



For Immediate Release

**NEW REPORT ON SOUTHERN AFRICA HIGHLIGHTS
HOTBED OF IMPACT INVESTING ACTIVITY,
WITH OVER USD 5.7 BILLION FROM NON-DFI IMPACT INVESTORS**

Report covers trends, challenges, and capital flows in 12 countries in the region

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February 25, 2016—The Global Impact Investing Network (GIIN), in partnership with Open Capital Advisors, today published *The Landscape for Impact Investing in Southern Africa*, a state-of-the-market analysis of the impact investing industry in the active region. The report includes findings from 12 countries, as well as a dedicated chapter exploring the role of development finance institutions (DFIs) across Southern Africa.

The report analyzes a market comprising countries that vary substantially in their level of development but that present common challenges and opportunities for investments to support social and environmental impact. Progress has been made on key development indicators in South Africa, the region's anchor, but there remain significant gaps in the provision of vital goods and services across the region. Despite recent economic growth, half the region's population (double the global average) lives on less than USD 1.25 per day. Looking forward, Southern Africa's GDP is projected to continue to grow by five percent per annum.

International DFIs are significant players in the market, having deployed nearly USD 16.8 billion in impact capital across the region through over 650 deals. South Africa-based DFIs also play a pivotal role and have deployed USD 17.1 billion regionally through over 7,500 deals. Additionally, several other types of investors—including VC/PE funds, foundations, commercial banks, and pension funds—actively invest in the region, with such non-DFI impact investors having deployed nearly USD 5.7 billion in the region through more than 500 deals.

While trends and opportunities for impact investors vary from country to country, high-potential sectors for the region include agro-processing, energy, and supply chain integration. Unlike in the rest of sub-Saharan Africa, agriculture is a small contributor to GDP in Southern Africa, yet the sector employs most of the population. As such, investment in agriculture is seen as important to increasing incomes and food security.

"Given the growing interest in this important region, we hope that this in-depth market research will serve investors already active in Southern Africa, as well as those looking to deploy impact capital in these diverse countries," said Amit Bouri, CEO of the GIIN. "Impact investors are continuing to

support these sometimes challenging but critical markets, working to demonstrate that investment in the region can drive meaningful social and environmental impact alongside financial returns.”

“We are excited to share research that will help investors better understand the region,” said Annie Roberts, a Partner at Open Capital Advisors. “We increasingly hear that impact investors are looking to deploy capital outside traditional markets in South Africa, and are excited to see so much activity in Zambia, Mozambique, and other countries in the region. Some investors believe that impact investing hasn’t reached Southern Africa yet, but as this report shows, there is a vibrant eco-system with many local players.”

The landscape study is based on thorough analysis of relevant literature, large volumes of transaction data, and extensive interviews with key industry stakeholders. Detailed country chapters include information on the supply of capital by investor type, investment opportunities by sector, and regulatory considerations and hurdles for impact investors and investees.

The study was produced with support from the U.K. Government through the Department for International Development’s Impact Programme. It follows three other such studies produced by the GIIN: *The Landscape for Impact Investing in South Asia*, *The Landscape for Impact Investing in East Africa*, and *The Landscape for Impact Investing in West Africa*.

About GIIN

The Global Impact Investing Network (GIIN) is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, please visit www.thegiin.org.

About Open Capital Advisors

Open Capital Advisors was founded in 2010 to support high potential enterprises, investors, value chains, and scalable approaches to economic growth and poverty reduction across Africa. Headquartered in Nairobi, Kenya, Open Capital Advisors help its clients analyze and adapt to rapidly changing and growing markets by performing market research, designing strategic approaches, implementing best practices, and raising external funds to drive growth. For more information, please visit www.opencapitaladvisors.com.

Contact: Kimberly Moynihan (GIIN) at kmoynihan@thegiin.org