

**CAPE TOWN DECLARATION  
ON  
IMPACT INVESTMENT IN AFRICA**

**November 26, 2015**

**Lord Charles Hotel, Cape Town, South Africa**

**WE**, the more than 150 representatives of African government ministries; social enterprises; SME business development and advisory services providers; commercial banking institutions; development finance institutions; African regional economic communities; bilateral and multilateral development partners; economic researchers and business focused academia; innovation and technology institutions; policy making and advocacy institutions; public and private sector impact investment practitioners and the media from more than 40 countries; gathered in Cape Town, South Africa, 24-26 November 2015 for the 8<sup>th</sup> African Finance & Investment Forum (AFIF 2015), held under the theme “Access to Finance / Promoting Entrepreneurship”, **within which an African Union and UN Development Program “Public-Private Dialogue on Impact Investment in Africa” was convened;**

**ACKNOWLEDGING** our appreciation to the Government and People of South Africa for graciously supporting and hosting AFIF 2015, which has offered us an opportunity to share amongst ourselves strategies for promoting impact investment, committing ourselves to the development of Africa’s impact investment sector – and to dedicate ourselves to helping to implement a number of sector development strategies in Africa over the next three years;

**RECOGNISING** the importance that has been placed on private sector development and engagement as a critical catalyst for economic transformation in Africa by the member states of the African Union in its strategic plan, “Vision 2063: The Africa We Want”, as well as the important role that the private sector and private sector investment is expected to play in the achievement of the 2015-2030 Sustainable Development Goals (SDGs);

**ENCOURAGED** by the growing body of work that has been undertaken by the Global Impact Investment Network and various international and continental stakeholders, particularly amongst foundations, development finance institutions and academic institutions to structure and expand investment in the impact investment sector and to develop more universally accepted impact measurement standards;

**WELCOMING** the contribution of UNDP in engaging and bringing together key continental and international stakeholders leading up to this important meeting, and appreciative of the work that has been undertaken in the related report entitled “Impact Investment in Africa: Trends, Constraints and Opportunities “;

**AWARE** of the various interviews and consultative processes that have preceded this meeting, including:

- a) The 7<sup>th</sup> African Union Private Sector Forum (Nairobi, Kenya, 2014);
- b) The Sankalp Africa Summit (Nairobi, Kenya 2015);
- c) The African Grantmakers Network Assembly (Arusha, Tanzania 2015); and the
- d) The 3<sup>rd</sup> Financing for Development Conference - AU – UNDP - Swiss Development Corporation Impact Investment Side Event (Addis Ababa, Ethiopia 2015);

**UNDERSTANDING** the need to address the challenges that have impeded the growth of the impact investment sector in Africa, including, but not limited to: poor understanding of the potential of impact investing and the inherent assets and resources in the continent; limited capacity among both social enterprises and impact investment fund managers; a relatively weak impact investment regulatory and policy enabling environment; inadequate mobilization, allocation and utilization of possible funding streams to support impact investment growth; limited engagement with continental and international development finance institutions to leverage their potential support for the sector; and too few social enterprise and SME focused business development advisory service providers and business incubators, coaches/ mentors and entrepreneurship development initiatives;

**COMMITTED** to the Impact Investment in Africa seven point Action Plan to catalyze and strengthen impact investing in Africa through: 1) the establishment of an industry network/ convening organ; 2) the development of a dynamic advocacy program; 3) improvement in the origination and preparation of potential impact investment opportunities (i.e. pipeline development); 4) preparation and adoption of required enabling regulations and policies and legal frameworks; 5) the development of greater capacity throughout the impact investment sector, including the creation of a designated Africa impact investment fund, or fund of funds 6) establishment of critical infrastructure and a robust impact investment ecosystem; and 7) development and adoption of clearly defined and agreed upon; impact measurement standards, monitoring and evaluation processes, and professional practice;

**WE HEREBY CALL UPON ALL STAKEHOLDERS, INCLUDING INVESTORS, GOVERNMENTS, THE PRIVATE SECTOR, DEVELOPMENT FINANCE INSTITUTIONS, CIVIL SOCIETY, DEVELOPMENT PARTNERS AND DONORS, AND OTHER MEMBERS OF THE IMPACT INVESTMENT COMMUNITY IN AFRICA, TO WORK TOGETHER TO SUPPORT AND OPERATIONALIZE THE ACTION PLAN (ATTACHED BELOW) FOR THE DEVELOPMENT OF THE IMPACT INVESTMENT SECTOR IN AFRICA.**

**FURTHERMORE, WE AGREE THAT WE WILL RECONVENE AND ENCOURAGE OTHER KEY STAKEHOLDERS TO ATTEND AN ACTION-PLAN IMPLEMENTATION KICK-OFF MEETING IN THE SECOND QUARTER OF 2016!**

This Declaration was adopted by the participants who attended the 2015 African Finance and Investment Forum.