AFRICAN VENTURE PHILANTHROPY ALLIANCE

THE LANDSCAPE FOR SOCIAL INVESTMENTS IN EAST AFRICA

RECOMMENDATIONS

intellecap
AAVISHKAAR GROUP

TABLE OF CONTENTS

LIST OF TABLES

ACKNOWLEDGEMENTS

This report was commissioned by African Venture Philanthropy Alliance (AVPA) with support from the United States African Development Foundation (USADF), Social Capital Foundation, and Rockefeller Foundation.

The African Venture Philanthropy Alliance (AVPA) is a unique Pan-African network for social investors, headquartered in Nairobi and committed to building a vibrant and high impact community across Africa. AVPA is aligned with thriving networks in Europe (EVPA - HQ in Brussels with 250+ members) and Asia (AVPN - HQ in Singapore with 600+ members) to form a dynamic global force for social impact.

The following AVPA team members contributed to this report:

- Dr. Frank Aswani - Chief Executive Officer
- Rachel Keeler – Value Hub Director, Report Lead
- Nancy Kairo - Executive Director, East Africa
- Oluwatoyin Adegbite-Moore - Executive Director, West Africa

The U.S. African Development Foundation (USADF) is an independent U.S. government agency established by Congress to invest in African grassroots organizations, entrepreneurs and small and medium-sized enterprises. USADF's investments promote local economic development by increasing incomes, revenues and jobs, and creating pathways to prosperity for marginalized populations and underserved communities. Utilizing a community-led development approach, USADF provides seed capital and local project management assistance improving lives and impacting livelihoods while addressing some of Africa's biggest challenges around food insecurity, insufficient energy access, and unemployment, particularly among women and youth.

Over the last five years, throughout Africa, with an emphasis on the Horn, Sahel and Great Lakes regions, USADF has invested more than $115 million dollars directly into over 1,000 African owned and operated entities and impacted over four million lives.

Social Capital Foundation is a Dutch Foundation that partners with social impact first organisations who want to enhance sustainable economic opportunities for communities and small businesses.

SCF supports local talent potential, creativity and innovation with adequate tools, flexible funding and a knowledge network to maximize and scale impact.

The Rockefeller Foundation's mission—unchanged since 1913—is to promote the well-being of humanity throughout the world. Today the Foundation advances new frontiers of science, data, policy, and innovation to solve global challenges related to health, food, power, and economic mobility. As a science-driven philanthropy focused on building collaborative relationships with partners and grantees, The Rockefeller Foundation seeks to inspire and foster large-scale human impact that promotes the well-being of humanity by identifying and accelerating breakthrough solutions, ideas and conversations.

Authors

The following Intellecap team members contributed to the research:
- Karnika Yadav – Associate Partner
- Racheal Wangari – Manager
- Anuja Kaushal – Manager
- Nehemiah Owino – Senior Associate

AVPA would like to thank our board of directors for their continued support, in particular the following people who provided significant time and insights during the editorial process of this report: Julio Garrido-Mirapeix, Paul Carttar, and Monique Mathys.

This report was also made possible through the contributions of many individuals and institutions, both within and beyond the region. We are grateful to everyone interviewed who provided their time, expertise, and data throughout the course of this study.

06

06

RECOMMENDATIONS FOR FOSTERING THE SOCIAL INVESTMENT INDUSTRY

1.1 KEY RECOMMENDATION FOR FOSTERING GROWTH IN THE SOCIAL INVESTMENT SECTOR

The section outlines the key recommendations on interventions needed to boost the social investment industry. These are grouped into three elements; recommendations to catalyse diverse and innovative pool of social capital, recommendations to empower organisations delivering social change, and recommendations to develop enabling environment and infrastructure

Table 1: Summary of Key Recommendations

	Recommendations for SI stakeholders	Priority Level
Recommendations to catalyze diverse and innovative pool of social capital	Enhancing collaboration among the stakeholders across the risk-return spectrum	High
	Promoting education and awareness on effective philanthropic practices	High
	Strengthening the role and engagement of the government in the social investment sector:	Medium
	Promoting the use and supply of catalytic capital	High
	Enhancing the use of innovative blended finance instruments	Medium
	Lowering the cost of matchmaking and conducting due diligence	Low
	Building capacity of fund managers	Low
Recommendations to empower organizations delivering social change (demand side players)	Developing new TA funding strategies to build investible locally founded pipeline	Medium
	Developing interventions to support human resources (HR) needs of enterprises	Low
	Promoting alternative funding models for NGOs/CSOs	Medium
	Establishing of a technical assistance toolkit and embedded capacity building for NGOs	Low
Recommendations to develop enabling environment and infrastructure	Bridging the broken link among the incubators, accelerators, and impact investors	Medium
	Improving the legal and regulatory frameworks	Medium
	Focused mobilisation and deployment of philanthropy funds	High
	Data building and development of knowledge tools	High
	Enhancing impact measurement and management	Medium
	Developing a blueprint to harness local sources of capital and diaspora funds of capital	High

1.1.1 RECOMMENDATIONS TO CATALYSE DIVERSE AND INNOVATIVE POOL OF SOCIAL CAPITAL

- **Enhance collaboration among the stakeholders across the risk-return spectrum:** Achieving optimum collaboration calls for shelving of competition among the investors and striking a balance by establishing shared value engagements. Alignment of different investment strategies, sectors and geographies is still a challenging aspect in the collaboration among investors. Social investors can begin to do this intentionally to maximise their shared impact.

  Example: SDG Partnership Platform – The platform is a global and national facilitator that helps optimise resources and efforts to achieve the Sustainable Development Goals (SDGs) by enabling effective collaboration with the broader ecosystem. The platform is led by the United Nations (UN) with the support of other philanthropy organisations. It provides access to information on what partners are doing, real-time data on relevant SDGs, and events and solutions that funders and others are supporting. The platform currently operates in three African countries including Kenya. In Kenya, the platform was launched in 2017 where it seeks to unlock significant private-public collaborations and investments for the achievement of Government of Kenya's Big Four Agenda. The initiatives are implemented through sector windows. The initial focus was on the Primary Healthcare Window but the platform has also started to implement the agriculture window.

  Example: AVPA Deal Share Platform (DSP) – AVPA plans to soon launch the DSP, a forum where diverse philanthropists and impact investors can share deal opportunities to foster co-investment, follow-on investment, and blended finance solutions.

- **Promoting education and awareness on effective philanthropic practices:** While a considerable amount of stakeholder engagement and education has been undertaken to create awareness on the practice of impact investing in East Africa, awareness of the methodologies, and tools for venture philanthropy, particularly amongst the philanthropic community and corporates, remain significantly low. More engagement is, thus, needed to educate these players and guide them in aligning and revising their strategies as well as in creating shared value collaboration amongst the philanthropists. There is a need to establish advisory firms "philanthropy advisors" to support social investors in the effective deployment of philanthropy and catalytic funds in the region. Structured events on social investments should also be organised in the region, bringing together different players including the social enterprises, corporate social investors and philanthropists. The Bertha Centre in collaboration with the Oxford University Saïd Business School facilitate trainings programmes on innovative finance in South Africa. There is a need to create innovative finance training programs in African universities and training institutions across the continent to generate impact and further enhance entrepreneurial education.

> *"Generally, there is lack of awareness on alternative investment options especially for the philanthropist. Most are only deploying grants through NGOs"*
>
> *ESO in Kenya*

  Example: The Sankalp Africa Summit – Organised annually, the summit is one of the leading events on social entrepreneurship and impact investing which seeks to bring together investors, donors, development institutions, ecosystem support organisations and entrepreneurs. The event attracts more than 1,000 participants from all over the continent. To date, the summit has showcased and discovered 1,800+ entrepreneurs through 22+ editions of its flagship summits and has connected them to 600+ investors. Sankalp has enabled entrepreneurs to raise over US$ 270 million in funding and disbursed US$ 870 thousand in cash grants. Over the past two years, Sankalp has witnessed an increase in attendance by philanthropists and NGOs seeking to understand the impact investing space. Sankalp, thus, presents a great avenue for engagement between the different social investors through dedicated sessions seeking to drive discussions amongst social investors in the continuum of capital. During the 2020 summit for example, AVPA brought together major corporates in the region to identify ways of collaborating across the different corporate programs towards achievement of the 2030 goals.

- **Strengthening the role and engagement of the government in the social investment sector:** The role of government in providing funding and building the ecosystem infrastructure is crucial in establishing the social investment sector. Across the focus countries, governments have developed funding schemes for various population segments such as women and youths that social investors also target. The limited collaboration was, however, observed between governments and other social investors, with each working independently of others. East African governments can consider developing collaboration structures.

  Example: Ghana Venture Capital Trust Fund (VCTF) – Established in 2004 by the Government of

Ghana, VCTF aims to enhance financing for SMEs in the country. It works as 'fund of funds', providing debt and equity to SME focused funds. The fund also runs technical assistance programmes to train and build the capacity of VC fund managers and other investment professionals. To date, it has deployed approximately US$ 20Mn in six funds with about 10 exits working with fund managers such as Oasis Capital Ghana, Mustard Capital Partners and Gold Coast Fund Management. VCTF has also been supporting market-building activities such as the establishment of the Ghana Alternative Market (GAX) in 2013 – an alternative listing on Ghana's stock market established for companies with significant growth potential; Ghana Angel Investor Network (GAIN) – launched in 2014 as the first angel network in the country to invest in and mentor entrepreneurs, the network has about 36 HNWIs; Impact Investing Ghana (IIGh) – VCTF was one of the founding members of IIGh as the national platform for promoting impact investing in Ghana.

- **Promoting the use and supply of catalytic capital:** In the wake of a changing funding landscape globally, there is a need to leverage more catalytic capital in the region. African foundations, local foundations and other grant makers in the region are particularly better positioned to catalyse more impact investment, especially for the missing middle segment. Greater impact can be realised with targeted support from donors and international foundations through innovative use of their capital. Donors and foundations can use their capital to provide credit or first loss default guarantees to cover the downside risk for commercial lenders – this would ensure more debt capital flowing to early-stage businesses as well as missing middle. Alternatively, they can also assist in developing structures for receivables-based financing instead of collateral-based financing – a major roadblock again for MSMEs in the region.

  Example: Africa Enterprise Challenge Fund (AECF) – AECF funded by a number of donors including; DANIDA, DFID, Government of Canada (GoC), and Sida provides catalytic funding in the form of grants and zero-interest loans to innovative businesses in the renewable energy and agriculture sectors. Through their funding, AECF has transformed millions of rural and marginalised communities. In 2018, AECF benefited 1.3 million people with a commitment of US$ 7.9 million to 153 businesses across sub-Saharan Africa[84]. Many of the companies funded by AECF have also received support from later stage impact investors. However, many challenge fund grantees struggle to raise "missing middle" stage capital. Much more could be done with support from philanthropists to de-risk follow-on investments and crowd in more funding from impact investors to scale the high-impact portfolios of challenge funds such as AECF.

- **Enhancing the use of innovative blended finance instruments:** Blended finance instruments have increasingly been used by social investors as a new model to leverage funding from the private sector to fund development projects, especially in social sectors such as health, education, and youth employment. Such innovative structures include Social Impact Bonds and Development Impact Bonds (SIBs/DIBS). While many organisations are advocating for this model, currently, there are limited success stories around such models in East Africa compared to South Africa and other parts of the world.

  Example: Green Climate Fund (GCF) – In 2017, the GCF launched a US$ 500 million global campaign to catalyse private capital to climate action by deploying concessional grants, loans, equity, and guarantees to tap the private sector energies in tackling climate change mitigation and adaptation in developing countries. As a result, the GCF received approximately 350 concept notes, with a total demand of about US$ 18 Bn[85]. Blended finance structures such as these could be leveraged, especially for the SDG aligned sectors such as SDG 17 (Partnerships for goals), SDG 1 (No poverty), SDG 9 (Industry, Innovation, and Infrastructure) and SDG 8 (Decent Work and Economic Growth).

- **Lowering the cost of matchmaking and conducting due diligence:** High matchmaking and due diligence costs is a key limitation in the social investment sector across the focus countries. Most investors shy from investing in lower ticket deal values due to the high due diligence costs. They thus often tend to deploy capital in large ticket sizes that cannot be absorbed by social enterprises. This could be lowered through cost-sharing approach among the investors and sharing of the due-diligence data. Further, development partners could subsidize the costs incurred by the private investors, conduct due diligence on small social enterprises, facilitate matchmaking, engage with investment committees, and negotiate term sheets. Lowering the costs could consequently increase the investors' ability to offer smaller ticket sizes ticketing the missing early stage social enterprises.

- **Building capacity of fund managers:** Fund Managers in the region face diverse set day-to-day operational challenges that need to be addressed to maximize impact of their investment. While there are many early-stage enterprises, often not so many are "investment-ready." Thus, fund managers should be able to successfully identify and build a pipeline of investees aligned to their

[84] AECF Annual report 2018

[85] The State of Blended Finance 2018

investment plans and strategy and appropriately conduct risk assessment with local context. There is thus a need to establish and develop sustainable models to support fund managers and build their capacity at scale.

Example: Capria Ventures LLC – Capria has been supporting local impact fund managers in Sub-Saharan Africa. It sources, mentors and supports fund managers that focus on the "missing middle" financing opportunity. It offers partner-level support and an investment platform backed by deep intellectual property, and long-term advisory services to enhance fund managers' their operations, strategy, fundraising, and governance to deliver superior financial results and build an enduring leading firm. Capria has partnered with 22 fund managers investing across 37 countries to form the highly collaborative Capria Network.

1.1.2 RECOMMENDATIONS TO EMPOWER ORGANISATIONS DELIVERING SOCIAL CHANGE

- **Developing new TA funding strategies to build investible locally founded pipeline:** While many technical assistance initiatives exist to support early stage entrepreneurs, new strategies are still needed to move the needle on early and missing middle stage finance, especially for local founders. Such initiatives can include establishing TA funds with mandates to link enterprises with investors for follow on investments, and adopting result based TA payment structures with TA providers. Venture philanthropists and foundations can help fill this gap by funding TA facilities linked to finance from angel networks and impact investors, and through smaller scale blended structures.

  Example: The AlphaMundi Group – The Group consists of an impact fund launched in East Africa in 2012 and a foundation launched in 2016. The foundation is financed though 20% of the group's profits and focuses on providing technical assistance and impact measurement support to social enterprises. The foundation deploys TA facilities in the form of grants to build capacity of early stage enterprises and develop a deal pipeline for the impact fund. Developed and investment ready enterprises are often financed through the AlphaMundi's investment facilities in the form of debt, equity or mezzanine financing.

- **Developing interventions to support human resources (HR) needs of enterprises:** Most early-stage enterprises need support in establishing HR structures and processes as well as for continuous capacity building of their staff. However, financial constraints prohibit them from hiring the right talent or up-skill their current talent. Sourcing qualified personnel in key positions is a challenge for most enterprises. In order to build the HR capacities of enterprises, social investors could develop interventions such as subsidizing HR costs of enterprises or supporting ESOs that specifically run leadership and management programs.

  Example: Blue Haven Initiative - Established in 2012 with operations in multiple countries in Sub-Saharan Africa does grants and philanthropic investments into organisations and companies with clearly defined impact missions. As part of the strategy, the investor considers investment opportunities including Human Capital investments. Blue Haven provides grant funding for organisations committed to helping companies recruit a diverse talent pool with 21st century employment skills; re-reskill and retain existing employees; develop executive leadership and professional development opportunities; and foster a healthy organisational culture.[86]

  Example: African Management Institute (AMI) – The AMI, launched in 2014, provides formalised training to empower managers and entrepreneurs in the region. AMI has specifically developed several modules and tools in collaboration with leading business schools and global experts on adult learning to transforming business learning and development. Some of the programmes include the leadership development programme, youth employment accelerator programme, agribusiness entrepreneurship, and training on how to start and grow businesses.

- **Promoting alternative funding models for NGOs/CSOs:** International sources account for the largest proportion of funding to NGOs in the region. With the declining donor funding to NGOs/CSOs in the region, new and innovative models need to be leveraged to raise and attract more funding to support NGO/CSO activities. Several funding models can be explored leveraging internal sources (models such as consultancy fees, asset building, event organisation, membership fee among others) and external sources (models such as crowdfunding, microfinance, incubation, social/green bonds among others).

  Example: The Moroccan Centre for Innovation and Social Entrepreneurship (MCISE) – Founded in 2012, MCISE is a non-profit organisation established in 2012 to support entrepreneurial and innovative solutions to social challenge in Morocco. Through their Dare Inc. Programme, they select innovative projects and support them with seed funding. In return, MCISE generates revenue in two ways; they can either get back 2% of the profits generated by the social enterprise over 5 years or get 5% equity participation from supported companies that have reached maturity.

[86] AECF Annual report 2018

- **Establishing of a technical assistance toolkit and embedded capacity building for NGOs:** Across the East African countries, it was identified that NGOs face technical inadequacies in areas such as strategy, financial management, monitoring and evaluation and impact measurement. The declining and limited funds directed towards capacity building imply that NGOs are unable to build capacities in this area adequately. The development of a readily accessible toolkit providing information and training on various operational areas can help improve the capabilities of NGOs. Such a toolkit can be developed by TA providers and shared through a virtual platform. An ideal toolkit will address the issues and gaps that are very specific to the NGOs in the region. In addition to the toolkit, in-person training, embedded consultants and workshops with sector experts could further build capacity.

  Example: NGOConnect.net – An initiative of the Strengthening Civil Society Globally (SCS Global), NGOConnect.net seeks to enhance the accessibility of technical assistance support to civil society organisations by developing and deploying easily accessible toolkits and manuals.

1.1.3 RECOMMENDATIONS TO DEVELOP ENABLING ENVIRONMENT AND INFRASTRUCTURE

- **Bridging the broken link among the incubators, accelerators, and impact investors:** In interviews with investors, they highlighted a lack of investable companies channelled by the ESOs. On the other hand, accelerators and incubators reported the struggle in engaging with the investors, which indicates lack of coordination between the two. The majority of investment-readiness programs in the region are currently focused on building the capacities of enterprises in pitching the business rather than growing the business. Moreover, many enterprises fail to go beyond the incubation and acceleration phase, as they don't have access to investors. Thus, there is a need to build the ESO capacities, enhance the linkage, and build more networks that link investees from ESOs to the investors. Local and international foundations could facilitate the funding for this bridging role.

  Example: Venture Capital for Africa (VC4A) – VC4A, founded in 2007, is a network-building organisation working to build high growth high impact companies globally. The network seeks to establish the collaborations and partnerships needed to bring together the capital, knowledge, and network need to provide every entrepreneur with equal access to opportunity. Venture Capital for Africa helps nurture the SME sector and helps the entrepreneurs navigate the challenges of funding start-ups in Africa. It also leverages the community of business professionals in 159 countries dedicated to building game-changing companies on the continent, helping entrepreneurs have access to free online tools, mentorship opportunities, and the ability to raise capital.

- **Improving the legal and regulatory frameworks:** Governments in the region need to put in place key regulatory frameworks that attract various investors to the sector. Some key proposed regulations in the East Africa countries include:

  - Overarching frameworks for social investments: The region lacks overarching frameworks to promote impact investing and venture philanthropy. In the US, for example, the Internal Revenue Service (IRS) has, since 2015, allowed private foundations to make impact investments that make less than market-rate returns while retaining favourable tax treatment.

  - Start-up Act: Only two countries in Africa – Tunisia and Senegal – have developed such an act. A start-up act has the potential to further innovation and entrepreneurship, outlining legal conditions for registering social enterprises as well as tax policies and incentives to promote the growth of the industry.

  - CSI policies and laws: CSI laws, similar to the ones in South Africa and India, can serve as a benchmark providing learnings to the East African countries as they seek to enhance corporate giving.

  - Tax incentives for philanthropy: Tax incentives for philanthropy across the focus countries are less than other SSA regions. Favourable tax incentives need to be introduced. Additionally, accessibility of information on tax incentives applicable to philanthropy remains challenging with the tax exemption application highly bureaucratic. An online platform can be developed to streamline and simplify such activities.

- **Focused mobilisation and deployment of philanthropy funds:** Currently, most philanthropic organisations deploy funds individually and on a sporadic need basis. There is potential for support organisations in the form of "philanthropy advisors/managers" who can mobilise and deploy such funds in line with the objectives of the philanthropists. Such players can also be leveraged to raise awareness on venture philanthropy practice, ensuring a balanced portfolio between philanthropy and venture philanthropy. Also, they can advise on co-investment opportunities for philanthropists and promote engagement between them and impact investors to drive the development of blended finance funds.

Example: FNB Philanthropy Centre in South Africa was set up to provide support and guidance to individual and institutional philanthropists on the execution of their philanthropy agenda. To date, FNB Philanthropy Rand 11Bn (approximately US$ 583Mn) as assets under management (AUM), about 70% of this directed towards education and youth development programmes. Currently, the centre supports over 200 clients, including corporate, SMEs, individuals etc.

- **Data building and development of knowledge tools:** One of the key limitations for the social investment sector across all the focus countries is inadequate data and knowledge on activities of different players, including the quantum of funds available and their deployment. Particularly, the disparate sources of data on philanthropy, corporate social investments, venture philanthropy and impact investments make it difficult to drive collaboration. Furthermore, key challenges have been identified in building pipeline and identifying co-investment opportunities for different social investors. Continuous research on the sector can provide data-backed evidence on success models, identifying additional opportunities for strategic interventions amongst key social investors. Information gathered can further help in setting up performance benchmarks related to the outcomes that can contextualise different investment strategies. Moreover, a data portal that brings together different types of investors would enable more collaboration along the continuum of capital and can also be leveraged to collect data on the different investors.

  Example: Asia Venture Philanthropy Network (AVPN) deal share platform – the platform seeks to bridge the gap between the supply and demand of social investments in Asia. It streamlines funding opportunities and highlights collaboration opportunities by supporting its members (providers of financial and non-financial capital) to identify investable social purpose organisations (SPOs) - NGOs, and social enterprises. The AVPA is in the process of launching the deal share platform for Africa.

  Example: European Venture Philanthropy Association (EVPA) knowledge center – EVPA conducts regular research, data and insights, gathering and documenting impactful stories on venture philanthropy. Research and thought pieces are aggregated at a central knowledge hub. The threefold objectives of the deal share platform are to; a) enhance capital deployment by ensuring financial, human and intellectual capital are channelled towards building scalable and impactful SPOs; b) drive collaboration by connecting multiple funders, resource providers and SPOs to break down barriers and create collective impact and c) generate insights on the SPO landscape.

- **Enhancing impact measurement and management:** Whilst most of the investors in the region measure impact, there is a need for standardization of impact measurement approaches, using models that are (a) relevant to the context in various African countries; (b) affordable and accessible to social investors operating at smaller transaction sizes; (c) relevant to core business operations for companies; and (d) relevant to strategic development and operational efficiency for non-profits.

  Example: Acumen Lean Data Approach – The approach is an initiative launched by the Acumen to measure impact in the entire social sector through the social enterprise, 60 Decibels. The Lean Data methodology seeks to put the voice of the customer at the centre of impact measurement, leveraging mobile technology for a fast and reliable response. It is an exciting tool for social enterprises, investors and beyond.

- **Developing a blueprint to harness local sources of capital and diaspora funds of capital:** In addition to faith-based institutions and individual philanthropists, SACCOs, MFIs and informal investor clubs also play a huge role in supplying social investment. These categories, however, remain overlooked with their potential not fully exploited. Furthermore, despite the massive amounts of diaspora funds coming into the region, the potential for structured deployment of these funds has not been fully exploited, with only a few diaspora bonds issued mainly for infrastructure projects. There is thus a need to develop a blueprint for harnessing these sources of capital.

1.2 SCOPE FOR FUTURE RESEARCH

The limitation of data on social investments, particularly on philanthropy, venture philanthropy and corporate sustainability programs across the focus countries, is substantial. This inaugural report sought, in broad strokes, to develop a picture of the sector. The comprehensiveness of information within countries and investor categories varies widely. While the information on some countries – e.g., Kenya – is relatively comprehensive, the information on the other geographies remains inadequate. Furthermore, while comprehensive information exists on impact fund managers, DFIs and international foundations, limited data can be accessed for locally headquartered social investors. While the reported data are useful in identifying broad trends and regional and national differences, they also leave scope for further research.

Key areas recommended for future research include:

- Blended finance and catalytic financing mechanisms have demonstrated how various players can collaborate to mobilise capital for social causes. An in-depth analysis is required to understand which structures work best in which sectors and how those can be structured to maximise impact. Blended finance has also largely been leveraged for larger deal sizes; however, there is a need for research on blended and innovative finance for smaller transactions at the early stage enterprise stage.

- With an increasing shift in models as several foundations and grant makers transition into and engage with impact investing and venture philanthropy, there is a need for advisory support on innovative finance so they can fully strategically use their scarce grant capital for maximum impact.

- Further analysis is needed to understand the impact of corporate social responsibility policies in enhancing social investment. The guidelines have not been fully launched in the region; hence, a benchmark study with other countries should be considered to draw recommendations.

- Diaspora bonds have the potential to raise significant social investments, but these however, remain minimal. A study to understand effective ways of engaging with the diaspora would thus be beneficial.

- The research has attempted to present some of the activities of local foundations in the region, despite key challenges in finding data from Uganda and Tanzania, where philanthropic activities are not as pronounced as in Kenya. Continued engagement with local foundations through dialogues and development of shared value collaboration is envisioned to create confidence amongst this investor category and demonstrate the high need for data. Frequent data gathering e.g. through annual surveys will thus be key.

- Most investors have adopted various models of Technical Assistance to support NGOs and social enterprises to enhance impact. It will be important to undertake a thorough analysis to identify various TA funding models that exist in the region, effective models of mobilizing local capital for TA and the effectiveness of the various models across sectors.

- Demand-side research was mainly desktop-based. It will thus be important to also engage with social enterprises and NGOs to understand their changing needs further. Furthermore, data on the number of social enterprises and NGOs across all countries are limited and thus presents a big research gap.

- While the research has highlighted the existence of Gender Lens Investment (GLI) adopted by various investors in the region, it has not comprehensively delved into the analysis of various models and criteria adopted by the investors. A detailed analysis would be important to establish the level of adoption and investor consideration of GLI and the role of ESOs in the space.

- Data and information on faith-based giving in the region remain inadequate and could not be comprehensively covered during this research. While the general understanding is that religious institutions are highly involved in philanthropy, the extent of these activities, as well as the impact generated are not documented. Moreover, religious-based NGOs and CSOs also exist in the region; thus, it will be important to understand how they operate - their fundraising strategies and operational structures, potential to leverage inherent strengths to engage with other social investors for solving development challenges.

- Evaluation of the impact generated by the various investment structures and models will be needed to guide decision making in the industry.