

South Africa joins global impact investing body

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A new National Task Force for Impact Investing administered by the Bertha Centre for Social Innovation and Entrepreneurship at the UCT Graduate School of Business is set to give Africa a crucial voice in the global impact investing conversation and unlock meaningful benefits for the continent.

South Africa will take another step toward meeting its development challenges this week when it becomes the first African country to join the Global Steering Group (GSG) for Impact Investing.

A global body promoting investments that not only generate a financial return, but deliver positive environmental and social outcomes as well, the GSG currently comprises 21 countries, plus the European Union.

South Africa will be represented on this important global body by the National Task Force for Impact Investing – that was established recently to grow local support for the impact investment sector. The Task Force is made up of representatives from government, private capital and research institutions. The Bertha Centre for Social Innovation and Entrepreneurship at the UCT Graduate School of Business (GSB) is acting as the secretariat for this new initiative.

“This is an amazing development, as it signifies South Africa’s leadership role in the area of impact investing,” says Elias Masilela, Executive Chairman of DNA Economics and Chair of the Impact Investing National Task Force. “South Africa’s entry into the GSG will usher in a new perspective in thinking about investing.”

According to the Global Impact Investing Network, the amount of money committed to impact investing around the world has doubled in the last year. From \$114 billion in mid-2017, there is now \$230 billion in funds targeting investments that not only generate a financial return, but deliver positive environmental and social outcomes as well.

This rapid growth has been largely due to a greater awareness of how private investment can contribute to the attainment of the Sustainable Development Goals set by the United Nations. Yet there is still a long way to go. It is estimated that the world needs \$2.5 trillion per year to hit the UN’s targets.

Meeting these goals is crucial in South Africa, where poverty and inequality remain significant challenges. Attracting more private capital to support projects in fields such as education, housing and water is imperative.

According to Susan de Witt, Innovative Finance Lead at the Bertha Centre and head of the Impact Investing National Task Force Secretariat, being part of the GSG will give the movement in South Africa international credibility and allow the country to learn from the experiences of other countries.

“One of the major advantages of joining the GSG is that local representatives from the mainstream capital markets will be exposed to the global shifts in asset allocation,” says De Witt. “They will also be able to develop the appropriate contextual vehicles and tools to do this effectively spurred on by the efforts of major players such as Blackrock, Credit Suisse and UBS.

Giving Africa a voice in this forum is a crucial development, says Masilela. “With the strategic role that the country holds on the continent, as well as its representative voice on BRICS and other global fora, it is imperative that South Africa continues to drum up the need for this consciousness towards investment.”

Not only will the country benefit enormously from the learning opportunities, but it will be able to make a meaningful contribution to discussions as well. As many international impact investing projects are focused on Africa, there is a need

for local insights to guide international investment allocations.

“Having sat in a number of these meetings, there a noticeable lack of African opinion,” says De Witt. “Working groups with an international strategy often focus on Africa, but there is rarely an African in the room.”

As a member of the GSG, South Africa will be a fully fledged member of the global impact investing movement. This will unlock meaningful opportunities for the country.

“There is no better time than now,” Masilela says. “Done right, it will reverse many of the domestic and global imbalances we face. It is particularly important, with South Africa’s economy struggling to record a much needed turnaround.”

Along with South Africa, similar Advisory Boards in New Zealand and Bangladesh will also be admitted to the CSG this month.

“The impact revolution is a truly global movement, and its expansion to Bangladesh, New Zealand, and South Africa underscores that the pivot to risk, return, and impact is spreading to all corners of our world,” said Sir Ronald Cohen, founder and chair of the GSG.

The GSG’s Board of Trustees approved the new member countries amid preparations for the annual [Impact Summit](#) on 8-9 October in New Delhi, India. The Board also approved sites for its next two Impact Summits: Santiago, Chile on 7-8 November 2019, and Johannesburg, South Africa in 2020.

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