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Africa Impact Investment 2024 Awards

2024 Awards Report

Identifying brilliant impact investing in Africa

sponsored by FirstRand

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A word from our sponsor

FirstRand

We are pleased to sponsor the Krutham African Impact Investment Awards case studies series to showcase financial innovation that tackles social and environmental challenges on our home continent. The awards draw out excellence, providing examples for others emulate, showing what is possible when investors work with social entrepreneurs, governments and communities to deliver change. Our strategy encourages innovation that solves our challenges, and we are pleased to support thought leadership on impact investing in Africa.

This report was produced independently by Krutham and the contents represent the views of Krutham and its analysts.

Disclaimer

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About Krutham

Founded in 2008 by Dr Stuart Theobald, Krutham – formerly Intellidex – is a research-led consulting firm specialising in capital markets and financial services. We work at the nexus of finance and society, leveraging deep expertise in capital markets and financial services, with policy and social impact capabilities across public and private sectors. Our clients operate across the spectrum of capital – from global hedge funds to philanthropic organisations. At our core, we are committed to helping our clients understand their evolving marketplaces, all while developing financial solutions to social challenges.

Krutham sets the agenda globally at the intersection of investment strategies and development. Our impact investing team offers strategic advice and support to help you embrace impact-first investing through innovative solutions

We work with finance-first and social-first clients, ranging from banks to philanthropies, to develop and implement mechanisms to improve social outcomes while meeting financial targets. Our team has strong university connections and we foreground our research capabillities that enable us to stand at the forefront of innovation and thought leadership in the sector. We place a particular emphasis on impact investing and development finance, bringing together deep knowledge in banking, ESG, policy formulation, philanthropic strategy development and just transition research and advisory. Our services include:

Philanthropic strategy and development services

We help philanthropic organisations craft and evolve their strategies for maximum impact though the following services:

- Comprehensive strategy development
- Impact investing integration
- Outcomes-oriented grantmaking
- Risk assessment and mitigation
- Collaboration and partnership facilitation

Development finance and investment advisory

We collaborate with development agencies, multilateral development banks and governments to facilitate sustainable finance solutions for investments in critical sectors through the following services:

- Capital mobilisation and allocation
- Finance mapping
- Private sector engagement and partnerships
- Sustainable bonds and financial instruments
- Market and policy analysis

Impact vehicle advisory and structuring

We partner with governments, social enterprises and investors to design, implement and manage impact investment vehicles that address pressing social challenges. This includes the development of financing mechanisms, small business finance schemes and youth employment programmes through the following services:

- Policy analysis and design
- Vehicle design
- Vehicle implementation
- Impact management

ESG advisory service

Our ESG advisory service provides critical insight into the ever-evolving world of responsible investment to ensure our clients are ahead in managing emergent trends. We provide deep insight into client-specific strategic issues based on your organisation's own strategic priorities and focus areas.

- ESG subscription service
- On demand ESG support

At Krutham, we believe financial systems are powerful mechanisms to improve human well-being. That is why we provide our clients with services that improve the functioning of institutions and financial systems to deliver better outcomes for people in their societies.

We exist to help clients solve complex problems to unlock opportunities. If you are grappling with a complex problem, or want our experts to help you implement financing solutions that delivery social impact, get in touch with our head of impact investing, Nicole Martens, to see how we can help you.

Foreword

The world cannot be changed without investment. Hospitals and universities cannot be built, new medicines cannot be developed, new clean power cannot be provided. The need for change is most acute in Africa, where, despite progress, there is still a long way to go for its people's living standards to reach global averages. To achieve this change, we must invest. We developed the Krutham Impact Investment Awards to promote impactful investment on the continent.

The problem we face is that capital is scarce and it flows to where financial returns are highest, not where the impact is greatest. The traditional investment world is premised on the belief that directing savings to where the returns are highest provides a fundamental economic good by driving economic growth. When capital generates the highest return possible, we are increasing the amount of it, and thereby the future stock of what can be invested.

This standard model has increasingly faced resistance, though, as the public good assumption has been challenged by the clear harms that some large companies cause, both environmentally and socially. Whether it is through consumption of fossil fuels and resulting CO2 emissions or production of low-quality food stuffs that cause obesity and malnutrition, investors have had to contend with the fact that investment markets that merely seek the highest returns are not necessarily good for the world. And markets that don't ultimately leave the world in a better place are not sustainable. Ultimately, our societies will reject them, or simply become incapable of the economic activity that generates returns, unless investors are proactive about the impact that they have.

To us, impact investing is about an awareness and consideration of the positive impact of an investment, and not just the financial return. Such a consideration can be a mechanism to discover new sources of financial return. Indeed, some argue that positive impact is a source of alpha, capable of doing to financial returns what disruptive technological breakthroughs such as the internet did.

I agree that positive impact is a valuable tool for corporate strategy in that activities which improve people's lives can generate immense value, some of which may be appropriated to shareholders. It is also the case that the financial system is not sustainable unless its impact is positive, a realisation that has caused some investors with macro-level exposures to think more clearly about sustainability (though the "free rider" problems make this motive unlikely to influence investor behaviour more widely). But impact is not merely of instrumental value – a tool to generate returns or fortify the sustainability of the financial system. Impact has a fundamental value, in that we care about human flourishing and creating a world that enables it, by providing a safe and sustainable environment and access to opportunities to achieve potential.

The world has thankfully long had people who care about improving the lives of others. These awards highlight the many brilliant people and organisations working in Africa to achieve substantial and meaningful change. For those investors who consider impact, social enterprises and entrepreneurs like these provide opportunities to direct investment flows to catalyse and scale the positive impact they can have. These awards provide a systematic mechanism to draw out and highlight examples of excellence, showcasing to investors what can be done and demonstrating to other social entrepreneurs how to access funding. We hope these awards will help catalyse the impact ecosystem on the continent.

There are several important partners who have made these awards possible. Our thanks firstly to FirstRand, the financial services group, which sponsor the awards. My thanks also to Rand Merchant Bank, a FirstRand subsidiary, which sponsors the awards ceremony. Their contribution is an investment in enhancing impact investing on the continent.

Our partner organisations from across the continent and beyond have helped develop, judge and promote the awards. Many thanks to the African Impact Summit, GSG Impact, Nigerian NABII, East Africa Venture Capital Association, The African Private Equity Association, Impact Investing Ghana, the Impact Investing Institution, Southern African Venture Capital and Private Equity Association, NABII Zambia, Aspen Network of Development Entrepreneurs and the African Venture Philanthropy Association. They nominated the judges you can see in the appendix of this report, who put in several hours of their time to judging the awards and to whom I am very grateful.

Finally thanks to the Krutham team who have driven the development and delivery of the awards. Particular thanks to Jana van Deventer, who has been critical in launching these awards last year and helping to deliver them again this year. The portfolio is now led by Nicole Martens who has ably grasped the baton. Other members of the team made important contributions including Fezeka Twala, Thembi Baloyi, Zonke Zwane-Sebonyane, Cecilia Schultz, Roline Pretorius, Colin Anthony, Woodman Maphalala and Nxalati Baloyi.

The team is always eager for feedback. Let us know your thoughts by emailing kaiia@krutham.com on how we can increase the impact of the awards and their contribution to building the ecosystem.

Dr Stuart Theobald

Chairman, Krutham

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The state of impact investing in Africa

Setting the scene

Today, the need for impact-focused investment to spur sustainable and inclusive growth in Africa is well established.

Africa's developmental investment mandate is guided by both the Sustainable Development Goals (SDGs) and the African Union Agenda 2063, which aims to achieve a vision of "an Integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena" in 50 years (African Union, 2013; UN, 2024).

Achieving these ambitions requires transformation of African markets, particularly with respect to capital flows. The UNDP estimates that to deliver on the SDGs, developing countries will need to increase their level of public and private expenditures by roughly $1.3tn per year, with low-income countries, a majority of which are located in Africa, will require approximately $350bn annually to deliver on the SDGs. This figure far exceeds the domestic resources of these markets, leaving a funding gap of approximately $140bn (UNDP, 2023).

To meet this challenge, and to deliver sustainable and inclusive economic growth to the continent, we will need innovative financing models. Impact investment, with a deliberate intention to generate both financial and social or environmental return, is well suited to such a context – including blended finance, catalytic finance and concessional finance, using instruments like sustainability-linked bonds, green bonds, transition bonds, social bonds, social impact bonds and traditional debt and equity finance of impact organisations.

Impact investment in Africa reflects the global market trend in that the practice is currently nascent but growing rapidly. In 2018, Africa received 12% of impact investment assets under management (AUM), with sub-Saharan Africa placing at the top of the emerging market pile, with more than a third of impact investors stating a preference for capital allocation to this market. The green, social, sustainability and sustainability-linked (GSSS) bond market, also arguably a vehicle for impact investment, is currently valued at $3.8tn, with 15% of GSSS bonds issued in developing countries (GSG Impact, 2022, 2023a).

Several factors drive growth of Africa's impact investment market including the continent's abundant energy and natural resources and its consequent potential to become a green energy and agricultural hub. The continent also boasts progressive policy and regulation, such as the African Continental Free Trade Area (AfCFTA), which is designed to increase intra-continental trade and investment. These present the opportunity for significant impact returns, specifically with respect to social issues, while underserved markets in areas such as finance and technology present potential growth areas.

Impact investment is also being driven by growing recognition of the role it can play in complementing public spending and developmental and philanthropic finance. This is driven by demand for, and pressure on, the public sector to deliver public goods and services to a growing population, and the attractiveness to investors of the potential for return offered by the continent's sustained economic growth (CFA Institute, 2022; UNDP, 2023).

These drivers result in substantive opportunities in high-impact sectors like education, healthcare, water and sanitation, agriculture and food security, energy access, infrastructure, financial services, and access to affordable housing. In each area, constraints are significant and innovative solutions are clearly needed.

The state of play

While the African impact investment market provides many examples of innovation and substantial impact, it faces some challenges and constraints, not least of which is the poor visibility and credibility of interventions seeking investment, which can struggle to meet international best practice standards for "labelling". In addition, while capital availability may not be a major challenge, the appropriateness of this financing – specifically risk capital – is not always in sync. A lack of clarity in regulatory environments across African markets as well as poorly developed ecosystems for impact investment mean that domestic markets develop slowly and in a haphazard manner. This is exacerbated by underdeveloped practices for monitoring and evaluation and impact measurement, which is critical for attracting and deploying impact capital (Thompson, 2023; UNDP, 2023)

The African impact investment market has grown over time, seeing a total of ~$38bn invested in East, West and Southern African countries between 2005 and 2015. In 2022, this figure was reported by GSG Impact as being closer to $65.2bn. Development finance institutions (DFIs) are responsible for the vast majority of impact capital across the continent (GSG Impact, 2022).

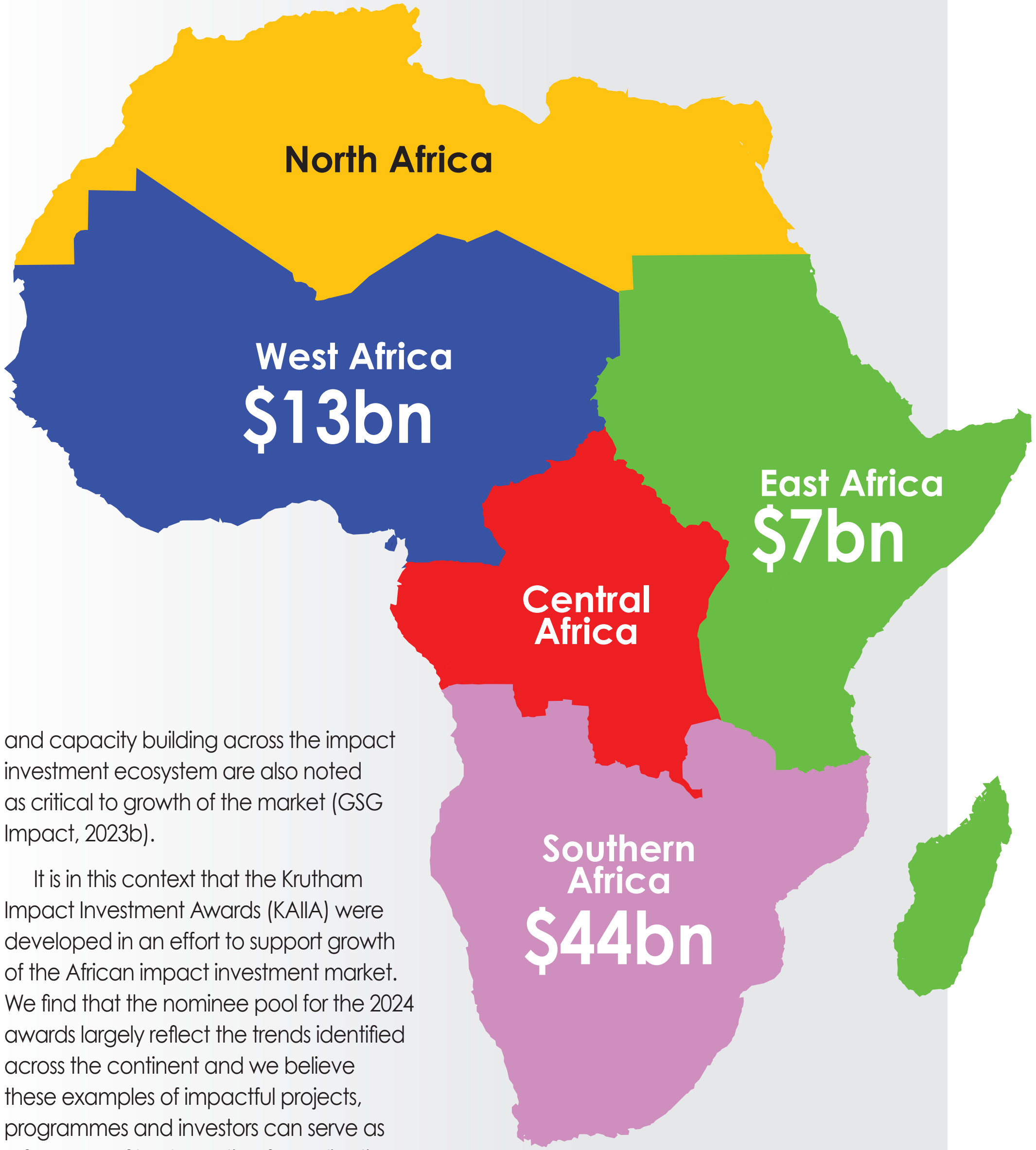
Historically, the greatest proportion of impact capital (roughly 58% of the continent's total) has flowed to the Southern African region. Between 2005 and 2015, almost two-thirds of this capital (about $14.7bn) was received by South Africa, with Zambia and Mozambique the next most popular destinations among impact investors. In 2022, Southern Africa retained its leading position, with impact investment AUM totalling roughly $44bn (Riscura, 2022).

The East African region received about 24% ($9.3bn) of total impact capital deployed in East, West and Southern African regions between 2005 and 2015, with Kenya, followed by Uganda, the two largest recipients. By 2022 this figure had fallen to just below $7bn.

West Africa absorbed 17% ($6.7bn) of total impact capital deployed to sub-Saharan Africa between 2005 and 2015, with more than half of this investment channelled to Nigeria and Ghana. In 2022, impact investment assets were estimated to be 55% of sustainability-linked finance in the region, measuring around $13bn. Impact investment in Nigeria reached almost $5bn in 2019, from less than $2bn in 2014 – in no small part as a result of the country's work to improve its ease of doing business and to offer more support for small, micro and medium enterprises (SMMEs). The impact investment focus for the country has been largely on renewable energy and financial inclusion (Riscura, 2022; Thompson, 2023).

According to a recent report by GSG Impact, impact investment priorities across the continent remain steadfast and include decent work and economic growth (SDG8), climate action (SDG13), good health and well-being (SDG3), and reduced inequalities (SDG5 and SDG1). The need for enabling policy and regulation and for investment in education and capacity building across the impact investment ecosystem are also noted as critical to growth of the market (GSG Impact, 2023b).

It is in this context that the Krutham Impact Investment Awards (KAIIA) were developed in an effort to support growth of the African impact investment market. We find that the nominee pool for the 2024 awards largely reflect the trends identified across the continent and we believe these examples of impactful projects, programmes and investors can serve as references of best practice for replication across the continent.



2 2024 Awards Overview

Impact funder

Category winner	First runner up	Second runner up
Phatisa	Alitheia Capital	Oryx Impact

Impact fund

Category winner	First runner up	Second runner up
Inspired Evolution: Evolution III	Sahel Capital Social Enterprise Fund for Agriculture in Africa	Alitheia Capital

Impact intermediary

Category winner	First runner up	Second runner up
Africa GreenCo	Value for Women	FyreFem Fund Managers

Financial structure

Category winner	First runner up	Second runner up
Villgro Africa	RMB – Rwanda SLB	RMB – KOKO Networks

Social enterprise

Category winner	First runner up	Second runner up
eBee Africa	Onyx Connect	SV Capital

Outstanding individual achievement

Category winner
Amma Lartey

First runner up
Tied, Marike Fourie
Wyson Lungo

Judge's award

Category winner

60 Decibels

Sahel Capital

Impact funder of the year

This award applies to funders deploying capital to support impact projects. These can include pension funds, endowments, corporations, banks, governments, development finance institutions, high net-worth individuals, private equity, venture capitalists and public funders. The award seeks to highlight funders who have opted for a non-traditional funding approach, either as a provider of catalytic capital or a third-party investor deploying capital into an innovative structure.

Partnerships and collaboration are identified by impact funders as a critical component to the ability to scale and to remain financially sustainable

This year's eight impact funder nominees cover a wide range of impact focus areas, including increasing market access for small-scale farmers, supporting SMEs, gender-lens investing and climate finance. Across this group are grant makers, private equity investors, venture capitalists and technical assistance providers.

The approaches to addressing a broad selection of socioeconomic and environmental challenges across the continent include investing in start-ups and entrepreneurs, providing risk capital and taking an integrated approach to resolve interconnected challenges.

Between them, these funders are supporting projects aimed at scaling start-ups, addressing funding gaps for sustainable businesses, increasing gender parity through investment into women-led businesses and supporting climate change mitigation and adaptation strategies – with a notable focus on investing in renewable energy. There is a clear focus on job creation – particularly for women and youth – and access to goods and services aimed at improving health and well-being.

Impact funder nominees are financing entrepreneurs, SMEs and early to growth-stage companies across various sectors, including financial services, clean energy, agribusiness, mobility, transportation and logistics, manufacturing, retail, healthcare and education.

All eight funders showed an ambition to create sustainable businesses that are empowered to deliver both social impact and profit, promoting sustainable economic growth and development as well as continued impact generation.

Each funder has a clear theory of change and a specific focus area for impact. In some cases this is sectoral, in others it is based on geographic or demographic criteria. This deliberate intention and focus enables these funders to clearly track return on investment – both financial and impact. Metrics tracked include number of jobs created, improvements in income levels, access to essential services, gender diversity, implementation of appropriate corporate policies, levels of community engagement, energy generated, greenhouse gas emissions reduction, agricultural yields, return on investment, revenue growth and profitability.

Between them, this year's impact funder nominees represent just under $720m in impact assets

Given the challenges associated with data collection and measurement with respect to impact, it is encouraging to see that the impact funders receiving recognition this year have managed to invest substantially in their ability to identify, monitor, evaluate and adapt in response to critical metrics.

As impact funders, these organisations are well aware of the risks that accompany their investment strategies. Commonly cited challenges that funders face include the risk of investment failure (on both financial and impact terms), the challenges associated with comprehensive due diligence, impact measurement and management, and the critical but resource-intensive nature of stakeholder engagement. Collaboration with key stakeholders is a core tactic for addressing a number of these constraints, and a number of funders report that their ability to scale would act as a vehicle for mitigating risk and increasing financial sustainability. The importance of local expertise, as well as an in-depth understanding of the relevant regulatory context, are also identified as critical in scaling up funding activities.

Alitheia — Runners up

Alitheia Capital employs a comprehensive funding strategy to advance its impact investment mission throughout Africa. The firm targets SMEs addressing business, social and environmental needs, guided by sustainable finance principles and the SDGs. Leveraging innovative private equity approaches and impact lenses such as gender and ESG, Alitheia offers catalytic capital and non-financial assistance to nurture high-impact ventures, striving for shared prosperity and superior returns. The firm's commitment to impact is evident in its inclusive investment strategy, prioritising essential sectors such as financial technology, energy, agriculture and healthcare to enhance the affordability and accessibility of essential services for underserved demographics like women, children, the elderly, low-income households and small-scale farmers. As a provider of patient capital, Alitheia is focused on long-term growth and sustainable change.

The judges were particularly impressed by the scale of impact achieved.

Oryx Impact — Runners up

Oryx Impact is an impact fund of funds aiming to unlock Africa's growth potential and promote resilient and sustainable societies across the continent. The fund's ultimate impact goal is to reduce global and regional inequalities as well as displacement and forced migration within and outside of Africa. To achieve these goals, it adopted a strategy of fostering the impact investment ecosystem in Africa through investing into impact funds. led by both emerging and well-established private equity, venture capital and private debt fund managers, with an emphasis on women-led teams. These funds are in turn expected to support, not only financially but also with managerial, operational, strategic and impact skills, their investee companies – SMEs, which extremely important to African economies.

The judges were pleased to see the long-termism built into this nascent fund's design.

WINNER

Impact funder

Phatisa fund manager

PHATISA
More than capital

Fast facts

ESTABLISHED: January 2023

FACILITY SIZE: $1m

TIME PERIOD: Jan 2023 to Dec 2025

PROJECTS APPROVED 4

FUNDS DISBURSED: $479,450

COMMITTED: $366,312

MANAGEMENT & ADMIN FEE: 10%

REGIONAL FOCUS
Africa-wide

TARGET COUNTRIES
South Africa, Kenya, Nigeria, Malawi, Zambia & Tanzania

SDG

AFRICA 2063

CORE OFFERING
TAF2 is a facility that provides grant funding for catalytic impact projects that support inclusive business growth and are beyond the risk threshold or cash flow of the portfolio company.

GOALS
Phatisa's strategic impact focus is food security (SDG 2) through sustainable food systems in Africa, which is achieved by mobilising capital for agri- and food-related investments and some allocation to affordable housing.

IMPACT INVESTING INSTRUMENT
Grant funding and technical assistance

About

Phatisa's objective is to raise and invest funds to feed people in sub-Saharan Africa,addressing the needs outlined in SDG 2: ZeroHunger. It takes to heart its role as a steward of capital and endeavours to maximise impact by mobilising capital flows into African markets to unlock business growth in agri- and food-related investments, with some allocation to affordable middle income housing.

The majority of Phatisa's capital allocation (through its food funds), is deployed with the primary intention of contributing positively to building sustainable food systems in Africa.

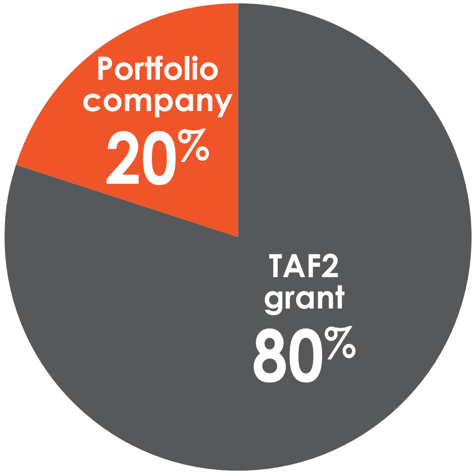
Generally, Phatisa seeks to build inclusive businesses which provide broad benefits to society, including supporting quality jobs.

TAF2 focuses specifically on ensuring financial success and building profitable businesses and linking base-of-the-pyramid beneficiaries to business value chains.

The problem

TAF2 was raised off the success of Phatisa's first technical assistance facility, TAF. This facility is an extension of Phatisa's private equity investment fund and only portfolio companies that are investees of TAF are eligible for TAF2 funding for specific projects. The facility supports high impact, inclusive businesses that would not be able to attract traditional finance without assistance. The projects supported each aim to address specific challenges to sustainable food systems, including livestock health, climate change and biodiversity loss.

Use of impact investment capital



TAF 2 provides grant-funding for catalytic impact projects which support inclusive business growth. Companies are required to contribute a minimum of a 20% cost share, with TAF2 providing the remaining 80% as grant funding. TAF2 is dedicated to enabling high-impact companies to unlock private capital, by derisking investments, often through support of project pilots for the purposes of delivering proof of concept.

What makes Phatisa unique?

TAF2 provides support to portfolio companies aimed at empowering these businesses to attract private capital. TAF2's innovative approach of combining both private equity and grants enables Phatisa to leverage entrepreneurial drive, support innovation and generate lasting, sustainable investment.

TAF2 will also be used to fund ecosystem development through research projects which will provide insights into lessons learned for maximising efficiency and effectiveness of approaches, enabling replication at scale.

Further, Phatisa supports collaboration, hosting workshops for key stakeholders including other private equity fund managers looking to implement a scaffolding finance approach.

Scalability

TAF2 provides support to businesses which is designed to enable these businesses to attract private capital, which can be leveraged to scale and replicate projects over time.

Phatisa is a true impact investor, intentionally targeting both financial return and impact

Addressing challenges

To address the most significant challenges that it faces, Phatisa leverages its partnerships with academic institutions, the private sector and other technical assistance facilities.

In addition, Phatisa's strategy for managing risk includes embedding key risks into a robust impact monitoring and management framework.

Further, Phatisa engages actively with Impact Frontier's Impact Frontier's five dimensions of impact, presenting an example of how investors can utilise readily available standards, tools, principles, frameworks or guidelines to underpin their intentional and proactive approach to pursuing impact alongside financial returns.

IMPACT FRONTIERS

Impact

Impact is at the core of Phatisa's investment approach and is anchored in a robust impact measurement and management system. This system informs the development of a comprehensive impact monitoring and evaluation framework for TAF2, including a theory of change, key assumptions and impact indicators. The framework includes short-term outputs, medium-term outcomes and long-term impact goals.

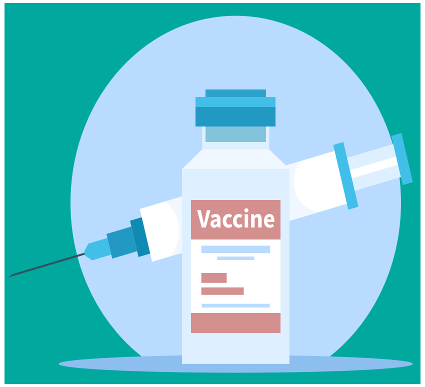
Having detailed and carefully considered theories of change with good, internationally accepted indicators enables Phatisa to make a solid and defendable impact case. While the frequency of data collection varies by indicator, Phatisa works closely with portfolio companies to get an update on progress against indicators at least quarterly.

Best in class impact is achieved by setting fund-level additionality targets, with progress tracked over time. Once all funding has been disbursed, Phatisa plans to develop a publicly available report on lessons learned in the deployment of a technical assistance facility in Africa.

Fund level additionality targets

- i Increased food production for portfolio companies
- ii Increased yields
- iii New routes to markets for unserved or underserved beneficiaries
- iv Number of base of pyramid beneficiaries (and what percentage of these are women or women-led entities)
- v Number of net zero by 2050 business plans developed

To date, through projects Root, Iceberg and Toonjie, TAF2 has supported the training of hundreds of farmers, the distribution of vaccines to multiple African markets and the conducting of initial emissions baseline assessments and baseline botanical surveys. These initial findings set the stage for significant impact over time.



Project Root

***Aims** to bring poultry and ruminant vaccines to smallholder farmers in eight African countries to support route to market.*

Impact metrics

- Number of small-scale farmers trained
- Communication channels established

In Africa, there are an estimated 33-million smallholder farms which are responsible for generation of up to 70% of the food supply.

For these farmers, access to vaccinations that need to be administered by vets is limited, which increases the risk of livestock deaths from preventable diseases.

Through TAF 2, Phatisa is supporting increasing vaccination penetration in underserved markets in Africa, and educating smallholder farmers on the importance of vaccinations and nutrition, thereby mitigating the risk of livestock loss. This includes introducing vaccines into these markets that can be administered via eyedrop and do not need a stable cold chain, meaning that the farmers themselves can administer these vaccines.

Project Iceberg

***Aims** to promote development of net zero strategies.*

Impact metrics

- Number of GHG baselines documented
- Number of alternative energy assessments
- Number of emission reductions and energy efficiency projects identified and approved
- Number of companies linked to financial sources for emission reductions projects

African countries are particularly vulnerable to the effects of climate change, with food systems across the continent at significant risk of destabilisation. At the same time, food systems contribute roughly one third of global GHG emissions.

Phatisa works with portfolio companies on strategies for both mitigation (emissions reduction) and adaptation to climate change to ensure sustainability and resilience in the face of a rapidly changing environment.

Project Toonjie

***Aims** to restore biodiversity to help save water and rebuild soil health.*

Impact metrics

- Number of alien species identified
- Detailed removal plan developed
- Waterways mapped
- Number of soil tests conducted, and
- outputs from these soil tests

Biodiversity is under threat globally. This project focuses on restoring biodiversity, mapping clear waterways and improving soil health, which will all contribute to improved agricultural yields.

3 Impact fund of the year

This award recognises fund managers who have a dedicated impact investment fund within their overall portfolio.

The importance of collaborative relationships was raised by each of the impact fund nominees, specifically with respect to its role in impact measurement and management. Further opportunities for value-adding engagement were identified with respect to capacity building for fund scaling and replication represent just under $720m in impact assets

Impact fund nominees represent a total of just over $1bn in AUM. Unsurprisingly, the fund nominees report that fund governance structures are robust, incorporating sophisticated compliance and ethical standards to ensure transparency, accountability and effective resource management. Several of the funds take direction from experienced leadership teams with expertise in impact investment.

Fund mandates vary, and include improving economic and social outcomes for women, catalysing climate impact, scaling clean energy, supporting energy access, fostering sustainable development, improving access to quality healthcare, financial inclusion, and supporting and scaling small businesses.

Funds make use of a range of innovative approaches to achieving financial return and impact, including gender lens investing, impact measurement through bespoke measurement platforms, development of propriety platforms for impact delivery, integrated, systemic approaches to impact strategy design, robust stakeholder engagement processes and the use of blended finance mechanisms for the provision of catalytic capital.

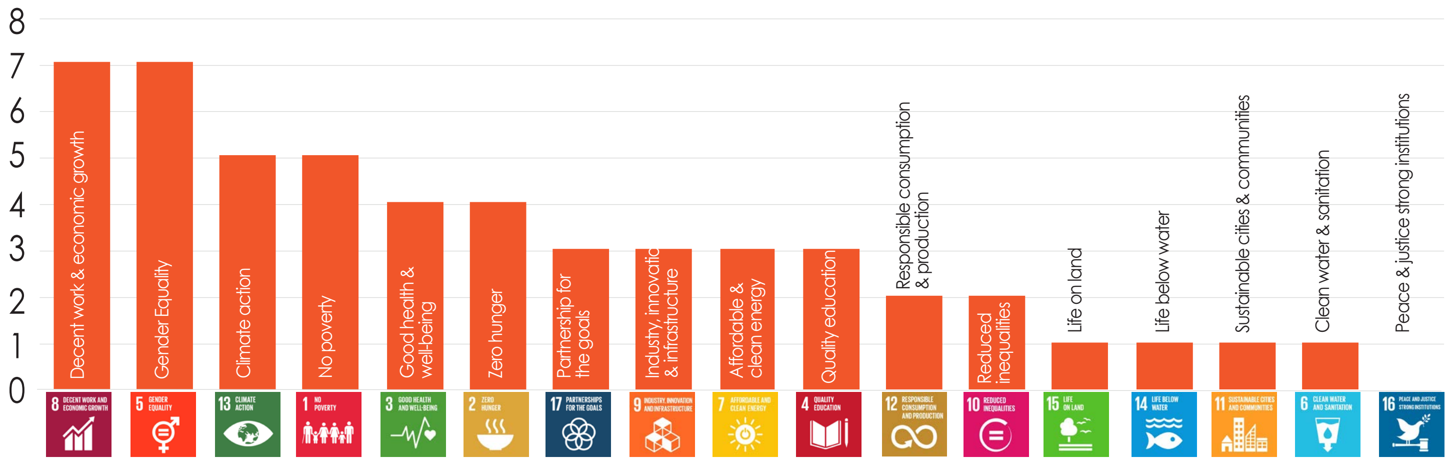
Impact fund structures include those registered on the African continent, specifically in South Africa and Nigeria, and those registered abroad, including Luxembourg, the United States, Cyprus and the Cayman Islands. This is a reflection of the mature nature of financial services policy and regulation in these markets, which enable comparative ease in the registration, fundraising and scalability of impact funds.

Nominees noted the *Operating Principles for Impact Management* and *2X Challenge* as useful frameworks for impact strategy design and impact measurement

Nominees in this category report extensive leveraging of novel technologies and methodologies to maximise impact and financial return. In some cases, this includes the development of bespoke and proprietary platforms for data collection and analysis, enabling more efficient due diligence and impact measurement and management.

No SDG is left untackled across the impact fund nominee priorities, which cover everything from gender equality to energy access, climate mitigation and health and well-being. Financial inclusion and education are also focus areas, as is job creation. Fund nominees report that the objectives of their respective funds are chosen through robust research processes aimed at identifying funding gaps and impact opportunities across the continent.

Impact Fund Nominee SDG Priorities



Key learnings from this year's impact fund nominees:

i "Measuring and quantifying impact in a way that is meaningful and comparable across different investments"

ii "Clear communication and alignment among stakeholders regarding impact expectations"

iii "Transparency, honesty, and accountability"

Impact fund best practice: impact-linked compensation

Impact-linked compensation (ILC) is a useful mechanism to incentivise managers to stay committed to and accountable for pre-determined impact objectives, reducing risks associated with impact washing. Various options exist to link compensation, including carry, bonus based on either portfolio or individual performance and performance evaluations.

The ImPact, with funding from the Tipping Point Fund on Impact Investing, has developed a comprehensive guide for managers contemplating ILC. The guide considers the intricate dynamics of fund structures, portfolio compositions, and relationships with asset owners. It leverages a framework for intentional design and management, as well as several case studies and future-focused insights and can be accessed *here*.

THE IMPACT

Impact fund nominee IMPACT METRICS

- Number of jobs created
- Income levels
- Access to essential services
- Gender diversity
- Community engagement
- Energy
- Return on investment
- Revenue growth
- Profitability
- Investment leverage
- Access to and use of financial services
- Access to essential products and services

While not the case for every impact fund nominee, a number did report that fund manager compensation is linked to impact performance, and the vast majority reported that impact considerations are given equal consideration to financial return in investment decision-making processes, which would reflect international best practice for impact investment fund governance.

Nominees report that risk to their investment performance could be presented by a range of macroeconomic variables and by the investee companies themselves. As such, managers actively implement mitigation measures. These include comprehensive due diligence processes, robust impact measurement and management, portfolio diversification, consistent stakeholder engagement and active, adaptive management. Greenwashing was also raised as a potential risk for impact funds, with clear, transparent, detailed disclosure noted as a mitigation measure.

The importance of adaptability and flexibility was also raised as a mitigation measure against changing environments, specifically with respect to the impact measurement process, where the ability to learn about, develop and implement novel approaches was identified as critical to fund success.

While several of the impact funds nominated are still in their early stages, of those able to report on financial performance, the average return achieved to date aligns with mainstream markets, with one fund reporting an average return of about 15% and another achieving an internal rate of return of over 20%. This may reflect the high-growth nature of social enterprise investments across the continent, particularly those in high-impact sectors. This is likely one of the key reasons behind the case made by almost every impact fund nominee for the significant potential which exists for scaling and replication of their respective funds. Scale-up is a complex process, with regulation and policy, infrastructure deficits and capacity (both human and technical) raised as potential barriers to scalability for funds operating in Africa.

Again, the adaptability of fund structures and management approaches, robust impact measurement processes and strong partnerships with key stakeholders are noted as further contributors to the ability of funds to sustainably scale over time. Specific stakeholders to prioritise in strategic collaboration include DFIs, technology providers, local and regional governments, commercial banks, NGOs and other grassroots organisations and educational institutions.

SAHEL Capital — Runners up

The Social Enterprise for Agriculture in Africa (SEFAA) is an impact-first fund focused on enhancing the business ecosystem for smallholder farmers in sub-Saharan Africa. SEFAA's theory of change is that significant poverty alleviation can be achieved by improving the productivity of smallholder farmers (SHFs) by providing growth funding to viable social agricultural enterprises providing products and services to SHFs or rural small businesses.

SEFAA is categorised as an Article 9 financial product, providing catalytic equity, mezzanine and debt financing to SMEs.

The judges commend the fund's focus on a traditionally underserved population and the intentionality of impact measurement.

Alitheia — Runners up

Alitheia Capital employs a comprehensive funding strategy to advance its impact investment mission throughout Africa. The firm targets SMEs addressing business, social and environmental needs, guided by sustainable finance principles and the SDGs. Leveraging innovative private equity approaches and impact lenses such as gender and ESG, Alitheia offers catalytic capital and non-financial assistance to nurture high-impact ventures, striving for shared prosperity and superior returns. The firm's commitment to impact is evident in its inclusive investment strategy, prioritising essential sectors such as financial technology, energy, agriculture and healthcare to enhance the affordability and accessibility of essential services for underserved demographics like women, children, the elderly, low-income households, and small-scale farmers. As a provider of patient capital, Alitheia focus on long-term growth and sustainable change.

The judges were particularly impressed by the scale of impact achieved.

Inspired Evolution (Evolution III)

INSPIRED EVOLUTION

Fast facts

ESTABLISHED: 2007

FACILITY SIZE: Target: $400m
First close: $199.4m; Second close: $23.25m

TARGET COUNTRIES:
Sub-Saharan Africa, and select North African countries

SDG

AFRICA2026

CORE OFFERING
The mandate of Evolution III Fund aims to catalyse climate impact through strategic energy transition investments in clean renewable energy infrastructure, energy access, and resource efficiency (climate tech) in Africa. It aims to leverage its expertise and track record to drive positive environmental and social change while delivering returns for investors.

GOALS
The fund prioritises scaling clean energy, through acceleration of the deployment of renewable energy sources, contributing to the reduction of carbon emissions and mitigating climate change. Simultaneously, the fund supports energy access in underserved regions – by financing projects that provide reliable and sustainable energy solutions – thereby improving livelihoods and fostering sustainable economic development.

IMPACT INVESTING INSTRUMENT
Private equity investment, blended finance (including the strategic use of concessional finance from public or philanthropic sources) and other financial instruments such as green bonds and syndicated loans.

About

Founded in 2007, Inspired Evolution is one of Africa's trusted specialised clean energy, energy access and resource efficiency fund managers. As a first mover investing on the African continent for almost two decades, Inspired Evolution has financed more than 10 GWs of renewable energy projects and currently manages over 500 million US dollars across three funds.

The fund's mandate is to maximise its impact across various sectors and geographies, ensuring that its investments not only deliver environmental benefits but also address social and economic challenges faced by communities in Africa.

IE's mission is to drive positive climate impact while generating sustainable financial returns, necessitating an integrated, systemic approach to investing in the transition to a low-carbon economy in Africa.

The fund's holistic approach to Africa's just energy transition to more sustainable and inclusive economies is unique. By focusing on the interconnected nature of environmental and socioeconomic issues, Evolution III invests in solutions that are integrated in nature and more likely to deliver on impact outcomes over time.

Further, the fund's uniquely African perspective allows for nuanced approaches to opportunity identification, risk mitigation, partnership building and impact measurement.

The problem

To address the pressing need for sustainable energy access and climate mitigation in Africa, Evolution III aims to tackle the interconnected challenges of energy poverty, climate change, economic development and public health in Africa, to create a more sustainable and equitable future for the continent.

ENERGY ACCESS:

Many regions in Africa still lack reliable and affordable access to electricity, hindering economic development and limiting opportunities for education, healthcare and entrepreneurship. By investing in clean energy projects, Evolution III seeks to expand energy access to underserved communities, thereby improving livelihoods and fostering social inclusion.

CLIMATE MITIGATION:

Africa is particularly vulnerable to the impacts of climate change, including extreme weather events, water scarcity and agricultural disruptions. Investing in renewable energy infrastructure helps reduce reliance on fossil fuels, mitigating greenhouse gas emissions and contributing to global efforts to combat climate change.

ECONOMIC DEVELOPMENT:

Access to clean energy can catalyse economic growth by powering industries, stimulating job creation and attracting investment. Evolution III's investments in clean energy development platforms not only contribute to environmental sustainability but also support local economies, creating opportunities for employment and entrepreneurship.

HEALTH AND WELL-BEING:

Traditional energy sources such as biomass and kerosene are often used for cooking and lighting in communities without access to electricity, leading to indoor air pollution and respiratory diseases. Transitioning to clean energy sources improves air quality and reduces health risks, particularly benefiting women and children who are most affected by household air pollution.

Addressing challenges

The IE team has had to address two key challenges with respect to Evolution III:

1: ***Balancing financial returns with impact objectives without compromising one or the other.*** IE recognises that its impact strategy may present the potential for lower financial returns compared to traditional investment approaches, especially in cases where social or environmental outcomes are prioritised over maximising financial returns. To combat this, IE implements robust processes and strategies with respect to due diligence, risk diversification, financial structuring, exit strategies, monitoring and evaluation, stakeholder engagement and communication and collaboration.

2: ***Measuring and quantifying impact in a way that is meaningful and comparable across different investments.*** Impact metrics can be complex and context-specific, making it challenging to assess and compare the social or environmental outcomes of different investments accurately. To ensure impact data relevance, Evolution III tracks over 100 impact metrics, aligned with methodologies used by the Global Impact Investing Network (GIIN), Impact Reporting and Investment Standards (IRIS+), Harmonised Indicators for Private Sector Operations (HIPSO), and respective investors' reporting requirements.

"One lesson we've learned is the importance of clear communication and alignment among stakeholders regarding impact expectations. Ensuring that investors, investees and other stakeholders have a shared understanding of impact objectives and how they will be measured helps mitigate potential conflicts and fosters collaboration towards common goals. Additionally, we've learned the value of flexibility and adaptation in our approach to balancing financial returns with impact objectives. As circumstances change and new opportunities or challenges arise, we must be willing to adjust our strategies and priorities to optimise both financial and impact outcomes. Overall, finding the right balance betweenffinancial returns and impact objectives requires ongoing learning, collaboration, and adaptation, but the potential for positive social and environmental change makes it a worthwhile endeavour."

What makes this fund unique?

IE is a private equity investor and Evolution III is a private equity investment fund.

The use of low-cost leverage and blended finance increases the fund's ability to attract private investment by mitigating risks through the strategic use of concessional finance from public or philanthropic sources.

Financial instruments such as green bonds or syndicated loans are utilised to scale up investment capabilities as needed, adapting to the funding requirements of different projects and regions. IE's investment strategy identifies and targets areas where traditional investment approaches have fallen short, including:

- **A focus on clean energy in Africa:** IE specifically targets clean energy projects in Africa, recognising the region's immense renewable energy potential and the urgent need for sustainable energy solutions.
- **Multi-sector expertise:** Evolution III leverages 17 years of deep, specialised multi-sector knowledge in Africa. This extensive experience enables IE to identify investment opportunities that may be overlooked by traditional investors who lack a nuanced understanding of the African market landscape and its unique challenges.
- **Risk mitigation strategies:** Traditional investors may perceive investments in clean energy projects in Africa as high risk due to factors such as political instability, regulatory uncertainties and inadequate infrastructure. Evolution III employs risk mitigation strategies, such as investing in diversified clean energy platforms and partnering with seasoned developers, to minimise risk and enhance the attractiveness of these investments.
- **Alignment with impact objectives:** Evolution III's investment strategy is explicitly aligned with impact objectives. By targeting investments that address pressing social and environmental needs, IE aims to generate both financial returns and positive outcomes for communities and the environment.
- **Long-term Perspective:** Evolution III takes a long-term perspective on investment, recognising that sustainable development requires patient capital and a commitment to enduring impact. This contrasts with traditional investment approaches that may prioritise-short-term financial gains over longterm sustainability. By addressing these gaps and challenges in traditional investment approaches, Evolution III aims to unlock opportunities for impactful investment across the continent.

Scalability

Evolution III's model is highly scalable, for several reasons:

- **Adaptability:** The fund's investment strategy is adaptable to different market conditions and regulatory environments. This flexibility enables it to accommodate projects of varying sizes and subsector focus across multiple jurisdictions.
- **Collaboration:** IE collaborates with a range of financial partners to leverage additional funding and share investment risks, making use of blended finance structures, which makes larger and more ambitious projects feasible. Partnerships with technology providers, local businesses and international investors enhance project execution capabilities and provide access to additional capital and markets.
- **Track record:** A strong record of financial and impact return makes the fund attractive to impact investors.

USD $223 million
2nd close May 2024

USD $400 million
target Q3 2024

Impact

Investing in clean energy sources aligns with several Sustainable Development Goals, as does investing in companies that prioritise equal employment opportunities and safe working environments. These investments promote social justice, empower women, and ensure safe and equal working opportunities while fostering sustainable economic development.

By facilitating a just energy transition and promoting resource efficiency, Evolution III works to reduce greenhouse gas emissions, mitigate climate change and build climate resilient and sustainable energy sectors across Africa.

Additionally, investing in innovative business models and collaborative partnerships contributes to SDG 17 (Partnerships for the goals), as it fosters the development of resilient and sustainable economies and communities.

Evolution III has yet to reach its final close, but is aiming to maintain the track record of Evolution I and II with respect to delivering impact in the form of energy access, skills development, job creation, gender equality and emissions reduction.

Over the past 17 years, IE has contributed to the development of **numerous renewable energy generation projects** with multiple successes under utility scale, competitive public-private procurement environments as well as financing private-to-private **commercial and industrial installations.** In addition, IE's funds have utilised 65 global partnerships to produce almost **500 full-time jobs** for **women, over 42,000 hours of training** and roughly 32m tCO2e of avoided emissions

CLEAN ENERGY GENERATED

6.05 TWH*

*Cumulative to 31 Dec 2023

GHG EMISSIONS AVOIDED

CO_2

41.4 m tCO2e

INSTALLED CAPACITY OF CLEAN ENERGY INVESTMENT

4 GW**

25 million lives directly affected

172 million lives indirectly impacted through investments ***

TOTAL EMPLOYMENT: 1,687

74% MALE

26% FEMALE

65 **Global partnerships** with investors, governments, financial institutions, advisors, consultants and EPCs, O&Ms, contractors

* Cumulative to 31 Dec 2023

** 10 GW+ of energy projects under development, including 1.4 GW nearing FC, 480 MW in construction and 1.761 GW of energy projects in operation

*** https://www.dlight.com/social-impact/

4

Impact intermediary of the year

This award recognises intermediaries that support and enable impact investing, including arrangers, accelerators, incubators, government departments, research & consulting firms, policy think-tanks or professional services companies that promote impact investments through thought leadership, project implementations and advisory work.

Intermediation services in Africa's nascent impact investment market are important. Impact intermediaries are critical sources of numerous resources from capacity development and education on impact investment principles to dealmaking.

Nominees in this category showcase the breadth and depth of demand for support services in impact investment across the continent, offering among them tech-enabled impact measurement services, risk mitigation services, matchmaking services for impact investors and investments, incubation services for emerging fund managers and social enterprise scale-up.

In many cases, the nominees are pioneers and/or sole providers of the services they offer, reflecting the nascent nature of the market and the progressive nature of these organisations that are attempting to solve problems that may hinder growth of the market.

Intermediaries' submissions highlight the importance of leveraging global frameworks, technology and collaboration to achieve impact at scale in addressing a wide selection of challenges. These include constraints around the collection, accuracy and comparability of impact data, insufficient energy access, the investability of social enterprises and the lack of impact investment skills.

These issues have been selected as priorities by this year's intermediary nominees based on robust research into market gaps, constraints and opportunities, with nominees reporting the use of a broad range of research tools, including direct engagement with key stakeholders and the review of international best practices with the intention to apply these in a context-specific manner.

Impact intermediaries are seeing the benefits of their work materialise, reporting positive stakeholder feedback and measurably positive results. They're able to track their impact through impact monitoring tools such as surveys and interviews and quantitative data collection, reported via commonly used frameworks.

In addition to typical risks to business sustainability – such as macroeconomic stability related risks and those associated with data collection and quality – impact intermediaries identify a specific potential challenge to their operations: scope creep. Intermediaries offer specialist services designed to support impact investors and investees in their impact journeys. At times, there is a risk that the intermediary comes to be viewed as a solver of all problems, with beneficiaries asking for support that extends beyond the true mandate of the organisation.

As the nature of the services offered varies, so too does organisational structure and hence the financial structure of the impact intermediary nominees. Many work on consulting fee and retainer fee models. Fund management and ad hoc project fee models apply to a handful of nominees.

Impact intermediaries describe their interventions as largely replicable and scalable, and note plans to expand. They do however note that regulatory barriers may exist in some markets. Significant upfront expenditures may also prevent operations from scaling, as can disparities in the availability of infrastructure (specifically technology). Nominees note the potential value that can be gained from taking a phased approach to expansion, taking time to understand market contexts and to build networks. Also noted as a critical input into the scaling process is the ability of an intermediary to build relationships with key stakeholders both within and across markets.

Africa's impact intermediaries play a critical role in creating an enabling environment for impact investing across the continent

Collaboration is key

"Scalability depends on the partnerships that we have"

VALUE FOR WOMEN

Runners up

Value for Women is a global social enterprise founded on the belief that the private sector is an untapped catalyst for change. It endeavours to change the way that business, finance and investment operate in emerging markets to achieve gender and social equality. It does this by making gender inclusion accessible and actionable for the private sector, focused on impact investing and the SME space.

Through research, technical assistance programmes, evaluations, tools and blended capacity building initiatives, it translates theory and frameworks into on-the-ground, context relevant actions.

The judging panel found the collaborative nature of the initiative to be noteworthy.

FyreFem Fund Managers

Runners up

FyreFem provides an incubation service that supports emerging fund managers to navigate the complex regulatory environment in a cost-effective manner on FyreFem's FAIS licence. FyreFem's role in this activity is primarily to assist fund managers in obtaining the necessary FSCA licences and performing regulatory compliance monitoring that are a mandatory step for PE and VC fund managers in SA to secure funding from pension funds and other limited partners.

Most new entrants do not have the track record on the FSCA database to obtain approval for a licence. FyreFem assists these new entrants by providing access to a licence from day one, while providing the necessary experience for the team by incubating individuals and fund managers on its licence.

The judges noted the innovative focus of the service and its potential for impact at scale if adopted.

Africa GreenCo

GREENCO
Africa GreenCo Group

Fast facts

ESTABLISHED: 2018

REGIONAL FOCUS:
Southern Africa

TARGET COUNTRIES:
Namibia, South Africa, Zambia, Zimbabwe

SDG

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION

AFRICA 2026

2, 4, 7, 10

CORE OFFERING

Africa GreenCo (GreenCo) acts as an intermediary in the renewable energy market, mitigating risk in power projects by purchasing power from independent power producers and selling this electricity to utilities and private sector commercial and industrial customers, including trading via the Southern African Power Pool markets. By increasing both the supply as well as the demand for renewable energy in Africa, Africa GreenCo's model.

GOALS

GreenCo's mission is to contribute towards the sustainable transformation and growth of renewable energy markets in Africa.

IMPACT INVESTING INSTRUMENT

The facilitation of energy trades, catalysing private capital for regional renewable energy integration.

About

Africa GreenCo "GreenCo", operating through its subsidiaries in Zambia, Zimbabwe, South Africa and Namibia, is a pioneering intermediary in the renewable energy market in Southern Africa that creates opportunities for, and supports, impacting investing into this sector.

GreenCo's model is designed to mitigate off-taker risks by purchasing power from independent power producers (IPPs) and selling this electricity to utilities and private sector commercial and industrial customers, as well as on the Southern African Power Pool (SAPP) markets.

By offering power purchase agreements backed by bankable AA- payment guarantees , GreenCo ensures payment security and catalyses private sector investment into such IPPs. GreenCo also uses its operational risk mitigation and access to competitive regional trading markets to diversify risks across a portfolio of buyers. This innovative approach transforms the traditional bilateral model into a dynamic multi-seller, multi-buyer model, mitigating risk across borders.

GreenCo's operations increase both the supply of and demand for financing for renewable energy projects, thereby accelerating private capital mobilisation towards impactful and transformative capacity addition.

As an active member of the Southern African Power Pool (SAPP), GreenCo facilitates energy trades, extending its impact by enabling regional energy trading and diversifying the energy mix. This not only catalyses private capital but also serves as a catalyst for regional renewable energy integration, leveraging economies of scale to make renewable energy investments more attractive and viable.

The problem

Insufficient energy access has negative ramifications for systemic issues such as education and healthcare, and stunts economic development.

Across the 15 countries that make up the South Africa Development Community, less than a quarter of the population have access to electricity. In rural areas that number goes down to 5%. Africa GreenCo a private company with the support African governments, the private sector and international financial institutions is a dynamic new participant in the SAPP.

Renewable energy projects on the continent tend to be associated with high levels of credit risk and significant costs of generation, constraining the flow of private sector finance for the sector.

This puts African governments in a position of having to take on heavy contingent liabilities to secure individual energy projects.

Key facts & highlights

Initial $27m GuarantCo LB facility signed

1st Market Participant Energy Trader to join SAPP and implement a SAPP bilateral committed trade

+9.4GW of genration in regional IPP pipeline

85MW PPA signed in South Africa, with +6.6 GW of generation in RSA pipeline

30 skilled international staff memebers across 6 countries and expanding

$1 million grant funding from USTDA BESS feasibility study raised to kickstart 400MWh regional BESS portfolio

25MW PPA signed in Zambia with +1.9GW of generation registered in Zambia Pipeline

over 50GWh traded onto SAAP

A unique model

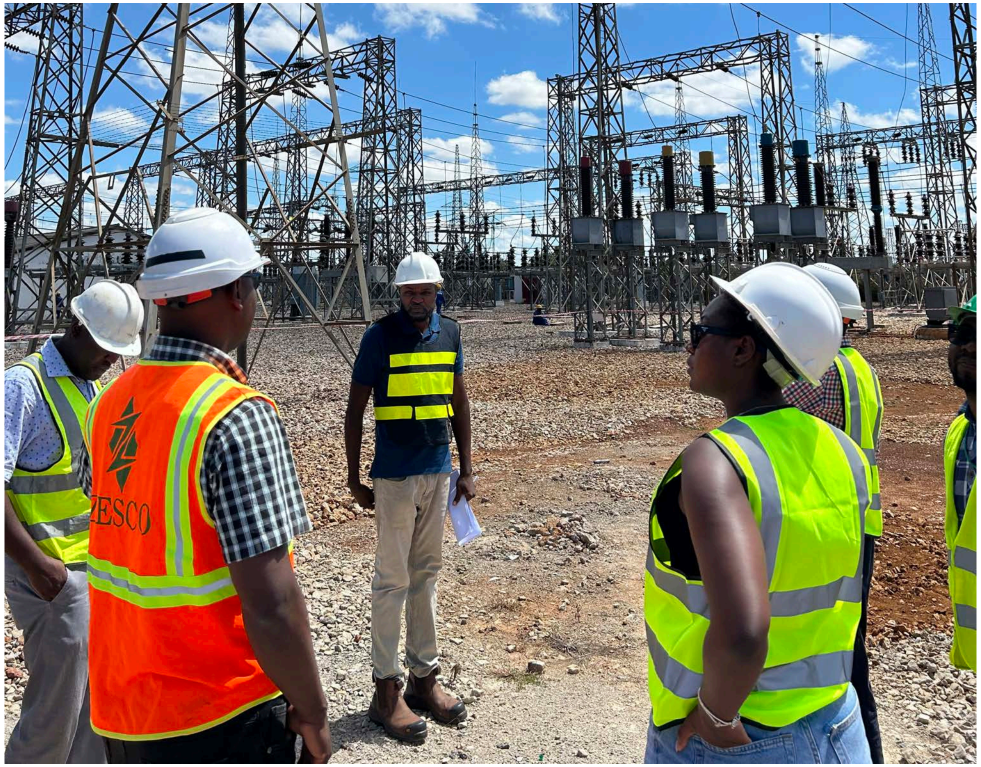
GreenCo's multi-buyer and multi-seller model is the first of its kind in sub-Saharan Africa.

It takes a systemic view of market risk that reflects the real challenges to successful IPP procurement, where guarantees and fiscal interventions have fallen short.

To ensure GreenCo's credibility, and so that it can meet its commitments to the generator and their lenders, GreenCo allocates a collateralised liquidity buffer to the IPP to fund any difference between the net revenue achieved from power sales and the applicable PPA payments. The liquidity buffer is guaranteed by a AA- credit rated GuarantCo This mechanism enables GreenCo to sell power directly to the market or to larger consumers in the event of a buyer's default, ensuring the IPPs are financially protected.

Furthermore, GreenCo's active role in the SAPP as a registered market participant since October 2021 enables it to trade power as a risk mitigation measure and offer additional services to IPPs, utilities and its customers. Its subsidiary presence in Namibia, South Africa, Zambia, and Zimbabwe also enables a clear understanding of regional market intricacies and the ability to design tailored solutions that resonate with each market context.

GreenCo is a distinct presence in the SAPP market, serving as the first non-asset owning trader in a market largely dominated by state utilities.



Addressing challenges

Funding innovative energy projects is inherently a high-risk endeavour, which makes it necessary for GreenCo to employ robust and proactive financial and operationational risk mitigation strategies.

GreenCo's proactive approach to risk mitigation includes establishing strategic partnerships and collaborations with utilities, DFIs and local stakeholders, such as governments and financial institutions, to facilitate replication of their model at scale.

To combat the significant challenge of navigating regulatory differences and policy frameworks in new markets, GreenCo employs a phased approach to expansion, prioritising markets that host favourable regulatory environments and potential partners.

Establishing local subsidiaries equipped to address specific market nuances has also proved beneficial

From strength to strength

GreenCo has steadily built its financial foundations, beginning with initial support through grants from key sustainability focused organisations such as the SADC Project Preparation Development Facility, the Rockefeller Foundation, Convergence, and P4G. These grants were pivotal in establishing GreenCo's operations and credibility within the renewable energy sector.

In October 2020, GreenCo achieved a significant milestone by securing its first equityinvestments totalling $1.5m from InfraCo Africa and IFU.

These funds were instrumental in backing an initial portfolio of projects, setting the stage for future operations.

2022 saw an infusion of an additional $10m from the same investors, enabling GreenCo to expand its project portfolio and solidify its operational track record.

GreenCo recently signed a $27m guarantee facility with a AA- internationally credit rated GuarantCo, which will issue guarantees to IPPs from whom GreenCo purchases power. This not only enhances GreenCo's payment reliability and creditworthiness to IPPs but also leverages GuarantCo's robust credit ratings to increase project bankability and attract further investment into renewable energy generation in Southern Africa. This guarantee, with the potential to expand to $50m, represents a strategic financial instrument designed to scale GreenCo's impact and foster growth in the region's sustainable energy landscape. GreenCo's current IPP pipeline across its countries of operation is sized at 7,000 MW of interest by IPPs via its online procurement portal showcasing immense potential for growth and scale.

Impact projections

Pilots have yet to be running long enough to measure impact, but there are projections for these projects. For example, by 2047, the manufacturing, construction, installation, operations and maintenance of the 32MWp Ilute Solar PV plant (Zambia) is projected to achieve:

Economic value-add

The total capital and development expenditure, coupled with mobilised private capital, is estimated at $40m.

Emissions reduction

The expected reduction in emissions from this project is, approximately 1.6m tCO2e.

Energy Impact

Total lifetime production with degradation of the Ilute Solar PV plant will be over 2GWh.

Impact

GreenCo employs a robust monitoring and evaluation (M&E) framework to ensure the long-term sustainability and effectiveness of its impact. This framework is anchored by the iMetric data platform, which enables the continuous tracking of key performance indicators linked to the SDGs. GreenCo's M&E process involves:

i. **Data collection and analysis:** GreenCo gathers operational data on renewable energy generation, emissions reduction, employment creation, and economic activity generated by projects like Ilute Solar PV.

ii. **Performance tracking:** GreenCo tracks progress against predefined targets, such as emissions reduction, energy produced and jobs created. It evaluates the efficiency and effectiveness of each project through economic value-added assessments and environmental impact calculations.

iii. **Stakeholder engagement:** Continuous dialogue with governments and investors is maintained to ensure alignment with needs and priorities, reinforcing the relevance and adoption of initiatives.

iv. **Adaptive management:** Based on M&E findings, GreenCo adjusts strategies and interventions to enhance outcomes and address emerging challenges, showcasing a commitment to continuous improvement.

v. **Regular reporting:** GreenCo provides transparent and regular reports to stakeholders and investors, enabling informed decision-making and fostering and fostering accountability.

5

Financial structure of the year

This award is specifically for the innovative financial structures using new instruments and other mechanisms for impact investments. Innovations can include funding instruments or structures, impact delivery mechanisms and innovation in lending schemes to targeted beneficiaries.

This category presented a unique collection of nominees. The financial structures nominated included ethical investment vehicles, Rwanda's first ever Sustainability-Linked Bond (SLB) and a blended finance structure that includes research grants to support product design and development.

Each of the structures was developed and is operated in partnership with other organisations, highlighting the critical importance of collaboration in designing vehicles that are fit for purpose and implementing these in an appropriately nuanced way.

The regulatory environment plays a significant role in the ability of innovative financial structures to operate, with nominees noting the importance of garnering regulator support and emphasising the need for transparency and accountability throughout the process to retain it. Nominee submissions show that in some cases, where policy and regulation are insufficient to support particular structures, working with authorities and other stakeholders to design and deploy innovative structures can in fact work to shape policy and regulation.

These models are nuanced and while replicability and scalability does exist in principle, in practice the design and implementation of financial structures is a nuanced process that must be carried out on a case-by-case basis.

RMB — Runners up

Rand Merchant Bank (RMB) supported the Development Bank of Rwanda (BRD) in the design of the East African market's first ever Sustainability-Linked Bond (SLB).

The impact of this instrument has already been felt by the citizens of Rwanda, through BRD's transformative initiative to revolutionise Kigali's public transport system. This ambitious plan has the potential to significantly improve public transportation, easing congestion and improving mobility for Kigali residents.

This SLB positions Rwanda as a leader in sustainable finance regionally and encourages other issuers to access the benefits of sustainable finance through the capital markets.

The judges note with enthusiasm the fact that this is a first in the Rwandan market and the potential this creates for the growth of the market for SLBs.

KOKO — Runners up

RMB and KOKO have entered into a partnership to pioneer a carbon financing solution which securitises future carbon credit sales. The initiative aims to support development of the African carbon market as a mechanism to help finance Africa's energy transition.

The judges were particularly impressed by the innovative nature of the structure and its potential for scale in markets with supportive regulatory environments.

Villgro Africa

Fast facts

ESTABLISHED: 2015

REGIONAL FOCUS:
East Africa

TARGET COUNTRIES:
Ethiopia, Kenya, Rwanda, Tanzania, Uganda

SDG

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

AFRICA2026

1 High Standard of Living, Quality of Life and Well Being for All
3 Healthy and well-nourished citizens

CORE OFFERING
This unique blended finance structure combines research grants, debt and equity investment to support entrepreneurial ventures within Africa's burgeoning health innovation ecosystem.

GOALS
Supporting companies that are developing product (hardware) and process (business models) innovations to improve healthcare in Africa.

IMPACT INVESTING INSTRUMENT
Blended finance structure combining grants, equity and debt for entrepreneurs in Africa's healthcare innovation sector.

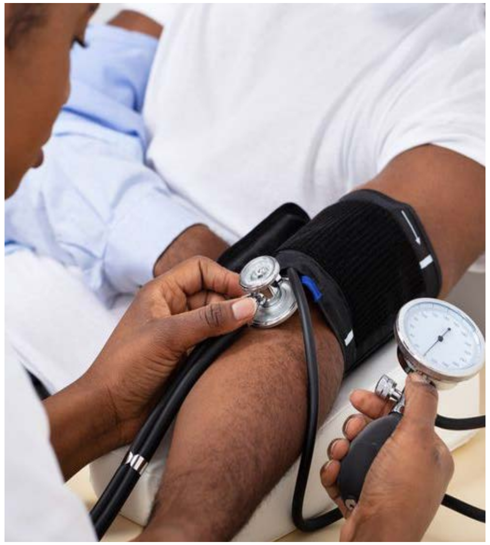
About

Villgro Africa is an incubator and impact investor supporting emerging healthcare businesses in Africa.

Offering research grants and incubation services to deliver solutions to key constraints to business development, Villgro Africa empowers healthcare innovation entrepreneurs on the continent to design robust business strategies that are attractive to equity and debt providers – including Villgro Africa itself as a provider of catalytic seed funding.

The initiative is East Africa focused, with projects in Ethiopia, Kenya, Rwanda, Tanzania and Uganda.

The innovative design of the financing structure, coupled with a clear and deliberate impact focus in the healthcare innovation sector, makes Villgro Africa a standout leader in the financial structure category for this year's awards.



The problem

Sub-Saharan Africa accounts for only 11% of the world's population but bears 24% of the global disease burden, including 71% of the world's infectious diseases and 21% of global non-communicable diseases. It also accounts for approximately half of the world's mortality rate in children under five. In many countries on the continent, healthcare services are inaccessible, due to poor service delivery by under-resourced public providers and the unaffordability of private services.

Significant investment is necessary in healthcare ecosystem innovation to overcome the challenges of existing models of healthcare provision.

Entrepreneurs can play an important role in stimulating innovation but often lack the resources needed to invest in specialist healthcare research which is crucial to the design of effective, affordable solutions.

Villgro Africa catalyses innovation in the healthcare sector by supporting companies that are developing innovations to address Africa's healthcare crisis, by providing earlystage companies with the resources they need to grow and scale so that they can reach underserved populations.

What makes Villgro Africa unique?

Villgro Africa's model includes the pairing of entrepreneurs with research institutions to deliver research outcomes that are critical to healthcare innovation. It provides research grants to support the design of healthcare innovations that are relevant and fit for purpose, to ensure that businesses are investable and scalable. This is a unique approach to enable businesses to effectively address a substantive social challenge.

This, coupled with Villgro Africa's broader incubation services and the provision of catalytic seed capital, improves the chances of success for healthcare innovation startups in Africa.

In the past seven years, Villgro Africa has onboarded 53 companies, which each received between $20k-$50k in seed or preseed funding in the form of either grants or equity investment. Roughly a third of these are companies building hardware products with the rest being process innovations (such as software solutions). Villgro Africa's funding is catalytic, de-risking early-stage companies by enabling them to generate traction and unlock more funding.

Impact

Villgro Africa has yet to reach financial exit on any of its investments but has tracked impact over the past seven years (since its establishment in 2015).

Villgro Africa's key success metrics are follow-on funding accessed and revenue generated by investee companies and jobs created and patients served through supported projects.

To date, 70% of Villgro Africa's portfolio companies have gone on to raise capital after Villgro Africa funding. Follow-up funding raised exceeds $24m and includes equity, grant and debt. This is notable when compared to Villgro Africa's initial investment of roughly $2.7m. Since 2016, Villgro Africa's portfolio companies have generated more than $6m in revenue.

So far, the companies that Villgro Africa has supported have created more than 600 jobs and served more than 4m patients.

Villgro Africa's support is enabling healthcare innovation to reach millions of people who would otherwise remain unserved by insufficient or unaffordable traditional healthcare models.

An additional unintended positive impact

Influencing healthcare policy in Kenya: Benacare, one of Villgro Africa's supported start-ups, recently piloted its home-based dialysis treatment. At the time, there were no protocols to guide home-based renal replacement therapies for CKD care in Kenya. In partnership with the International Development Research Centre (IDRC), Villgro Africa facilitated Benacare's partnership with the Jomo Kenyatta University of Agriculture and Technology (JKUAT) to conduct a study on home-based care dialysis in Muranga County in central Kenya. The results of this study will be pivotal in generating guidelines for home-based CKD care in Kenya. Currently, the NHIF (the national insurance fund) is considering including home-based peritoneal dialysis as part of its benefits package. If approved, this will be a major milestone. It will allow thousands of patients to receive care in the comfort of their homes and, be spared the travail of travelling for long distances to receive care.

Addressing challenges

The Villgro Africa model has presented the team with three main challenges:

1. Working with start-ups, which is inherently risky, that are also operating in a niche industry that is heavily reliant on sophisticated research.
2. Developing an appropriate methodology for quantifying the value of the research voucher programme when packaging it alongside other financial instruments – such as equity investment.
3. Extended exit times, as a result of the time needed for research and development.

To mitigate against these challenges, the Villgro Africa team has taken great care in ensuring that it has set up robust processes for investment selection, research partnership support and investee incubation.

6 Social enterprise of the year

Awarded to social enterprises, defined as businesses that aim to generate profit and have positive social or environmental impact, that are solving some of the continent's most entrenched social or environmental problems.

Two-thirds of social enterprise nominees have received investment from impact investors. The total value of investment received by the eight enterprises nominated exceeds $100m.

This investment has gone toward activities such as improving impact measurement through technology, growing women-owned businesses, improving access to healthcare, providing affordable transport to underserved rural communities, emissions reduction, skills development, small business development and sustainable agriculture programmes.

These enterprises are innovators in their industries in terms of both product and process, working not only to address social and environmental challenges but also to support others in doing the same through partnership and collaboration with a broad range of stakeholders and strategies built on the ability to replicate and scale. Most nominee organisations report working directly with underserved communities, with a clear prioritisation of youth, women and the unemployed. Entrepreneurs are worth a special mention, as they are identified by a significant number of enterprises as key players in the impact investment ecosystem through their ability to catalyse and accelerate social change.

Nominees emphasise the need for grassroots engagement coupled with in-depth research as critical to the development of a social enterprise model that is relevant, investable and impactful. They also note that the process is a difficult one, with many lessons to learn along the way, principally around the need to be flexible to adapt to ever-evolving environments, and to be open to collaboration with a broad range of stakeholders to maximise potential for impact. Other specific lessons learned included:

- the importance of robust engagement to align stakeholder interests;
- the value of investing in capacity to collect and report high quality, credible, comparable data;
- the critical need for application of appropriate nuance to projects and programmes – ensuring that these are fit for purpose in the respective geographic, regulatory, socioeconomic, sociopolitical and cultural context;
- the need to uphold strict ethical standards in any research and/or data collection and analyses;
- the importance of designing strategies that can be flexible in the face of a rapidly evolving environment;
- the crucial role played by strong governance structures;
- the value-adding nature of applying internationally recognised frameworks for measurement and disclosure.

Impact measurement practices by these enterprises tend to be robust, combining both quantitative and qualitative elements as per comprehensive theories of change. Key metrics tracked relate to job creation – especially for women and youth – as well as emissions reduction, and beneficiaries served. This impact reporting is almost always accompanied by disclosures that are aligned to international best practice standards and frameworks.

While some social enterprise nominees rely on grants and sponsorship as their main source of income, the majority are implementing models which generate sufficient revenue to cover operating costs, with several organisations running profitable enterprises generating both impact and financial returns for funders. Almost without exception, nominees in this category report that they have plans and strategies in place to scale and replicate their projects and programmes either within the market in which they currently operate, and/or across additional African markets.

Stronger together

"One very important lesson for us is that we make a greater impact through collaboration and partnerships. We are stronger together!"

Runners up

Onyx Connect Zambia Limited (Onyx) is providing affordable transportation on a pay as you go basis to underserved, peri-urban and rural communities across Africa, with a particular emphais on women and youth.

Onyx offers flexible payment terms on bicycles, ebikes, solar products, smart phones, cement and roofing sheets, as well as insurance against theft and accidents, and free repairs.

The judges were struck by the significant impact the enterprise generates in the local community.

Runners up

SmartVest Capital, (SV Capital), stands out as one of South Africa's pioneering crowd-investing fund managers, offering innovative investment products tailored for digitisation and scalable efficiency.

It offers investment products that are not only affordable but also easily comprehensible, making investing more accessible to the African community.

Leveraging the concept of fractionalisation, it pool funds from investors to invest in physical assets (investing in cattle, delivery bikes and projects).

The judges are particularly impressed by the potential the this model presents for wealth creation through asset ownership.

eBee Africa

eBee

Fast facts

ESTABLISHED: 2021

REGIONAL FOCUS:
East Africa

TARGET COUNTRIES:
Kenya, Rwanda and Uganda

SDG

1 No Poverty; 3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action

AFRICA2026

1 High Standard of Living, Quality of Life and Well Being for All; 7 Environmentally sustainable and climate resilient economies and communities; 17 Full Gender Equality in All Spheres of Life; 18 Engaged and Empowered Youth and Children

CORE OFFERING
eBee Africa creates direct green jobs for youth and women by providing electric bicycles "eBee" for last-mile delivery services. Electric bicycles are affordable, accessible for youth and women and eco-friendly.

GOALS
To promote affordable and accessible e-mobility through electric bicycles, while decreasing emissions and creating significant employment opportunities for youth and women, with a commitment to gender inclusivity in its workforce.

IMPACT INVESTING INSTRUMENT
Equity (seed capital) and loans (asset finance).

About

eBee is a pan-African e-mobility company that was founded in 2021 with roots in Kenya. It now also operates in Uganda and Rwanda.

eBee sells and rents electric bicycles and operates a fleet of over 300 riders for last-mile deliveries, creating green jobs and opportunities for women and youth. About 40% of its mechanics are women and it aims to increase female office staff and mechanics to 50%.

eBee distinguishes itself from its competitors by using electric bicycles. Most e-mobility companies in East Africa use electric motorcycles that require battery charging and battery-swapping infrastructure and are significantly more expensive to buy and operate.

Why electric bicycles?

- **Emissions reduction:** electric bicycles are two- to three-times more economical than carbon-polluting motorbikes and vehicles for last-mile deliveries.
- **Convenience:** electric bicycles can be charged as simply as mobile phones and have a range of 80km when fully charged.
- **Inclusivity:** e-bicycles are attractive to youth and women who tend to find them easier to operate than traditional motorbikes.

The problem

At its core, eBee aims to address challenges faced in three critical areas:

I. Financial and gender inclusion: Traditionally, last-mile delivery job opportunities are less accessible to youth and women who may lack the financial resources and physical capacity or technical skills required to operate motor vehicles and motorbikes.

II. Poverty reduction: traditional vehicles tend to be associated with high costs - of purchase and operation - which act as a barrier entry into the last mile delivery sector and to decrease the take home income of last mile delivery drivers.

III. Environmental sustainability: the continued use of internal combustion engine vehicles acts to exacerbate emissions levels and the associated negative consequences for environmental and human health across African markets.

What makes eBee Africa unique?

eBee initially started by leasing electric bicycles to logistical companies before shifting to fleet management. It now provides a fullservice delivery proposition, creating employment opportunities for unemployed youth and women, promoting a cycling culture for commuters and couriers, contributing to reducing traffic congestion and last-mile delivery costs and supporting the continent's transition to lower carbon economies.

Use of impact investment capital

eBee has attracted impact investment from a wide range of sources, including family offices, that have invested in eBee through equity ($1.6m), convertibles ($3.2m), and loans ($1.3m). Funding has also been secured from the Dutch government, which provided a startup concessional loan worth $600,000. This impact investment has enabled eBee to scale and replicate its model, expanding its service offering beyond Kenya, to Uganda and Rwanda.

Impact

In the long term, eBee aims to create a durable and impactful pan-Africa company with one million bicycles on the road, and to create over 150,000 jobs, while saving one million tons of CO2 per year.

Currently, eBee employs almost 400 riders in Nairobi, Kampala and Kigali - 50% of whom are women and 75% of whom are youth.

eBee and has sold over 700 bicycles to independent delivery riders and estimates that it has prevented the emission of more than 400,000 kgs of CO2.

Impact so far

Scalability

eBee has recently expanded operations beyond Kenya, replicating its model in both Uganda and Rwanda.

Scalability is supported by the capital light nature of business set up, but is subject to supportive regulatory environments in new markets

eBee plans to expand to more countries in East Africa including Ethiopia and Tanzania by 2025/2026 and into West Africa (Ghana, Nigeria, Ivory Coast) and North Africa (Morocco and Egypt) thereafter.

Addressing Challenges

A key challenge to implementing innovative business models which rely on novel technologies often arises in the form of regulatory constraints. This has been the case for eBee as they have had to navigate markets in which vehicle categorisation for electric bicycles is non-existent.

To address this challenge, eBee has invested significant resources in robust stakeholder engagement - particularly with policymakers and regulators - focused on developing appropriate regulatory frameworkd to enable the shift to this new form of e-mobility.

eBee has also had to navigate macroeconomic challenges, including economic downturns, and chose to do so through reliance on its strategy of rapid innovation - making adjustments to operating procedures and even expanding into additional markets as a way to maintain its ability to deliver impact.

7

Outstanding individual achievement

This award is for an individual who has made an outstanding contribution in the past year to support the growth of the impact investments ecosystem.

The need for impact champions

Organisations, communities, markets and systems are transformed as a result of the collective efforts of individuals. The field of impact investing in Africa thrives on the dedication of individuals who dare to challenge the status quo. These individuals recognise the unique potential and challenges of the African continent, and actively seek solutions that drive positive social and environmental change alongside financial returns. These individuals ultimately change the narrative, forge new markets and reshape the future. Their innovative approaches and unwavering commitment have significantly influenced the landscape of impact investing in Africa.

Marike Fourie

Runners up

Marike Fourie, head of ESG and impact at Inspired Evolution, has made substantial contributions to addressing key environmental and social needs in Africa.

Marike has driven sustainability across renewable energy projects by implementing biodiversity conservation and climate impact mitigation strategies. Her work has enabled the reduction of emissions across Inspired Evolution's portfolio, aligning with global climate action goals.

Marike's focus on social development is evidenced in her work to improve labour conditions, ensuring safe and equitable work environments, and promoting gender equality within portfolio companies. Her efforts have strengthened community upliftment through capacity building and training, enhancing local benefits from investments.

Through her role at Inspired Evolution, Marike drives initiatives that contribute directly to achieving significant impact with regard to improving access to affordable clean energy and decent work, while also contributing to reducing inequalities and accelerating climate action.

Marike's strategic ESG initiatives have transformed Inspired Evolution's investments into tools for sustainable growth and societal advancement across Africa, setting new industry benchmarks for impactful investing.

Wyson Lungo

Runners up

Wyson Lungu is an industry leader with 30 years' experience in fast-moving consumer goods, telecoms, advocacy, renewable energy, mobility and partner management services.

From 2017 Wyson has worked with different notable impact products.

As a member of the Energy Taskforce's finance committee in Zambia, Wyson plays a key role in the development of the market for renewable energy in the country and was involved in formulating the first Beyond the Grid Fund for Zambia BGFZ.

Wyson was involved in the first ever crowd funding initiative with FCDO and Kukula to catalyse local investment and investor funding opportunities and pioneered the introduction of pay as you go bikes, cement and iron sheets for the base of the pyramid, a scheme that has unlocked immense potential for rural women farmers and low-income earners in the last mile.

Amma Lartey

About

Amma is a celebrated trailblazer in the West African impact investing ecosystem and has served the market in numerous capacities in recent years, including as CEO of Impact Investing Ghana (IIGh). Amma has established several programmes such as the Enterprise Support Organisation (ESO) Collaborative, Ghana Research and Industry Collaborative (GRIC), Deal Source Africa and Pensions Industry Collaborative that tie into IIGh's five-year strategy for impact.

She also has an impressive track record of building and maintaining partnerships with the likes of the RISA Fund, UK International Development, UN in Ghana, WFP, Orange Corners, ANDE, BII, FMO, and Ford Foundation.

IIGh has contributed significantly to the development of the impact investment market in Africa, including through a report published in 2022 in which IIGh identified 10 critical gaps in the impact investing ecosystem, their causes and consequences, then crafted proposed solutions, presenting its innovative nucleus of change model.

In her capacity as CEO of IIGh, Amma has spearheaded the development of the organisation's five-year strategy. Her targeted and solutions-based approach with sustainability and impact at the centre enables the design of interventions that will support IIGh with its ambition to unlock $1bn in impact investing capital for West Africa.

Her deep expertise in the regulatory environment, policies and ESG standards enhances the robustness of the initiatives and ensures they are designed to achieve long-term objectives.

Timeline

The timeline below outlines some of the key achievements of IIGh since Amma joined as CEO in January 2021.

2021

- Appointed inaugural CEO of IIGh in Jan 2021
- IIGh took over GAIN from the Venture Capital Trust Fund
- Led development of IIGh's five year strategy
- Launched the Enterprise Support Organisation (ESO) Collaborative
- Convened an Action Group to design a Fund of Funds to unlock local pension funding for impact

2022

- Published several research reports, including
  - The State of Impact investing in Ghana: Unlocking private sector capital for profit and impact report
  - Catalytic Capital Investment in Ghanaian SMEs: Strategies, Hurdles, and Outcomes report
- Launhced the Pension Industry Collaborative
- Secured funding from the RISA Fund, a project of UK International Development for research and innovation strengthening
- Launched Deal Source Africa in partnership with the Impact Investors Foundation Nigeria (IIF), the Nigerian GSG National Partner
- Hosted the West Africa Deal Summit in partnership with IIF

2023

- Launched the Africa Impact Investing Group alongside several partner GSG Impact National Partners at the inaugural Africa Impact Summit
- Launched the Climate Finance Collaborative in partnership with the Ministry of Finance at the Accra SDG Investment Fair
- Launched the Ghana Research & Industry Collaborative (GRIC)
- Launched the Ci-Gaba Fund of Funds

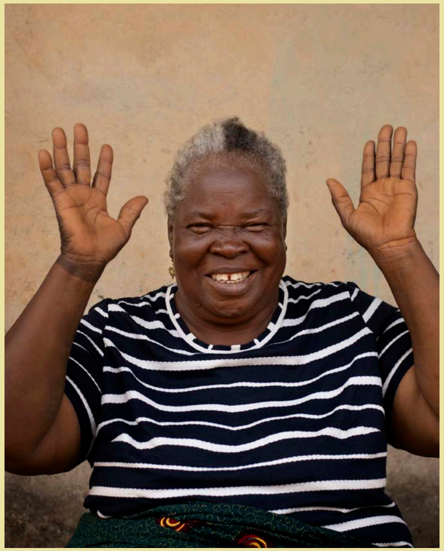
2024

- Partnered with the World University Service of Canada (WUSC) to advance gender lens investing in Ghana
- Hosted the Ghana Impact Summit 2024
- Secured additional funding from RISA Fund to scale sustainable systems for enterprise and innovation financing across Ghana and Nigeria

Case study

Ci-GABA Fund of Funds

Impact Investing Ghana sponsored the setup of the Ci-Gaba Fund of Funds, a blended finance vehicle that intends to unlock domestic pension fund capital for West African venture funds and small and medium enterprises.



THE PROBLEM

Systems-enabling mechanisms are needed to unlock local institutional funding, catalyse the field and enable multiple stakeholders to invest in the growth of SMEs across Ghana and sub-saharan Africa. Three key challenges are:

SMEs

They are important to the economy but lack access to long-term funding options suited to their size.

Local fund managers: They are well positioned to invest in SMEs but struggle to raise local capital.

Local pension funds: They have significant long-term capital but lack suitable investment options in the domestic economy.

THE SOLUTION

Ci GABA is a blended finance vehicle that utilises three key building blocks (derisking, technical assistance and collaborative design) to unlock local pension funding to invest in experienced and emerging managers, investing across West Africa in SMEs with high growth and impact potential. The fund targets agriculture/agribusiness, light manufacturing, healthcare, education, financial inclusion and technology.

Delivering real-world impact

Amma has been instrumental in designing many of the interventions outlined above as well as other initiatives and some of the key impacts from the establishment of these include:

- The setup of the GRIC research brief template which is a tool/resource anyone can adapt.
- Organising the first GRIC annual forum that brought 128 personnel committed to bridging the gap between research and industry.
- Helped mobilise impact investment funding of $1,723,903 for six businesses through the Deal Source Africa programme in Ghana.
- Building the enterprise support space in Ghana and connecting them with quality improvement programmes per the SCALE program by Argidius Foundation.
- Building capacity for over 200 fund managers and transaction advisors in Ghana in partnership with the British International Investment
- Equipping over 100 pension trustees with the knowledge and skills needed to evaluate alternative investments and valuable insights to empower them to make informed decisions in their investment journeys.

Ensuring scalability

Many of the interventions designed by Amma can be replicated in other jurisdictions. For example, both Nigeria and Ghana face challenges in providing innovative ventures with adequate access to patient capital as an estimated $5bn financing gap exists annually for SMEs in Ghana, and a staggering $32.2bn for micro, small, and medium enterprises (MSMEs) in Nigeria. The lack of a robust pipeline of investment-ready businesses stems from the inadequate capacity and inconsistent quality of enterprise support organisations. Additionally, there is a scarcity of transaction advisory services and efficient channels to connect businesses to investors. With this insight, ESO Collaborative Nigeria and Deal Source Africa Nigeria will be rolling out this year with support from The RISA Fund.

Amma's leadership at IIGh demonstrates the potential of impact investing to address critical social and economic challenges. By fostering collaboration and innovation, IIGh is playing a key role in building a more sustainable and inclusive future for West Africa. The lessons learned from their work can be applied in other regions to further advance the field of impact investing.

8

The Judges' Award

These awards recognise to any nominees who did not win in their respective categories, but who who contribute materially to the development of the impact investing market through their impact investing intervention.

This year, the judges decided to award this honour to two nominees: 60 Decibels and Sahel Capital (Social Enterprise Fund for Agriculture in Africa).

60 decibels

Fast facts

ESTABLISHED: April 2019

TARGET COUNTRIES:
Algeria, Egypt, Morocco, Tunisia, Burundi, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Tanzania, Uganda, Zambia, Benin, Burkina Faso, Côte d'Ivoire, Ghana, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo, Botswana, Eswatini, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe

SECTOR FOCUS:
Agriculture; Education; Financial Inclusion; Gender & Inequality; Health & Disability; Micro & Small Business; Off-Grid Energy; Quality Jobs; Supply Chains

SDG

AFRICA 2063

CORE OFFERING
60 Decibels is a specialist impact measurement services provider that leverages a global network of more than 1,200 locally based researchers to gather primary social performance data through primary research engagement with beneficiaries to address several critical gaps in the impact investing landscape.

GOALS
To generate actionable insights that can guide better decision-making and enhance accountability within the impact investment and development sectors.

SAHEL Capital

Fast facts

ESTABLISHED: April 2019

FUND SIZE: $24m

REGIONAL FOCUS:
West Africa, East Africa, Central Africa, Southern Africa

TARGET COUNTRIES:
Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ethiopia, Ghana, Kenya, Malawi, Nigeria, Tanzania, Togo, Uganda, Zambia

SDG

AFRICA 2063

CORE OFFERING
The primary objective of Sahel's Social Enterprise Fund for Agriculture in Africa (SEFAA) is to generate the highest sustainable impact on the economic and livelihood conditions of the SHFs. To eliminate extreme poverty in SSA, a results chain was developed to articulate the relationship between SEFAA's activities and the expected results and outcomes.

GOALS
SEFAA will pursue two principal routes to eliminate extreme poverty in SSA, including 1) catalysing economic activities of Social Agricultural Enterprises (SAEs) and 2) increasing the productivity of SHFs.

IMPACT INVESTING INSTRUMENT
Primarily debt funding, but with flexibility to make equity and quasi-equity investments

60_decibels

60_decibels

About

60 Decibels intermediates in the impact investing industry primarily through its innovative and tech-enabled impact measurement services.

They offer actionable, comparable social performance data to over 1,000 organisations, with the aim of facilitating a deeper understanding among investors about the social and environmental outcomes of their investments.

Through its Core Insights framework, 60 Decibels provides a standardised yet customisable approach to measuring impact across sectors, enabling impact investors to conduct a detailed assessment of the effectiveness of their investments.

In addition to its bespoke services for clients, 60 Decibels contributes to the development of broader impact investing ecosystem through its public-facing work.

By making robust, aggregated data publicly available, 60 Decibels helps to elevate the standards and practices of impact investing, encouraging more informed, effective and strategic decisions across the value chain.

The problem

Social impact data forms the cornerstone of impact measurement and management, a critical enabler for successful impact investing. However, the measurement and management of impact data is complex and requires specialist expertise and appropriate methodologies and approaches to enhance the data is credible and risks of 'impact washing' are avoided. Industry reports and academic research have consistently highlighted the challenges of measuring and managing impact effectively, citing these as significant barriers to the growth and credibility of impact investing.

60 Decibels works to enhance the accuracy, comparability, and actionability of social impact data.

Scalability

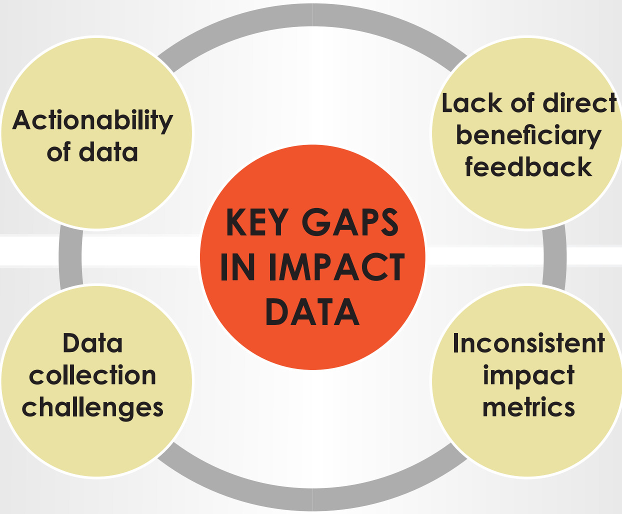
The scalability of 60 Decibels' model lies in its adaptability - a feature refined over time through experience across several markets.

As 60 Decibels expanded, the organisation encountered the complexities of scaling and responded to these challenges by refining its model to enable analysts to specialise in specific sectors and regions, enhancing insights and service quality.

Recognising the diverse needs of its clientele, it introduced a tiered pricing model, offering core insights that work for smaller entities with tighter budgets, while providing comprehensive portfolio level analysis suitable for larger organisations.

Even when data is available, it often lacks the specificity or clarity needed to drive operational improvements or strategic pivots

Many impact measurements fail to incorporate direct feedback from the people and communities they aim to serve, leading to a gap between perceived and actual impact



Collecting high quality, reliable data, especially in remote or underserved areas, poses significant logistical and financial challenges

The absence of standardised metrics across the industry makes it challenging to compare the performance of different investments and hinders the development of best practices

Amid the increasing scrutiny and expectations from regulators investors, and the public for proof of social and environmental outcomes, there is a strong demand for more sophisticated impact measurement tools that go beyond simple metrics and anecdotes. 60 Decibels' approach to social impact data measurement and management addresses this gap and has the potential to indirectly support the growth of the impact investing industry through more rigorous IMM

What makes 60 Decibels unique?

60 Decibels employs an innovative approach to impact data collection and analysis which enables the assessment of both the breadth and depth of impact. Core components of the approach include:

Localised data collection: 60 Decibels utilises local researchers to gather primary data, ensuring authenticity and relevance.

Speed and scalability: Through its techenabled platform, 60 Decibels can deploy surveys and collect insights faster than traditional methods, providing timely data to investors.

Benchmarks and comparative insights: With deep benchmarks across multiple sectors gathered over nearly a decade, 60 Decibels allows investors to compare their impact over time and against peers, driving a competitive edge in social performance.

Customised yet standardised methodology: The Core Insights approach allows for both consistency in measurement across investments and the flexibility to tailor to the specific context of an investment, striking a balance that is hard to find elsewhere.

Addressing challenges

As a market intermediary, 60 Decibels faces numerous risks that could prevent it from achieving its intended social outcomes, or that could lead to unintended negative consequences. Key impact risks that the organisation actively mitigates include:

1 **Data quality and integrity**	The accuracy of impact data is crucial. Poor data quality can lead to incorrect conclusions and decisions.	To address this, 60 Decibels employs stringent quality control measures, uses standardised questions vetted for different contexts, and trains local researchers extensively to ensure reliability and validity in data collection.
2 **Inadequate representation**	There is a risk that the voices captured in surveys may not fully represent the target population.	60 Decibels mitigates this by employing a statistically significant and diverse sample size, ensuring inclusivity in language, gender, geography and socioeconomic status.
3 **Cultural contextualisation**	Without proper localisation, insights may not be culturally relevant or appropriate.	60 Decibels counteracts this by engaging local researchers who understand the cultural nuances, which helps in framing questions appropriately and interpreting answers correctly.
4 **Response bias**	Beneficiaries might provide answers they think researchers want to hear, rather than their true feelings.	To reduce this risk, 60 Decibels trains researchers in neutral questioning techniques and establishes trust with respondents to encourage honest feedback.
5 **Changes in external environment**	External events can affect the effectiveness of an intervention.	60 Decibels stays adaptive by regularly updating its benchmarks and insights to reflect current realities, and by being responsive to new information and trends.
6 **Ethical concerns**	There is an inherent risk of breaching ethical considerations in impact measurement.	60 Decibels upholds strict ethical standards in research, ensures informed consent, protects the privacy and confidentiality of data and employs non-intrusive data collection methods. The organisation never shares information about the respondent without their written consent.

By actively managing these risks, 60 Decibels aims to ensure that its work reliably supports organisations in achieving genuine, sustainable impact and avoids unintended harm.

Sahel Capital: Social Enterprise Fund for Agriculture in Africa (SEFAA)

About

The Social Enterprise Fund for Agriculture in Africa (SEFAA) is an impact fund that invests in social agricultural enterprises (SAEs) that contribute to enhancing the business ecosystem or income opportunities for smallholder farmers (SHFs) with the ultimate aim of contributing to the alleviation of poverty in sub-Saharan Africa (SSA).

SEFAA's investment strategy is designed to deliver hands-on engagement, flexibility and local expertise in a cost-effective way to source and finance high-impact agrienterprises while achieving the 2% net nternal rate of return return set out in the fund thesis.

The fund navigates the challenges of African markets, operating in broadly underdeveloped ecosystems, to unlock the potential of the continent's agricultural sector.

Sahel Capital originally entered for the Fund of the Year Award category and following the initial judges' scoring, the committee had an extensive debate on who should be crowned winner in this category. While Sahel's Social Enterprise Fund for Agriculture in Africa (SEFAA) was ultimately placed as first runner up in the impact fund category, the committee proposed awarding a judges' award to the fund for its innovative approach to providing funding for smallholder farmers (SHFs).

Key considerations for granting this award included the following:

1. From a big-picture perspective, the fund shows promise in addressing issues related to the food systems transformation problem due to its focus on SHFs.
2. Sahel has a unique approach in the agriculture sector from an impact perspective.
3. Provides a strong demonstration case for innovative approaches to solving social and environmental problems.
4. Impact is embedded in its investment decision-making process.

The problem

The Social Enterprise Fund for Agriculture in Africa (SEFAA) is an impact fund that invests in social agricultural enterprises (SAEs) that contribute to enhancing the business ecosystem or income opportunities for smallholder farmers (SHFs) with the ultimate aim of contributing to the alleviation of poverty in sub-Saharan Africa (SSA).

SEFAA's investment strategy is designed to deliver hands-on engagement, flexibility and local expertise in a cost-effective way to source and finance high-impact agri enterprises while achieving the 2% net IRR return set out in the fund thesis.

The fund navigates the challenges of African markets, operating in broadlyunder developed ecosystems, to unlock the potential of the continent's agricultural sector.

What makes SEFAA unique?

The SAEs that SEFAA targets struggle to raise capital from traditional financiers due to insufficient collateral, lack of credit history, and small capital requirements.

Sahel uses creative mechanisms to identify collateral, adopting non-traditional collateral such as receivables, inventory, personal and corporate guarantees. It also takes risks on first-time borrowers with no credit history by lending against strong cashflows and carrying out due diligence on the borrowers to confirm the borrowers' willingness to pay.

SEFAA is an Article 9 (in terms of the European Union's Sustainable Finance Disclosure Regulation) financial product and therefore invests mostly in sustainable ventures, with the rest of its portfolio required to avoid harming sustainable objectives. Further, all companies must follow good governance practices.

SEFAA targets SMEs that can scale their business model to have a positive impact on smallholder farmers at scale in target countries while also achieving financial sustainability in the medium to long term.

The fund invests catalytic equity, mezzanine and debt financing to portfolio companies with high potential to benefit the entire agricultural ecosystem, likely through intermediary roles.

The fund targets 2% capital return while generating revenue through loan interest, fees, and placed capital interest. Sahel's risk model aims for a 3-4% return to cover costs and offer a competitive market return.

Compensation for the fund manager is tied to impact objectives. While the first performance incentive for the fund manager is linked to the fund's financial performance, the second links to the fund's impact performance. The manager earns a proportion of the performing invested capital as a bonus if the impact targets are met or exceeded

Innovative funding approach	Case study
Deploy both debt and equity Debt can be short-term (six months – ione year working capital loans and trade finance) or long-term (3-7 years for Capex).	**Complete Farmer - SEFAA's role in helping the company complete a pre-series A raise** Through technology, Complete Farmer streamlines the aggregation of grains, vets international buyers, and carries out demand-supply matchmaking. SEFAA's debt investment helped galvanise equity investors to participate in the company's pre-Series A round. The investment helped the company kickstart a substantial grain aggregation process, which enabled it to show significant momentum that piqued the interest of equity investors. The Sahel team engaged the investor consortium throughout the fundraising process, playing a pivotal role in securing equity investment for the company.
Significant flexibility around collateral requirements Flexible collateral requirements have played a critical role in helping agribusiness SMEs access capital. SEFAA uses inventory, receivables, personal guarantees, and other non-traditional assets as collateral for its investments, understanding the lack of traditional assets such as land and buildings to the borrowers.	**Winich Farm – SEFAA's role in unlocking local currency finance for Agtech company while mitigating FX risk through an innovative structuring** Given Nigeria's exchange rate instability and illiquidity, deploying USD-denominated debt to domestic SMEs that do not have USD receivables is nearly impossible. SEFAA's investment, structured as a USD cash collateral, enabled the company to secure competitively priced local currency funding from a local bank – while also generating an attractive return for SEFAA.
Blended capital SEFAA plays a catalytic role in unlocking commercial financing for SMEs because of its blended capital structure. SEFAA has a technical assistance (TA) and a foreign exchange (FX) hedging facility which enables it to de-risk lending to these agribusinesses.	**Rogathe – SEFAA's role in providing CAPEX and strengthening supply chain using blended capital** SEFAA injected a strategic blend of capital into Rogathe – a dairy processor in Tanzania. SEFAA deployed short-term working capital to enable milk procurement from smallholder dairy farmers and long-term CAPEX for acquiring new milk transport trucks. SEFAA also provided technical assistance that will help digitise Rogathe's farmer engagement, strengthening its supply chain.

Impact

The primary objective of SEFAA is to support sustainable livelihoods by catalysing economic activities of SAEs, and increasing the productivity of SHFs.

Aligned to its commitment to achieve maximum impact, Sahel has identified clear, measurable impact metrics through which the success of the intervention can be measured.

To this end, Sahel's team engage regularly with investee companies to keep track of performance against set goals and offer technical assistance to companies as required to ensure they meet their impact potential.

In 2023, the fund outperformed on its impact targets, creating hundreds of jobs and supporting thousands of SHFs, positively impacting tens of thousands of community members.

Sahel Capital impact performance 2023

Metric	Actual (2023)	Target
Minimum number of additional Investee Companies	**7**	3
Number of additional direct and indirect jobs created	**855**	80
Minimum revenue CAGR in SAEs	**29.3%**	10%
Minimum number of SHFs reached	**8,699**	3,000
% of SHFs that are women	**49%**	20%
Minimum number of people enabled through engagement with SHFs	**40,173**	18,000
Input and output volume growth	**21%**	10%

Figure 4: Impact risks and mitigants

Greenwashing

During its due diligence, Sahel assesses the impact thesis of the investee company by visiting the ultimate farmer-beneficiaries of the company's activities.
This helps Sahel to confirm the impact of the company on SHFs.

Misalignment with business model

Several firms try to adjust their business model to incorporate SHFs to access capital when it is a forced fit. Sahel ensures that it does not co-opt businesses to change their business model just to access capital. Rather, Sahel would support the business, if realistic, to incorporate SHF engagement into its already successful business model. Sahel advises the companies not to force-fit when it's not possible and would not proceed with such investments.

Exploiting of SHFs

Sahel will not support any business that exploits SHFs for its benefit. SHFs must be treated fairly and equitably.

Addressing Challenges

Investing in the agriculture sector means that almost every investment has high impact potential. Most companies in the sector that have good financial returns also positively affect their communities. Balancing financial returns with impact objectives for Sahel usually involves helping the companies articulate the impact that they already make and strengthen their ability to do more without affecting their financial performance.

However, a major challenge in supporting high-impact companies is the lack of collateral. This affects the fund's expected credit loss, creating an unrealised book loss. The fund must decide on how best to reduce credit loss while also investing in these high-impact companies.

In addition to balancing impact and financial return objectives, Sahel faces numerous financial risks, including:

a) **Credit risk** from the inability of the companies to fulfil their obligations to the fund. Sahel conducts thorough due diligence on the borrower's ability to pay, cash flow and willingness to pay to mitigate this risk.
b) **FX risk** when investing in local currency. The fund leverages its FX sidecar to mitigate FX risk by hedging local currency loans.
c) **Insufficient collateral** cover in case of default. Sahel aims for a decent collateral cover using other non-conventional collateral covers such as inventory (with a collateral manager on ground), charge on receivables, etc. This helps to mitigate the impact of a lack of sufficient collateral cover.

In addition, SEFAA has had to mitigate against risks associated with impact reporting, impact alignment and potential exploitation of SHFs. It does so through the development of rigorous due diligence processes and robust engagement with key stakeholders.

Selection of nominee impact metrics

- Access to essential services for over **51 million women and girls across 20 countries**
- Development of over **2 GW of grid-connected renewable energy** projects
- **Economic empowerment** through financial literacy
- **9.5 million** jobs (6.27 million for women)
- **Over 6,000** free COVID-19 PCR tests conducted
- **Over 300** COVID-19 positive patients treated
- Over **130,000 patients treated**
- Antenatal care for **1,400 women**
- Over **1,100** clients provided with subsidized corrective lenses
- **100% employment rate** among programme graduates
- **R500,000** per cohort reduction in recruitment fees
- Support for **1,600 small holder farmers**
- More than **68,000ha of forests preserved**
- More than **300,000 trees saved**
- Ten **women-owned businesses** funded
- **31.6m tCO2e** of greenhouse gas emissions avoided
- Provision of off-grid renewable power to **154 million people across 70 countries**

9 The future

The KAIIA nominee pool does not necessarily represent the entire African impact investment market, but from what we understand of market activity it does broadly match the trend of the broader market. With this in mind, we note the following key trends to watch with respect to the future of impact investing on the continent.

The importance of collaboration

The intricate nature of impact investing – and the multifaceted nature of the problems that it aims to address – necessitates a collaborative approach. Partnerships that strategically share resources are fundamental to crafting innovative solutions. By combining the strengths of a diverse set of stakeholders, such as impact investors, non-profit organisations, philanthropies, development funders, institutional investors and companies, a more comprehensive understanding of the challenges is established. A collaborative approach fosters a more holistic set of practical interventions, investment vehicles and mechanisms that are fit for purpose.

Increasing capital flows to emerging markets

Irrespective of the persistent challenges posed to impact investment, the flow of impact capital to Africa is improving – evidence includes the fact that more than half of the respondents to the Global Impact Investor Network (GIIN) 2020 survey stated an intention to increase their capital allocation to the continent (Nova, 2020).

The emerging markets of the G20 account for roughly 30% of global economic activity and around one quarter of global trade, with capital flows to these markets increasing rapidly over time. Though shaky in recent years, capital flows to emerging markets are expected to rise in the next few years, with projections for as near as 2024 reaching values of around $200bn. This in part reflects the continent's strong market fundamentals and the decreasing risk perception of the continent as investors improve risk assessment and management approaches (Fitch Ratings, 2024; IMF, 2024; Thompson, 2023).

This growth in available capital has significant potential to catalyse and accelerate growth of the impact investment market – particularly in countries equipped with policy and regulatory environments designed to support impact investment and of course those housing high-impact, high-return sectors.

High-impact, high-return sectors

When considering opportunities for investment that can generate both financial and impact returns, in the African context, three specific sectors stand out.

HEALTHCARE in Africa presents a significant opportunity for impact investors because the continent hosts substantial health challenges coupled with serious deficiencies in healthcare provision. Addressing these simultaneous challenges presents an immense opportunity to realise both financial returns and impact (KPMG, 2014). GIIN's 2020 survey found that healthcare was the fastest-growing sector for impact investing. This sector is projected to grow significantly over the next 10 years as a result of number of trends, including the local manufacturing of vaccines, expansion of health insurance coverage, advancements in digital health and telemedicine, the growing role of public-private partnerships, an increased focus on mental health and the growing recognition of the continent as a promising destination hub for clinical trials (IQVIA, 2024).

The value of **AFRICA'S FINTECH** market is expected to reach $65bn by 2030, as the continent leans into its position as the world's fastest-growing continent when it comes to fintech revenue. Services such as mobile money offer solutions not only to the constraints of traditional financial services models but also to the persistent challenge of substantial unbanked populations across the continent. In addition to the impressive financial return potential it presents, fintech's role as an enabler of broader economic activity means that the fintech sector's growth will have impact far beyond that related directly to increases in financial inclusion (BCG, 2023).

RENEWABLE ENERGY is expected to account for 65% of installed capacity in Africa by 2035 and 95% by 2050. This projection is highly dependent on the supply of, and a major driver of demand for, substantive amounts of capital – far beyond the reach of traditional lenders. The opportunity for impact in increasing access to energy coupled with the undeniable financial attractiveness of the sector, makes investing in African renewables an almost sure bet for investors looking to achieve both impact and financial return (Baker McKenzie, 2024).

The role of data

The availability of credible, comparable, measurable impact data has long been a challenge to growth of the impact investment market – in general and in Africa specifically. Developments in technology, standardisation of measurement and reporting frameworks, and an increasing focus by policymakers and regulators on improving non-financial disclosures, mean that this challenge may soon be a thing of the past. This has the potential to enable impact capital to flow to the continent in greater volumes and at greater pace.

Capacity building

When it comes to building up the impact investment market in Africa, non-financial support is just as important as financial support. To catalyse and accelerate, impact investment relies on access to relevant skills and experience within and across markets. The provision of capacity building services in this respect is a growing field, which stands to have exponential impact on the ability of the sector to develop.

The evolution of foundations from grant makers to impact investors and the growing use of outcomes-based funding models

Globally and in Africa, there is growing recognition of the potential role for philanthropies, particularly foundations, to transition from grant making to impact investment. Work is under way to provide guidance to foundations on the continent in this regard, which stands to significantly influence the way in which these organisations deploy capital, potentially driving a notable increase in impact capital in Africa.

Achieving the transition to sustainable and inclusive economies across Africa will require that the public sector not only be supplemented by additional sources of capital, but also that its effectiveness and efficiency is maximised. Innovation in the delivery of public goods and services at scale is necessary across the continent. Pilots under way in African markets suggest that results-based financing models could deliver desired outcomes at maximum levels of efficiency and at scale. These approaches offer an efficient mechanism to drive the continent's transition and to achieve the SDG and Africa 2063 objectives. If implemented widely, these models could act as effective tools for drawing in catalytic capital from around the world.

Of course, it is not possible to know with certainty what direction the evolution of the African impact investment market will take over time. What we do know is that however it does shift and grow, the Krutham Africa Impact Investment Awards team will be there to shine a light on exceptional examples of best practice on the continent.

Appendices

Background

Why the Krutham Africa Impact Investment Awards?

The UN estimates that $2.5tn in annual spending is required to meet the SDGs each year until 2030. Currently, development funding globally is $158bn. This sum, although sizeable, is not enough but can be repurposed as catalytic capital to unlock $212tn in private markets. Impact investing is one effective way of attracting private capital to augment development funding.

Impact investments are made with the aim of generating positive, measured social and environmental impact alongside a financial return.

Although the practice is relatively new, there is already a high level of interest among traditional and social investors. But many actors in this space operate with limited connection to others. Similarly, except for impact investing practitioners – those actively designing, investing in or participating in impact investments and those who have an active interest in the field – knowledge is limited. This is true for stakeholders in government, civil society, the media, the broader public and the investment community.

The Krutham Africa Impact Investment awards (KAIIA) serve to showcase a new world of possibilities to investors who are active in impact and to those who are considering it. This in turn could facilitate greater access to capital, particularly for smaller social enterprises and governments on the continent.

Specifically, the awards seek to achieve the following objectives:

1. **Recognition of practitioners:** Celebrate practitioners for their valuable work.
2. **Knowledge sharing:** Build knowledge of and interest in diverse audiences – particularly government, civil society, the media and the investment community.
3. **Networking:** Create a platform for diverse industry stakeholders to connect and find new opportunities.
4. **Inspire innovation:** Inspire more people to become involved in the industry and create new solutions to problems and challenges.
5. **Creating demonstration cases:** Show the work of the industry widely shared case studies.
6. **Building investor appetite:** Showcase a wide variety of opportunities and highlight success of through financial and other metrics.

The 2024 awards follow and aim to build on the success of the inaugural awards held in 2023. Once again open to nominees from Cape to Cairo but with fewer awards categories and more robust submission requirements, this year's awards attracted especially worthy candidates and Krutham is pleased to share their stories.

Guiding definitions and award categories

The awards are developed according to the GIIN's definition of impact investments:

"Investments made with the aim of generating positive, measured social and environmental impact alongside a financial return".

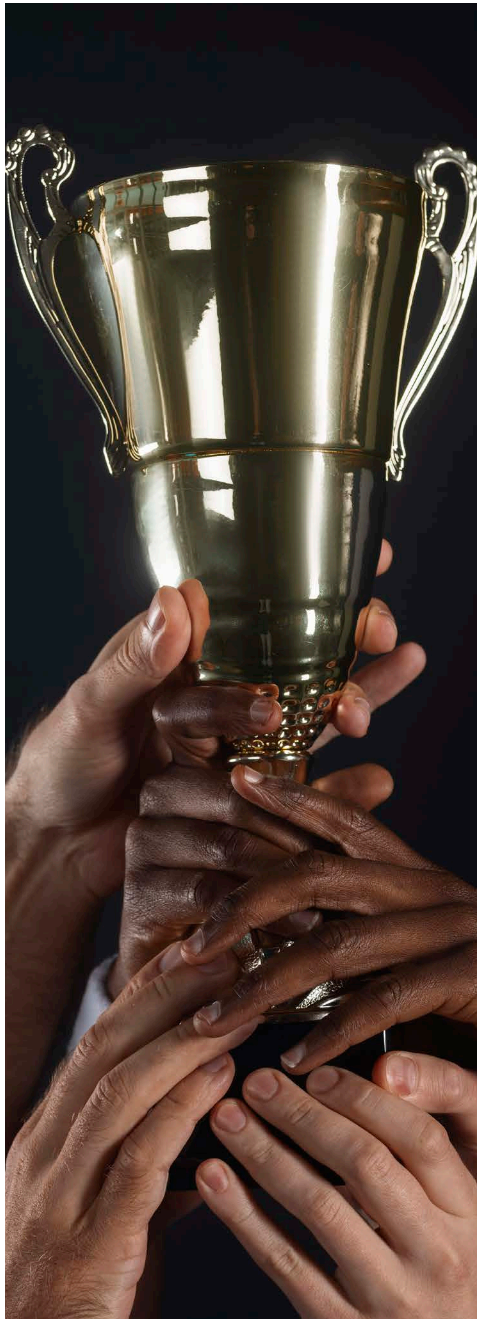
This excludes the following types of activities for award consideration:

- Corporate social responsibility initiatives
- Investments with potential social or environmental benefits that are not explicitly planned for and measured
- Investments in social and environmental causes that do not also carry financial returns for investors

The 2024 KAIIA were open to participants from across Africa and consist of seven awards categories, each accompanied by specific judging criteria.

krutham Africa Impact Investment Awards

Award	Definition	Criteria
Social enterprise	Awarded to **social enterprises**, that is, businesses that aim to generate profit and have positive social or environmental impact, that are solving some of the continent's most entrenched social or environmental problems	1 Demonstrate financial sustainability 2 Create measurable and verifiable positive social or environmental impact 3 Exceptional impact, above the norm
Impact funder	**Funders** deploying capital to support impact projects. Can include pension funds, endowments, corporations, banks, governments, development finance institutions, high net-worth individuals and public funders. The award seeks to highlight funders who opt for a non-traditional funding approach, either as a provider of catalytic capital or a third party investor deploying capital into an innovative structure.	1 Deploying capital in an innovative way, either such that it attracts third party investment or enables the scale up of a novel impact structure 2 Clear intentionality to achieve positive social or environmental impact with capital allocation, including IMM
Financial structure	This award is specifically for innovative **financial structures** using new instruments and other mechanisms for impact investments. Innovations can include funding instruments or structures, impact delivery mechanisms and innovation in lending schemes to targeted beneficiaries.	1 Novel approach to financial structuring that enables the delivery of positive social or environmental impact
Impact fund	This award recognises fund managers who have a dedicated **impact investment fund** within their overall portfolio.	1 Clear intentionality to generate positive social or environmental impact, including an impact measurement and management framework 2 Investment decisions are aligned with impact objectives 3 Approach and returns stand out above expectations
Impact intermediary	This award recognises **intermediaries** that support and enable impact investing, including arrangers, accelerators, incubators, government departments, research & consulting firms, policy think-tanks or professional services companies that promote impact investments through thought leadership, project implementations and advisory work.	1 Demonstrable organisational mission to support and enable impact investing ecosystem 2 High effectiveness in contributing to and stimulating that ecosystem
Outstanding individual achievement	This award is for an **individual** that has made an outstanding contribution in the past year to support the growth of the impact investments ecosystem.	1 Clear contribution to the success of a specific impact investing intervention
Judge's award	These awards recognise nominees that were either not shortlisted or did not win in their respective categories, but which are contributing materially to the development of the impact investing market through their impact investing intervention. Such awards can be made by the judging panel at its discretion.	1 An outstanding nominee that is exemplary of impact in an African context and worthy of recognition but does not fit any award category.



This year's partners and judging panel

We partnered with 12 organisations for the 2024 Africa Impact Investment Awards. Partner organisations include GSG-affiliated national advisory boards (NABs) in Ghana, Zambia, Nigeria, Egypt (task force) and Kenya through the Africa Impact Summit. Partnerships also include several industry associations in the private equity, venture capital and venture philanthropy, non-profit and social enterprise network organisations.

These partnerships were established to ensure that the awards are truly representative of the African continent. Our partners supported our efforts to solicit a total of 43 nominations that are active across 43 countries across the continent, covering all five major regions (Northern Africa, Eastern Africa, Southern Africa, West Africa and Central Africa).

Most of our partners nominated an impact investing expert from their organisation to participate as an adjudicator on our judging panel. In addition to the 12 judges from our partner organisations, one representative from Krutham acted as both judge and administrator of the virtual judging sessions. The panel of 10 judges brought diverse views and expertise from across the continent.

The adjacent table provides details on the judges, their current roles, partner affiliations and regional coverage. To view more details about each of the judges below, click on their names to be re-directed to their LinkedIn profiles.

	Name	Designation	Partner affiliation	Region
1	**Em Ekong**	West Africa Regional Head,	Aspen Network of Development Entrepreneurs (ANDE)	West Africa
2	**Jacklyne Iminza**	COO and Interim CEO	East Africa Private Equity & Venture Capital Association (EAVCA)	East Africa
3	**Eva Abel**	Partner, Head of Investments	Nigerian NABII	Nigeria
4	**Yaw Osei-Tutu**	Founder & Lead Consultant, New Insight	Impact Investing Ghana (IIG)	Ghana
5	**Sylvain Merlen**	Deputy Representative, UNDP Egypt & Co-Chair, Corporate Impact Sustainability Committee at the American Chamber of Commerce	Egypt Impact Taskforce	Egypt
6	**Simunza Muyangana**	Director – Innovation and Entrepreneurship at BongoHive Innovation Hub, and board member of the Zambian NAB	Zambian NABII	Zambia
7	**Evelyne Dioh**	Fund Manager, MD, WIC Capital	Senegalese Task Force	Senegal
8	**Sophia Omar**	Sophia leads the Impact Investing Institute (III) investor-specific work streams, focusing on enabling pension schemes and charitable endowments to become impact investors	Impact Investing Institute	UK
9	**Atieno Otonglo**	Market development manager, Global Steering Group for Impact Investing	Global Steering Group for Impact Investing (GSG)	Kenya
10	**Dr Stuart Theobald, CFA**	Executive Chairman	Krutham	Sub-Saharan Africa

Each of our judges are affiliated with one of our partner organisations and each of the judges has deep expertise in the impact investing industry.

Methodology

African markets were invited to submit nominations between March and April 2024, through a voluntary process, with nominees not required to pay to participate in the awards (which is often the case). Robust shortlisting criteria were used for internal screening and profiles created for judges. Judges scored individually and checks were done for conflicts. Judges then deliberated on each category until there was unanimous agreement on the winner and runner up for each category.

Krutham, as administrator of the awards, underwent an extensive shortlisting process to select the top three nominees for each of the award categories. In exceptional instances, four nominees were selected. The 43 completed nominations were reviewed and evaluated to develop a short list of 21 nominees across six awards categories.

The shortlisted nominees were judged by the panel according to specific criteria and the judges leveraged their in-depth knowledge of impact investing to identify which nominees deserve recognition for excellence in the nascent yet fast-growing industry.

The 2024 nominee pool

This year's awards process received a total of 43 nominations from 37 separate entities . The diversity of candidates is a reflection of the wide-ranging impact investment activity taking place across the continent, with the nominee pool representing multiple geographies, impact categories and impact focus areas. These are further detailed in the section of the report which follows.

Geographic location and focus

Geographic location and focus

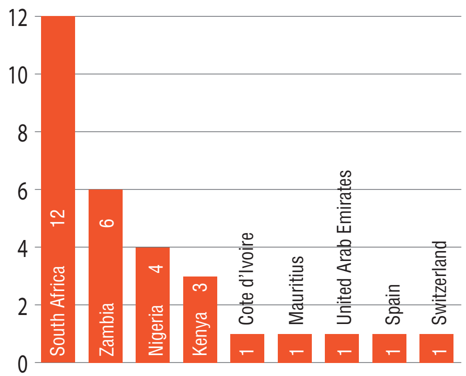


Figure 5: Nominee headquarters

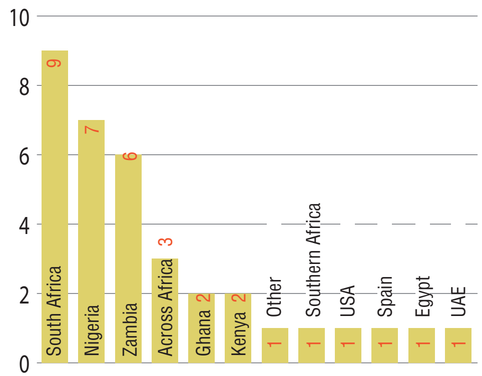


Figure 6: Nominee primary country of operation

This year's awards saw nominees drawn from across and beyond Africa, with the greatest representation from organisations headquartered in South Africa, followed closely by Zambia and Nigeria. These same three markets also represent the bulk of nominee operational focus. Arguably, this reflects the stage of development of these countries' relative impact investment markets, which, although nascent, are leading compared to the rest of the continent.

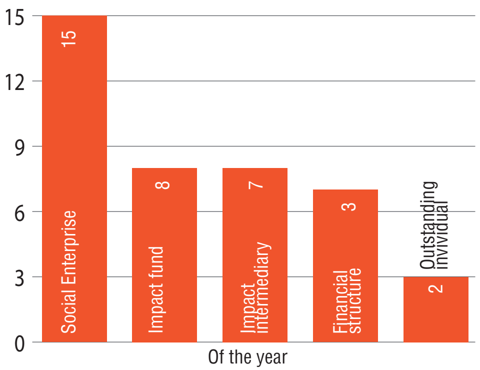


Figure 7: Nominees by category (n=37)

Interesting to note also are the nominations from organisations based outside of Africa, but with an impact focus on the continent, perhaps reflecting the growing trend towards impact investment in emerging markets.

The category with the greatest number of nominees was that of Social Enterprise of the year. The nominated enterprises, which have specific social objectives as their primary purpose, represented Nigeria, UAE, Kenya, Zambia and South Africa by headquarters, with the majority based in South Africa. Its possible that this reflects the comparatively developed nature of South Africa's impact investment market (relative to other African markets) and also the growing flow of capital toward the continent from abroad as it begins to distinguish itself as a hotspot for impactful and financially rewarding investment opportunities.

Nominated social enterprises focused on a broad range of social and environmental objectives, including healthcare, financial inclusion, gender equality and access to clean energy, reflecting continent-wide trends. We note an overlap in some cases between social enterprise and impact intermediary categories, suggesting that for certain enterprises, the challenge that they seek to address is in fact related to the functioning of the impact investment market itself.

Impact intermediaries play a significant role in supporting and developing the impact investment ecosystem. This year's awards saw nine nominees in this category, providing ecosystem services ranging from capacity building to dealmaking. A key focus area for impact intermediary nominees is connecting capital to projects, reflecting the substantive need for this service in the African market.

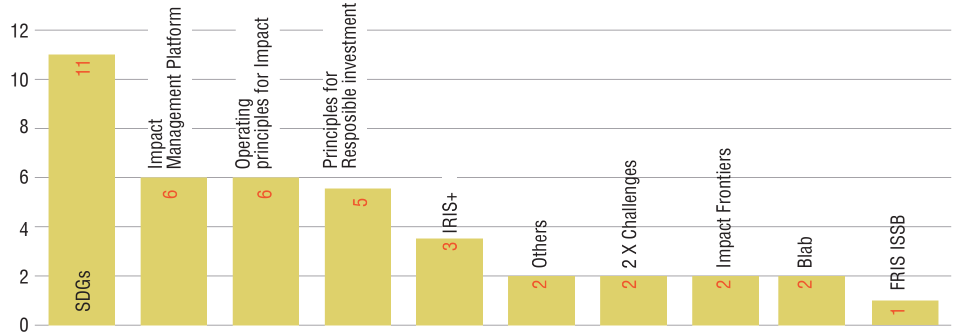
Of course, the impact investment market cannot exist without impact funds and their funders. The interconnected nature of impact funds and funders saw a handful of candidates nominated in both categories. Impact funds and funder nominees represented a cumulative $1,72bn in assets under management. Nominee data suggest that the majority of funders are based in Zambia, Nigeria, South Africa, Spain, Kenya and Nigeria, while funds tend to registered in Egypt, Ghana, Nigeria and South Africa. Priority markets of operation for funds and funders overlap, and include South Africa, Nigeria and Zambia.

Closely linked to the impact fund category, is that of Financial Structure of the year. The majority of the nominees in this category were based in South Africa and Kenya. The shortlisted candidates represented a market first in implementing sustainability-linked instruments, a focus on innovation in a critical sector and a novel approach to addressing climate change.

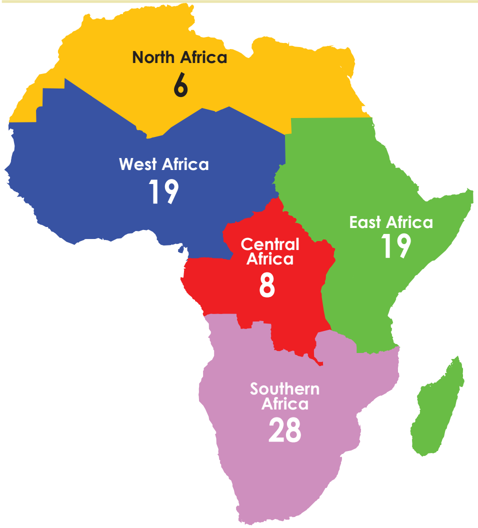
Three candidates received nominations for individual achievement, with their respective efforts all well worth highlighting as part of this report (see p22).

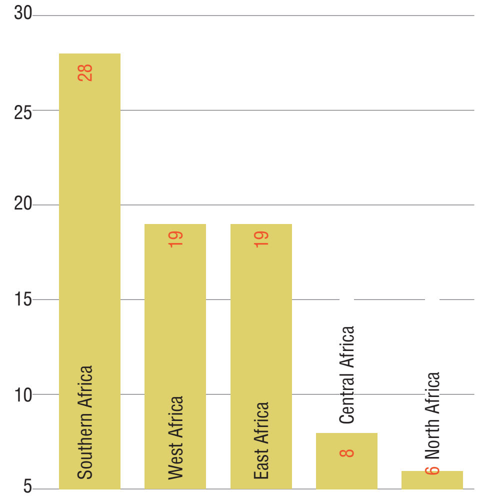
Meeting international best practice standards

Nominees strive to meet international best practice standards, reporting endorsement of the SDGs, the Impact Management Platform, Operating Principles for Impact, the Principles for Responsible Investment, and more. This is no doubt reflective of the desire to attract international investors and goes a long way to ensuring that emergent local impact investment markets are built to a high standard.

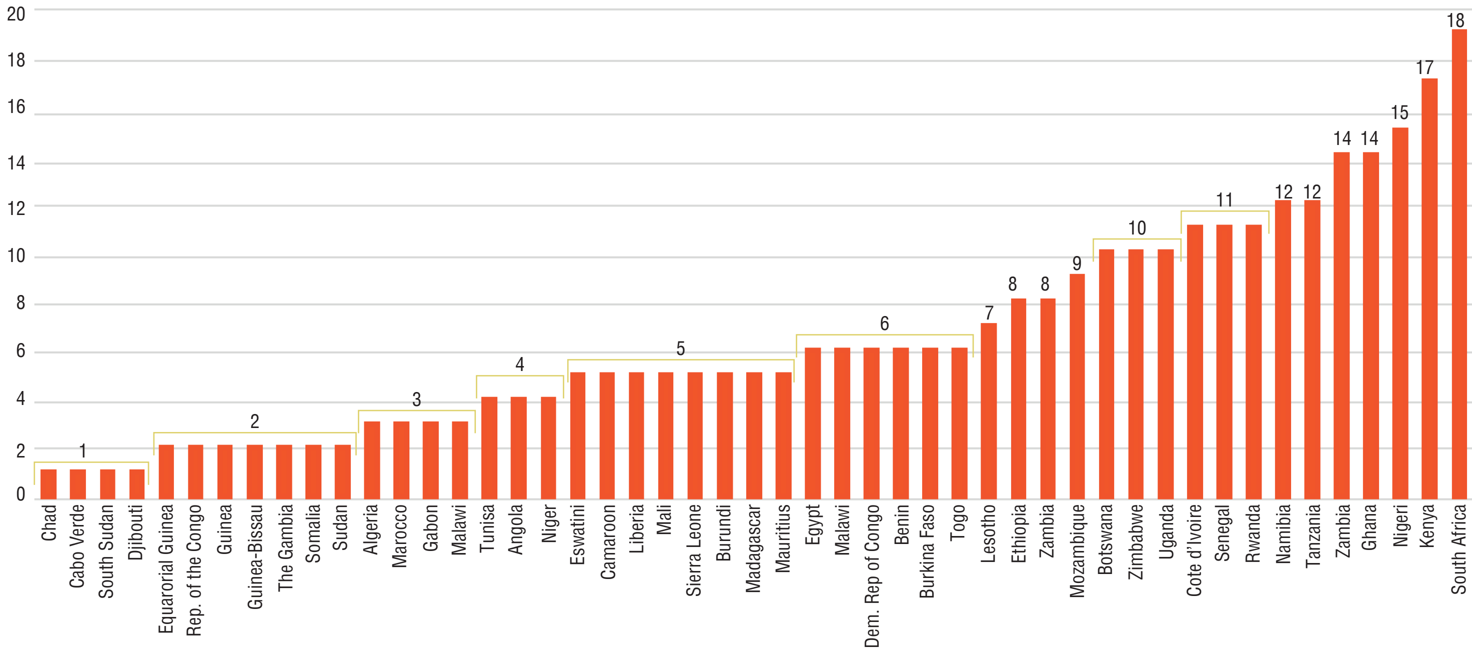


Focus areas





Southern Africa leads in terms of regional focus for nominees, with West and East Africa tied in second place. The countries most likely to receive attention from nominee organisations are South Africa, Nigeria and Zambia. This reflects international trends in impact capital allocation which have tended to flow towards the continent's largest and most developed countries first.



The most prominent focus areas related to SDGs and Africa 2063 are social in nature. Related focus areas are social in nature, highlighting an emphasis on supporting healthy economies and populations. This is well-aligned to the developmental priorities of the majority of African markets. Interesting to note is the importance of partnership and collaboration, identified as a priority by almost half of respondents. Another key lesson from our nominees is the importance of having experience across markets. .

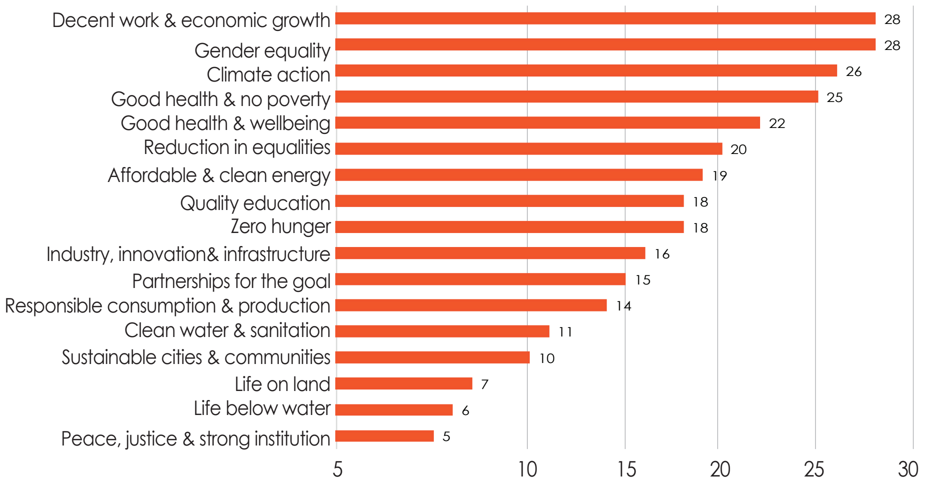


Figure 6: Nominee SDG focus

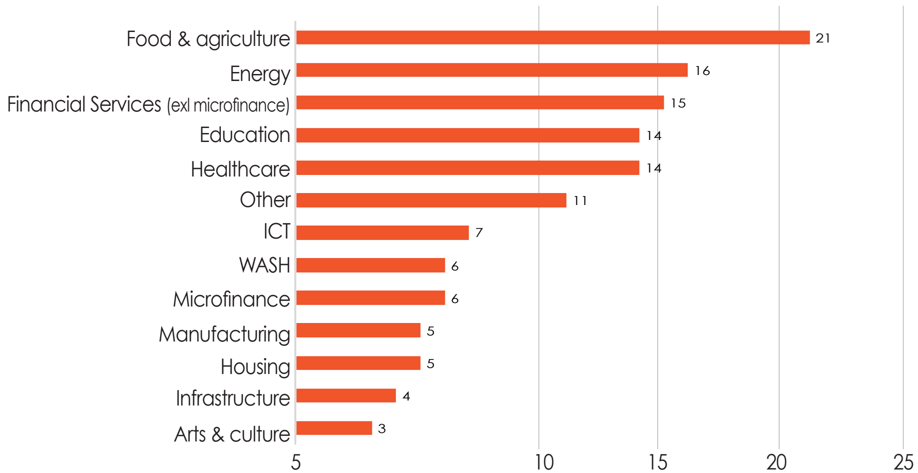


Figure 7: Nominee Agenda 2063 goals targeted

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