
Case study: Impact Market Builder of the Year

Impact investments require major effort from market enablers. This award recognises such enablers which include government departments, research firms, consulting firms, policy think-tanks and professional services companies that promote impact investments through thought leadership, project implementation and advisory work.

Impact Investing Ghana

Founding date	2019
Geography	Western Africa, Ghana
Sector	Financial services
SDGs	1 [no poverty], 5 [gender equality], 8 [decent work and economic growth], 10 [reduced inequalities], 13 [climate action]
Web	https://impactinvestinggh.org/

Background

Impact Investing Ghana (II Gh) is the Ghana National Advisory Board for Impact Investing. It is an independent cross-sector initiative that promotes sustainable development and advances the development of the impact investment ecosystem in Ghana. II Gh is a member of the Global Steering Group (GSG) for Impact Investing, an independent global group that catalyses impact and creates awareness and engagement about impact investment and its potential.

Private-sector-led, yet in close partnership with the national government, II Gh raises awareness, creates market intelligence, drives collaboration to fill gaps in the ecosystem, changes policies and mobilises additional financial resources for the public good. It serves as a pivotal local platform, representing and uniting stakeholders from finance, business, government, social organisations and philanthropy. To this end, II Gh facilitates radical collaboration between all the key organisations in the impact investment ecosystem in Ghana.

Its impact areas include reducing poverty and driving jobs, reducing inequality (especially gender inequality), tackling the effects of climate change and making impact considerations part of the normal way of doing business in Ghana. II Gh has an ambitious plan to support the growth of impact ventures and to catalyse \$1bn in impact funds for investment in impact ventures in Ghana and the West African sub-region.

Originality of design

Impact Investing Ghana showcases originality through its novel Fund of Funds initiative, Ci-Gaba. This model consolidates local institutional funding, targeting investments in businesses driving SDG attainment. By deploying a diversified investor base with varied risk profiles, Ci-Gaba de-risks investments while addressing

the financing gap for small and medium enterprises (SME) in Africa. Moreover, IIGh's flagship programmes – ESO Collaborative and Dealsource Africa – are underpinned by a unique financial sustainability model. With the strategic use of catalytic capital for seeding and innovation facilitation, Ci-Gaba not only promises returns but also champions job creation, poverty alleviation and gender equality.

Meeting unfilled needs

Impact Investing Ghana addresses the urgent needs of financial access and support for local businesses aiming to achieve SDGs. Through its innovative Ci-Gaba Fund, IIGh strategically meets the glaring financing gap faced by SMEs in Ghana and West Africa, a region where the SME financing deficit is about \$331 bn. The fund not only empowers businesses driving job creation, poverty alleviation and gender equality but also ensures substantial financial inflow into ventures promoting environmental sustainability. The design of Ci-Gaba is meticulously crafted to unlock local pension funds for investment, thereby serving the dual purpose of providing capital and ensuring sustainable, local investment practices. With a commitment to fostering impact at scale, IIGh's interventions are not only filling financial voids but are also creating tangible social impact, epitomising a dynamic approach to meeting unfilled needs in the region.

Theory of change

If IIGh continues to execute its strategic activities, which include conducting critical, locally relevant research, fostering capacity building and collaboration among ecosystem players and policy advocacy for impact investing, then these activities will lead to positive outcomes in vital areas. These areas include creating an enabling environment for impact investing and increasing access to capital for impact ventures and funds. The anticipated outcomes include increased employment, reduced inequality gaps and strengthened environmental resilience and low carbon development in the region, contributing substantively to the realisation of the SDGs.

The theory of change begins with the understanding that locally relevant research and tools are vital for driving policy and action as well as identifying ecosystem gaps. This knowledge base supports the capacity development of various ecosystem players, facilitating their ability to deploy capital effectively while promoting collaboration to scale impact. The resulting enabling legal, regulatory and economic environment would then encourage asset owners, investors and intermediaries not only to operate but to thrive in Ghana. With a strengthened ecosystem, IIGh endeavours to unlock \$1bn in both local and international capital for the region, supporting the visibility and collaboration for impact ventures through various initiatives. This approach, underpinned by the strategic activities outlined, aims not only to bolster the impact investing ecosystem in Ghana but also to contribute significantly to the growth of impact investing in West Africa and globally.

Impact thesis

Impact Investing Ghana aims to address challenges that could lead to transformative social, economic and environmental outcomes. Its initiatives combine capacity building, collaboration and capital mobilisation to create a fertile ground for impact ventures and funds to grow and thrive. This coordinated approach aims to yield increased employment opportunities, narrow inequality gaps and foster environmental resilience and low carbon development in Ghana and the broader West African region, ultimately contributing to the realisation of SDGs.

Impact

Impact Investing Ghana has initiated transformative strides in improving lives and addressing social and environmental challenges in Ghana and West Africa. The organisation's impacts are multifaceted and deeply ingrained in the investment ecosystem of the region.

Ecosystem mapping

- IIGh has developed a comprehensive map of Ghana's impact investing ecosystem, identifying critical gaps and driving collaborative efforts to address them. This mapping initiative serves as a valuable resource for investors and stakeholders, providing a clear picture of the investment landscape and highlighting areas needing attention and investment.

Connecting funds to ventures

- Through organised deal rooms and deal sourcing services, IIGh has successfully connected impact funds to viable impact ventures. This initiative has not only facilitated the flow of capital to deserving projects but has also created a network of investors and ventures, fostering collaboration and shared learning in the impact investing space.

Designing impact fund-of-funds

- IIGh has been instrumental in the design and support of a GHC500million (R812m) impact fund-of-funds. This substantial fund aims to unlock local funding for West African venture funds and SMEs, driving inclusive growth in the region.

Unlocking pension funding

- A significant achievement of IIGh is making headway towards unlocking \$60m in pension funding for impact investing in Ghana and West Africa. This initiative is pivotal as it mobilises substantial capital for driving impact investing in the region.

Fostering industry collaboration

- IIGh has successfully brought together leading pension trustees and fund managers through its Pensions Industry Collaborative. This initiative has developed a strategic plan to increase pension investments into alternative assets, fostering a supportive environment for impact investing.

Leadership forum and collaboratives

- IIGh has initiated forums and collaborative platforms where constraints and challenges in the investment ecosystem are discussed and addressed. These platforms have been instrumental in understanding and devising strategies to overcome the hurdles preventing pension funding from investing in alternative assets crucial for Ghana's development.

Dedicated initiatives

Impact Investing Ghana's initiatives, such as the Pensions Industry Collaborative and Impact Investing Leaders Forum, have played a pivotal role in bringing together industry leaders to develop strategic plans and overcome key constraints in the investment ecosystem.

Through these concerted efforts and strategic initiatives, IIGh has not only contributed to the strengthening of the impact investing ecosystem in Ghana but has also played a significant role in driving social and environmental impact in the region. The organisation continues to work tirelessly to ensure that investments are channelled effectively to solve pressing social and environmental challenges while generating financial

returns for investors. These impacts collectively contribute to the creation of a more sustainable and inclusive economy in Ghana and West Africa.

Potential for replicability

- **Scalable model:** IIGh's initiatives, such as ecosystem mapping and fostering industry collaboration, are scalable and can be replicated in other developing regions with similar socioeconomic dynamics. The model is particularly applicable to areas seeking to strengthen their impact investing ecosystems and stimulate socioeconomic development.
- **Public-private partnership:** The organisation's approach to working closely with both the private sector and the national government serves as a blueprint for fostering public-private partnerships. Such collaborations are crucial for mobilising resources and creating enabling environments for impact investing.
- **Innovative funding mechanisms:** The introduction of innovative funding structures such as the fund-of-funds initiative and the focus on unlocking pension funding for impact present replicable solutions for financing in other regions facing capital constraints.
- **Capacity building:** IIGh's emphasis on building the capacity of ecosystem players and promoting collaboration can be adopted by other national advisory boards and impact investing initiatives worldwide.
- **Engagement strategies:** With strategies such as deal rooms for connecting funds to ventures and collaboratives for industry players, IIGh has devised engagement mechanisms that can be mirrored in different settings to foster connectivity and collaboration within the impact investing sector.

Risks

Market volatility	Regulatory changes	Dependency on partnerships	Implementation challenges
<ul style="list-style-type: none">• Given that IIGh is working in the investment space, market fluctuations and economic downturns pose significant risks, potentially affecting the value of investments and the overall stability of the impact investing ecosystem.	<ul style="list-style-type: none">• The organisation operates within a legal and regulatory framework that might change due to shifts in governmental policies or international standards. Such changes could impact the investment climate and the flow of pension funds into alternative assets.	<ul style="list-style-type: none">• IIGh's operations rely heavily on collaborations with government entities, private sector partners and international organisations. Any breakdown in these partnerships or changes in stakeholders' commitment levels could undermine IIGh's initiatives and impact.	<ul style="list-style-type: none">• As IIGh seeks to unlock pension funds, it might face challenges related to compliance, stakeholders' willingness or technical issues, given that this is a complex and sensitive financial manoeuvre.

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