

Driving change by enabling impact investing

Impact investing has the potential to deliver extensive social benefits for South African society. But to realise this potential, there will need to be a conducive regulatory environment. Accelerating Impact is an intervention to increase impact investing activity in South Africa by researching barriers and advocating for their removal.

Why?

Impact investing is investing that has positive social and environmental outcomes. Impact investors desire not just financial returns, but returns in the form of measurable improvements in societies and the environment they live in.

Impact investing has the potential to mobilise private savings and deliver outcomes that lead to better lives for South Africa's people. It can achieve public policy ambitions by directing private capital toward investment that has social impact, including infrastructure, healthcare, green energy and social welfare.

From a public policy perspective, impact investing is a "no brainer" given that allocating investment in a way that has positive public outcomes creates public benefits "for free". Investing already achieves public benefits simply by financing economic activity; impact investing leverages that to achieve greater public benefit.

The South African regulatory environment as it stands presents challenges to impact investing, which is limiting the potential for investment to support the achievement of the country's development objectives.

Accelerating Impact is promoting a comprehensive process to review the regulatory environment as it affects impact investment and make recommendations for changes that will lead to a thriving impact investing sector with the resulting public benefits.

What?

The project has begun with three workstreams that have been chosen because of their potential to stimulate and support impact investing:

Track 1: Instrument design and disclosure

Track 2: Tax and PBOs

Track 3: B-BBEE framework

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Who?

Accelerating Impact was developed and is being managed by research-led consultancy Krutham. Krutham has an extensive background in impact investing and financial sector policy research.

The programme of work is being funded by partners including Anglo American Foundation, Investec, FirstRand Foundation and the Standard Bank Tutuwa Community Foundation.

The work is being led by a steering committee consisting of the funders and Krutham.

How?

The programme has research and engagement elements. The **research** involves producing initial research and recommendations with a vision and motivation for impact investing in South Africa.

The **engagement** involves a public comment period on the draft recommendations followed by series of seminars with stakeholders and with regulators and policymakers, leading to final white papers on how to catalyse impact investing in South Africa.

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