, with the transfer of knowledge to other region outside of Greater Accra region will enable social and economic uplifting of those regions as well.

#### MARKET BUILDING SUPPORT

▲ **Provide market linkage support to SMEs:** In addition to financial and technical assistance, SMEs interviewed as part of this research, cited access to market linkages as one of their biggest challenges. Market linkage refers to linkages with various stakeholders across the value chain of the business such as suppliers and customers. In the absence of an adequate market, SMEs are not able to grow beyond their immediate vicinities or take their products to regional or global markets. While there has been a lot of focus by the ecosystem support providers on technical assistance and capacity building for enterprises, there is an increased need to assist these enterprises with market linkages. Ecosystem support providers can create facilities to link big corporates and SMEs, through which corporates can be regular buyers for SMEs' products and services.

▲ **Develop a platform to support collaboration and information sharing:** With multiple DFIs, donor and government programs to promote startups and MSMEs across the country, there is a need for a common platform which disseminates useful information, enables collaboration and multiplies the impact of these efforts. This research found that it is mostly the support program implementation teams that identified and sourced beneficiaries and entrepreneurs. It was very rare that beneficiaries actively sought out support - particularly in areas outside of the Greater Accra region. This is primarily due to poor awareness levels amongst the enterprises. Since VCTF anchors the role of SME development, it could establish such a platform – for instance, a Startup Forum - to provide a common platform for startup entrepreneurs, business leaders and advisors to share their experiences and resources. This platform could provide information on available government programs and policies that promote startups or SMEs in Ghana. It could also act as a focal point to connect with key government stakeholders in different provinces.

#### Conclusion

Ghana's strengthening economic environment, stable political environment and growing social enterprise sector render it well suited to the development of an impact investment industry. The recommendations outlined in this paper are based on extensive secondary research, literature review and primary research conducted through interviews with over 15 leading professionals in impact investment sector in Ghana such as fund managers, government and policy makers, entrepreneurs, incubators, accelerators etc., spanning a three month period

<sup>19</sup> Understanding the investment potential of the Ghanaian Diaspora. Results of the Commonwealth Diaspora Investor survey country report

<sup>20</sup> <http://www.rwandandiaspora.gov.rw/index.php?id=64>

<sup>21</sup> Integrated Business Establishment Survey (IBES), 2016

<sup>22</sup> Integrated Business Establishment Survey (IBES), 2016



**HON. KEN OFORI-ATTA**  
**Finance Minister, Government of Ghana**

Hon. Ken Ofori-Atta assumed office as Ghana's Finance Minister on January 27, 2017. He brings to the Ministry over 30 years' experience in the Ghanaian and international financial sectors.

He was a Co-Founder and former Executive Chairman of the Databank Group in Ghana. Prior to co-founding Databank in 1990, he was an investment banker at Morgan Stanley and Salomon Brothers on Wall Street in New York.

Hon. Ofori-Atta was the first African to be honoured as a Donaldson Fellow at Yale University in 2010, a John Jay Fellow at Columbia University in 2011 and also a Henry Crown Fellow of the Aspen Institute. He is a Co-Founder of the Aspen African Leadership Initiative.

Hon. Ofori-Atta received his BA in Economics from Columbia University in New York and his MBA from the Yale School of Management.



**DR. AMEL KARBOUL**  
**CEO, Education Outcomes Fund**

Dr. Amel Karboul is a social entrepreneur, chairwoman, author and one of the leading young politicians in Africa as the former Minister of Tourism of Tunisia, H.E. Having held several senior leadership roles in companies such as Mercedes-Benz and DaimlerChrysler, she is currently the CEO of the Education Outcomes Fund for Africa and the Middle East and the Commissioner of the International Commission on Financing Global Education Opportunity.



**AMIT BHATIA**  
**CEO, GSG**

Amit Bhatia is the inaugural CEO of The Global Steering Group of Impact Investment (GSG), an independent multilateral, catalysing impact investment and entrepreneurship to benefit people and the planet. An alumnus of Shri Ram College of Commerce and Delhi School of Economics, Amit quit a successful corporate career in 2007 to serve the social and environmental impact sectors. Amit was the Founder of the McKinsey Knowledge Center; Country Manager of FreeMarkets; Founding CEO of WNS Knowledge Services; Founder & Chair of Aspire, a social enterprise in Education; and Founding CEO of India's Impact Investors Council.



**AMMA SEFA-DEDEH LARTEY**  
**Africa Regional Director, Reach for Change,**  
**Co-founder, Social Enterprise Ghana**

Amma leads the Africa region of Reach for Change, a venture philanthropy which runs accelerators, incubators and hubs for social entrepreneurs in key growth markets including Ghana, Tanzania, Rwanda, DRC, Chad, Senegal, and Ethiopia. She brings to this role a background as a social entrepreneur and a passion for children's rights. She is also the co-founder of Social Enterprise Ghana (SE Ghana), a network of social enterprises and related organizations working together to grow a vibrant national social enterprise ecosystem. Amma graduated with a BA from the University of Ghana and an MBA from Babson College.



### **ANGELA LAMENSDORF OFORI-ATTA**

**Associate Professor, University of Ghana School of Medicine and Dentistry**

Angela Lamensdorf Ofori-Atta is a professor of clinical psychology at the University of Ghana Medical School. She was previously part of an International Labor Organization (ILO) mission to Liberia on employment issues and served in government as a deputy minister for manpower development. From 1994-1998, she helped launch mental health services in Ghana's Upper West Region. Angela has a bachelor's degree in psychology and zoology from the University of Ghana and a doctorate from the University of British Columbia, where she was a Commonwealth Scholar for six years.



### **BERNARDINO KOKU AVLE**

**Director of News Programming, Omni Media Ltd. (Citi 97.3 FM)**

Bernardino Koku Avle is a Ghanaian broadcast journalist with a passion for telling the African story. He hosts one of the most popular radio shows in Ghana, *The Citi Breakfast Show*, produces & presents the flagship business analysis program *Citi Business Edition*, and also anchors *The Ghana Report*. Bernard is the Director of News Programming at Citi 97.3 FM in Accra and is a Founding Director of iJourno Africa. Bernard studied economics at the University of Ghana and received his MBA from the Warwick University. He is an ALIWA Fellow, an Edward R Murrow Fellow of Journalism, and a Chevening Scholar.



### **DR. ESI. E. ANSAH**

**Lecturer, Ashesi University**

Dr. Ansa is a social scientist who teaches Human Resource Management, Leadership IV, Negotiation and Creative Problem-Solving and Organisational Behaviour. She is also a founding partner and CEO of Axis Human Capital Ltd., and serves on the boards of the Longevity Project and Women's Trust. She is a fellow in the Aspen Institute's Africa Leadership Initiative (West Africa), and was honored in 2010 by TNJ as one of the "Forty under Forty" African Achievers. She earned three Bachelor's degrees from Florida State University, a Master of Arts degree in Social Sciences from the University of Chicago, a Master of Science degree in Public Service Management from DePaul University, and a PhD in Public Administration from Rutgers University.



### **GITA HONWANA WELCH**

**Country Director, UNDP, Ghana**

Gita Honwana Welch is currently the Country Director ad interim for the United Nations Development Programme (UNDP) in Ghana. She has previously served in senior roles for UNDP Country Offices in Ghana, Burkina Faso, Angola, and Zambia, and as Director of the UNDP Regional Service Centre for West and Central Africa, Head of the UNDP Democratic Governance Group, and Minister of Justice of the UN Transitional Administration for East Timor. She is an Associate Fellow of the Africa Programme of Chatham House. She holds a Master's degree from Columbia University and a D.Phil in International Law from Oxford University.



### **HAMDIYA ISMAILA**

#### **General Manager, Ghana Venture Capital Trust Fund**

Hamdiya Ismaila is currently the General Manager of Venture Capital Trust Fund (VCTF), where she oversees the Investments and general operations of the Trust. Prior to joining VCTF, she worked with the Ministry for Private Sector Development. She is an Angel Investor and was instrumental in the design of the Ghana Angel Investor Network (GAIN). She is also a Director of the Ghana Angel Fund and a Founder of the Lady Angel Network. She is currently leading the efforts in the development of impact investing as an asset class in Ghana working closely with the GIMPA Centre for Impact Investing and other stakeholders.



### **JIHANE HAKIMI**

#### **Blended Finance Specialist, Africa Development Bank**

Jihane Hakimi is a Moroccan policy and development finance specialist with expertise in donor fund mobilization, fund structuring, and innovative finance. At the African Development Bank (AfDB) she currently works for the vice presidency on blended finance and fundraising across the financial sector, infrastructure, and industrialisation. Jihane began her career at the European Investment Bank (EIB) where she worked on RDI, upstream project preparation, and partnership with Non-EU countries. Jihane has a particular interest in leveraging PPPs and mobilising non-traditional capital providers to finance the SDGs, and believes in the power of entrepreneurship as a tool to create jobs. She holds an MPA from the London School of Economics (LSE).



### **JULIET ASANTE**

#### **Founder & Chief Executive Officer, Eagle Productions Ltd**

Juliet Asante is the founder and CEO of Eagle Productions Ltd., an events and communications company. She is also the publisher and editor-at-large of Entertainment Today Magazine and the creator and president of the Voice Of Africa Forum, Save Our Women International, and the Eagle Women Empowerment Club.. As a producer, director and writer, Juliet has won the Hollywood Reporter's Next Generation Award (2009) and the Best Actress Ghana Award (2001). She is a member of the Global Agenda Council of the World Economic Forum and the Aspen Global Leadership Network, and a Fellow of the Africa Leadership Initiative-West Africa.



### **KRISZTINA TORA**

#### **Market Development Director, GSG**

Krisztina Tora is Market Development Director of the Global Steering Group for Impact Investment (GSG). Prior to joining GSG, Krisztina co-founded and led the Global Social Entrepreneurship Network (GSEN), the global network of organisations supporting early-stage social entrepreneurs in over 70 countries. Until 2013, Krisztina was Director at Be-linked, leading French strategy consultancy dedicated to create shared value and core business partnerships between multinational companies and NGOs or social enterprises. Previously she was International Projects Manager at Veolia, a global utilities company. She holds an MBA from ESSEC Business School in Paris and speaks French, Hungarian, English, and Spanish fluently.



### **DR. NAOMI ADJEPONG**

#### **Operations Manager, Alpha Education Centers**

Dr. Naomi Adjepong is the Operations Manager of Alpha Education Centres and the CEO of Skill Up Africa, an organisation that specialises in short professional and personal development courses for youth and adults. She co-directs Emerge Leadership Ghana Ltd, a social enterprise which designs and runs leadership development programs for teenagers. She serves on the Board of Directors for Databank Arkfund as well as The G-Project and Alpha Beta Charitable Trust. She is a medical doctor by profession and has earned a postgraduate qualification in Managing Rural Development. Naomi is a Fellow of the Africa Leadership Initiative-West Africa and a member of the Aspen Global Leadership Network.



### **DR. SHANNON MAY**

#### **Co-Founder & CSO of Bridge International Academies**

Dr Shannon May is the Co-Founder of Bridge International Academies, the largest network of technology enabled nursery and primary schools in Africa and India, where she currently serves as the CSO. Bridge partners with partners with governments, communities, teachers and parents to deliver transformational education in impoverished communities. Bridge's academic results are impressive, with students outperforming their peers in national tests and exams across multiple years and countries. Dr May is also a fluent Mandarin speaker.



### **TÉNEMBA ANNA SAMAKÉ**

#### **CEO, MBC Africa**

Ténemba Anna Samaké has 19 years of experience in business development and SME financing in West Africa. She is a pioneer in angel investment in Mali and Ghana and is currently Lundin Foundation's Portfolio Manager for West and Central Africa and coordinates the Mobile Business Clinic (MBC), an affordable and convenient management training program for CEOs and managers in small and medium sized agribusinesses across Côte d'Ivoire and Ghana. Ténemba holds a MBA from Quebec University in Montreal and has a Master's Degree in Private Law from National Administration School, Mali. She is a candidate for a Doctorate in Business Administration.



### **YAW OWUSU-BREMPONG**

#### **CEO, Ghana Venture Capital Trust Fund**

Yaw Owusu-Brempong is an experienced Finance and Management Accountant professional with seventeen years post qualification experience. Yaw served as Financial Controller of the Vanguard Assurance Company Ltd, one of the top insurance companies in Ghana and as the Managing Director of Primus Services Ltd, which provides catering, janitorial and other camp management services for corporate entities. He holds a degree in Economics [BA Hons] from the University of Ghana (Legon). He is an Associate Member of the Chartered Institute of Management Accountant [CIMA] UK and holds an MBA in Finance from the University of Leicester, UK.



## **R. YOFI GRANT**

### **CEO, Ghana Investment Promotion Centre (GIPC)**

Yofi Grant is a renowned Ghanaian investment banker with over 30 years of experience. He was responsible for the development and implementation of AAF SME Fund LLC, one of the largest agriculture funds in Sub-Saharan Africa, and helped them achieve their first close of US\$30 million. Yofi is a council member of the Continental Business Network of the African Union and partner and co-founder to a number of companies including Grant Dupuis Investment Limited, Coldwell Banker Ghana, and Praxis Fortune Calibre. He holds several supervisory board mandates in private sector companies in the telecommunications, commodities, and education sectors and has also played many policy advisory roles for government.

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This is an evolution in thought and a revolution in means. If we are successful, it will change the whole nature of our system.



**Sir Ronald Cohen**  
Chair, GSG

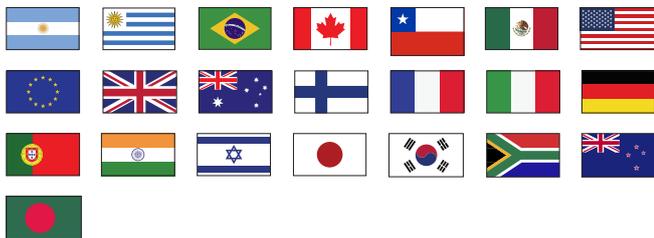
The GSG is an independent global steering group catalyzing Impact Investment and entrepreneurship to benefit people and the planet. The GSG was established in August 2015 as the successor to and incorporating the work of the Social Impact Investment Taskforce under the UK presidency of the G8. The GSG currently has National Advisory Boards in 21 countries plus the EU as members. Chaired by Sir Ronald Cohen, the GSG brings together leaders from finance, business and philanthropy.

Our mission is to **harness the energy behind Impact Investment to deliver impact at scale.**

**DO GOOD. DO WELL.**

## Who leads GSG

GSG is represented in countries via their National Advisory Board (or NABs) and Regional Advisory Boards (or RABs). To date, 21 countries have joined. The GSG is governed by an Executive Board and the Council of NAB Chairs. The Chair and Executive Board are elected by NABs. Sir Ronald Cohen, Founder of GSG, is its current elected Chair. Nick O'Donohoe, CEO of CDC, is the Deputy Chair and Amit Bhatia is the CEO of GSG.



## Why collaborate with GSG

- Shape the Impact Investment efforts globally
- Attract capital to achieve SDGs and COP21
- Create global definitions & standards
- Provide advocacy and policy support
- Identify & develop new markets
- Attract capital through new financial instruments
- Enable entrepreneurship, innovation and capital to deliver impact at scale
- Share knowledge, research and best practices between countries.

## What do we do

- Develop and accelerate impact ecosystems in countries
- Create formal working groups for new knowledge, insights, definitions, and standards
- Advocate with G7, G20, the EU, the UN and the OECD, and other governing bodies.
- Build Outcome Funds, Impact Wholesalers, Fund of Funds and Intermediaries
- Organise and host events, including annual GSG Impact Summit.

## What we will achieve



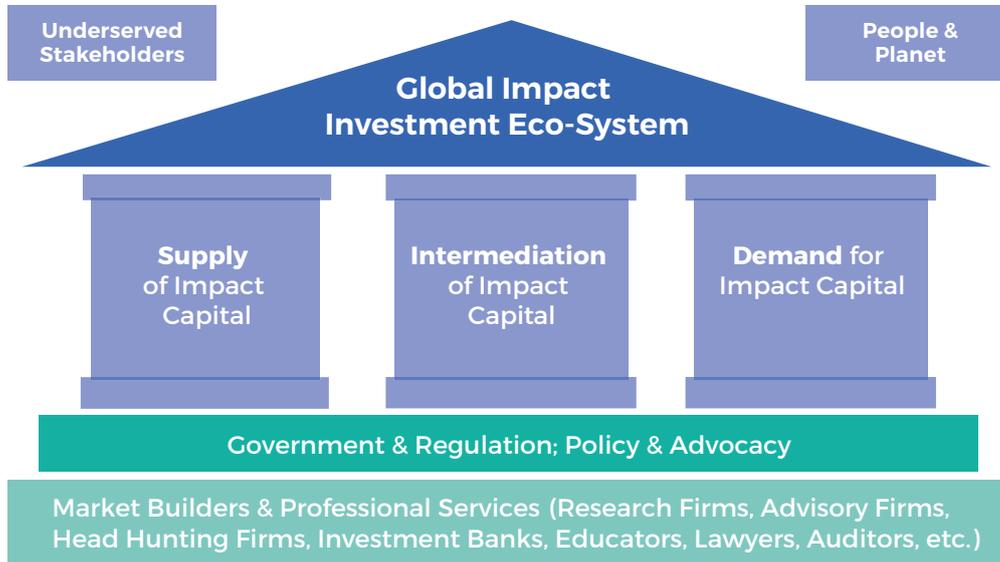
**Purpose + Capital = Impact <sup>2</sup>**

## What is Impact Investment?

Impact Investment optimizes risk, return and impact to benefit people and the planet. It does so by setting specific social and environmental objectives alongside financial ones, and measuring their achievement.

# GSG Global Impact Investment Eco-System Development

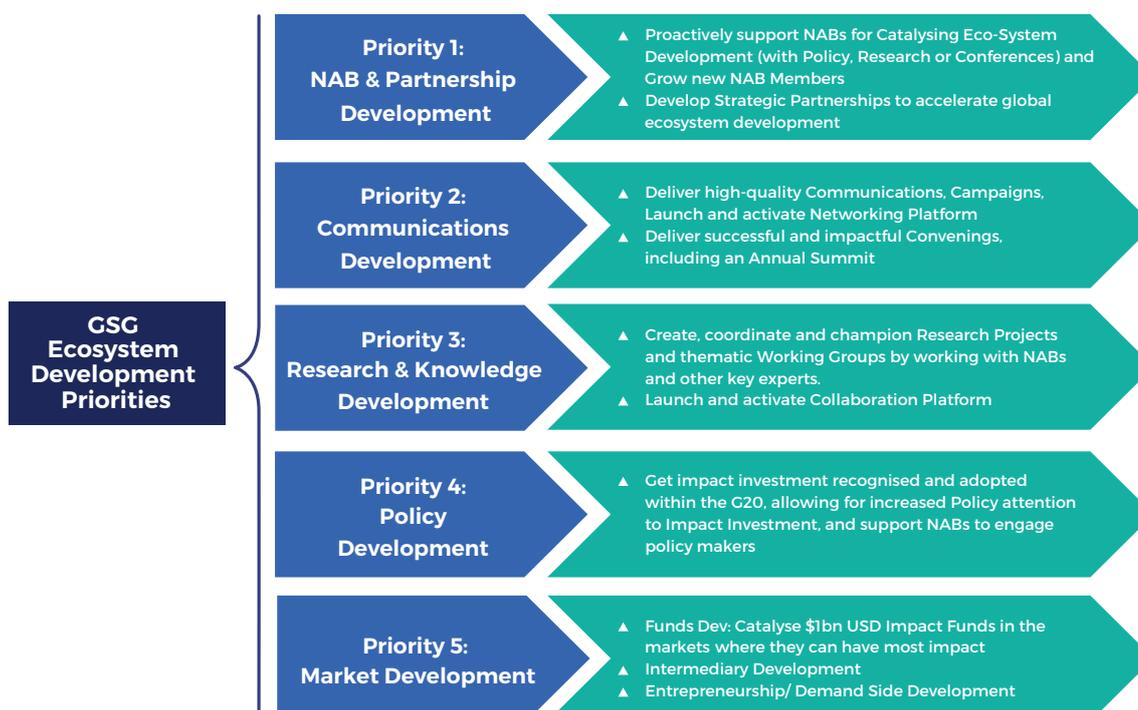
## Global Impact Investment Eco-System

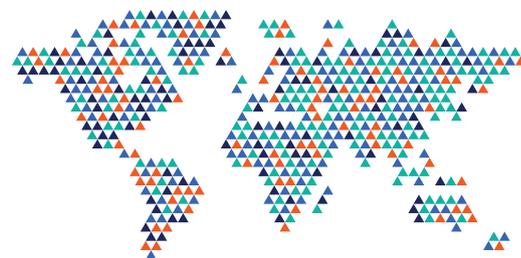


GSG has organized the impact investment eco-system into five building blocks all facing the underserved stakeholders, people and planet, whom we serve. These blocks include three vertical pillars of (i) Supply for, (ii) Intermediation of, and, (ii) Demand for Impact capital. They further include two horizontal slabs of Government; Regulation; Policy; Advocacy & Market Builders & Professional Services. Our strategies and programs are aimed at developing these five building blocks, working in partnership with our NABs and RABs.

GSG's mission is to develop the global impact investment eco-system to deliver the Tipping Point for the movement. Therefore, it has operationally prioritized five strategies.

## GSG Strategy: Eco-System Development Priorities





## Global Events Calendar



### ACCRA, GHANA

**Ghana Impact Dialogue:** Creating a Ghanaian Impact Economy, on **December 6**

### NAIROBI, KENYA

**Kenya Impact Dialogue:** Creating a Kenyan Impact Economy, on **December 10**

### MUMBAI, INDIA

**Sankalp Global Summit Intellecap** on **December 11-12**

### LUSAKA, ZAMBIA

**Zambia Tasforce Event,** on **December 12**

### ITALY

The 2nd **Social Impact Investment International Conference** organized by University of Rome la Sapienza, Tiresia Politecnico of Milan and the Italian NAB on **December 12-13**



### PARIS, FRANCE

**OECD Event** in Paris, France on **January 18**



### SALT LAKE CITY, USA

**Sorenson Winter Innovation Summit 2019** in Salt Lake City, USA from **February 6-8**

### MEXICO

The 2019 **Latin American Impact Investing Forum (FLII)**, organized by New Ventures will be held in Merida on **February 19 to 21**

### NAIROBI, KENYA

**Sankalp Africa Summit 2019** in Nairobi, Kenya on **February 21-22**



### ARGENTINA

**Annual Argentine NAB Event**



### NETHERLANDS

**Impact Summit Europe & Pymwymic** from **April 1-3** in Netherlands

### WASHINGTON D.C., USA

**2019 Spring Meetings** of the World Bank Group and the International Monetary Fund from **April 12-14**



### GERMANY (TBC)

**GSG Mid-year NAB & Working Group meeting** from **May 9-11**



### NETHERLANDS

**Global Entrepreneurship Summit** in Netherlands on **June 3-4**

### SINGAPORE

**AVPN Conference 2019** from **June 25-28**



### NEW YORK, USA

**UNGA 2019** in New York, USA from **September 17-30**



### AMSTERDAM, NETHERLANDS

**GIIN Investor Forum** in Amsterdam, Netherlands on **October 2-3**

### USA

**SOCAP (TBD)** in USA

### ADDIS ABABA, ETHIOPIA

**SEWF 2019** in Addis Ababa, Ethiopia from **October 23-25**



### SANTIAGO, CHILE

**GSG Impact Summit 2019** in Santiago, Chile on **November 18-19**

### DEN HAAG, NETHERLANDS

**EVPA annual conference** on **November 6-7** in Den Haag

**GSG**  
**SUMMIT**  
**2019**  
**SANTIAGO**  
18-19 November 2019

**GSG**   
Driving real impact

**CHILE**  
**WHERE**  
**THE WORLD ENDS,**  
**WE BEGIN.**

[www.gsgii.org](http://www.gsgii.org)

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**ON IMPACT**  
A GUIDE TO THE  
IMPACT REVOLUTION

By Sir Ronald Cohen

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