Impact Investing and Inclusive Business Development in Africa: A research agenda

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Abstract

Impact investing aims to create sustainable social and environmental impacts for investee enterprises and communities as well as adequate financial returns. As an attractive emerging market investment strategy, it involves development finance institutions and philanthropic foundations partnering with mainstream private venture capital to create impact funds with the goal of catalysing inclusive market-based enterprise development in low income countries. In this paper, we present findings from a scoping study discussing the nature and operations of impact funds in African economies and the associated research opportunities on this topic. To facilitate the assessment, we reviewed the existing literature on impact investing, considering this along three interrelated perspectives, namely 1) impact investing as development finance policy for economic development, 2) impact investing as a development in socially responsible investing, and 3) impact investing as capacity-building for inclusive business development in African economies. The interplay of these perspectives shapes the constitution and operational strategies of specific impact funds and provide a conceptual context for understanding impact investing at country level.

Drawing on interviews, email exchanges and roundtable discussions with representative global and country-specific (Sierra Leone, Cameroon and Kenya) stakeholders our analysis makes three contributions to the impact investing debate. First we explore a model for understanding the ways in which impact funds are being channelled into inclusive businesses in Africa and the associated catalytic effects on poverty alleviation, social and economic development. Second we identified and tested access to, a range of impact funds and associated sector-specific inclusive businesses for future case writing – hopefully 'failures' as well as 'successes'. Finally, we reflect on some of the unanswered managerial and policy-related questions that require a more rigorous inquiry-led appraisal to better understand and enhance the contribution of impact funds to inclusive business development in Africa.

Keywords: *Impact investing, Impact funds, bottom-of-the-pyramid markets, Inclusive business development, development finance, socially responsible investment, Africa*

1. Introduction

This paper examines the nature and forms of impact investing in African economies and proposes an agenda for engaged research. Impact investing aims to intentionally create sustainable social and environmental impacts for inclusive businesses[1] and communities as well as adequate financial returns to investors (BV-PG-GIIN, 2010; WEF, 2013). It is attracting high levels of interest in financial circles and it is claimed that it could become a new asset class worth more than USD 1 trillion globally by 2020 (Martin, 2013; 2013a). Billions of dollars of impact investments are being channelled into enterprises and projects in low income countries (LICs) as a catalyst for poverty alleviation, social and economic development through profitable enterprise development (WEF, 2013; Koh, Karamchandani and Katz, 2012; Dalberg, 2011; 2012). A key feature is the creation of inclusive small and medium-sized enterprises (SMEs) that target bottom-of-the pyramid (BoP) consumer markets with the potential to improve access to essential goods and services for the poor in LICs (Bugg-Levine & Emerson, 2011; Koh et al., 2012)[2].

At the core of the global impact investing agenda is the preference for encouraging effective market-based enterprise development as a better way for foreign investors to achieve the above objective rather than the traditional focus on grants/aid/subsidies (JP Morgan, 2011; Dalberg 2012; Bannick and Goldman, 2012; Koh et al., 2012; WEC, 2013). Accordingly, Development Finance Institutions (DFIs), philanthropic foundations and mainstream private investors (e.g. asset owners and asset managers) are partnering to create impact funds with the aim of solving the most pressing social problems in LICs through direct investments and technical assistance to SMEs that serve BoP consumer markets (GIIN, 2011; WEC, 2013). Very little empirical research has been conducted to understand the nature and operations of impact funds in African economies.

From the above context we set out to undertake a scoping study across three African countries to inform an enquiry-led initiative on impact investing in Africa, based at The Open University Business School. The regional focus on Africa is because it accounts for 27 out of 34 LICs[3] and is considered to have the fastest growing economies in the world (AfDB, 2013). Africa has received 34% of impact investments going to the developing world, the largest proportion so far (JP Morgan, 2013: 6). The debate concerning access to finance as a major constraint to enterprise development in LIC has so far focused on traditional forms of bank financing and microfinance (e.g. Banerjee and Duflo, 2011; World Bank 2014). The study focuses on two research questions: 1) In what ways are DFIs and philanthropic foundations partnering with mainstream private investments to orchestrate inclusive business development in African countries? 2) What are the comparative strategies pursued by impact funds in promoting market-based enterprise development? To answer these questions, the paper explores a pre-prepared framework for understanding the nature and operations of impact investing initiatives in Africa. Our theoretical framework reveals three perspectives on impact investing, namely 1) as DFI policy for economic development; 2) as a development in socially responsible investment; and 3) as capacity-building for creating and managing Africa-based inclusive businesses.

[1] In the literature investee enterprises, inclusive businesses and impact enterprises are used interchangeably to refer to enterprises that are funded by impact investors. We use inclusive business for the purpose of this study.
[2] For more detailed discussion on the relationship between BoP, inclusive businesses and international investments see Halme et al., (2012); Hall et al., (2012); Prahalad (2005).
[3] World Bank: Country and Lending Group <http://data.worldbank.org/about/country-and-lending-groups>

Our objective is to improve knowledge and understanding of impact investing as it is occurring in Africa. This includes the constitution and strategies of impact funds, the process of creating inclusive businesses and the distinctiveness of impact investing compared to traditional forms of foreign investments that have long been pursuing market-based investment solutions in LICs. In doing so we reflect on some of the unanswered questions that require further interrogation to better understand the viability of impact investing in Africa. Our empirical analysis is based on formal and informal interviews, discussions, roundtable events (with owners/managers, in-country representatives of impact investors and government authorities) and published documents (e.g. technical reports, commissioned studies, and business proposals). Although fieldwork was conducted in Sierra Leone, Cameroon and Kenya, participants cited associated impact investing activities in seven other African countries.

Section two of the paper review existing studies to develop a conceptual context for understanding impact investing in African economies while section three describes the research method used to undertake the study. Section four presents analysis of the nature and operations of impact funds while section five discusses opportunities for engaged research to maximise the role of impact investing in Africa. Conclusions are presented in section six.

2. Understanding impact investing – a review of the key literature

Using a combination of terms, namely ‘impact investing’, ‘impact investment’, ‘investing for impact’, ‘social impact investing’ and ‘Africa’ an extensive search was conducted to identify the key literature discussing impact investing in African economies[4]. The literature includes empirical, agenda and evaluation accounts published as peer-reviewed journal articles, policy documents, technical reports and independent external evaluations. Impact investing is defined as an ‘intentional’ process (WEF, 2013: 3) of ‘actively placing capital in businesses and funds that generate social and/or environmental good and a range of returns, from principal to above market, to the investor’ (BV-PG-GIIN, 2010: 3). It is this intentional focus on both financial return and social impact that distinguishes impact investing from traditional financial market tools (WEF, 2013; Scholtens, 2014; Brest and Born, 2013; Ashta, 2012; Koh et al., 2012). The literature also reveals three interrelated perspectives on impact investing: 1) development finance policy for economic development, 2) a development in socially responsible investment (SRI), and 3) capacity-building for country-specific and region-specific inclusive business development. We draw on each perspective to generate conceptual themes for analysing the nature and operations of impact investing in African economies.

2.1. Impact investing as a development finance policy for economic development

A development finance policy traditionally involves the development of business-driven initiatives in developing countries with funding and technical assistance from a combination

[4] The databases consulted include development finance institutions [International Finance Corporation (IFC), French Cooperation, the UK Department for International Development (DFID), Germany Agency for International Cooperation (GIZ) and US Agency for International Development (USAID)], industry associations [Global Impact Investing Network (GIIN), Aspen Network of Development Entrepreneurs (ANDE), Skoll World Forum, Social Capital Markets Conference (SOCAP), Sancalp Social Enterprise Awards Forum, European Venure Philantrophy Association (EVPA), G20 Challenge on Inclusive Business Innovation, World Economic Forum (WEC)] and independent consultancies (Dalberg Group, The Monitor Institute, IMPACT Economy, Rockefeller Foundation) and the academic databases of Open University library.

of development finance institutions (DFIs), international non-governmental organizations (INGOs) and private multinational enterprises (MNEs) through various forms of global partnerships (Schwittay, 2011; Ngoasong, 2010). This reflected a donor-driven paradigm of making markets work for the poor, bottom-up development, market-building through private individual initiatives and the emphasis on base-of-the-pyramid (BoP) consumer markets (Dolan, 2012; Banerjee & Duflo, 2011; Schwittay 2011; Brest and Born, 2013). DFI funds have been implemented through microfinance initiatives that 'seek a social return while maintaining the real inflation-adjusted value' of invested funds (Ashta, 2012: 74). DFI funds have also targeted direct commercial and semi-commercial infrastructure investments that enable private firms to undertake commercial activities that promote local enterprise development and poverty alleviation (Koh et al., 2014)[5]. Such investments attract profit-seeking multinationals into untapped markets developing countries thereby creating various forms of micro, small and medium-sized enterprises locally (Dolan, 2012).

A DF strategy on impact investing goes beyond the above focus on making markets work for the poor to include the need for development finance to seek a return on investment capital, as against previously donor-driven agenda (Koh et al., 2012; 2014). As the examples on Table 1 suggests, the aim is to create what can be called impact funds by partnering private venture funds to support economic development in LICs through private enterprise development. This support takes the form of equity and debt investments and technical assistance to develop commercially viable and scalable SMEs that target BoP customers. Thus, DFIs are partnering with mainstream private investors (e.g. asset owners and asset managers) to create impact funds aimed at solving the most pressing social problems through funding and technical assistance to improve society at BoP (GIIN, 2011; WEC, 2013). Thus, understanding the development finance strategy on impact investing requires an investigation into the ways in which DFI-supported impact funds are encouraging effective market-based enterprise development (WEC, 2013) as against the previously donor-driven strategy (Bannick and Goldman, 2012; Koh et al., 2012).

It is important to note that although our focus is on development finance from western agencies, there are also a number of active Africa-based national regional development finance institutions (e.g. African Development Bank, PTA Bank, Afreximbank, Development Bank of South Africa). Many countries also have national institutions that specifically fund enterprise development. The missions of these financial institutions also include impact [economic, and social] as key outcomes in addition to financial performance. Similar, western development agencies such as those in Table 1 are partnering with Africa-based agencies to undertake impact investments. For example in the area of pharmaceuticals African Medicines Impact Investment Funds managed by SARPAM in South Africa includes the UK's Department for International Development and Southern Africa Development Cooperation (SADC) as funding partners.[6]

[5] Examples include traditional DFI investments in the private sector such as those implemented by CDC Group in Satya Capital (http://www.satyacapital.com/) and ACTIS (http://www.act.is/content/Home.aspx). Original created as Colonial Development Corporation, CDC has been active a DFI since it was created in 1948. Similarly, the Overseas Private Investment Corporation (OPIC), which is the US government's DFI has been investing in developing country firms since its creation in 1971.

[6] More information can be found on the fund's website: http://www.sarpam.net/about-sarpam-2/pacts/pharmaceutical-market-innovations/amiif. In terms of the funding value chain this fund clearly states the following classes of players and actors: Seed funder, Investment Manager; Technical Assistance; Credit Guarantee; Impact Reporting and the Auditors.

Table 1: Examples of development finance-supported impact investments

Development finance institutions	Impact fund	Target investee enterprises
International Finance Corporation (IFC)	West Africa Venture Fund	SMEs to ensure business growth, employment and wealth creation in post-conflict Sierra Leone and Liberia.
Overseas Private Investment Corporation (OPIC)	Investment Fund for Health in Africa II	SMEs to ensure improvements in the health of low and middle income Africans.
	ManoCap	SMEs that provide employment and access to goods and services in BoP communities
UK Department for International Development	Novastar Ventures	SMEs that provide employment and access to goods and services in BoP communities
SWEDFUND, NORFUND	The Africa Health Fund	To support SMEs that provide access to health services to Africans, especially those at the bottom of the income pyramid
Dutch Development Bank (FMO), European Investment Bank	Investisseurs & Partenaires	To support sustainable private sector development in Africa through investing in SMEs
USAID, DFID, SIDA, Omidyar	Global Innovation Fund	Grants and risk capital to encourage social innovations in BoP markets

Source: Based on information from the websites of named development finance institutions

2.2. Impact investing as a development in socially responsible investment

Socially responsible investing (SRI) is ‘the process of integrating personal values and societal concerns into investment decision-making’ through one or a combination of strategies, namely screening, shareholder advocacy and community investing (Schueth, 2003: 190). Recent studies suggest that impact investing is a cause-based (targeted) SRI strategy, which entails investing in enterprises that offer socially and environmentally useful products and services, rather than simply avoiding enterprises that do not (e.g. through negative screening) (Cordes, 2010; Louche et al., 2012; Viviers and Eccles, 2012; Scholtens, 2014). In this approach after credit risk has been assessed and credit management processes put in place funds ‘are directly transferred to the entrepreneur who undertakes the economic activity that is thought to be responsible’ (Scholtens, 2014: 384). A SRI strategy on impact investing refers to an ‘explicit aspiration to generate exceptional social impact and a financial return by investing in enterprises that benefit the poor’ and adopting clear standards to document evidence (McCreless and Trelstad, 2012: 21).

As evident in Table 2, examples of impact investors that pursue a SRI strategy include venture firms/foundations (McCreless and Trelstad, 2012), institutional and high net-worth (Ashta, 2013) and faith-based organisations (Louche et al., 2012). The cause-based motives include a combination of social, environmental and ethical factors, profit-orientation and socio-demographic variables (e.g. selected sectors to invest in) that fund managers must adhere to when implementing funds (Nilsson, 2008; Viviers and Eccles, 2012). Donations that are provided with the expectation that a financial return will be created and in turn re-invested in the same businesses as well as program-related and mission-related investments are also examples of impact investments made by impact investing charitable foundations (Martin, 2013).

Table 2. Examples of socially responsible investment-supported impact funds

Impact investor	**Type of Impact Investing Fund**
Multinational Enterprises	Shell Foundation
Arm of Major Bank	JP Morgan Social Finance
Institutional Investors	TIAA-CREF Financial Services, Capital Markets Authority
Venture Firms and/or Family Foundation	Omidyar Network, Tony Elumelu Foundation, Acumen Fund and Root Capital, GroFin, Fanisi Venture Capital Fund, Nexii, Vital Capital Fund
SME Investment Fund	Investisseurs & Partenaires (I&I) SME Fund
Faith-based investment funds	Positive Social Purpose Lending Programme, Global Solidarity Forestry Fund, Catholic Health Initiative, Sarona Risk Capital Fund, Isaiah Fund, World Hope International

Source: Information from websites of impact funds

As the above review illustrates both DFI and SRI impact funds emphasise both social impact and financial returns. A number of globally backed metrics have been developed as a basis for measuring impacts as well as to inform and justify specific impact investment funds. Examples include Impact Reporting and Investment Standards (IRIS), Global Impact Investing Rating System (GIIRS), (GIIN, 2011; Harji and Jackson, 2012), a GPS for social impact funds program evaluation (McCreless and Trelstad, 2012) and National Impact Investment Readiness Assessment (NIIRA) (Huppé and Silva, 2013). In addition, many venture capital, private equity fund and non-profit funds that carry the impact investing label constitute a combination of DFIs, philanthropy and mainstream investors (Dalberg, 2011: 30). Thus, understanding the nature and operations of impact investing concerns not only the constitution of specific impact funds but the ways in which the funds are being orchestrated into coherent sector-specific strategies in specific African countries. This is the context in which the literature on impact investing as capacity building is explored below.

2.3. Impact investing as capacity building for the creation of inclusive businesses

Impact investing at country level is a process of capacity building for the creation, managing and scaling-up of successful inclusive businesses (Koh et al., 2012). This includes how impact funds are set up to deal with the challenges that inclusive businesses face (Koh et al., 2012). Capacity building takes the form of providing direct access to capital, technical assistance, mentorship and other enterprise development assistance to ensure success of inclusive businesses to achieve pre-defined financial and social impacts (Dalberg, 2011; 2012; Koh et al., 2012; 2014; Brest and Born, 2013). From this context, an inclusive business is a 'long-run profitable business that helps low income societies to overcome poverty and ensures long-term business profitability if effectively implemented' (Golja and Požega, 2012: 23). It differs from an ordinary business in that it tackles social issues at scale through local content (supply/distribution chains and employment of marginalised groups), provision of access to essential goods and services to low-income groups in a socially and financially sustainable and scalable manner (Dalberg, 2011, 2012).

The success or otherwise of impact investing depends on the extent to which specific impact funds target demand-side and supply-side challenges to inclusive businesses development. In terms of supply-side challenges a WEC (2013) report classifies impact investing business models in terms of risks (high, medium, and low), availability of capital and scope for scaling-up impacts at the firm level. Another model proposed by Omidyar Network (Bannick and Goldman, 2012) goes beyond firm-level effects to include different types of capital aimed at scaling-up whole industry sectors (sector-level effects). In terms of demand-side challenges, various studies by Dalberg (2011, 2012) suggest that consciously seeking to create a direct scalable social impact through their business models can enable impact funds in Africa to better serve as engines of wealth creation and economic growth and to better support general SME activity. These and other studies (e.g. Huppé and Silva, 2013; GIIN, 2011) suggest that impact investing also needs to be assessed in terms of how inclusive businesses deal with the challenges that are common to all enterprises in a country as against those specific to the nature of the business models of the impact investment fund.

3. Research Method

3.1. Selection of Countries and Cases

The fieldwork for this study was carried out in Sierra Leone, Cameroon and Kenya respectively. This is justified based on three criteria. Firstly, the authors had previous experiences undertaking research and/or consultancy engagements in these countries, which facilitated ease of access. Secondly, it was important to ensure a comparative coverage in terms of regions (e.g. West, Central and East Africa) and levels of economic development. For example, Sierra Leone as a West African LIC that is still experiencing post-war rebuilding, Cameroon as a Central African lower middle income country (MIC) experiencing a stable economic growth and Kenya as a low income East African country with a fast growing economy.[7] However, during the fieldwork participants discussed comparative examples of associated impact investing initiatives in other African countries (Liberia, Ghana, Nigeria, Ethiopia, Tanzania, Rwanda and South Africa) and where possible these are sign-posted in our empirical analysis. Thirdly, the importance of accessing key informants from organisations that label themselves as impact investors and those that do not carry this label as a test case of the distinctiveness of impact investing in Africa.

The empirical study was conducted between March-August 2014. Based on the initial literature review the lead author identify a number of potential informants. The second author attended the GIIN Investor Forum Programme in London, 10-11 October 2013 and was able to approach a number of the participants either as key informants or for subsequent recommendations to potential informants. The third author also identified additional informants from various professional contexts. From our initial informal discussions with these informants additional referrals were made to a range of other informants that were thought to be involved at different levels of the impact investing value chain. This broad range of informants provided an excellent opportunity to both collect and corroborate data.

[7] KPMG (2013) Monitoring African Sovereign Risks <https://www.kpmg.com/africa/en/kpmg-in-africa/Pages/default.aspx>; World Bank: Country and Lending Group <http://data.worldbank.org/about/country-and-lending-groups>

3.2. Data collection and analysis

Data was gathered in semi-structured and unstructured interviews and through observation, e-mail correspondence with key informants, telephone/skype conversations, and reviews of press releases, presentation slides from conferences and events, annual reports, policy documents and other archival data discussing impact investing in Africa from the perspective of the informants' organisation (APPENDIX 1). The amount of information provided by each informants range from a single email exchange (e.g. some indicated that their organisation is not associated with impact investing and did not see any reason to say more) to in-depth discussion lasting more than 90 minutes.

Questions were asked around the themes developed in the literature review, the research questions and objectives set out in the introduction. On the last day of our scoping study, we organised a 2-hours roundtable discussion on impact investing in Kenya and wider East Africa at Strathmore Business School in Nairobi, Kenya. The session was attended by 32 participants drawn from academia, policy makers, impact fund managers and local entrepreneurs. This session provided an opportunity for data checking and theme testing. Over the course of the study we developed a trustful relationship with a number of key informants, which facilitated continuous follow-up and open discussion. More than two hundred pages of a combination of transcripts, field notes and email messages were generated. Using thematic content analysis, the data was analysed focusing on the perceptions of our key informants about the nature and operations of impact funds, the beneficiary inclusive businesses and associated impact investing challenges in Africa.

4. The Nature and Operations of Impact Investing in African Economies

Our study uncovered a sea of venture funds in Africa. The first category are venture funds that can be labelled as 'impact investments' by virtue of being beneficiaries of DFI impact investment programmes (e.g. West Africa Venture Fund and Novastar Fund). A second category are venture funds that can be labelled as 'impact investments' by virtue of being beneficiaries of philanthropic impact investments (e.g. Acumen Fund). A third category are private equity funds that cannot be labelled as impact investments even if the fund managers describe the mandate of the funds as impactful in a similar way as impact funds. Analysis of the nature and operations of each of these three fund categories reveal how DFI and philanthropic impact funds that attract private investments are being orchestrated into coherent market-based strategies in African countries.

Table 3 below provides examples of inclusive businesses that participants mentioned to us during our study as beneficiaries of impact funds. We were able to verify that each of them have a website and used information from the websites to provide a brief description of their main activities (Table 3). The table suggests that key sectors that are attractive to impact investing include sustainable energy, water, sanitation, waste management, agriculture and nutrition, pharmaceutical and healthcare delivery, education, affordable housing. It also suggests that impact investors conceptualise social impacts in terms of access to finance and capital, affordable and high quality essential goods and services, improvements in rural livelihoods, job creation and environmental protection. Many of the inclusive businesses are funded by more than one impact fund. Others are funded both by funds that carry the label of impact investors and by those that do not.

Table 3. Examples of inclusive businesses that are being financed by impact funds

Types of inclusive businesses	Impact investors
Toyola: Manufactures and sells energy efficient cook stoves in urban and rural Ghana, thereby reducing dependence on wood fires.	E+CO
d.light: Designs and sells high-quality and affordable solar lighting solutions to customers without access to reliable power	Acumen, Omidyar Network, Nexus Venture
Takamoto Biogas Ltd: Installs traditional masonry biogas systems providing access to energy for households in Kenya	Kiva
Sanergy: A systems-based integrated sanitation value chain serving rural and urban communities in Kenya	Novastar
Ecotat: A social enterprise that provides augmented sanitation facilities for the poor in Kenya	Acumen Fund
Sagex-Kawtal Ndmeri: Farms maize and use it to produce soy and corn for animal and baby feeding and for local oil mills in Cameroon.	Investisseur & Partenaire
Fruiteq: buys organic and Fair Trade fresh mangoes from more than 500 small-scale producers in Burkina Fasso	Root Capital
Terral: Purchases and package rice from local processors and sell to urban consumers through wholesalers and retailers in Senegal	Durabilis Foundation, Root Capital
Mtanga Farms: Rehabilitates agricultural land, sells high-quality potato varieties for use as seeds to smallholder farmers in Tanzania.	Lion's Head, Calvert & Tony Elumelu Foundation
KZ Noir: A fair trade certified specialty coffee producer that sources its coffee from over 10,000 smallholder coffee farmers in Rwanda	Root Capital, Acumen Fund
Balmed Holdings Ltd: A certified buyer and seller of cocoa and coffee, undertakes knowledge transfer activities in rural Sierra Leone	Root Capital, GIZ, USAID
M-Farm Ltd: A software solution and agribusiness providing up-to-date market information to local farmers	Novastar
Altea, Finapack: Produces specialist packaging for sourcing to local companies across North Africa	AfricaInvest
Trainis: Capacity building and training services in Mali	Investisseur & Partenaire
Books of Hope: Produces and supplies audio books in local dialects aimed at educating people on common health issues	Acumen Fund
Vue et Vision: sells affordable prescription glasses to marginalized p opulations in Ivory Coast	Investisseur & Partenaire
Genemark: Produces and distributes generic medicine in Cameroon	Investisseur & Partenaire
Miliki Afya: A chain of clinics providing affordable high quality outpatient care and diagnostics in low income persons in Kenya	Acumen Fund, Open Capital
The Nairobi Women's Hospital: the leading private health care provider for women and their families (men and children) in Kenya	Aureos Africa Health Fund
Bridge Clinic Ltd and PathCare: Specialist provider of medical tests, monitoring and medical treatment across Nigeria.	Aureos Africa Health Fund
Insta Products: Local production of fortified porridge for sourcing t o UNICEF, WFP, USAID and other agencies in Kenya	Acumen Fund
La Laiterie du Berger: Works with local dairy producers in Senegal	Investisseur & Partenaire
Biotropical: Produce, process and distributes certified organic fruits and vegetables Cameroon	Investisseur & Partenaire
Bridge International Academy: A chain of low-cost for-profit school delivering high quality education to poor communities in Kenya.	DFID, IFC, Novastar, Omidyar Network
Sinergi: investment company supporting SMEs in Niger	Investisseur & Partenaire
Mekelle Farms PLC: Produces and distributes productive and disease-resistant day-old chicken for smallholder farmers in rural	AgFlow Ventures, Acumen Fund, AEC Fund

Ethiopia.	
Kora Housing: Design, construct and deliver whole communities in Angola, each including modern utilities and social infrastructure	Vital Capital Fund
Paradigm Project: Creates a mix funding, distribution and carbon credits for improved cook stoves in East Africa	Blended funding sources
SolarNow: Specialist in renewable energy solutions in Uganda; in-house credit sales of modular range of solar PV systems and appliances.	Novastar and Acumen Fund

Source: Sourced from participants and from the websites of impact funds and inclusive businesses

4.1. Venture Funds that carry the label of impact investing

4.1.1. Impact funds that are primarily backed by DFIs

One way in which DFI impact funds that attract private investments can be orchestrated into a coherent sector strategy in Africa is by targeting informal sector businesses that can best achieve scale by operating in the formal sector[8]. Our participants identified four challenges selecting and working with informal sector entrepreneurs: inability to justify the nature and size of target markets, inadequate book-keeping statistics to demonstrate track record, low quality of fixed assets (if any) and ignorance of investor motives and requirements. The **West Africa Venture Fund (WAVF)** was backed by US$12.5 million IFC anchor investment to provide capital financing to SMEs in BoP markets in Sierra Leone and Liberia. Although there is an equal focus on finance and social impacts, commercial viability must be satisfied before funds are disbursed. A country manager explained the fund's objective as follows:

> Post-war rebuilding with a focus on economic development through equity and quasi-partnership funding arrangements … capacity building to move commercially viable entrepreneurs from informal to formal businesses.

To achieve the above, rather than reject business proposal that fail the screening test, country managers invite the entrepreneur and prepares a schedule for providing formative feedback to help develop and fund the business proposal. One success story was a beauty vocational training school exclusively targeting women. With the help of the $175,000 investment and technical advice from WAVF, the school has been transformed from a not-for-profit Common Initiative Group (CIG) to Sierra Leone's only formal beauty vocational school creating direct employment and producing hundreds of graduates each year. The salons provide free hairdressing training to women while providing commercial services to the rest of the public (paid hairdressing and sales of hair products). Upon completion, graduates have the option of receiving start-up funding, technical assistance and social support to open their own saloon in different parts of the country thereby scaling up the school's impacts.

Another way in which DFI impact funds that attract private investments are orchestrated into coherent sector strategy is to deliberately target early stage commercially viable and scalable limited companies operating in BoP markets. A good example is **Novastar Fund**. The DFI mandate is to target BoP businesses in East Africa while the presence of private equity ensures a finance-first cause-based investment focus. Three criteria are used to select investees: 1) basic mandate screening, BoP scaling indicators and commercial due diligence. With a spectrum of deal within $100000 - $6000000, investees benefit from saving time/costs looking for additional funding sources and can focus their business activities. Four major

[8] For a distinction between informal and formal sector businesses see Spring (2009).

investments have already been made, namely Sanergy, M-Farm Ltd, Bridge Academies and Paradigm Project. Making reference to Bridge Academies**,** a senior manager at Novastar Fund explained how scaling-up can be achieved as follows:

> The uniqueness of Novastar is its willingness to take risk early stage and keep going for a longer time than traditional private equity. It has taken time and money to invest in the entire value chain – getting the license to operate, acquiring land, developing curriculum, employing staff, and launching the first sets of campuses. … once you successfully deal with the hurdles of the initial vertical process the lessons learnt and competencies acquired can be used to expand the business to other parts of the country to scale-up its operations.

To achieve the above mandate Novastar deliberately targets commercial enterprises that are ready to be launched and at scale. The founders of such enterprises are 'stellar entrepreneurs with problem-solving skills and capable of making use of hyper market information'. We observed that all of Novastar-funded businesses were co-founded by diaspora returnees or nationals who have western education and work experience in western countries: 'they can spot opportunities … they know how to develop and implement business ideas'. However, investees still face the challenge of shortage of skilled local staff to work with and this is where technical advice becomes crucial. Novastar sits on their boards as investors, hold informal catch-up meetings for exchange of ideas and advice, provide training and capacity building sessions, expose investees to DFI-funded technical assistance facility (e.g. to develop environmental management and governance systems).

A third way in which DFI funds that attract private investments are being orchestrated into coherent sector strategies is to deliberately target well established medium-sized businesses. The argument put forward is that such firms are better placed to build local production and distribution chains that are capable of creating and supporting an autonomous national demand. **Investisseurs & Partenaires (I&P)** is an example of a fund with two impact investment vehicles, namely, I&P Développement (IPDEV) and I&P Afrique Entrepreneurs (IPAE). Both provide funding, technical assistance and mentorship to SMEs through strategic and financial partnerships. Target deal sizes € 300,000 to € 1,500,000 equity or quasi equity financing. I&I targets medium-sized businesses with potential to scale-up across the whole value chain nationally. Biotropical, an SME that specialises in distribution of organic agricultural raw materials to local producers in Cameroon has benefited from I&P impact funds, including regular coaching and technical assistance. This support reinforces the management, commercial and financial direction of the firm as the basis for progressive improvements in optimising Biotropical's financial and social impacts.

4.1.2. Impact funds that are backed philanthropic foundations

Defined as 'impact-first' investments, philanthropy-backed impact funds aim to jump-start the creation of inclusive businesses that are capable of improving the wellbeing and dignity of rural and urban poor in Africa. **Acumen Fund** is good illustrative example. The investment model is to raise charitable donations and create an impact fund, which is then used to provide patient capital (debt or equity investments) in early-stage businesses providing low-income consumers with access to healthcare, water, housing, alternative energy, or agricultural inputs. All returns are re-invested into the impact fund to sustain its operations. The philosophy here is that patient capital has the potential to bridge the gap between the efficiency and scale of market-based approaches and the social impact of pure philanthropy. Deal sizes range from $250,000 to $3,000,000 in equity or debt with payback or exit in roughly seven to ten years and each deal is accompanied by support services to nurture inclusive businesses to effectively scale their operations. The selection of inclusive business is similar to other impact fund categories in terms of business plan submissions, initial and rigorous due diligence and presentation to an Investment Committee for approval.

Mekelle Farms, Ethiopia's largest producer of day-old chicks is a beneficiary of impact funds from Acumen Fund. An East African staff member of Acumen described the firm as an 'efficient, scalable, and economically viable distribution chain that is improving the livelihoods of small holder farmers while addressing the challenge of malnutrition in children by providing a ready source of protein.' Established in 2010 to produce productive and disease-resistant chicks for smallholder farmers across Ethiopia, Mekelle Farm produces and distributes high-quality, affordable breeds and feed for the rural farmer markets.

4.2. Emerging venture funds that do not carry the label of impact investing

Throughout our study we observed that the impact funds that fall under the category described in section 4.1 do not see micro-enterprises, local manufacturing and incubator-supported early-staged businesses as priority areas for impact investments. A number of emerging venture funds are now attempting to occupy this space. They are similar to impact funds in terms of the fact that they also emphasise the significance of generating social impact while achieving financial returns on their investments.

An example of a fund that invests in micro-businesses is **Umati Capital.** Its aim is to provide quick and easy access to digital finance to cow farmers in the agricultural industry in rural Kenya without collaterals to obtain funds through traditional means. This is also example of investing in a BoP customer market. One of the co-founders explained that the fund 'borrow funds from institutional investors and high net worth individuals and get it as fast as possible to investees. Noticing that many insurance firms in Kenya are keen on profitable ways of accessing BoP customers, we seized the opportunity to insure the whole value chain of our activities. Our entire notebook is insured. The insurance policy solved the issue of lack of collaterals to lending especially to our institutional investors.' The business started by tracking and selling dairy products from rural to urban areas. Based on the data collected it started providing loans to dairy (cow) farmers and processors. The operation is supported by a digital platform and a prequalification that give microbusinesses a digital card, which facilitates disbursement of funds. Digital processors record, monitor and track activities along the entire value chain, thereby allowing Umati to track demand and supply, timing of repayments, instances of defaults and opportunities for scaling up its in-country operations.

Roha Ventures is another private equity fund with purely commercial interests and in which funds come mainly from high net-worth individuals (and smaller investments from corporates and debt financials). However, rather than target micro-businesses it favours high risk manufacturing investments. Recently, it financed a major investment involving the establishment of Juniper Glass Industries, a glass bottle manufacturing firm in Ethiopia (specialises mostly on beer bottles). Although the fund does not use the 'impact investing' a senior manager of Roha Ventures described the fund as 'making an impact on the local economy through import-substitution and value added in proven technology. Almost all glass in Ethiopia used to be imported. The aim of investing in a glass manufacturing firm is to serve not only the local market but potentially the regional market'.

Table 4 provides examples of funds that support incubator-led approaches to building capacity for inclusive business development. There is active involvement of philanthropic foundations (e.g. Omidyar Network and 1%Club), private equity and multinational enterprises. Local entrepreneurs with the best-fit business ideas (in terms of vision, financial and social impacts) are put through incubator-supported capacity-building processes consisting of technical advice, mentorship, web and business development and media-oriented support to ensure their effective launch. Compared with the strategies of funds such as Novastar, incubator-led approaches take longer, involves additional investments to nurture entrepreneurs and develop fundable business proposals.

Table 4. Incubator-led inclusive business development in the digital business sector

Name of Incubator Business model	Funding
iHub. An open space for the digital entrepreneurs, investors and tech companies in Kenya. Operates as a ltd company and does not charge investors that come in looking for fundable start-ups.	Omidyar, Hivos, Salesforce Foundation
Activespaces. An open space for digital entrepreneurs, investors, tech companies in Cameroon. Operates as a ltd company and does not charge investors that come in looking for fundable start-ups.	Indigo Trust, Saleforce Foundation
M-lab. Focuses exclusively on mobile solutions. Selects 25 would-be digital entrepreneurs from across East Africa each year. The 25 selected go through pivot and winners are provided spaces in M-lab to incubate their business. To win means at least one investor has agreed at pivot to back the business proposal.	Indigo Trust (Sainsbury), big corporates (Samsung, Intel, Nokia)
Nailab. A startup accelerator that offers a 3-6 month entrepreneurship program aimed at growing innovative digital start-ups to deal with local problems facing Kenya. Participants pitch their business proposals at annual bootcamps to a range of investors, widening the investment pool available to start-ups before the launch of the business.	1% Club (crowdfunding platform) and ICT Board of Kenya (grants)
88MPH. An incubator that selects business proposal that are scalable across Africa through an online selection process. Those with the best-fit are put through a three-month intensive incubation. Currently incubating more than 60 investees across Kenya, South Africa, Nigeria	Dannish serial entrepreneur & Associates

Source: Prepared based on discussion with founders and/or managers of each incubator

5. Discussion

The results from this study demonstrate that impact investing is generating a new wave of market-based activism in many African countries. This activism has the potential to provide market-based solutions to poverty alleviation and sustainable development. Evidence of this is seen in the significant amount of funds that is already been channelled, the range of inclusive businesses created and practitioner case studies documenting best practices and lessons learnt (e.g. GIIN, 2011; Dalberg, 2011). Impact funds are being used to transform informal to formal businesses, creating pioneer businesses that are scalable at launch and developing local entrepreneurs through incubator-led business creation. Inclusive business have access to a sea of venture funds that would otherwise be difficult to access through traditional funding sources. However an unanswered question shared by participants is whether the impact investing community can establish a clear boundary around 'genuine' impact investing and the form that this should take. In this section we discuss a number of key areas that require further research to clarify existing boundary challenges.

5.1. Understanding the nature and operations of impact funds in Africa

Figure 1 provides an ideal model framework for understanding how impact funds are set up to create positive impacts for both investors, inclusive businesses, consumers and society as a whole. The dotted arrows indicate movement of impact funds while the thick arrows indicate levels of interventions (I_1-I_6) that will ultimately determine whether impact funds will achieve pre-defined financial and social impacts. The levels of intervention range from the strategic objectives of investors and impact funds (I_1- I_2) to the operations of impact funds at country levels (I_3 - I_6). Figure 1 can either be applied to levels of engagement in a single inclusive business (Brest and Born, 2013) or as a network or system for examining partner selection processes (Gradl et al., 2010) and the operations of specific impact investing initiatives across the entire value chain in a host country (Ashta, 2012).

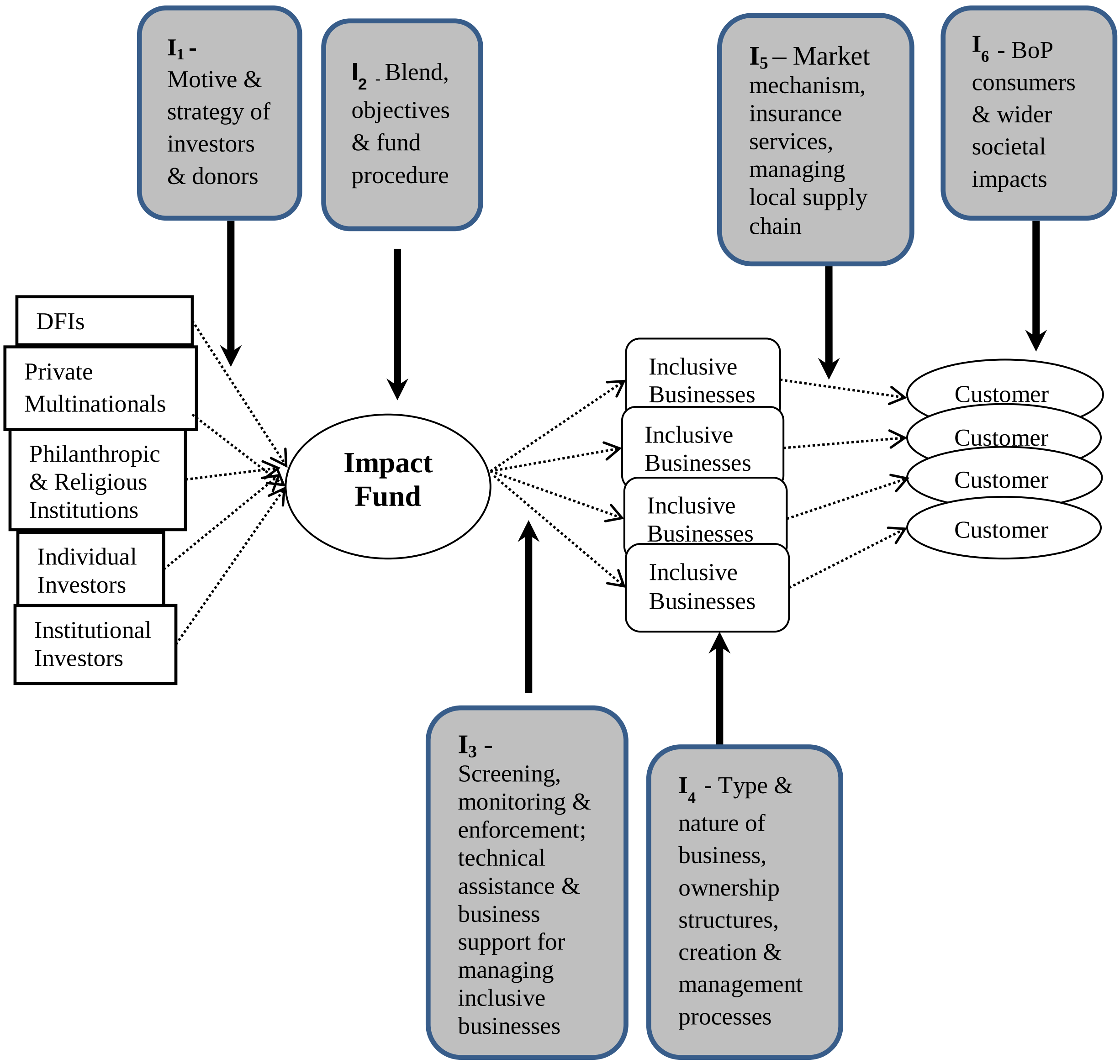

Figure 1. Understanding impact investing: a conceptual model

The figure does not provide any backward flow as enterprises pay back the loans plus interest (linking I_2-I_3-I_4). The shape of the framework may vary when considering impact investment strategies that target infrastructure projects and sector strategies that target a system of ancillary businesses serving the country as a whole.

5.2. Constitution, mandate and strategies of impact funds (I_1 - I_2)

Impact funds are constituted by variants of development finance and/or socially responsible investment strategies and have clearly defined mandates for measurable impacts that inclusive businesses are required to deliver. The extent to which this approach contributes positively to financial and business development in Africa will determine whether or not impact investors are simply 'norm entrepreneurs' actively persuading others to become impact investors simply even if it may not be a superior investment approach to existing/traditional approaches' (e.g. Louche et al., 2012:318). At the level of the constitution and strategy of impact funds there are two unresolved issues.

1. The metrics behind impact investing.

Existing metrics for impact measurement (e.g. IRIS, GIIRS and NIIRA) are helping investors and inclusive businesses to align their strategic interests in achieving impact. However, in-depth comparative studies evaluating their country-specific effectiveness are not yet available. Thus, apart from being a 'new label'[9], participants were divided as to the differences in the indicators of financial and social impacts to those that have historically been pursued by investors 10-20 years ago. There is a need to document the number of active impact funds, sizes of investment flows (e.g. Dalberg, 2011), and the language differences used in positioning/justifying investment strategies and sourcing behaviour (e.g. Banerjee and Duflo, 2011; Myers and Majluf, 1984) and comparing these with 'non-impact' metrics of broadly similar investments into SMEs in Africa. Such comprehensive data, used to generate robust interpretations of investor market behaviour, can 1) provide clarity for both potential investors and entrepreneurs (e.g. does a fund that stress 'commercial' and avoid the word 'impact' prevent investors and entrepreneurs from confusing it with soft-headed social investors?); 2) clarify the risk of mission drift (Battiliana et al., 2012)[10]; and 3) shed light on the approaches to blended funding (Huppé and Silva, 2013) that allow varying levels of risks to be taken by DFIs, philanthropic institutions and private investors through impact investing.[11]

2. Does targeting inclusive businesses enable impact investing to address poverty alleviation and stimulate long-term economic development?

Many inclusive businesses are co-funded by a combination of 'impact' and 'non-impact' funds expanding the opportunities for leveraging public-private-philanthropic funding at the

[9] Clarifying this 'new label' is crucial if impact investment label is meant to fill the gap between the traditional funding models (banks and other financial institutions including government agencies) and the much hyped microfinance funding model as some participants suggested.

[10] A case in point is the microfinance scandal in India. A large number of suicide cases led academic, industry and government experts to question the role of microfinance in poverty alleviation (Arunachalam, 2011)

[11] An example of blended funding is The Paradigm Project, which is essentially about creating a mix of funding/distribution/carbon credits for cook stoves by combining philanthropic donations, private investors and grants (http://www.theparadigmproject.org/)

SME level[12]. The relevance of inclusive businesses to the 'missing middle' argument as put forward by impact investors such as Investisseurs & Partenaires (I&P) is undeniable at country level. The small and medium-sized inclusive businesses cited in this paper are increasing economic activity, employment and income and represent localised business development with potential to combat MNE-driven large scale industrial threats (e.g. climate change). By being able to attract impact funds, these businesses are incorporating social and environmental impact assessments into their business practices. However, participants identified a number of issues that question the viability of inclusive businesses: the extent to which the many indicators of social impact encourage/discourage entrepreneurs from emphasising commercial objectives, the form(s) that inclusion should take in terms of the need to promote both SMEs and grassroots innovators[13], the extent to which the definition of a BoP consumer includes socially disadvantaged communities (e.g. the poorest people living in urban slumps and ghettos). Impact funds also limit their choices to businesses operating outside the manufacturing sector, which many participants suggest is the key to long-term economic development (e.g. investing in physical manufacturing infrastructure). As the following quotation from a fund manager in Kenya suggests inclusive businesses exclusively serve as distributors of imported finished and semi-finished products:

> This is due to high costs of manufacturing, in energy costs plus shipping of equipment. Legislations are now being passed such that import of component parts for manufacturing products that will be sold locally will get tax exemption or reductions. There are examples of local manufacturing such as Burn Designs and Develatech but the reality is that they face a lot of challenges. It is difficult to see how they will survive and grow in the foreseeable future. In the clean-tech sector the technology is mostly developed in places such as Germany and manufactured in China, brought to Kenya. So (inclusive) businesses mostly distribute.

5.3. The operations of impact funds: the role of country-level intermediaries

Intermediaries are crucial in ensuring the success of impact investing at the level of firms, industry sectors and countries. The most important intermediary is the fund managers who are responsible for implementing globally backed financial tools and methodologies alongside operational mechanisms for creating a new generation of inclusive businesses. For both impact-first and finance-first impact funds there is a similar procedure for selecting inclusive businesses in terms of business plan submissions, rigorous due diligence processes and board representation. Research is needed to understand the motivations behind the impact fund managers. Private equity fund managers make no attempts to present their funds as anything other than a classic capitalist vehicle operating in a frontier market. To what extent will the pressure to deliver financial returns and exit inclusive businesses lead impact fund managers to run their funds such as to drive opportunity for personally carried interest whilst also attempting to satisfy the wider demands for serving BoP markets mandated by their development finance institution investor partners? Many impact fund managers are arguably paid less (or considerably less) than they could earn elsewhere and do not appear to be looking for self-enrichment through profit sharing. Establishing clear boundaries for impact

[12] Recently Novastar and Acumen Fund have jointly invested in SolarNow of Uganda. This illustrates the point that successful innovative entrepreneurs may increasingly prefer deals to be led by funds with a venture capital and private equity underlying drive (and probably managers earning carried interest) against managers using rather 'less focussed' philanthropic derived funding.

[13] More on grassroots innovators can be found in Bhaduri & Kumar (2011) and Jain & Verloop (2012),

investing also requires clarifying the mandate of impact fund managers vis-à-vis those of non-impact fund managers through for example a comparative study of management fees.

Another layer of intermediaries include for-profit and not-for-profit consultancies. Two examples of intermediaries that we encountered during our study are D-Capital and Global Village Energy Partnerships (GVEP). D-Capital is part of the Dalberg Group and acts as an intermediary across a range of investment types and between developed world investors (primarily family offices and philanthropic foundations) to ensure efficient capital deployment and enhance liquidity and transparency in the impact investment market in a number of countries. GVEP is a non-profit fund vehicle operating in both philanthropy and private equity markets. Although the primary focus is village electrification it has become increasingly involved in providing pro-bono and hybrid business consultancy services to better connect both venture funds and grant-making agencies to BoP markets. Their staff is on the ground helping investors to develop fundable business plans for micro businesses, providing technical advice, facilitating access to local inclusive businesses and markets for foreign firms looking for opportunities in Africa. In an impact investing context, organisations such as D-Capital in effect work up opportunities for investors and GVEP go even further to provide ongoing on-the-ground support and follow-up to ensure that pre-defined impacts are delivered.

The participants within the above three categories of intermediaries suggested that a major challenge linking investors to inclusive businesses and delivering financial and social impacts is that the tools and methodologies favoured by impact investors pose major challenges to Africa-based entrepreneurs and managers of inclusive businesses. This includes lengthy investment processes with many stages, technical assistance facilities that do not always reflect local realities and market profiling requirements that make it difficult to define target market segments. Local realities include country-specific challenges such as lark of market acceptance of products, complex government regulations, and skills gaps, poor infrastructure and poor quality business proposals. Questions are also being raised as to whether fund managers possess the managerial, technological and organisational skills to competently coach local entrepreneurs and build their capacity. In-depth cases studies of specific intermediaries are needed to clarify these challenges and seek solutions.

5.4. Skills and technology gap for creating and managing inclusive businesses

Another major challenge facing inclusive businesses is skills and technology gap for innovative BoP-market-focussed ventures. Almost all our participants explained that graduates across African universities increasingly struggle to find jobs and that impact funds must prioritise the need to provide local graduates with entrepreneurship and business management skills that can enable them to either create their own or effectively work in existing inclusive businesses. When asked about the entrepreneurs and/or managers of the inclusive businesses that are most likely to receive impact funds many participants spoke along the lines of the following respondent:

> Most of what you call pioneer projects are businesses that are co-founded by returnee diasporas or nationals who have western education, work experience and/or exposure in western countries … they can spot opportunities … they know how to develop and implement business ideas … they know what all types of investors are looking for. But a major challenge they face is shortage of skilled local staff with managerial expertise to work with and this is where technical advice and training become crucial.

In-house business support and mentorship programmes (e.g. Acumen Fellows Program, Demeter Entrepreneurs Support Network and Mara Foundation) are attempting to develop the skills, not only of returnee entrepreneurs but also the local staff that are recruited by inclusive businesses. There is an increasing number of formal and informal organisations providing ad-hoc entrepreneurship and business management training to inclusive businesses. A notable example that we came across is Aspen Network of Development Entrepreneurs (ANDE). These organisations are soliciting successful entrepreneurs and business people to work as mentors and partners in providing much needed professional development training. Recent studies have shown that context-specific research is needed to understand the design and delivery of such training and to better align them to the needs of specific local contexts (Viswanathan, 2009; 2011). This includes researching opportunities for designing 'Case Outside the Box' (e.g. thinking through, designing and producing relevant, short, digestible cases for low income country entrepreneurs), learning expertise (how to present the cases and other information in relevant forums that help learning) and researchers (people interested in using the materials that are becoming available on impact investing in low income countries).

5.5. The policy implications of impact investing

As impact investing is gaining ground in many African countries there are calls for government policies that can maximise its impacts (e.g. Dalberg, 2012). Participants suggested that many government authorities are either unaware of the impact investing phenomenon or are unsure what role existing government policies play in impact investing at country level. Our study identifies two areas of policy interventions. The first is a one-stop shop providing access to the most relevant information about impact investing opportunities/procedures alongside information for creating inclusive businesses in the country. This could be achieved by incorporating impact investment as one funding models alongside those being managed by existing national agencies. Currently entrepreneurs have to contact many different offices (e.g. office to enquire about acquisition of land to construct business site is different from office to enquire about registering a new business) although this varies across African countries.

A second area for policy intervention is the recognition of inclusive businesses as a new type of business organisation. Inclusive businesses that receive impact funds face similar legislative challenges as those facing all other businesses in a country (e.g. difficulty accessing government funding and limited support for registering businesses). Current legislation in African countries classify enterprises as not-for-profit (NGOs, Foundations, Common Initiative Groups, and Community Associations) and for-profit (e.g. Ltd companies). In-depth case study research to determine the sources and mechanism of financing, legal status, nature and type of enterprise and end users (see Battiliana et al., 2012) of the inclusive businesses that benefit from impact funds is needed. This will provide the basis for any legislation targeting inclusive businesses (e.g. tax rebates for 'impact first' investee enterprises, creation of a task force / incubators to champion the notion of inclusion). Research is also needed to inform legislation that can best articulate the informal and formal sectors as co-existing or dual economies and implement measures to facilitate movement between them from all businesses (Spring, 2009), as well as to facilitate those informal businesses that depend on impact funds as a transit into formal businesses.

Conclusion

This paper has discussed how DFI and philanthropic funds are complementing mainstream private investments to create commercially viable inclusive business capable of addressing poverty alleviation and sustainable economic development. This includes identifying fund types, their characteristics, and operational procedures and the associated beneficiary inclusive businesses. As a result of the impact investing movement, Africa-based businesses are becoming more aware than ever before that social and environmental awareness should be at the core of their businesses decision-making in the same way as profit-maximisation and capacity to produce quality products/services. Attempts are also being made by impact funds to ensure that the business type, target market and end users of the products and services they chose to create are incorporated into coherent impact fund strategies. The successful development and implementation of such strategies will ultimately determine the success of impact investing in generating employment, income growth, social and environmental change in low income countries such as those in Africa.

The paper identifies a number of practical managerial and policy-related challenges associated with impact investing. These include evaluations of metrics for the growing impact investing movement in Africa, the positioning of impact funds and risks of mission drift, the managerial challenges facing impact funds and inclusive businesses, and whether inclusive business can become a new form of business organizations in Africa. These issues require further interrogation to be better understand what is really going on under the banner of impact investing in specific African countries. Our scoping study provides examples of impact funds, inclusive businesses and a template for conceptual and empirical case writing. The proposed conceptual framework can be used to produce case studies documenting nature and operations of specific impact investing initiatives as a basis for modelling the channelling of impact funds into inclusive businesses and the associated catalytic effects on poverty alleviation and economic development. Without such in-depth studies there is a danger that impact investing may become another form of 'philanthrocapitalism' invading the grant-making space and crowding out 'real' mainstream private investors.

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APPENDIX 1: KEY INFORMANTS

Organisation	Respondent Titles	Interview and other information
Global Impact Investing Network	Manager, Membership & Strategic Relationships	Email exchanges and skype discussion
Novastar Venture	Managing Director and Country Manager	Interviews, discussion and email correspondence
LIWA Kenya Trust	Chairman and Co-Founder	Informal interview and email correspondence
Acumen Fund	Business Associates and Country Fund Managers	Discussion and email correspondence
Roha Ventures	Founder/Principal	Informal interview and email correspondence
Savana Fund	Co-founder	Informal discussion
Juniper Glass Industries	Founder/CEO	Informal interview and email correspondence
Strathmore Business School in Nairobi	Two academics on the school's impact investing programme	Discussion and email correspondence,
Takamoto Biogas	Founder/CEO	Informal Interview
GVEP International	Head of Advisory Services, Financial Access Manager and SME Advisor	Email correspondence, skype discussion, informal interviews
Africa Centre for Technology Studies	Director of Research	Discussion and email exchanges
Infinity Space	CEO/Founder, Team Kenya Lead and Associates	Formal interview, discussion, email exchanges
Local incubators (iHub, Activespaces, m-lab, 88MPH)	Co-Founders, Office Managers, Incubating entrepreneurs/start-ups	Informal meetings, discussion, email correspondence with selected participants
Demeter Entrepreneurs Network	Chairman and Co-Founder, Chief Operating Officer	Skype discussion and email exchanges
DFID Impact Fund Programme	Private Sector Development Adviser	Informal interview and email exchanges
Omidya Network	Leads Global Education, Impact Investing in the North	Informal discussion
West Africa Venture Fund	Country Fund Manager	Discussion and email exchanges
Africa Felix Juice	Founder and President	Discussion and email exchanges
Balmed Holdings Ltd	CEO, Branch Manager	Email exchanges
IAMTECH	CEO, COO and Principal	Informal discussion and email exchanges
Strathmore Business School	Roundtable discussion attended by 32 participants, informal discussion with academic on impact investing in Kenya	
D Capital	Associates	Email exchanges, informal meeting
Oxfam/Symbiotics	CEO of Symbiotics; Oxfam Private Sector Adviser	Informal meeting and email exchanges
Truestone	CEO	Informal meeting and email exchanges
Gatsby	Head of Africa Programme, Country representative	Informal meeting and email exchanges
CDC Group	Head of DFID/CDC fund of funds initiative	Informal meeting and email exchanges
AgDevCo	Executive Director	Informal discussions and email exchanges