GSG
Driving real impact

KENYA IMPACT DIALOGUE

CREATING A KENYAN IMPACT ECONOMY

DECEMBER 10, 2018 | NAIROBI, KENYA

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.

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.

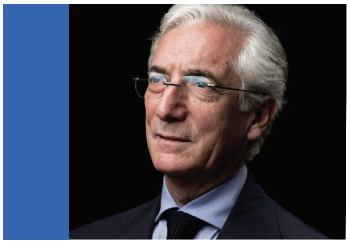
About Impact Investment and The Impact Economy

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.

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[1]!

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 supplements 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[2].

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[3]. You can download a free copy at 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.

Ronald Cohen

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

---

1 The Impact of Impact Investments by KPMG (October 2018)

2 Gordon Brown in Financial News (www.fnlondon.com), 1 August 2017

3 On Impact, A Guide to The Impact Revolution by Sir Ronald Cohen, October 2018

KENYA IMPACT DIALOGUE

CREATING A KENYAN IMPACT ECONOMY

Objective

Kenya's rich and storied history reaches all the way back to the origins of homo sapiens – and today, Kenya continues to be at the forefront of innovation on the African continent, attracting the largest concentration of impact investors and capital in Africa. With Nairobi now home to the most vibrant economy in East Africa, the opportunity to lead the impact movement beckons as Kenya works to include its young and growing population in the country's economic growth.

How can Kenya leverage its power to innovate in the impact sector? What are the key issues that impact investment can address within Kenya's borders – and where can it support and set examples for its neighbors?

Join leaders from Kenya and around the world for a rich discussion of Kenya's future as an impact economy.

Agenda

Monday, 10th December 2018
Radisson Blue, Upper Hill, Elgon Road Nairobi KE, Kenya

Time	Title	Speaker/Moderator	Organization
13.00-14.00	Registration		
I. OPENING PLENARY			
14.00-14.05	Video #1: The Power of Impact		
14.05 -14.10	Kickoff	Maryanne Ochola	ANDE
14.10 -14.15	Welcome Address	Susie Kitchens	British High Commissioner
14.15 -14.25	Launch of Kenya Impact Investing Report	Krisztina Tora	GSG
14.25 -14.35	Theme Address: The Impact Movement	Amit Bhatia	GSG
14.35 -14.50	Special Keynote: Kenya & The Impact Movement	Betty Maina	State Department for Industrialization, Republic of Kenya
14.50-15.00	Special Keynote: Private Capital for Public Good	Martin Kimani	UN
II. ENTREPRENEURSHIP & IMPACT			
15.00-15.05	Video#2: Gordon Brown Video		
15.05-15.25	Keynote: Entrepreneurship & Impact	Shannon May Dr. Githinji Gitahi	Bridge International Academies AMREF
15.25-16.00	Panel Discussion: Entrepreneurship & Impact	Salim Amin Edward Mungai Samir Ibrahim David Auerbach Robert Karanja	Camerapix Kenya Climate Innovation Center Sun Culture Sanergy The B Team
16.00-16.30	Refreshment Break		
III. CAPITAL & IMPACT			
16.30-16.35	Video#3: Bono Video		
16.35-16.45	Keynote: Capital & Impact		
16.45-17.20	Panel Discussion: Capital & Impact	Jared Lee Teresa Mbagaya Lade Araba Aun Ali Rahman	Education Outcomes Fund Omidyar Convergence World Bank
IV. CLOSING PLENARY			
17.20-17.25	Video#4: NABs Video		
17.25-18.00	Closing Panel: Building a Kenya NAB	Mairi Mackay Duncan Onyango Arif Neky Esther Ndeti Carol Kariuki	British Council Acumen Fund UN SDG Platform EVCA KEPSA
18.00-18.10	Closing Keynote: Call to Action	Siddharth Chatterjee	UNDP
18.10-18.40	Open House	All Delegates	
18.40-18.45	Thank You	Krisztina Tora	GSG
18.45-20.00	Cocktail Reception		

Kenya
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 Kenya, 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 Kenya. 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 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 Kenya's NAB develop its strategy.

Produced by:

intellecap

Supported by:

Department for International Development

About Intellecap Advisory Services

Intellecap is a pioneer in providing innovative business solutions that help build and scale profitable and sustainable enterprises dedicated to social and environmental change. Intellecap 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 Intellecap 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.

Kenya

Introduction

Impact investment momentum in Kenya is growing fast due to a young, enterprising and ambitious population, a number of social or environmental challenges which need investment, and rates of return which are attracting the attention of private impact investors. This is particularly noticeable in relation to financial services, a sector in which Kenya has emerged as one of Africa's financial services hubs.[1]

Looking ahead, this momentum is unlikely to cease. This is due to positive trends in terms of the political, economic and in the business environment which render Kenya a potential hot-bed of private impact investment.

Economically, Kenya has seen GDP growth has averaged between four and six per cent annually since 2011 and there is little indication of decline: the World Bank estimates that the annual growth in 2019 will be 6.1 per cent[2]. This will be driven largely by population growth, urbanization and growth in private consumption through a rise in real incomes[3]. Foreign direct investment (FDI) in Kenya increased to USD 672 million in 2017[4], representing a 71 per cent increase from 2016. This is particularly striking considering the 22 per cent drop in FDI in Africa as a whole and a 23 per cent fall-off globally.

Recent government initiatives also support the impact investment movement. In 2018, the government of Kenya launched its *Big 4 Agenda,* outlining its four big priorities over the next five years: security and agricultural productivity, affordable housing, manufacturing, and universal health coverage. Importantly, the government has publicly acknowledged the importance and significance of entrepreneurs and investors as key in achieving this agenda.

Despite economic progress and support for impactful sectors, there is still an urgent need to provide basic goods and services to low-income households (86% of which lack these). This presents a huge opportunity for impactful and profitable businesses to include underserved customers[5].

The Impact Investing Landscape in Kenya

SUPPLY OF CAPITAL (KEY TRENDS)

Kenya is becoming the most attractive destination in East Africa for international impact investors
Nairobi is the regional hub with 48 investors based there.[6] According to a 2015 study by the Global Impact Investing Network (GIIN), at least 136 impact capital vehicles are active in Kenya, managed by 95 private impact investors (excluding Development Financial Institutions (DFIs)).[7] This figure is likely to have increased since 2015, but up to date data is not yet available.

Between 2005 and 2015, almost half of all impact capital disbursed in East Africa had found its way into the Kenyan market, representing more than US$650 million of private impact investment capital and more than US$3.6 billion of DFI capital.[8] More than half (~55%) of the deals made by private impact investors were less than US$ 1 million whereas majority of deals (~65%) by DFIs were between US$ 5 million to US$ 50 million.[9]

Over **130** impact investment vehicles active in Kenya	< **US$ 4.2 Billion** deployed by private impact investors and DFIs between 2005-2015
Energy and Financial services are preferred sectors for impact investors	Angel investing is picking up in Kenya with total of **US$ 10 Million** invested since 2008

Significant investment in the energy sector by both commercial and impact investors yielded huge societal benefits: the access to electricity rate in Kenya jumped considerably from 32% in 2013; to 73.42% by the end of April 2018.[10] Between 2005 and 2015, Development Financial Institutions (DFIs) made over US$ 1.5 Billion worth of investments in the renewable and clean energy markets, making energy as one of the preferred sectors.[11] The financial services sector also received a large proportion of total investment, with US$1Billion invested over the same period.

Impact investors are investing in larger ticket sizes
The impact investment sector picked up in Kenya post 2008. Prior to 2008, impact investors were primarily investing into start-ups and early stage enterprises with ticket sizes ranging between US$ 20,000 and US$ 1 million. Over the last decade, there has been an increase in ticket sizes to upwards of US$3 million. This is due to the increase in viable enterprises ready for this sort of investment. This trend has enabled the growth and expansion of many companies[12]. Though a positive development in terms of the quantum of capital deployed,

1 Herbling, 2015

2 World Bank, 2018

3 UN, 2015

4 https://kenyanwallstreet.com/kenya-records-an-impressive-71-increase-in-fdi-inflows-unctad/

5 IFC Consumption database

6 KPMG&EAVCA : Private Equity survey of East Africa_2015/2016

7 The Global Impact Investing Network (GIIN), 2015, The Landscape for Impact Investing in East Africa

8 The Global Impact Investing Network (GIIN), 2015, The Landscape for Impact Investing in East Africa

9 The Global Impact Investing Network (GIIN), 2015, The Landscape for Impact Investing in East Africa

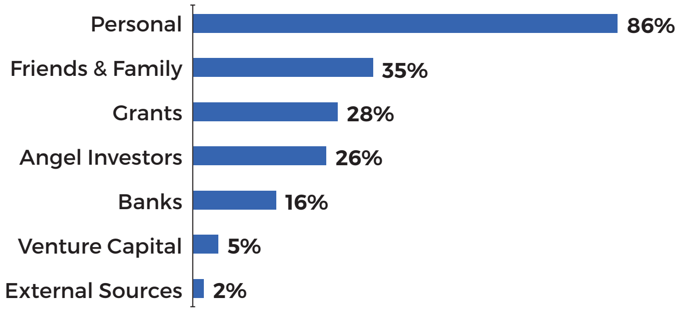
10 The Energy Progress Report, Kenya

11 The Global Impact Investing Network (GIIN), 2015, The Landscape for Impact Investing in East Africa

12 https://www.businessdailyafrica.com/markets/marketnews/Impact-funding-for-Kenyan-firms-set-to-hit-Sh123-billion/3815534-4274308-

this recent trend has exacerbated the problem of mismatch between investor expectations and requirements, in terms of capital, return expectations and time horizon for early stage enterprises. The British Council report (2017) states that majority (64%) of social enterprises in Kenya are still in their early stage of growth i.e. established in last five years and have average number of employees between 10-15.[13] Such enterprises require small ticket-size capital (< USD 100,000), but limited capital is available at that size.

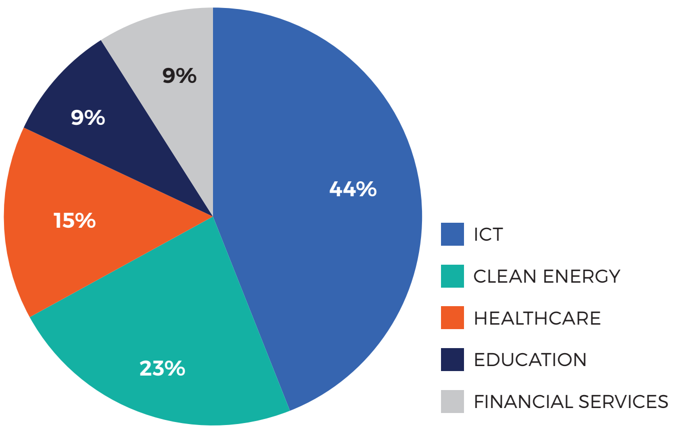
SOURCE OF FUNDS FOR YOUTH ENTREPRENEURS



Source: Intellecap's analysis as part of 'Catalyst for Change Report'

Angel investing is gaining momentum
A total of approximately US$10Million has been invested by Angel investors in Kenya since 2008, spread across 82 investments.[14] Ticket size generally ranges from US$20,000 – US$500,000. Average (mean) ticket size is US$140,000 and the median is around US$44,000.[15] Typically, three to four investors co-invest in a start-up and acquire up to 25% of the stake in the enterprise. Angel investors fund only 2% of Kenyan startups, most of which are in the ICT sector.[16]

% OF CAPITAL DEPLOYED BY DFI'S



Source: #Closing the Gap Kenya, Intellecap report

Private investment capital in Kenya is mostly foreign originated
As per the KPMG survey on the deal activity in East African region, 75% of investors investing in Kenya mentioned that their source of funding originates from international investors based in Europe and North America. This includes DFIs, high-net worth individuals, family offices, insurance companies and asset managers.[17]

DEMAND FOR CAPITAL (KEY TRENDS)

Kenya's large population of under 35 years old people are shifting their mindset from 'job seeking' to 'job creating
More than 70 percent of the population in Kenya is under the 35 years of age. In the absence of adequate avenues for formal employment, Kenya's youth is exploring entrepreneurship as a means of livelihood. As per the latest estimate by the British Council, there are over 44,000 social enterprises in Kenya, 60% of which have been created between 2013 to 2016.[18]

The number of investment funds are increasing, however the funding is going to a small number of enterprises
More investment funds are entering the region; however they are investing in same enterprises, with the majority of funding being allocated to the larger expat founded social enterprises. For instance, just five enterprises - M-Kopa, (off-grid electricity, PAYG company), Angaza, (sales and payment management provider) Tala (a consumer lending app), Off Grid Electric (clean energy provider) and Branch (a lending app) - received over 70% of disclosed investments in the region between the period of 2015 and 2017.[19]

The due diligence process in Kenya can often stretch 12-18 months for both debt and equity investments.[20]
Though many investors now have local offices in Kenya, their investment committees are still internationally based, i.e. outside of Kenya; and they frequently have less contextual knowledge of investment and entrepreneurial environment within Kenya. Therefore, the perceived risk by these investment committee members becomes higher than the actual risk on the ground, resulting in much more detailed and prolonged due diligence process. On the other hand, enterprises in Kenya are also at nascent stage and lack necessary documentation required by the investors, which results in investors conducting multiple field visits for evaluating the health of the company, thereby further delaying the process.

GOVERNMENT AND POLICY MAKERS (KEY TRENDS)

The government is strongly supporting micro, small and medium enterprises
Through a number of different initiatives, the government has enabled the growth of these enterprises, acknowledging their importance in job-creation and livelihoods. Some of the initiatives taken by the government include:

- Amendment in the Retirement Benefit regulation in 2015, which allowed allocation of up to 10% of pension funds' assets under management for direct investment in private equity asset class. This is a remarkable step by government as it will channel more local capital into private equity and will allow increased participation of pension funds in the growth of micro, small and medium sized enterprises in Kenya.

---

13 British Council, 2017, The State of Social Enterprise in Kenya

14 Intellecap, 2015, Closing the Gap Report

15 Intellecap, 2015, Closing the Gap Report

16 Intellecap, 2015, Closing the Gap Report

17 KPMG & EAVCA: Private equity sector survey for East Africa for the period of 2015 to 2016

18 British Council, 2017, The State of Social Enterprise in Kenya

19 Breaking the Pattern: Village Capital/BMGF Foundation, 2017 report

20 The Global Impact Investing Network (GIIN), 2015, The Landscape for Impact Investing in East Africa

- Establishment of Micro and Small Enterprise Authority in 2013, which is responsible for developing, promoting and regulating the micro and small enterprise sector in Kenya. Since inception, MSEA has facilitated over 1,450 MSEs to participate in various exhibitions countrywide. It has also supported entrepreneurial and skills upgrading programs by training more than 2,000 MSEs across various counties.[21]
- Establishment of Ministry of Public Service, Youth and Gender Affairs through which government launched some of its flagship initiative for youth and women such as:
  - **Uwezo fund** aimed at expanding access to finances and to promote women, youth and persons living with disability led enterprises at the constituency level. The government has disbursed over **US$40 million** through Uwezo Fund.
  - Youth Enterprise Development Fund (YEDF) established in the year 2006 with the sole purpose of reducing unemployment among the youth. The government has so far released over **US$100 million** to the YEDF.
  - Women Enterprise Fund established in August 2007, to provide accessible and affordable credit to support women start and/or expand their businesses. Under WEF, the government has disbursed over **US$74.5 million**.
- Establishment of Kenya Investment Authority in 2004 which is responsible for facilitating implementation of new investment projects in the country and providing post investment services to investors. The authority stepped up its efforts in last five years, which resulted in improvement in country's ease of doing business ranking from a low of 129 in 2013 to a high of 61 in 2018.

INTERMEDIARIES OF CAPITAL (KEY TRENDS)

Increasing cost of debt

Despite of the interest rate capping introduced by the Central Bank of Kenya in 2016, which limits lending rates to 4 percentages above the Central Bank Rate, the cost of credit is still very high in the country, and show no signs of abating. A report by the Kenyan Bankers Association published in June 2017 shows that some of the biggest banks in the country add high processing fees to the charged interest rates, bringing the cost of credit to 20-25%. The costs are even higher and reach up to 40% for large amount and small duration loans.[22]

ECOSYSTEM SUPPORT PROVIDERS (KEY TRENDS)

Technical assistance providers in Kenya are becoming sector and country specific

With the maturity of ecosystem and sector specific technical assistance demand from enterprises, more and more incubators and accelerators in the country are becoming sector specific and providing tailor made and customized sector specific support. Specialisation of offerings from ecosystem support providers demonstrates a positive and natural progression in the state of the market. Some of such incubators/accelerators include Villgro & Duke Innovations which work with healthcare enterprises, KCIC which works with clean energy enterprises, MasterCard lab which works with agriculture enterprises and DFS lab which works with financial services enterprises.

The first group of incubators and accelerators in Kenya had heavily borrowed their support models from Silicon Valley but now they are contextualizing their models to fit current market/geographical needs. Further, recently there is shift in focus to entrepreneurship amongst higher learning institutions and consequently, they have launched their own incubation centers. For example, University of Nairobi launched its incubation center called C4D lab, Kenyatta University has Chandaria Business and Innovation center. University of Nairobi also hosts annual Nairobi Innovation Week.

Kenya is home to more incubators, accelerators, service providers, and other ecosystem players than any other East African country; the country has over 70 ecosystem support providers.[23]

Key recommendations to strengthen the impact investment sector

SUPPLY OF CAPITAL

▲ **Impact investors in Kenya should develop blended finance structures combining different forms of capital, providers and instruments:** Despite the increase in number of funders and evolved landscape of intermediaries' such as fintechs; access to capital still remains a key challenge for enterprises in the country. Majority of funds focus on equity and notwithstanding the increasing number of enterprises, deal closures is low averaging around 20 for last five years. The current structure of investment which is akin to the Silicon Valley model needs to be contextualized for Kenya to achieve the tipping point for impact investing. Different funding structures and instruments including debt, mezzanine, guarantees and more patient risk-taking capital are required in this market. There has been an ever increasing need to create blended finance funding structures combining different forms of capital, providers and instruments in the Kenyan market. Different capital providers with differing risk and return appetites should come together to develop innovative structures matching the needs of businesses with the risks and stages growth.

Example:

- FAFIN is a US$65 million mezzanine fund for agriculture in Nigeria with partnerships from the Nigerian government, the German Development Bank, and Nigeria's Sovereign Investment Authority. Each of the party brought unique value proposition to the fund: the Nigerian government had the strategic vision for agricultural transformation and the power to see it through, the German Development Bank had prior experience setting up these types of funds, and the Sovereign Wealth Fund had the capital and know-how.[24]
- Kenya SME fund was launched in 2006 by Business Partners International in cooperation with IFC, East Africa Development Bank, European Investment Bank, Sarona Capital and CDC. It is a US$14.1million fund using blended finance instruments (i.e. mix of debt, equity and quasi-equity) for investing into small and medium sized enterprises. The fund also provides technical assistance to businesses that it invests in.

---

[21] Data from MSEA website

[22] https://www.businessdailyafrica.com/news/Big-banks-Kenya-s-most-expensive-lenders/539546-3983692-139bdqmz/index.html

[23] Intellecap, Fintrek Report- Investment Opportunities in Fintech in East Africa-2018

[24] https://www.theafricaceoforum.com/en/ressources/lorem-ipsum-dolor-sit-amet-6/

- **Investors would benefit from spending more resources on outreach to find those deals which do not fit the traditional profile:** Impact investors in Kenya are increasingly investing in the same companies, so much so that over 70% of the capital deployed in the country in 2017 went to just 5 companies.[25] There is a need for impact investors to widen their horizon and invest in companies outside of their usual network and outside of the main Tier 1 cities.

  Example: Aavishkaar India, an impact investment fund, invests in high-risk enterprises serving low income populations in underserved geographies across India and South East Asia. It is usually the first external investor in its portfolio companies. Over the last 15 years, it has invested in over 50 companies and has US$ 400 Million AUM

- **Grant providers and philanthropists should introduce a milestone based or outcome-based grant system in the country:** Grant financing is much needed in the Kenyan entrepreneurial ecosystem to support the growth of micro and small enterprises. However, large amount of grant in the country has also resulted in some of the enterprises in the market being overly reliant on just grant financing for running their businesses. Their key focus is on seeking repeated grant financing and keep moving from one grant to another, using resources that might otherwise be used in the daily running and scaling of their businesses. There is a need for grant providers/ philanthropists to incorporate mechanisms such as milestone based grant funding, issuance of repayable grants or matching grants where enterprises are expected to match grants with their capital investments.

  Example: Africa Enterprise Challenge Fund (AECF) runs challenge program to identify and provide grant to enterprises in sectors such as agriculture and agribusiness, renewable energy and adaptations to climate change, rural financial services and communication systems that support the other focus sectors. It provides grants between US$ 100,000 and US$ 1.5 Million to enterprises; however grants are disbursed in stages dependent on the key milestones being met, which are agreed at the beginning of the grant disbursement process. It was launched in 2008 and has so far deployed US$ 356 Million, supporting 266 companies.

- **There are opportunities for Impact investors to provide venture debt instruments:** Venture debt is capital in the form of debt to high-risk businesses that lack assets or cash flow for traditional debt financing. It is more flexible and longer term than traditional form of debt. Stakeholders interviewed as part of this research, i.e. investors, enterprises, incubators, accelerators, mentioned the need for and lack of venture debt in the country. Many enterprises, especially in their early stages of growth, which require debt to scale their business, end up raising equity capital and giving up significant part of their business in the absence of venture debt options in the country. There is a need for impact investors to develop venture debt instruments targeting these early stage enterprises.

  Example:

  - **GroFin** is a debt fund that provides medium term venture 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.
  - **IntelleGrow** is a venture debt fund, based out of India that provides debt to small and growing businesses. It has disbursed over US$ 185 Million across 280 venture debt deals so far.

DEMAND FOR CAPITAL

- **There is a need for increased awareness amongst social enterprises on the different instruments/mechanisms of impact investments:** Many social enterprises are not aware of how they can benefit from the different masterclasses / mechanisms / instruments available in the market. As a result, they end up only absorbing grant or traditional debt funding and not using other available mechanisms / instruments.

  Example:

  - **Good Finance (UK)** is a collaborative project to help improve access to information on social investments for charities and social enterprises.
  - **VC4Africa** provides fund raising and mentoring support to startups in Africa. It connects startups in Africa to a pool of international and local experts to whom they can reach out to for advice on topics such as financial instruments, fund raising process, business development, human resource and legal matters, all free of charge.

GOVERNMENT AND POLICY MAKERS

- **The government should recognize and define social enterprises:** There is no recognition or definition of social enterprises (SEs) in the current regulatory framework of Kenya and thus, they often run into a registration dilemma at the point of registering their entities. Currently, social enterprises in Kenya have the option to register themselves as limited liability companies, sole proprietorship, not-for-profit organizations, cooperative societies and corporations. As per the British Council 2017 report, 23% of the social enterprises register themselves as limited liability companies followed by 20% registering as sole proprietorship and 14% as not-for-profit organizations. In the absence of separate registration category for social enterprises, they prefer to register as limited liability companies as it gives them the opportunity to be listed on the national stock exchange in their later stages of growth. However, it also puts an obligation on them to abide by same tax and regulations as other established businesses and often results in creating additional financial burdens for these early stage enterprises.

- **There is a need for taking additional regulatory reforms by the government such as:**

  - **Make regulatory environment favorable for investment funds to be domiciled in the country**: There are large chunk of investments funds which have funding activities in Kenya but are domiciled/registered in other countries such as South Africa and/or Mauritius because of their tax incentives. The government of Kenya should make the regulatory environment much more favorable so as to attract these funds to register their funds in the country as opposed to in South Africa and/or Mauritius.

---

[25] Breaking the Pattern: Village Capital/BMGF Foundation, 2017 report

- **Develop a tiered regulatory structure**: The government should develop a tiered regulatory structure with different regulations and compliances for different size/stages of companies. For instance, startups can have limited regulatory compliances to adhere to and compliances keep on increasing/ changing as they grow and become bigger in size. The size of the company can be defined in terms of number of employees, years of operation or annual revenue.
- **Improve formulation and enforcement of Intellectual Property Rights (IPR) regulation**: There is a need for improvement in the formulation and enforcement of IPR regulation in Kenya. In the current regulatory framework, whenever there is an IPR-related dispute, arbitration will follow an industrial court process which is time consuming and often ineffective. It should consider putting in place a mechanism such as that of the Kenya Bankers Association (KBA) which arbitrates inter-banks' disputes.
- **Increasing listings on Growth Enterprise Market Segment**: Nairobi Stock Exchange (NSE) launched Growth Enterprise Market Segment (GEMS) in 2013 to provide more options finance to SMEs, especially long term funding. This could be a good exit option for impact investors who are looking to exit their investments through an Initial Public Offering (IPO) and listing on capital markets. However, there hasn't been much uptake of GEMS because of its current policies and framework. NSE should look to improve the GEMS model by enabling more firms to list on it.

MARKET BUILDING SUPPORT

- **Ecosystem support providers, together with investors, should develop pre-investment technical assistance support programs**: One of the biggest challenges cited by investors is the lack of enough investment ready enterprises in the country. This results in investors competing for a smaller pool of investment ready enterprises, distorting the market and leading to higher valuations. Whilst investors do provide post- investment support to enterprises for their growth and scale, there is a gap in pre-investment technical assistance support for early stage enterprises which can make them investment ready.
- **Incubators and accelerators need to develop support programs for enterprises outside of Nairobi**: Ecosystem support providers, i.e. accelerators, incubators are currently concentrated in Nairobi, whilst there are lots of high potential enterprises outside of Nairobi. There is a need for support providers to widen their reach and include enterprises outside of their regular network and reach. Collaboration with Non-Government organizations (NGOs) can also be crucial for support providers, as NGOs work deeply with communities in rural areas and can identify enterprises that are working to solve challenges on the ground. Support to enterprises outside of major cities can be provided through virtual incubation programs.

  Example: Realizing the lack of support for enterprises outside of tier 1 cities in East Africa, Intellecap developed an online platform called StartupWave, which provides virtual incubation support to enterprises. It assists enterprises in refining their business models, developing their value proposition, connecting the businesses to various service providers, and providing the information for various challenge and grant programs onlines. Currently, StartupWave has over 700 plus enterprises from across the continent and over 30% of them outside the main cities.
- **Accelerators and incubators need to innovate their business models to ensure long term sustainability**: Majority of accelerators and incubators in Kenya are currently reliant on grant funding for sustaining their operations and for running technical assistance support programs. The funding is drying up and support providers need to look for innovative business models that can sustain their operations.[26] Accelerators/incubators could introduce co-pay models where entrepreneurs pay a certain fixed amount to participate in the program, rather than it to be completely free. This will not only help gauge the entrepreneurs' 'skin in the game' but also serve as revenue source for the accelerators/incubators.
- **There is a need to develop Peer to Peer learning networks in the country**: Entrepreneurs interviewed as part of this research, highlighted the importance of peer to peer learning networks. They prefer such networks to validate their ideas, meet and learn from other entrepreneurs, develop partnerships and build greater visibility for their products and services. However, they also mentioned the lack of such networking opportunities. While there are many business forums and conferences, more suitable for bigger businesses, there are limited or no peer to peer learning opportunities for startups and early stage enterprises.

  Example: Initiatives such as Rwanda's Youth Connekt provide peer to peer learning opportunity to startups and early stage enterprises by connecting them and providing them a platform to interact with peers and mentors.

Conclusion

Initiatives to date have seen recent growth in the entrepreneurship sector in Kenya and emergence of impact investors, social enterprises, incubators, accelerators, support providers etc. however, the demand far exceeds the supply of support needed by the entrepreneurs.

The factors necessary for private investment into solutions to social and environmental challenges are clearly present in the Kenyan ecosystem. What remains to be seen is the pace at which investors, politicians and entrepreneurs will tap into this market and benefit from these conditions in a country ripe for change. The government's Big 4 Agenda may serve as a useful framework for private actors to link into national priorities.

The recommendations outlined in this paper are based on extensive secondary research, literature review and primary research conducted through interviews with 34 leading professionals in the impact investment sector in Kenya including fund managers, government and policy makers, entrepreneurs, incubators, accelerators etc., spanning a three month period in Q3 2018.

[26] Intellecap research

BETTY MAINA

Principal Secretary, State Department for Industrialization, Republic of Kenya

Ms. Betty Maina is the Principal Secretary for Industrialization, under the Ministry of Industrialization and Enterprise Development. Previously, she served as Principal Secretary for East African Affairs and was Chief Executive of the Kenya Association of Manufacturers for 11 years (between June 2014–July 2015), where she oversaw its revenue increase from Kshs 24 million to Kshs 400 million annually during her ten year stewardship. Her achievements at KAM and other organisations earned her the Kenyan presidential honour in 2013, giving her the title: Moran of the Order of the Burning Spear (MBS). She attained a Master of Science Degree in Development Administration and Planning from the University College of London in 1998, having studied Land Economics at the University of Nairobi where she attained her undergraduate degree in 1988.

AMBASSADOR MARTIN KIMANI

PhD, Director of Kenya's National Counter Terrorism Centre and Special Envoy for Terrorism Prevention

Ambassador Martin Kimani, PhD, EBS, is the President's Special Envoy for Countering Violent Extremism and Director of Kenya's National Counter Terrorism Centre (NCTC). He is also a Joint Secretary to the Building Bridges to Unity Presidential Taskforce. Previously, Martin served as Ambassador to the UN at Nairobi and as Permanent Representative to the UN Environment Programme and the UN Human Settlements Programme. Martin is a fellow of the African Leadership Initiative and a member of the Aspen Global Leadership Network and the Advisory Board of the Gordon Institute of Business at the University of Pretoria. Martin holds a PhD in War Studies from King's College, University of London.

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.

ARIF NEKY

Senior Advisor - UN Strategic Partnerships, Coordinator - SDG Partnership Platform

Advisor for Strategic Partnerships at the UN Resident Coordinator's Office in Kenya. He is also the National Coordinator in Kenya for the SDG Philanthropy Platform and is active in establishing a broader SDG Partnership Platform in Kenya co-chaired between the Government and the UN to unlock $1 billion of SDG aligned PPPs. Arif was a former Regional CEO of the Aga Khan Foundation (AKF) East Africa for over 13 years and previously the Regional Representative in Eastern Africa for the French & International Bank – Société Générale.

AUN ALI RAHMAN

Access to Finance Lead at infoDev (World Bank Group)

Aun Rahman is the head of infoDev at the World Bank Group's Access to Finance program, which helps high-growth entrepreneurs gain access to the early-stage growth capital and mentorship they need to launch and thrive. His work focuses on innovative financing mechanisms, such as angel group formation and venture fund creation in emerging markets, including the Caribbean and Africa. Previously, Aun was the founding Country Director of Acumen Fund Pakistan from 2006-2012. During this time, he directed the build-out of Pakistan's first impact investment portfolio, investing in pioneering enterprises using market-based models, including investments in agriculture, housing and clean technology. Prior to joining Acumen, Aun was an Associate in the Boston offices of Charles River Associates, an economic and strategy consulting firm. Aun has a BA in Economics from the University of Chicago and an MPA from Harvard Kennedy School.

CAROLE KARIUKI

CEO, Kenya Private Sector Alliance (KEPSA)

Ms. Kariuki is the CEO of KEPSA. Ms. Kariuki is credited for transforming KEPSA from a little known Business Institution to one of the most influential institutions in Kenya and Globally. KEPSA is the Apex body of the private sector in Kenya, galvanizing the private sector through public-private dialogue and influencing the economic agenda of the country and the region.

She currently serves in several boards including:

Harvard University Center for African Studies, Daystar University Kenya, Business Advocacy Fund - Danish Embassy Kenya, Nairobi Centre for International Arbitration, The Center for Corporate Governance Board, The National Council of Administrative Justice (NCAJ), Life Ministry Kenya, Kenya 2030 Water Resources Group (WRG) Partnership

Carole Kariuki holds a Bachelor of Arts Degree in Economics and Sociology from the University of Nairobi and a Masters Degree in Public Administration and International Affairs from Bowling Green State University, Ohio, USA.

DAVID AUERBACH

Co-founder, Sanergy

David Auerbach is a co-founder of Sanergy, a pioneering social enterprise in Nairobi, Kenya which builds healthy, prosperous communities in Africa's informal settlements by making hygienic sanitation affordable and accessible for everyone, forever. Previously, David built partnerships at Endeavor and the Clinton Global Initiative. David is an Ashoka and Echoing Green Fellow. He holds an MBA from MIT and a BA from Yale University. He lives in Nairobi, Kenya.

DUNCAN ONYANGO

Team Leader & Investment Lead, Sustainable Urban Economic Development Programme (SUED)

Mr. Duncan E. Onyango is a Country Director at Acumen Fund. Mr. Onyango served as the Chief Financial Officer of Rift Valley Railways (Kenya & Uganda) Ltd. He served as the Managing director and Principal Consultant with Quantum Africa Limited from 2006 to 2010. From 1992 to 2003, he worked within the various subsidiaries of the Abbey National Group of London a public limited liability company incorporated and registered in England and Wales. Mr. Onyango has 15 years of cross-functional business experience working in both the retail and corporate arms of a major international bank in London. He worked as the bank's Head of Training and Management Development, Wealth Management Division. Mr. Onyango serves as a Director of Rift Valley Railways (Kenya & Uganda) Ltd. Mr. Onyango is a graduate of Oxford University and a Masters Degree from University of London.

SPEAKERS

EDWARD MUNGAI

CEO, Kenya Climate Innovation Centre

Mr. Edward Mungai is the Chief Executive Officer of the Kenya Climate Innovation Center (KCIC). KCIC supports a holistic country driven approach to accelerate the development, deployment and transfer of locally relevant climate technologies to the private sector. Before joining KCIC, Edward was the East Africa Region head for the Danish International Investments Fund. He has worked for KPMG East Africa in Corporate finance and Transactions services focusing on the financial services sector. He has thorough experience in development financing mechanisms for private sector, with special interests in the agribusiness, renewable energy, financial services, and water and sanitation sectors. Edward is a 2016 Eisenhower Fellow and sits in several boards as well as a faculty member at Strathmore Business School where he teaches Corporate Sustainability and Innovation to executives.

ESTHER NDETI

Executive Director, East Africa Private Equity & Venture Capital Association (EAVCA)

Esther Ndeti is an Executive Director at the East Africa Private Equity and Venture Capital Association (EAVCA) and has experience in program management, fundraising & business development as well as extensive networks in the entrepreneurship and investment ecosystem in East Africa. Prior to joining EAVCA, Esther worked for the Aspen Network of Development Entrepreneurs (ANDE) where she coordinated ANDE's activities in the region. Ms. Ndeti has a BSc in Mechanical Engineering from the University of Nairobi.

DR. GITHINJI GITAHI

Global CEO and Director General, AMREF Health Africa Group

Dr Gitahi joined Amref Health Africa on June 1, 2015. Until his appointment at Amref Health Africa, Dr Gitahi was the Vice President and Regional Director for Africa, Smile Train International, where he successfully established partnerships for long-term sustainability with various African governments. Prior to that he worked with the Nation Media Group, where he was the Managing Director for Monitor Publications in Uganda as well as General Manager for Marketing and Circulation in East Africa. He also held progressively senior positions at GlaxoSmithKline, Avenue Group and the insurance industry.

Dr Gitahi has a Bachelor's degree in Medicine and Surgery and a Masters in Business Administration, majoring in Marketing.

JARED LEE

Principal, Education Outcomes Fund

Jared currently leads the design work to establish the Education Outcomes Fund for Africa and the Middle East, chaired by Sir Ronald Cohen and former Prime Minister Gordon Brown. Jared's previous experience spanned a range of corporate and non-profit roles including with Bain & Company, Goldman Sachs, The UK National Advisory Board on Impact Investing and the Clinton Health Access Initiative. Jared studied Finance and Actuarial Studies at the Australian National University.

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.

LADE A. ARABA

Convergence Finance, Africa Region Representative

Ladé Araba is the Africa Region Representative at Convergence Finance and Co-Chairs the Board of EED Advisory. She previously served as Technical Adviser to the former Minister of Finance of Nigeria and was the Head of the Strategic Monitoring Unit. She was also an Adviser in the Power Sector Team at the Nigeria Infrastructure Advisory Facility (NIAF), Technical Adviser to the Executive Secretary of the United Nations Economic Commission for Africa (UNECA), Senior Investment Officer at the African Development Bank, and Enterprise Development Specialist at the UN Food and Agriculture Organization (FAO). She holds a MBA from Thunderbird School of Global Management and a dual Bachelor of Business Administration degree from the University of Oklahoma.

MAIRI MACKAY

Head, Global Social Enterprise program, British Council

Mairi leads the British Council's portfolio of creative and social enterprise programmes, seeking to develop more inclusive and sustainable economies and societies through innovative, cross-sectoral approaches that draw on UK and international expertise in creative and social enterprise. Previously, Mairi led the British Council's Global Social Enterprise Programme across 30 countries and served as Head of Greater China for Scottish Development International (SDI). She also developed and managed GlobalScot – an internationally recognised business network of global influencers and CEOs with an affinity for Scotland. She holds a 1st class honours degree in Business Management and a PhD in Collaboration and Economic Development from the University Of Strathclyde Graduate School Of Business.

MARYANNE OCHOLA

East Africa Regional Chapter Manager, ANDE

Maryanne is an impact investment professional with experience working with early stage social enterprises in seven African countries in the agriculture, renewable energy, micro-finance and technology sectors. By applying the practical skills honed from nine years of commercial banking experience in Kenya, she supports entrepreneurs with high social and environmental impact refine their business models and attract investment.

She is the East Africa Regional Chapter Manager for The Aspen Network of Development Entrepreneurs (ANDE), a global network of organizations that propel entrepreneurship in emerging markets.

She is a trained financial journalist and holds an MBA from IE Business School.

SPEAKERS

ROBERT KARANJA

Regional Lead- Africa, The B Team

Robert is Lead for B Team in Africa. An experienced social entrepreneur, with over 17 years of experience, he has been a USAID contractor managing regional trade initiatives focused on expanding export products from East African countries into the United States; Regional Director of Kellogg Foundation-funded programs in Southern Africa (South Africa, Lesotho, Mozambique); and, National Director at Habitat for Humanity, Kenya, where he managed an innovative housing microfinance program. Prior to joining The B Team, Robert founded a boutique consulting firm in Nairobi providing market entry strategy advisory services to international firms entering the East African market. Robert studied Entrepreneurship at the University of Northern British Columbia in Prince George, British Columbia, Canada. He also holds an MBA in Strategic Management from Moi University.

SAMIR IBRAHIM

CEO & Co Founder, Sun Culture

Samir Ibrahim serves as Co-Founder and Chief Executive Officer at SunCulture Kenya Ltd. Mr. Ibrahim was recognized as a Forbes 30 Under-30 in 2017, and is a World Energy Council Future Energy Leader alumni. Mr. Ibrahim holds a Bachelor's degree in finance and international business from New York University - Leonard N. Stern School of Business in 2011.

SALIM AMIN

Chairman, Camerapix Ltd.
Chairman, Mohamed Amin Foundation Founder, Africa24 Media

Salim Amin has continued Camerapix's tradition by helping educate Africa's youth through the Mohamed Amin Foundation and as a founder of Africa24 Media, a media platform dedicated to positive stories about the culture and history of Africa. He was recognized in 2007 as a Young Global Leader by the World Economic Forum in Davos. Salim's work as a producer includes the internationally acclaimed feature documentary Mo & Me, the One.org production of Revisiting Korem, and executive producing the award-winning documentary The Sound Man. As an on-camera host and producer, Salim achieved acclaim across the continent for his production of more than 150 episodes of The Scoop, a weekly series featuring Africa's foremost voices in art, culture and finance.

DR. SHANNON MAY

Co-Founder and CSO, 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.

SIDDHARTH CHATTERJEE

Resident Representative - UNDP,
Resident Coordinator for Kenya - UN

Siddharth Chatterjee ("Sid") is the United Nations Development Programme (UNDP) Resident Representative and the United Nations Resident Coordinator for Kenya. Previously, Sid served as the UNFPA Representative for Kenya and the UN Resident Coordinator a.i. for Kenya. Before he joined UNFPA in 2014, he served as the Chief Diplomat and Head of Strategic Partnerships and Resource Mobilization at the International Federation of the Red Cross and Red Crescent Societies (IFRC). He holds a Masters degree in Public Policy from the Woodrow Wilson School for Public and International Affairs at Princeton University, USA and a Bachelor of Sciences from the National Defense Academy in India.

SUSIE KITCHENS

UK Deputy High Commissioner

Susie Kitchens is the Deputy High Commissioner and Permanent Representative to the UN Environment Programme.

Prior to this assignment, Susie spent a year in London as Deputy Director in the Economic Diplomacy department, responsible for Foreign Office work on Economic Growth and Business. This followed four years as British Consul General in Boston, representing the UK in the north eastern United States; and three years as Deputy High Commissioner at the British High Commission in Tanzania. Susie's diplomatic career has also included postings in the Foreign and Commonwealth Office in London and as Political Officer at the British Embassy in Guatemala. She holds an undergraduate degree in Human Sciences from Oxford University, and an MSc in Public Health from the London School of Hygiene and Tropical Medicine. Before becoming a diplomat, she worked in international development promoting children's health via school improvement through the Aga Khan Foundation in Pakistan and then with Save the Children and CARE International in El Salvador.

TERESA MBAGAYA

Principal, Omidyar Network

An Investment Principal at Omidyar Network, Teresa Mbagaya is responsible for the strategic leadership, management and execution of Omidyar's investment strategy in education in Africa. Previously, she served as the Education Lead for Microsoft in East and Southern Africa and as the Head of Econet Education. She has been listed as "30 Most Promising Young Entrepreneurs in Africa" by Forbes and a 2015 inductee to the African Leadership Network. She serves on the 2018 advisory board of Village Capital Communities Africa and has served as an advisory member on the Global Education Platform and the Global Business Coalition for Education. Teresa graduated with a Bachelor's degree from Yale University.

Driving Real Impact

> "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

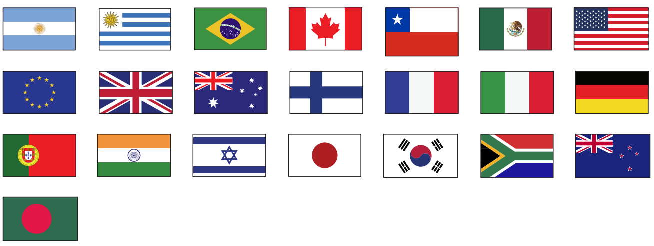
The GSG is an independent global steering group catalyzing Impact Investment and entrepreneurship to benefit people and the planet. The GSG was established in August 2015 as the successor to and incorporating the work of the Social Impact Investment Taskforce under the UK presidency of the G8. The GSG 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

30
countries
with vibrant impact investment ecosystems by 2020 (up from 14 in 2016)

450+
billion USD
will be the size of the impact investment market by 2020 (up from 150 billion USD in 2016)

1
billion
poor lives and the planet to be improved by the end of 2020 (up from 500 million in 2017)

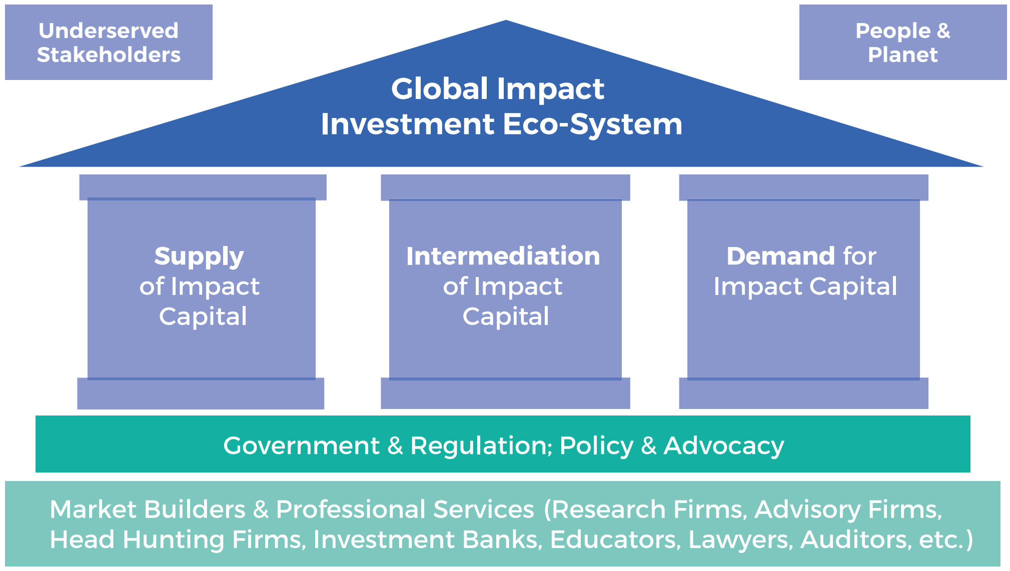
Purpose + Capital = Impact [2]

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

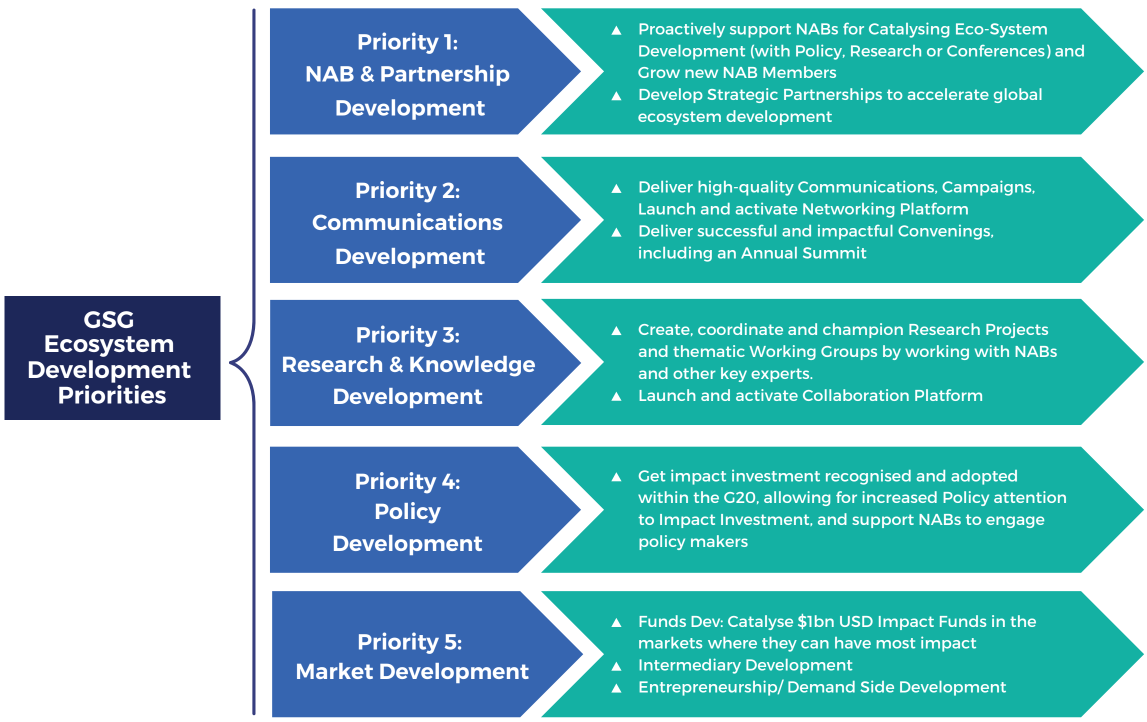


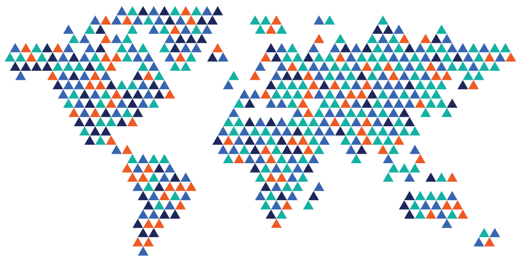
GSG has organized the impact investment eco-system into five building blocks all facing the underserved stakeholders, people and planet, whom we serve. These blocks include three vertical pillars of (i) Supply for, (ii) Intermediation of, and, (ii) Demand for Impact capital.

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

DECEMBER 2018

ACCRA, GHANA
Ghana Impact Dialogue: Creating a Ghanian 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**

JANUARY 2019

PARIS, FRANCE
OECD's Private Finance for Sustainable Development Week and Conference: The Impact Imperative in Paris, France from **January 15-18**

FEBRUARY 2019

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**

APRIL 2019

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

APRIL 2019

WASHINGTON D.C., USA
2019 Spring Meetings of the World Bank Group and the International Monetary Fund from **April 12-14**

MAY 2019

GERMANY (TBC)
GSG Mid-year NAB & Working Group meeting from **May 9-11**

JUNE 2019

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

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

SEPTEMBER 2019

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

CHANTILLY, USA
ANDE Annual Conference in Chantilly, Virginia, USA from **September 24-26**

OCTOBER 2019

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

SAN FRANCISCO, USA
SOCAP in San Francisco, USA from **October 22-25**

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

NOVEMBER 2019

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
www.giis.cl

ON IMPACT
A GUIDE TO THE
IMPACT REVOLUTION

By Sir Ronald Cohen

#ImpactRevolution
www.onimpactnow.org

GSG
Driving real impact

gsgii.org
@gsgimpinv
realimpact@gsgii.org