RESEARCH REPORT 2018

INNOVATION AND IMPACT

Hindsight, foresight, insight

NEXT GENERATION

expertise · impact · return

INNOVATION & IMPACT

> THERE ARE FUNDAMENTAL CHANGES IN GLOBAL AND LOCAL PRACTICE, NEW FUNDING MODELS, DEVELOPMENT PORTFOLIOS AND INVESTMENT PRACTICES, AS WELL AS THE IMPACT OF TECHNOLOGY. THE IMPACT ON THE SECTOR IS PROFOUND.

CONTENTS

INTRODUCTION

FIFTEEN YEARS OF RESEARCH AND BEST PRACTICE SERVICE

With the release of this study, we are celebrating 15 years of benchmarking trends in the social investment and development sectors in Africa. During this time, we relied on the creativity, innovation, trust and support of so many clients, colleagues and collaborators. We could not be happier or prouder to celebrate this milestone with the entire development sector in Africa. And we are looking forward to sharing and analysing many more years of research data with you.

ABOUT NEXT GENERATION CONSULTANTS

Our leadership role in providing trusted guidance about high-impact social development requires that we remain aware of our context and understand how it might influence our sector and clients.

To help explore and understand the opportunities and challenges that inform our work, we provide brief descriptions of trends that we see as informing as well as challenging the work of philanthropy, grantmaking and social investment and development.

THANK YOU

Thank you to all our loyal supporters of the past 15 years. Thank you for being part of this incredible journey. Thank you for making the time to contribute to our body of knowledge and allowing us to share with the rest of the world the amazing story of growth and development of our continent.

From Africa with love

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WHAT WE DID DIFFERENTLY THIS YEAR

In previous years, our research focused broadly on all matters pertaining to the social and development sectors in Africa to better understand what is happening globally as well as locally that would influence development practice.

1. We **broadened our scope** to include discussions with impact investors, private foundations and trusts, as well as high net worth individuals and investors from the SME sector.

2. We first looked at **global trends broadly**, to understand the impact of changing political landscapes and conflicts – for instance the Trump, Macron and May political influences, big issues such as Brexit and BRICS as well as specific issues such as climate change, human migration and their impact on development. We included a review of general grantmaking practice and global trends in the philanthropy, grantmaking and humanitarian development sectors from the US, UK, Europe, China, Scandinavia, India and Russia.

3. We then turned to Africa, to **understand and compare African development practice** in various regions and look for best practice and leadership – trends that in our opinion will shape the sector going forward.

4. We **limited our trends and forecasts to ten aspects each**, for the first time **implementing a scoring and rating system**. Of all the criteria we applied, evidence was regarded as the most important one. We looked at global and local trends and ranked them according to various criteria and themes. Out of the 50 trends that were analysed, the only ones presented in this report are those which we could find evidence of in current practice.

5. Our **criteria** included indicators such as impact, relevance, sustainability, materiality and comparability.

6. Another consideration was broadening our scope from philanthropy, grantmaking and social investment (corporate, private and international development finance) to include **impact investment**, as we believe this new form of capital will in future have the most significant impact on the development landscape in Africa. Not only does it present an opportunity for additional resources to address persistent social challenges on the continent, but, more importantly, it provides opportunities for greater impact, innovation, collaboration and a faster pace of progress out of poverty.

7. Our forecast section considers the **development as well as investment sectors** more strategically and looks at more investment portfolios and themes than ever before.

8. The growth and interest in the use of **technology to solve social challenges**, the impact of big data, artificial intelligence, chatbots, blockchain and mobile technology had a major impact on our own practice, specifically the way we conduct impact assessments for clients. For the first time we did not only consider strategic, operational and programmatic aspects, but also technological aspects, as we regard the impact of technology as the second most important and prevailing trend.

9. The combination of new **funding models and the influence of technology** had an enormous impact on investment portfolios, themes and focus areas. The growth in the funding of technology – from application development to mobile technology, from incubators to accelerators, from youth empowerment to enterprise development – is changing entire industry and development sectors such as financial services, construction, renewable energy, infrastructure, education and health to such an extent that we are convinced that this wave of social innovation that drives shared value will change our sector permanently.

10. There are fundamental changes in global and local practice, new funding models, development portfolios and investment practices, as well as the impact of technology. The impact on the sector is profound. For the first time since the recession of 2008, we are seeing a **transformed sector that is moving faster, taking on greater challenges and risks and making bigger bets**. Our theme for this year is therefore **INNOVATION AND IMPACT** and our trend report is structured accordingly.

HINDSIGHT TRENDS

1. THE YEAR OF BLENDED FINANCE
2. THE YEAR OF ROI
3. THE YEAR THAT MEASUREMENT REALLY STARTED TO MATTER
4. THE YEAR OF ONLINE GIVING
5. THE YEAR OF A NEW GENERATION OF GIVERS AND INVESTORS
6. THE YEAR OF SOCIAL JUSTICE
7. THE YEAR OF THE APP
8. THE YEAR OF THE INCUBATOR AND ACCELERATOR
9. A YEAR OF FOR-PROFIT DEVELOPMENT
10. THE YEAR THAT AFRICA CAME INTO ITS OWN

HINDSIGHT

As we look back on 2017, there is no denying that we live in tumultuous times. The year was rife with political and social divides, extreme weather conditions and disasters, increased violence and global strife in many forms. To many people, the outlook may be bleak.

However, 2017 was also the year in which social investors took the lead in driving critical economic, social and environmental change. In the past year, we have seen more investors stand up for social justice issues, tackling poverty relief and inequality in new ways, and investing in innovative development practice that created both shared value and social capital.

THE YEAR OF BLENDED FINANCE

The big news is that the growth of impact investors and in particular social enterprises, owned and headed up by innovative and brave young social entrepreneurs, combined with corporate social investors' focus on enterprise development, provided the perfect mix for a blend of financial investments and instruments.

The growth, impact and interest of impact investors also contributed to a larger pool of resources and new investment themes. The biggest change, however, was the new blended financial models, including grants and donations, microloans, seed capital, equity finance, debt finance and social investment, indicating a bigger appetite for new for-profit models of development.

This is good news on many levels: New approaches to development and funding, greater scale and innovation. And importantly, finance is no longer seen as pure donations and grants. There is now an expectation of financial growth and repayment. This has enormous implications, which will be explained later, but the best news is that the interest from these investments can be reinvested for even greater impact. It also means **the concept of return on investment (ROI) is now embedded in development practice**. Through blended financial investment models in social development practice, we are entering an era of sustainability in development.

> THE BIGGEST CHANGE WAS THE NEW BLENDED FINANCIAL MODELS, INDICATING A BIGGER APPETITE FOR NEW FOR-PROFIT MODELS OF DEVELOPMENT. FINANCE IS NO LONGER SEEN AS PURE DONATIONS AND GRANTS. THERE IS NOW AN EXPECTATION OF FINANCIAL GROWTH AND REPAYMENT.

LEADER OF THE PACK

OMIDYAR NETWORK

As a philanthropic investment organisation, the Omidyar Network supports market-based approaches with the potential for large-scale impact. Towards that objective, their investment style transcends typical boundaries that separate for-profit investing and traditional philanthropy and grantmaking. Omidyar believes that each sector has a role to play in both investment and development. The foundation therefore makes investments in for-profit organisations and also provides grants to non-profit organisations. Regardless of the sector, Omidyar invests in organisations with the potential to embody innovation, scale and sustainability across various development sectors.

THE YEAR OF ROI

A look at the current state of development funding shows a stark contrast between the price tag of poverty elimination and protecting the planet, and the available financial resources.

According to the United Nations Conference on Trade and Development (UNCTAD), achieving the Sustainable Development Goals (SDGs) in 2030 will require between $5 trillion and $7 trillion, with an investment gap of about $2,5 trillion.

At the same time, the most recent OECD ODI/DAC report (OECD – Organisation for Economic Cooperation and Development; ODI – Overseas Development Institute; DAC – Development Assistance Committee) shows that in 2016 total official development assistance reached a peak of $142,6 billion, which confirms a shortfall of $2,5 trillion but also indicates the enormity and magnitude of the shortfall for development finance.

Who is going to cover this gap, and how? The days of funding out of a moral or compliance imperative are over; instead, development financing is seen as good investment, providing valuable returns and commercial opportunity, while contributing to positive and sustainable development.

Private funding and capital hold great potential for growth. A recent report by the Business & Sustainable Development Commission (BSDC) estimates that achieving the SDGs could open up $12 trillion of market opportunities in food and agriculture, cities, energy and materials, health and well-being alone, and create 380 million new jobs by 2030.

We know the SDGs make business sense. The question is: How do we combine social good with profit? This is where impact investment and social innovation come in. They frame a social or economic problem as a matter of financial efficiency, putting a price tag on development challenges such as unemployment, housing shortages, failing education and health systems, lacking infrastructure, declining natural resources such as water, or public administration inefficiency, and try to find new solutions for persistent social problems.

The financial gains from addressing economic, social and environmental problems are presented as an investment opportunity for the private sector, often guaranteed and repaid with a premium by the government (social impact bonds) with potential donor support. **The opportunity for the next generation of social and impact investors lies in making investments – through blended financial models – and using the interest and profit to reinvest in development.**

MARKET OPPORTUNITIES

- FOOD & AGRICULTURE
- CITIES
- ENERGY & MATERIAL
- HEALTH & WELL-BEING

> THE DAYS OF FUNDING OUT OF A MORAL OR COMPLIANCE IMPERATIVE ARE OVER; INSTEAD, DEVELOPMENT FINANCING IS SEEN AS GOOD INVESTMENT, PROVIDING VALUABLE RETURNS AND COMMERCIAL OPPORTUNITY, WHILE CONTRIBUTING TO POSITIVE AND SUSTAINABLE DEVELOPMENT.

LEADER OF THE PACK

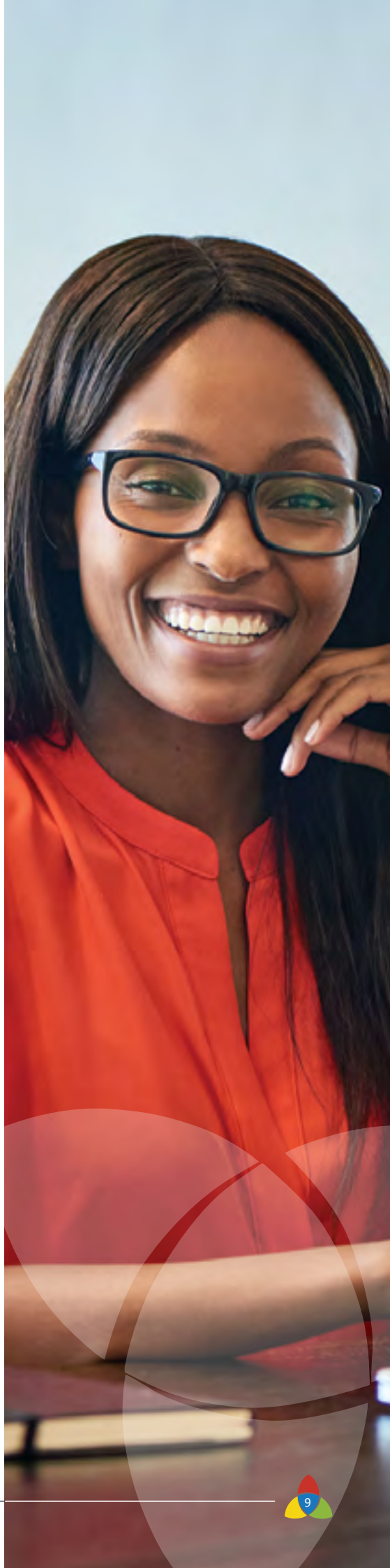
WDB INVESTMENT HOLDINGS, WDB IH PRIVATE EQUITY FUND AND WDB TRUST (WOMEN'S INVESTMENT HOLDINGS)

WDB (a women-led and managed PBO) started out using the savings/investments of women's *stokvels* to support women's businesses, which would result in job creation, an increase in average income, the expansion of existing micro-enterprises and improved quality of life for their families.

In 1996, the fully women-owned, led and managed investment holding company WDB Investment Holdings (WDBIH) was formed to ensure that the trust would be sustainable and independent and reduce its reliance on donors. WDBIH promotes the advancement of women in senior leadership positions in its investee companies and serves on the boards of its investments. WDBIH has equity investments in key sectors in South Africa, including industrials, life insurance, banks, oil and gas, real estate, media and basic resources.

From humble beginnings, the company has been able to distribute dividends of R200 million to the WDB Trust, with the WDB Trust reaching well over 200 000 female entrepreneurs in rural areas over 25 years.

In 2016, together with Seed Engine and Grovest, WDB launched an impact fund. The WDB Seed Fund aims to fill the funding gap for growing small and medium businesses. WDB continues to be a catalyst of reform through strategic investments in the corporate sector, the development of female entrepreneurs and inclusive financing for rural women. WDB seeks to further the advancement of women by leading dialogues on social and women's issues across Africa, including South Africa.



THE YEAR THAT MEASUREMENT REALLY STARTED TO MATTER

Monitoring, evaluation and impact assessment came into its own in 2017. This was partly driven by impact investors wanting to ensure return on their investments as well as wanting to understand the solutions they funded and the impact on those funded sectors.

Similarly, social investors wanted to know which investments really yielded significant impact compared to others, understand the difference they made and verify the outcomes of their interventions through credible evidence of impact on intended stakeholders. Most importantly, there were those investors who were brave enough to share the outcomes of their performance management and measurement processes publicly. The value of knowledge and insight gained from effective measurement not only impacted investment and development portfolios, but we are seeing completely new investment themes and categories, new funding models, more effective and collaborative development, more transparent reporting, but also more informed strategic investment and development decision-making.

It was the year that impact assessment went from an overhead cost to a strategic imperative. Programme funding now includes the cost of performance management and measurement. The value of performance measurement and management led to better investment and development decisions. This includes developing measurement indicators, setting targets, sharing data and measuring the positive and negative as well as intended and unintended impact. The new culture of transparency around impact financing and performance, how to collect high-value but low-cost data and managing impact with crisp, comparable data has become critically important.

> IT WAS THE YEAR THAT IMPACT ASSESSMENT WENT FROM AN OVERHEAD COST TO A STRATEGIC IMPERATIVE.

LEADER OF THE PACK

FIRSTRAND FOUNDATION

FirstRand was instrumental in setting up the National Education Collaboration Trust (NECT), which is a partnership between the Department of Basic Education, FirstRand, the Zenex Foundation and Standard Bank. As evidence of the power of collaboration and accountability, sharing evaluation findings is part of the transparency of this initiative. For instance, following the sad events of Vuwani and the subsequent societal effort to help teaching and learning get back on track, the NECT and its partners – Section 27, the Helen Suzman Foundation, Kagiso Trust and BEFA – developed the Vuwani Report, which summarises the sequence of events and the outcomes of the crowd resourcing programme initiated in May 2016.

FirstRand also took a leadership role in the volunteer space with Beyond Painting Classrooms, acting as coordinator, collaborator and cooperative funder. FirstRand's end-of-term evaluation report of a pilot project in primary education that was shared publicly in 2017 needs to be applauded and celebrated. All evaluation reports since 2013 are shared on the company's website.

The courage and commitment to sharing the evaluation findings are lessons on the importance of performance management in eliminating ineffective development practice.

THE YEAR OF ONLINE GIVING

Almost half (45%) of global donors give to NPOs and NGOs outside their country of residence. Similarly, peer to peer fundraising (funding challenges) has increased by more than 33%. Millennials', Gen Xers' and Baby Boomers' familiarity with social media supports this trend. Online giving technology combined with 24/7 access and global news cycles, the growth of social media platforms and crowdfunding as well as conscious consumerism have connected investors, philanthropists, causes, communities and civil society to form a powerful mix of involvement, participation and contribution.

The growth in video content, the popularity of YouTube and live streaming apps such as Netflix that provide opportunities for **two-tap giving, earning badges and redeemable points as well as the growth of Bitcoin support our primary trend of blended finance** and provide new opportunities for fundraising that could also lead to greater sustainability in the development sector.

Our previous trend forecasts (2015 to 2017) highlighted the opportunity that crowdfunding provides. Now we have substantial evidence and can therefore recognise the efforts of four successful initiatives.

"ONLINE GIVING TECHNOLOGY COMBINED WITH 24/7 ACCESS AND GLOBAL NEWS CYCLES, THE GROWTH OF SOCIAL MEDIA PLATFORMS AND CROWDFUNDING AS WELL AS CONSCIOUS CONSUMERISM HAVE CONNECTED INVESTORS, PHILANTHROPISTS, CAUSES, COMMUNITIES AND CIVIL SOCIETY TO FORM A POWERFUL MIX OF INVOLVEMENT, PARTICIPATION AND CONTRIBUTION."

LEADERS OF THE PACK

- **Standard Bank's Feenex** provides opportunities for the public to contribute and fund students' university education.
- **Brownie Points** allows the public to donate volunteer hours and resources, and to get rewarded for doing so.
- **forgood** focuses on assisting corporates to leverage employees' volunteerism as well as NGOs by finding the resources they need to deliver community services.
- **Thundafund** operates a rewards-based, all-or-nothing crowdfunding model. Project creators essentially "presell" project-related items, known as rewards, to investors in exchange for their financial contributions. These rewards include retail items, recognition, experience and access. Social enterprises leverage this model extremely effectively and the platform has already contributed to the funding of more than 400 successful projects to the value of R20 million.

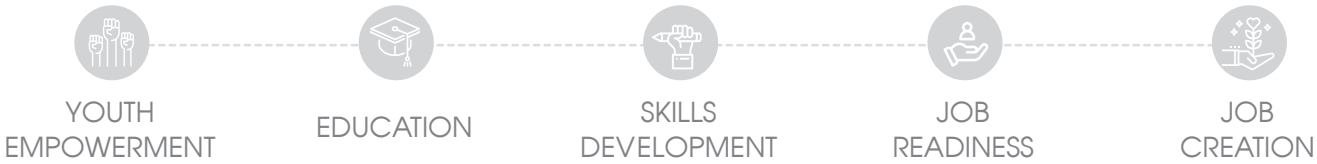
THE YEAR OF A NEW GENERATION OF GIVERS AND INVESTORS

The causes most supported in 2017 reflect a generational and ideological divide indicative of recent political and social upheaval. Millennials and Generations X and Z are the new social and impact investors, donors and grantmakers and they are clear about the causes they want to support. These include the youth (particularly youth empowerment, education, skills development, job readiness and job creation), women and children. This is because issues such as inclusivity, gender equality and ideological liberalisation are very important to them, therefore a focus on human and civil rights and social justice is to be expected. This is supported by a growth in volunteerism from the next generation of givers and influencers who want to become intimately involved with (and part of) the cause they support, and they use technology so efficiently that giving is part of their daily life.

Testimony to this is the number of NGOs that no longer get funded because they don't focus on the most important demographic on the African continent – the youth dividend. Countries like Botswana are purposefully rewriting and recreating government policies to ensure the inclusion of youth in policymaking and legislation. In Kenya, Uganda and Rwanda, youth-led NGOs and PBOs get on average 40% more of all funding, at the expense of organisations headed by the previous generation.

Furthermore, large NGOs like Afrika Tikkun have just repositioned themselves to no longer focus on a cradle-to-youth approach, but to have a narrower focus on youth and skills development to ensure the next generation of educated, skilled and workplace-ready employees.

The most successful organisations focusing on the **next generation have integrated an inclusive Pan-African approach to development.** This indicates that traditional boundaries that previously defined country-specific investments and portfolio-specific approaches (e.g. education or health) are no longer relevant.



> GENERATIONS X AND Z USE TECHNOLOGY SO EFFICIENTLY THAT GIVING IS PART OF THEIR DAILY LIFE.

LEADERS OF THE PACK

- **Brightest Young Minds** brings together the brightest talent on the African continent who have demonstrated their commitment to positive social change through their actions.
- **African Leadership Academy** educates and equips the next generation of African leaders to be socially conscious and responsible citizens. Their students all get international scholarships to universities like Harvard, Stanford and MIT, and then they come back to the continent to contribute meaningfully to Africa's future sustainability.
- **Junior Achievement** is dedicated to educating students about workplace readiness, entrepreneurship and financial literacy through experiential, hands-on programmes by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust and how to apply entrepreneurial thinking in the workplace.

THE YEAR OF SOCIAL JUSTICE

Political instability, a lack of government support, the effects of climate change, the reality of a declining economy, increased unemployment, corporate scandals and the devastating impact of widespread corruption had a direct impact on investment and development strategies.

Corporate investors cannot always be seen to act against government, yet they can support social or civil justice organisations that represent civil society to defend the vulnerable, voiceless and masses. They are the watchdogs that see to it that government upholds the constitution. **The importance of social justice organisations to hold the private as well as public sector to account was never more important than in 2017.**

The near collapse of the South African Social Security Agency (SASSA), the prevention of the nuclear deal, delaying the prosecution of Sanral's toll road court cases and the Life Esidimeni tragedy indicate the value and importance of civil society justice organisations. Greater social consciousness and developing a narrative that emphasises justice and equality, funding to strengthen democracy, the promotion of safety and social cohesion, funding a free press, advancing rural democracy and gender equality ensured that funders could no longer ignore the plight of the future sustainability of these defenders of justice.

It is also for this reason that we have included private foundations and trusts as prominent contributors in our trend report. We have previously encouraged corporate funders to become more involved in the sector, and this year we included the impact and evidence of the great work done by brave funders in this category of development.

LEADERS OF THE PACK

We salute the collective impact of several investors and funders, for example the Raith Foundation, the Helen Suzman Foundation, the Dullah Omar Institute for Constitutional Law and the DG Murray Trust. They funded the critically important work of organisations like Section 27, OUTA, the Coalition Against Nuclear Energy (CANE), Earthlife Africa, Lawyers for Human Rights, the Institute of Development Studies (IDS), the Social Justice Initiative and the Social Justice Coalition (SJC).

THE YEAR OF THE APP

For the first time, social investors started recognising the power of technology to solve complex and persistent social issues. Information and communication technology has affected every aspect of life. Its impact on the development sector is also accelerating. This is evident from funders and investors utilising technology to obtain data – particularly affecting monitoring and evaluation practice – as well as to verify impact, as in the case of blockchain technology which can confirm impact on individuals and programme outcomes.

Funders want to fund the development of technology, such as mobile applications, to speed up the process of social development. This includes funding numerous competitions to find technology that will address persistent problems, funding startups to develop technology and running incubation hubs and accelerators that create technology solutions.

New technology will also make it easier to address issues such as access to and quality of education, access to healthcare and diagnosis, and access to energy and water. Developments in construction, for instance, will make it easier to focus on issues such as homelessness, while developments in mobile telecoms will make it easier to focus on classroom activities, building the capacity of teachers, nurses and doctors.

Investors are no longer looking to NPOs and NGOs to offer piecemeal solutions that do not recognise the impact of technology to fast-track and scale solutions.

Recognising the power of social media, mobile technology and application development was a natural step and it is yielding high impact and ROI simultaneously. Impact in the form of large-scale, replicable solutions that also provide return in the form of commercial opportunities has become the new standard in development. Agritech, fintech, edutech and healthtech solutions do not only provide increased access to basic services and transactions, but also speed up the development process to ensure faster progress in eliminating poverty and inequality.

LEADERS OF THE PACK

ZOONA

Zoona combines the energy and drive of young entrepreneurs and the power of cutting-edge technology to bring safe and reliable financial services to underserviced communities all over Africa. Support in the form of technology, capital and business support services forms the bedrock of this initiative. Since inception, they have processed more than $2 billion in transactions and have been recognised by international organisations as one of the top ten startups best positioned to take girls out of poverty (The Girl Effect) by helping them become entrepreneurs. More than 2 000 communities have been reached, there are more than 1 000 (sustainable) entrepreneurs and more than 3 000 jobs have been created.

Their products help individuals do money transfers, save money, pay bills and buy basic services such as water, electricity, airtime and TV subscriptions. Zoona also serves as a technology money transfer platform for bulk payments to staff and employees. All these services are provided by local entrepreneurs who earn income from the platform.

THE YEAR OF THE INCUBATOR AND ACCELERATOR

My startup, incubator, accelerator is better than yours! South Africa has a higher number of tech hubs – incubators, accelerators, co-working spaces – than any other country on the continent.

In response to new BBBEE legislation and heeding the call of governments all over the world to use SMEs as drivers of economic growth and job creation, corporate social investors, private foundations and trusts, angel investors, VC investors and impact investors saw enterprise development as a major opportunity for several reasons:

- Corporates cannot provide employment to everyone.
- The economy needs to diversify.
- With the decline of the manufacturing, agricultural, mining and other sectors and the growth of the professional services sector, the technology sector provides an opportunity for skills development, job creation as well as business creation. Even more importantly, it provides an opportunity to export and enter global markets.
- The pace of development needs to speed up to ensure greater economic freedom and independence, as social grants cannot be sustained and technology provides a scalable solution.

The factors above prompted an explosion in the creation of incubators and accelerators, also considering other business benefits, such as building pipelines of future customers and suppliers.

Industry charters promoting local content and beneficiation also contributed to the trend, for instance the Downstream Aluminium Centre for Technology (DACT) and the Mpumalanga Stainless Initiative. Other prominent incubators like Raizcorp and Black Umbrellas, the Microsoft Startup Grind, the Innovation Hub, the Impact Hub and Rise (among many others) saw lively attention and action, and received a lot of funding in 2017.

This is where social and impact investors showed massive collaboration and integration, with governmental and institutional support. This powerful combination of funding and investment themes/ focus areas had such a major impact on the social development landscape that it will never be the same. In search of innovation, this trend also integrates with others, such as technology and application development, and the growth of social entrepreneurship.

This trend has intended as well as unintended consequences for the development sector, such as the demise of the NGO/NPO sector (explored in the next section).

LEADERS OF THE PACK

There are too many to mention, but it is notable that technology companies, financial services companies and impact investors are focusing extensively on this new investment portfolio. Some social investors have even closed down some portfolios or reduced most of their social investment budgets and redirected it to enterprise development.

One company has made a very successful transition into this space. Edge Growth, that started out delivering enterprise development solutions to the social investment sector, has morphed from programme management to fund management and their services now include enterprise and SME development, supplier development and procurement development. Moving from ESD (enterprise supplier development) to fund management, they are now targeting the impact investment sector, aiming to raise R450 million for 10 to 15 investment opportunities, creating 5 000 jobs and impacting 400 000 lives. This gives an indication of the growth and impact as well as the scale and size of the new investment deal sizes. It also shows how the sector can successfully transition across investment sectors, restructure products and services, diversify and become more sustainable.

Not all social services organisations can become edgy, innovative startups, for-profit companies or even social enterprises. The time has come for social sector role-players to realise that while they remain focused on their mission, they will have to consider

- collaborating with for-profit companies
- continuously creating new products and services
- not asking fundraisers to find them money, but most probably needing organisations to help them raise completely different types of capital
- deliberately spinning off a number of projects with a bit of own funding every year to seed their ecosystem with new ideas and approaches to development.

“THIS IS WHERE SOCIAL AND IMPACT INVESTORS SHOWED MASSIVE COLLABORATION AND INTEGRATION, WITH GOVERNMENTAL AND INSTITUTIONAL SUPPORT. THIS POWERFUL COMBINATION OF FUNDING AND INVESTMENT THEMES/ FOCUS AREAS HAD SUCH A MAJOR IMPACT ON THE SOCIAL DEVELOPMENT LANDSCAPE THAT IT WILL NEVER BE THE SAME.”

> THE NOTION THAT DEVELOPMENT SUPPORT SHOULD BE PROVIDED FOR FREE DOES NOT APPLY ANYMORE – THIS IS ANOTHER BIG TREND THAT WILL CHANGE THE DEVELOPMENT LANDSCAPE PERMANENTLY.

A YEAR OF FOR-PROFIT DEVELOPMENT

The struggle for financial sustainability facing African community service organisations (NGOs, NPOs and CBOs) results from factors such as

- uncertain or declining external or international development aid
- global recessions and changing global priorities
- declining corporate social investment budgets due to declining profits and uncertain political policy
- governments' inability to effectively spend their own resources and facilitate social change through intermediary organisations as a result of corruption and dwindling tax support.

This supports the notion that it is **imperative for civil society organisations that work to enable and support development to become sustainable. This has unfortunately not been the case for a long time.**

While civil society has implored social investors, grantmakers and philanthropists to change investment decisions and practices, the reality is that these investors are finding their own and new ways to bring about impact and change. Ineffective development theories, low-impact and ill-designed development programmes without scientific evidence of success, insufficient research and development, underresourced and undercapacitated organisations that deliver little to no measurable value have contributed to the rise of social enterprises and social entrepreneurs.

Relegating community service organisations (CSOs) to being intermediaries and service providers to implement development programmes has resulted in programme management organisations as opposed to valuable change agents.

Social enterprise has shown the capability to solve social issues (poverty) with economic solutions (job creation and employment) and simultaneously solve environmental issues. The growth of new concepts such as inclusive development, and in particular the circular economy, has proved that an integrated development approach (economic, social and environmental development) can lead to sustainable development. The powerful combination of profitable business models, guaranteed impact and ROI has provided new opportunities to investors who are looking for large-scale change.

New concepts such as "**pay for services**" are now entering the lexicon of development and it is important to note this. **The notion that development support should be provided for free does not apply anymore – this is another big trend that will change the development landscape permanently.**

LEADERS OF THE PACK

It is easy to find brilliant examples of these new social enterprises that deliver value for money, high impact and ROI. The list is endless, showing that social innovation and social entrepreneurship across Africa are alive and thriving. The mantra "For Africa by Africa" or #FABA is sweeping the continent and the impact of these ventures inspires and provides insights around future development practice. More than 80% of these social enterprises are owned by women and 70% by youth. **The era of for-profit development has arrived.**

- **Thato Kgatlhanye (23)**, founder of Rethaka Trading and Rethaka Repurpose Schoolbags, is giving students from off-grid households the tools to study after dark. Rethaka Repurpose Schoolbags is an initiative that produces schoolbags made from plastic bags. The finished product is fitted with a solar panel that charges during the day and transforms into a light at night.
- **Wandisile Nqeketho (26), Siyabulela Daweti (27)** and **Faith Leburu (28)** are the founders of 18 Gangster Museum. The initiative educates the community about the dangers of gangsterism and provides opportunities for former offenders. The three also co-own Ilima Green Solutions, a company that promotes environmentally sustainable living in Khayelitsha near Cape Town. The enterprise started out by encouraging the community to collect recyclable materials in exchange for food parcels.
- **Greg Maqoma (30)** set up a for-profit company to fund the development of young dancers which is the primary focus of the Vuyani Dance Theatre. He managed to transform this grant-dependent arts organisation into a highly successful dance company that has won numerous international awards.
- **Lufefe Nomjana,** aka Spinach King, started out by selling 40 bunches of spinach and delivering spinach to local communities on his bicycle. He now has an empire worth R50 million, including franchises, restaurants and health products, and is exporting his products globally.
- **Lynn Worsley** is the founder of All Women Recycling, an inspiring women-led social enterprise in South Africa that turns discarded plastic cooldrink bottles into upcycled, decorative giftboxes and employs hundreds of women.
- **Essma Ben Hamida** is the founder of Enda Inter-Arabe of Tunisia, a microfinance institution in Tunisia. With 1 300 people working out of 79 branches, Enda serves 270 000 micro-entrepreneurs (70% are women and 35% youth, and 40% live in rural areas) with a $150 million loan portfolio and a repayment rate above 99%.
- **Shona McDonald** is the founder of Shonaquip, a social enterprise that develops mobility devices to improve physical access and quality of life for people living with disabilities in underresourced and rural regions in Africa. The company designs, manufactures and supplies posture support wheelchairs, mobility equipment and other positioning devices.
- There are **many more exciting developments** and shining examples – have a look at Sweep South, Quali Health, Khayelitsha Cookies, Afroes Transformational Games, Youth for Technology Foundation, Tiwale, Machakos Orthopaedics, AkiraChix, Anza, Women's Health Association of Ethiopia, Sema, Afrocentric Bamboo, among others.

THE YEAR THAT AFRICA CAME INTO ITS OWN

From Nigeria to Rwanda, from Kenya to Ghana, from Zambia to Mozambique – 2017 was the year that social and impact investment, philanthropy and grantmaking became institutionalised. Indigenous funding and development models got the recognition they deserved.

Social media allowed Africans and African development organisations to share their impact stories globally. Because of this, development models imported and imposed from both the East and the West were tested and found lacking in cultural, gender and human rights biases. Africans are demanding local content, local resources and implementation.

While international development and financial institutions are welcome to contribute to future sustainable development in Africa, international organisations got the message that development strategies and policies cannot be dictated by international agendas or organisations. No longer can development in Africa be directed from Europe, China or the US. Africa needs all the help it can get, but indigenous knowledge and local networks were recognised for being innovative, resilient and world-class.

Evidence in this regard is Oxfam moving its head office to Kenya, the UN getting involved in assisting the development sector to develop country knowledge and information platforms in Ghana and Kenya, and the IFC and World Bank appointing locals to oversee in-country development and implementation.

Even country-specific legislative and policy development moved faster in 2017. The Ghana Impact Investing Network was created and a national policy for social entrepreneurship was adopted, indicating yet another trend that collaboration on both an international and national level between all stakeholders is the way to go. Even the Nigerian CSR Principles Framework got going after years of engagement. In Rwanda, the government's Community Development and Social Affairs Department responds to, facilitates, integrates and empowers local community organisations to promote development in an inclusive manner.

Africans are also funding African development. With its $100 million endowment, the Tony Elumelu Foundation aims to identify, train, mentor and fund 10 000 entrepreneurs across Africa over 10 years. This includes 1 000 entrepreneurs annually from all 54 African countries. Africa's female philanthropists are also not far behind. Furthermore, the African Philanthropy Network and the African Evaluation Network indicate that development practice is shared across geographical boundaries.

LEADERS OF THE PACK

NOTEWORTHY INDIVIDUALS:

Côte d'Ivoire - Didier Drogba

Egypt - Sawiris family

Nigeria - Jim Ovia, Tony Elumelu, Aliko Dangote, Arthur Eze, Folorunsho Alakija, Mike Adenuga and Hakeem Belo-Osagie

Senegal - Rapper Akon

Kenya - Manu Chandaria and Naushad Merali

South Africa - Allan Gray, Patrice Motsepe, Nicky Oppenheimer, Raymond Ackerman, Tokyo Sexwale and Cyril Ramaphosa

Sudan - Mo Ibrahim

Uganda - Ashish Thakkar

Zimbabwe - Strive Masiyiwa

FORESIGHT TRENDS

1. STAKEHOLDER ACCOUNTABILITY
2. NEW INVESTMENT THEMES AND PORTFOLIOS
3. WINNERS AND LOSERS
4. A DECLINING SOCIAL SECTOR
5. NO PLACE TO HIDE
6. NEW SKILLS FOR NEW LEADERS
7. A NEW LANGUAGE
8. THE BIG OPPORTUNITY
9. WILDCARDS
10. EMBRACING FAILURE AND CELEBRATING A NEW WORLD

FORESIGHT

As technological, social and economic forces evolve at the global level, philanthropy, social investment and non-profit organisations continue to play an important role in creating sustainable and equitable communities at the local level. Current social development practice is driven by varying needs across populations and geographies, as well as increasingly complex societal problems.

Philanthropy, grantmaking, social and impact investment involve high-profile donors and social causes featured as trending topics on social media feeds. Corporations are partnering with a range of organisations to provide consumers with daily opportunities for social impact. Investors are leveraging their resources to effect large-scale change by creating a better tomorrow for entire populations. Individuals from all walks of life are taking advantage of multiple means of engagement with social service organisations to give back and pay it forward.

Driven by competition for financial resources and an increased need to understand the sector, interest in real-time data continues to grow for practitioners. Such data is often elusive, an outcome of the complexity of constructing effective development models that produce accurate predictions, as well as the fast-paced evolvement of the global economic landscape.

Investors want more control over their giving and they want to understand the impact they are making. They want to be a partner, and the organisations they support must seek to leverage their investments through whatever means necessary. Today's donors, philanthropists and grantmakers demand greater transparency and accountability.

STAKEHOLDER ACCOUNTABILITY

Persistent inequality and exclusion are giving rise to a more vocal civil society. Soaring company profits, large cash deposits, illicit financial outflows, evidence of increased corruption in all sectors and unfair wage distribution have an impact on all stakeholders in the sector. Corporate scandals, misusing taxpayers' money, abusing pension funds, more transparent corporate reporting, more effective due diligence, better performance management systems and more/better/detailed data now dictate the practice of social/impact investments and development.

Activists are starting to campaign for companies to pay out larger shares of their profits and investment holdings – not only to stimulate economic growth, but also to distribute profits more equally. Holding investors to account and expecting more investment in social sectors will give rise to increased social budgets.

Considering the insights gained from impact assessments, social investors will want to apply different investment as well as development models in future to ensure greater (and better distributed) impact. They will expect greater returns on their investments, whether in the form of social capital, co-funding from government, new pay-for-development models as well as keeping intermediaries and social service providers accountable for the resources invested.

Our prediction

Performance contracts are the next step between investors and intermediaries. "**Pay back the money**" will be regarded as a risk management/mitigation strategy to ensure effective delivery, evidence and accountability.

In future, beneficiaries and recipients (of development programmes) will make contributions and **pay for services**. This contribution to development budgets will be considered in funding allocation to ensure responsibility, accountability and ownership by local communities. It will also help to balance the books, referring to the cost of development.

Due diligence practices will change from looking at organisational status (certificates) as a form of credibility to accessing the relevance, effectiveness, efficiency and sustainability of programmes rather than the legal form.

Organisations that cannot show how their programmes will **support the strategic objectives and intent of their funders and provide credible evidence of impact will be disqualified for funding.**

NEW INVESTMENT THEMES AND PORTFOLIOS

Urban development

While rural development has always been a priority in Africa, globalisation and the migration of populations and citizens to cities have become a reality. People go to cities looking for jobs, education and improved quality of life – a decent life. There is no denying that the "urban poor" will in future require extensive support. Governments cannot keep up with infrastructural development and service provision, and a declining economy does not provide enough opportunities for most citizens. Women and young people living in dire circumstances are hit the hardest. It is expected that this new portfolio – urban development – will become more important in future, whether in itself or combined with other portfolios such as affordable housing, addressing homelessness.

"SOCIAL INVESTORS WILL WANT TO APPLY DIFFERENT INVESTMENT AS WELL AS DEVELOPMENT MODELS IN FUTURE TO ENSURE GREATER (AND BETTER DISTRIBUTED) IMPACT."

Collaboration and partnership

Investors will increasingly seek to understand the interconnectedness and dependencies between social issues, therefore a systems approach to development is required. For example, global warming impacts the economy, society as well as the environment. There is a growing understanding among investors that a focus on particular issues may carry the risk of missing the bigger picture, and an increasing need to pull different strands of work together. For some investors, this means a bigger focus on collaboration, between investors in the same field as well as between those in different fields. We expect to see more collaborations in the coming year, particularly more "unlikely" collaborations among donors and between donors and organisations in different sectors. SDG 17 encourages partnerships, making it a target for many investors. The mix of local and international funders for specific in-country development is also evident. A partnership/collaboration/flagship portfolio for national development is a reality. The Kenya Sustainable Development Knowledge Platform connects 70 foundations and explores four development themes or pathways:

- a system-designed multi-stakeholder process to accelerate early childhood development (ECD)
- supporting caregivers in receiving and understanding the latest ECD science, identifying and unblocking information blockages in the system
- designing and testing innovative and scalable models
- designing and testing demand-driven business models

Sustainable food and agriculture

This new and broad portfolio includes nutrition, agri-processing, access to food and so much more – the importance of future resource management (water and energy) is also receiving much attention. While the agricultural sector is embracing agritech, it still considers and provides numerous opportunities for low-skilled communities, as well as opportunities to balance rural and urban development. Investments in food can help in other ways too, including food security, poverty alleviation, climate resilience and community health. Impact investors are focusing extensively on this sector because of the enormous ROI potential. It is predicted that this sector holds an opportunity of $2,3 trillion to create 80 million jobs, of which 90% will be in developing countries. This investment portfolio is not for the fainthearted, but provides extensive opportunities for partnerships between the private sector, government and civil society.

Youth development portfolios

Almost 40% of all investment portfolios are now structured as YDPs. These are the fastest-growing portfolios and we estimate that over the next two years they will outstrip education investment portfolios. More than 600 million of the 1,2 billion people in Africa are aged between 15 and 24, and millions of these young people wish to join the labour market every year. It is believed that this figure will double over the next two decades. And it is no secret that many of these young people lack the appropriate skills to be successful as individuals, support the growth of their respective economies and play a competitive role in a globalised world. As such, this portfolio is mushrooming, with skills and enterprise development as two specialised focus areas.

WINNERS AND LOSERS

Education

As funders become more aware of the plight of students – not just to obtain access to quality primary and secondary education, but also tertiary education – they will have to make difficult moral decisions. Their choices are to gift universities, provide for basic living expenses of students or provide all-inclusive bursaries. Universities may find themselves in even deeper water, as their traditional donors may want to support students directly instead of funding subject and social research, university outreach programmes and university chairs.

The same is happening in schools – education may become even more influenced by politics. Whereas donors traditionally invested heavily in education with low impact/results, they have to deal with the side-effects of a failing educational system in trying to employ unprepared, unskilled and uneducated youth. In trying to recruit and build a future talent pipeline, this may mean that less focus will go to early childhood development and primary education because of the enormous dropout rate between primary and secondary education. As it is, most funding is directed at Grades 10 to 12 and specific subjects to identify possible future employees. Therefore, while there may still be a focus on STEM subjects (science, technology, engineering and mathematics), even these budgets will become less.

In South Africa, the Department of Education seems to be losing the battle against political parties. It is barraged by trade unions, it is not building new schools and it seems toothless to change educators' behaviour and motivation. As a result, educational funding may be the largest loser when funders choose to focus on new higher-impact portfolios rather than get involved in the schooling system.

Health

As with the education portfolio, funding for the health portfolio will decline drastically. The most prominent and remaining funders are pharmaceutical companies. Healthcare insurance companies are more focused on boosting specific aspects concerning preventable diseases and primary healthcare to ensure that people stay healthy and lower their internal expenses and cost structures.

Changes are imminent:

1	**Social investors are becoming more focused on fewer issue areas,** which tends to be a precondition for driving scalable impact, as any investor knows.
2	**Social investors have become keen to measure their impact,** as another prerequisite for success.
3	Investors are now **embracing social investment models that generate both financial return and social impact.** In other words, the influence of impact investing on social investors is evident, as private sector investors naturally think in terms of addressing issues with market-based solutions.
4	With investors now thinking about **technology and its important and growing role in social investment, big data is not far behind.** There are a growing number of initiatives in all development sectors that stimulate the belief that big data is going to change and drive future social development. Big data does not only provide multiple views of impact, but also deepens insight into why programmes work (or fail), for whom they work (or don't), the way in which change happens and how to scale and replicate successful interventions.

Social service organisations and investment portfolios that do not understand the changing development landscape are the biggest losers in the development sector.

A DECLINING SOCIAL SECTOR

The biggest impact of technology, new development and finance models as well as new investment and development themes will be on organisations in the social sector itself. **In search of greater impact and ROI, social and impact investors, grantmakers and donors are looking for organisations that can guarantee efficient and speedy implementation and results.** They no longer have the patience to make funding decisions based on the legal structure of organisations or outdated, inefficient development programmes.

As such, for-profit organisations, companies, social entrepreneurs and social enterprises deliver value for money as well as greater innovation, efficiency, relevance and sustainability. This combination is hard to beat, which means there is no reason to favour NGOs or NPOs over other types of organisational structures.

While this blanket statement does not cover the entire spectrum of investment, there will always be room for donations/grants and assisting the poor. However, it does mean that while charitable giving will remain part of the investment mix, its total allocation of the funding budget will be so negligible that the social sector will not be able to compete and survive with the little money it is given.

Speaking about competition, pitching for funding is increasing. This means community/social organisations have to

- be aware of competitions for funding
- be pitch-ready with programmes and proposals underpinned by defined and scientific theories of change
- be able to scale and provide evidence of research and engagement
- be sufficiently prepared and capacitated to pitch and enter competitions with innovative approaches
- be ready to implement, should they win such competitions.

While a lot of effort may be required by social service organisations, and a lot of hope may be placed in these events, they are mostly only accessible by invitation, which excludes a vast number of organisations that operate below the radar or are not skilled and equipped to take part.

Overall, the social sector is fighting for survival. Only the most relevant, advanced, innovative, capacitated and skilled will survive. The value of the sector is highly debated and only time will tell if it can provide relevance and value for money, but more importantly, show evidence of impact and return on investment.

NO PLACE TO HIDE

The national lottery and scandals surrounding payouts to intermediary organisations, global companies accused of unfair or unethical business practices such as McKinsey, SAP, KPMG and Steinhoff have shown that no one is too big to fail. The NGOs involved in the Life Esidemeni case have indicated that there is no place to hide.

Organisational status can no longer be the most important differentiator for funding civil society service organisations. Future organisational structures need to facilitate sustainable socio-economic change and must look different, and we have to redefine what sustainable development really is.

Governance, compliance and public reporting now require organisations to be accountable and transparent. This will require:

- Providing evidence of research and engagement to ensure that impact drives theories of change to guarantee impact.
- Publishing impact results, for instance publicly sharing evaluation and impact reports with and between co-funders and development agencies.
- Publishing evaluation and impact reports and reporting extensively on social investment and development strategies, budgets and impacts in sustainability and integrated reports.
- Providing verification (assurance) over impact data – blockchain technology already makes this possible.

NEW SKILLS FOR NEW LEADERS

As grantmaking, philanthropy and social development increasingly focus on transforming entire systems, rather than tackling a single issue through a single project, and fund more diverse portfolios, the type of person suited to playing a development role is quite different from what we are used to.

Today, practitioners must become systems or subject experts that have social development as well as business development skills. They must be able to develop business cases as well as development programmes. Skills in data management and information analysis, competent research abilities and a leniency towards entrepreneurship are becoming more critical in the sector.

Investors can therefore no longer recruit from the social sector, neither can they simply appoint internal resources to social development positions. **An understanding of development economics, the ability to solve complex problems and a skill set that includes risk management and financial modelling are required.**

Globally, the Chan Zuckerberg Initiative (CZI) created a completely different development model that is reaping measurable benefits. It is worth noting that their 200+ staff complement includes software engineers, data scientists, artificial intelligence creators, machine-based learning and information systems, natural language processing, and so forth.

> THE WAY WE DEFINE DEVELOPMENT WILL IMPACT THE WAY WE EVALUATE DEVELOPMENT.

A NEW LANGUAGE

Social media is abuzz with **honest and open discussions about the effectiveness of current monitoring and evaluation practices.** This discussion is long overdue, based on the way the development sector has fundamentally and structurally changed over the last decade.

Finally, there is recognition that **development is a complex and adaptive system** that demands evaluation criteria that will consider the entire ecosystem of impact. This is partly driven by new organisational, societal and global norms and mandates.

The new SDGs will require all stakeholders in the development sector to consider new themes such as human rights, equity, equality, inclusivity and empowerment. In support of the SDGs – and ensuring that no one is left behind – **development programmes will have to increase in scope and size** to ensure adequate coverage. Communities are no longer just beneficiaries or recipients of programmes and funds, but need to become part of the investment or development as well as the measurement ecosystems. Until now, the impact of programmes on these stakeholders has been measured purely by the "effectiveness" of the solution.

Investors are demanding much more from performance management and measurement practices, and by association from investment portfolios and individual programmes and interventions. These demands include the expectation that interventions and solutions will

- be cost-effective
- provide value for money
- provide a return on investment
- be scalable, efficient and sustainable.

These expectations go hand in hand with other realities. For example, investors and their social partners have until now looked at individual organisational and intervention/programme-specific effectiveness, rather than total development effectiveness. It is no longer good enough to evaluate programmes in isolation, with vague references to global (SDG) or national (NDP) frameworks and mandates, intervention objectives and societal impact. Unrealistic expectations and assumptions with meaningless theories of change have proved that development based on uncoordinated interventions that do not build on synergies or enable system coherence are simply unsustainable.

A **new vocabulary** of words such as interconnectedness, interdependence, non-linearity, path dependence and co-evaluation better describe the complex systems that stakeholders in the social development sector have to deal with.

This means that traditional ways of monitoring and evaluation are vastly inadequate when assessing the impact of development interventions. Coupled with undercapacitated and underresourced social service organisations, and a demand that outstrips supply in the form of qualified and skilled evaluators, this discipline is **ready for disruption.**

The SDG era demands the integration of economic, social, cultural, environmental and political aspects in evaluation practice. Integrated investment strategies call for **integrated evaluation practice.** The way we define development will impact the way we evaluate development. Evaluation criteria need to keep pace with complex, connected and disparate systems.

Next Generation's Investment Impact Index™ already explores the significance of programmes and moves beyond relevance and effectiveness as evaluation criteria. We consider aspects such as

- the scope – breadth, depth and coverage – of an intervention
- the extent to which it addresses a specific social issue (impact and sustainability)
- who was affected – and in what way – by the change brought about by the intervention (stakeholder input)
- the coherence of an intervention (synergy, integration and coordination)
- impact dimensions – positive and negative, intended and unintended, short-term to long-term, and whether the impact was social, economic or environmental.

THE BIG OPPORTUNITY

Out with the old and in with the new – from big, traditional NGOs (such as Red Cross, Child Welfare and Doctors Without Borders) to fast, nimble and flexible organisations (like GoFundMe).

Technology (whether fintech, mobile tech or applications) is sexy, it is mobile, it is useful, it can make money, and it can empower and ensure inclusivity.

We have already indicated major new trends in investment and development and we have indicated that the sector is ready for disruption – we need it.

Here is the proof:

CHECK:
THE UBER OF GIVING

the online platforms that bring together investors, intermediaries and beneficiaries.

GETTING THERE:
THE AIRB&B OF GIVING

the rise of donor-advised funds and intermediary organisations, the growth of community foundations, the proliferation of information in the public domain, the drive for greater transparency and the sharing of impact data allow investors to compare and check the quality, service and price of development outcomes.

ALMOST THERE:
THE OPENSOURCE MODEL OF DEVELOPMENT

ensures co-development and funding, and there are no more secrets around whether it is a success or failure; due diligence and reporting practices are shared; impact and return are now public in company, investor and social service organisation reports.

WE ARE WORKING ON IT:
THE TRIPADVISOR OF GIVING

comparing and rating organisations that are focused on impact and return.

> TECHNOLOGY (WHETHER FINTECH, MOBILE TECH OR APPLICATIONS) IS SEXY, IT IS MOBILE, IT IS USEFUL, IT CAN MAKE MONEY, AND IT CAN EMPOWER AND ENSURE INCLUSIVITY.

WILDCARDS

In future, social and impact investors, philanthropists and grantmakers may very well be described as high-tech social influencers. We are already seeing:

CHATBOTS FOR GOOD

using artificial intelligence and allowing immediate response, feedback and communication.

ROBOTIC NON-PROFITS

utilising algorithms and making trending causes more important and attractive than basic (and boring) social issues.

ALGORITHMIC PHILANTHROPY

using social media channels and influencing the next big thing and where the next focus in grantmaking will be, for example #feesmustfall.

CRYPTOCURRENCIES

new types of financial resources will have a serious impact on the flow of money in social investment and development practice.

EMBRACING FAILURE AND CELEBRATING A NEW WORLD

Practitioners cannot just talk about failure – it has to be embraced.

Most stakeholders in the investment and development sectors ongoingly express a desire to be more innovative, welcome failure and learn by sharing it with others. However, the reality is that few role-players are willing to share and collaborate.

Being open and admitting that your approach, programme or theory of change is flawed is the first step to improving it. Embracing a culture of learning is necessary to grow the sector and to become more effective.

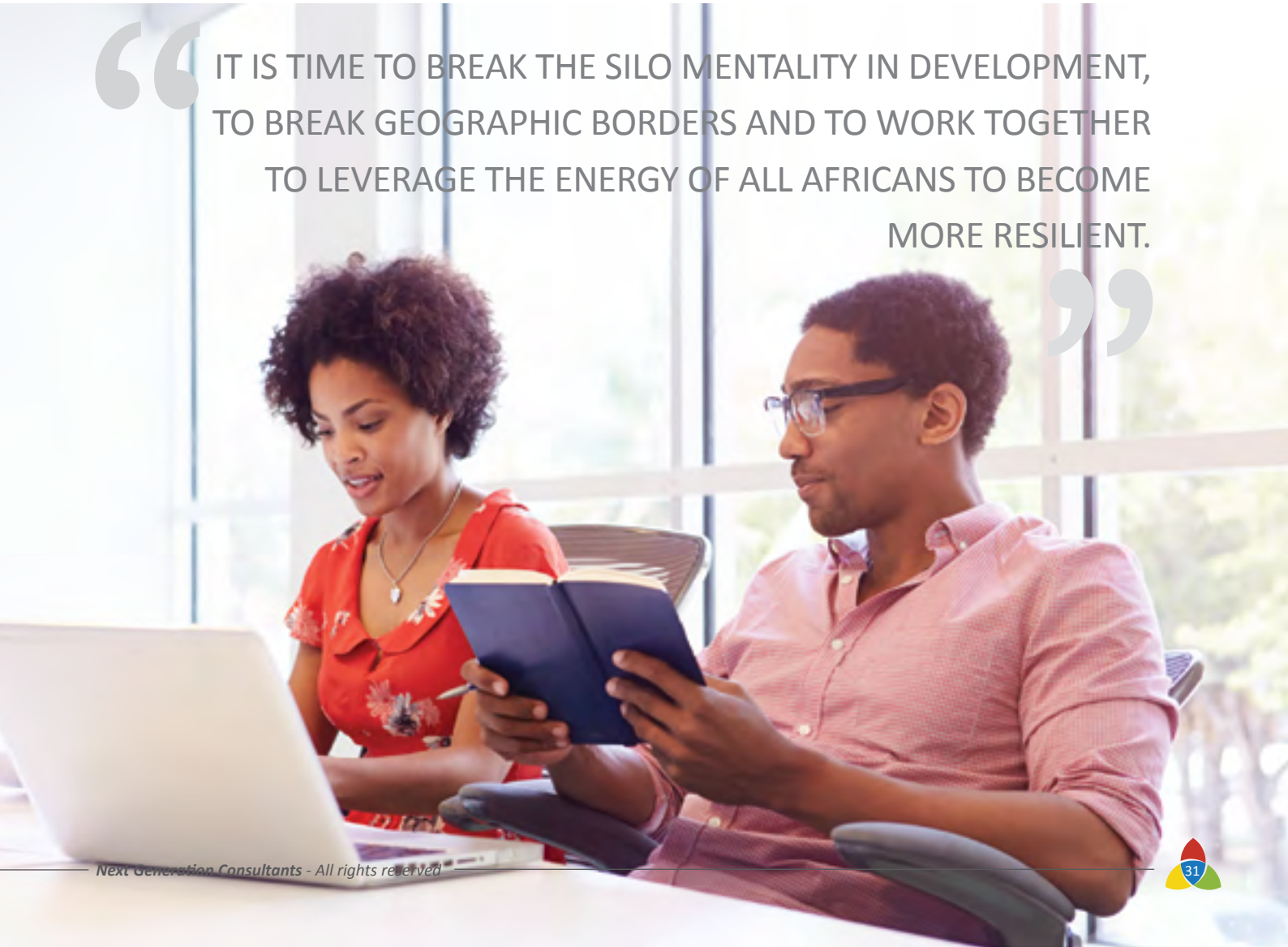
Efforts from major role-players such as Tshikululu, Trialogue and Nation Builder to contribute to the sector's body of knowledge have to be recognised. Unfortunately, most discussions only include and focus on investors and do not allow or make an effort to include the academic, public and social sectors.

In this context, it is important to remember the unique contribution of each actor in the sector. While it is true (and evident from the research that informed this report) that the boundaries between the charitable sector and the private and public sectors have become increasingly blurred by the rise of social enterprises on the one hand and contracted-out public services on the other, the feedback loop for the state and the market does not exist for charities/social service organisations. The state's priorities are set, at least in theory, by voter preferences, while consumers can vote with their feet when their demands are not met. However, for charities, the "buyer" or funder of services is often not the beneficiary.

A charity responds to what funders want, but generally delivers its services to a third party or beneficiary. In short, **the sector lacks a feedback loop as a mechanism for accountability to beneficiaries.** Meanwhile, citizens increasingly expect to be able to have a say in matters that affect them. A model that relies on someone else, whether funder or charity, to decide what they receive without involving them could prove less effective in an age of changing expectations and increasing personalisation in all sectors.

With less funds – but potentially more convening power – at a more local level, there is an opportunity as well as a necessity for different organisations to work together to find solutions. Charities, local businesses, different parts of the public sector and the communities in which they operate all have resources and assets that can be pooled to tackle intransigent social problems. This requires genuine collaboration, with everyone prepared to relinquish some power to work towards a common goal.

The "golden age of capacity-building" (teaching people to fish) is a thing of the past. And this is a very good thing. One can have only so many capacity-building and training and skills development workshops. There is clearly little evidence of impact in all sectors. It is time for a country like South Africa to turn to its northern African cousins and learn from collective action. Kenya, Nigeria, Ghana, Zambia and Rwanda are shining examples of the power of collaboration for the greater good. It is time to break the silo mentality in development, to break geographic borders and to work together to leverage the energy of all Africans to become more resilient. **If nothing else, innovation and impact will shape the continent's future. Made in Africa for Africa – Africa's time has come.**



INSIGHT GAINED

INSIGHT

Moving from hindsight and foresight, we are now looking at insight, particularly because of the value-adding knowledge and understanding gained from conducting impact assessments and from the work we have done to move investment and development practice forward. The power of impact assessment is exactly that – to know what is working (or not), in what way, for whom and to which extent.

THE CURRENT STATE OF IMPACT MEASUREMENT AND MANAGEMENT PRACTICE

Inspired to solve global challenges through investments, social and impact investors yield capital as a force for transformative change. The commitment to understanding and improving impact is core to their work.

Our clients are showing increased sophistication in how they use the data they generate from impact assessments to manage their impact performance. They apply the insights they obtain to inform their business decisions and investment approaches in a way that can create tangible business benefits, such as understanding customers better, streamlining operational practices, developing new products and services or improving interactions with important stakeholders in the communities in which they invest.

It is no longer about doing good – in an interconnected and interdependent world, shared value (created or diminished) must be one of the outcomes measured in all development practices.

The outcome of our 2017 impact measurement and management practices indicated and confirmed several trends as highlighted in this report:

Social and impact investors favour **decent work and economic growth** as areas where they want to make real, meaningful impact because it directly affects their bottom line, sustainability and profitability.

The impact of **climate change** is significant, and this led to an increase in investment for development portfolios such as the environment – encompassing affordable and clean energy, renewable energy, water and sanitation, as well as agri-processing, including increasing food security, food access and agriculture, nutrition, health and quality of life.

Addressing **exclusion and inequality** is of global and critical importance, whether through education, skills development, access to decent work, work readiness, job creation, employment and enterprise development as well as entrepreneurship support, particularly through youth development.

What a difference a year can make

In 2017, Next Generation assisted clients with several impact measurement and management services:

1	We moved from just measuring social impact to measuring total impact. This is a major breakthrough on so many levels. Social impact is just one of the outcomes and in 2017 we proved that social and impact investment delivers value and impact across the triple bottom line, including economic, social and environmental capital.
2	For the first time, we assisted impact investors to develop specific impact theses and themes.
3	We continued to assist numerous social investors to develop specific theories of change and logic models to ensure greater impact and ROI.
4	We built the capacity of investment and development practitioners through five master classes.
5	We developed three performance management systems.
6	We measured the breadth of impact of more than 200 programmes across 12 investment portfolios in nine provinces.
7	We measured the depth and significance of impact and benchmarked impact and ROI across investment strategies, operations and brands in four countries.
8	We measured whether impact was additional and attributable.
9	We measured the longevity and sustainability of impact and ROI over three-year and five-year cycles.
10	Our impact assessment methodology is now adopted and integrated in investment strategy development, due diligence, screening and verification processes, as well as monitoring and evaluation processes. It informs investment decisions and portfolio allocations, capacity development and assistance/support decisions, theories of change and logic models, as well as exit decisions and timing.
11	Based on our experience, knowledge and insights from impact assessment, we published three books – *The Grantmaking Guide*, the *Monitoring and Evaluation Guide* and the *Investment Impact Index™* – to assist with capacity development in the sector and ultimately ensure greater impact and return on investment.

> IT IS NO LONGER ABOUT DOING GOOD – IN AN INTERCONNECTED AND INTERDEPENDENT WORLD, SHARED VALUE MUST BE ONE OF THE OUTCOMES MEASURED IN ALL INVESTMENT PRACTICES.

ZOOMING IN ON NUMBERS

- 5 MASTER CLASSES
- 3 PERFORMANCE MANAGEMENT SYSTEMS
- 200 PROGRAMMES ACROSS 12 INVESTMENT PORTFOLIOS IN 9 PROVINCES
- IMPACT MEASUREMENT AND BENCHMARKING IN 4 COUNTRIES
- PUBLISHED 3 BOOKS FOR THE INVESTMENT AND DEVELOPMENT SECTOR

OUTCOMES OF IMPACT ASSESSMENTS CONDUCTED

THE WEAKEST PORTFOLIOS CURRENTLY (NOTWITHSTANDING POPULARITY)

Skills development

The sad reality is that this portfolio is not delivering. An objective of providing or developing general skills to empower people is not strategic enough, as the impact is negligible. Skills need to be developed according to the demands of specific industry sectors, and people need to be prepared for the fourth industrial revolution. If there is no match between market demand and labour supply, all skills development is in vain.

The theories of change in this portfolio are hopelessly inadequate, unrealistic and invalid. Not only are most programmes unaccredited, but dropout rates are far too high and throughput rates far too low, making this portfolio excessively expensive.

If skills development programmes do not include workplace and job readiness aspects, and if recruitment and placement practices do not support these factors, the programmes are unsustainable. In more than 80% of all interventions, skills development does not lead to self-employment, or employment in general. Neither does it contribute to job creation.

If skills development does not prepare people for a competitive global economy and marketplace nor a knowledge or digital economy, or the future of work, it is simply unsustainable, inefficient, ineffective and irrelevant.

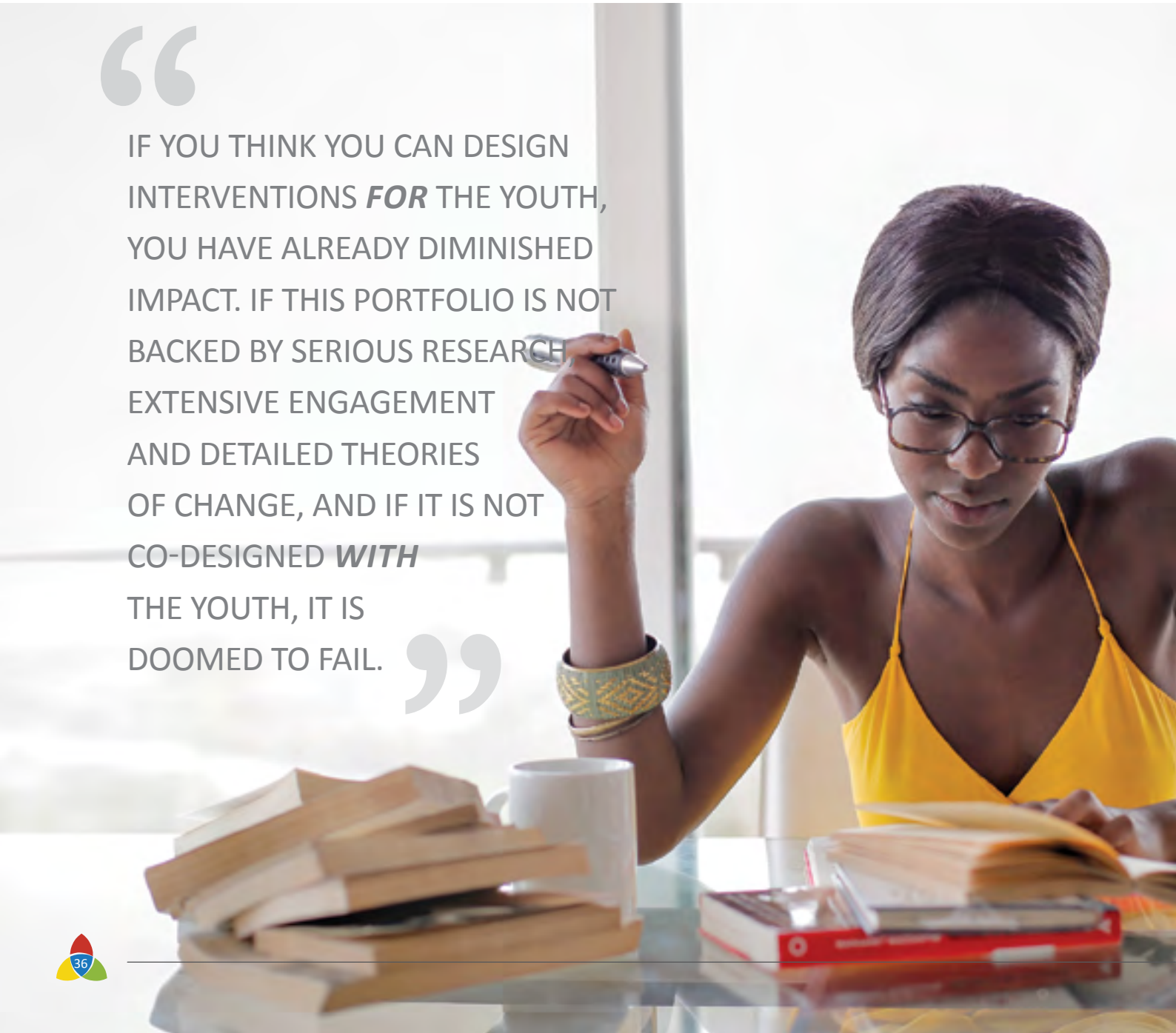
Job creation vs employment

In most instances, job creation unfortunately remains a fallacy. Investors are now realising the time, effort and cost to create jobs are long-term solutions that cannot be tackled by a single investor.

The biggest issue is proving that a new job was created (meaning that it did not pre-exist) instead of simply providing employment. In most instances, the only impact is employment or placement (temporary or permanent).

We have unfortunately created a revolving door. People are mobile and by nature move from one job to another, or there is natural attrition through death, retirement or promotion. So very few new jobs are actually created.

In most cases, where jobs were created, they were short-term, as no longitudinal studies are conducted to prove job creation. This means there is no proof of people still being in those newly created jobs after 12 months. It can be argued that **in most cases employment is provided or people are placed (employed), but there is little evidence of new jobs having been created.**



"IF YOU THINK YOU CAN DESIGN INTERVENTIONS ***FOR*** THE YOUTH, YOU HAVE ALREADY DIMINISHED IMPACT. IF THIS PORTFOLIO IS NOT BACKED BY SERIOUS RESEARCH, EXTENSIVE ENGAGEMENT AND DETAILED THEORIES OF CHANGE, AND IF IT IS NOT CO-DESIGNED ***WITH*** THE YOUTH, IT IS DOOMED TO FAIL."

Enterprise development

Most funders underestimate or are ignorant about the total input/support required to make this portfolio work. It is probably the most complex portfolio, because research shows that a combination of support services is required for sustainability and few organisations can do this effectively.

The NGO sector is the one sector that should not be involved in this portfolio, quite simply because of a lack of knowledge, capacity, competitiveness and business acumen. It is also the most expensive portfolio, because **the right theories of change will point out how complex, integrated and collaborative interventions should be.** Deep business, sector, market and other types of specialist knowledge are required.

It needs various forms of capital, a wide range of support services, access to markets and a minimum of three years' support. The biggest inhibitor of success already starts in the recruitment phase (entrepreneurship development), followed by the startup phase (enterprise development). The failure rate is incredibly high and generally happens between six and nine months after interventions stop receiving funding. It is a high-risk portfolio that requires deep pockets and at the moment the probability of high-impact and return is less than 50%.

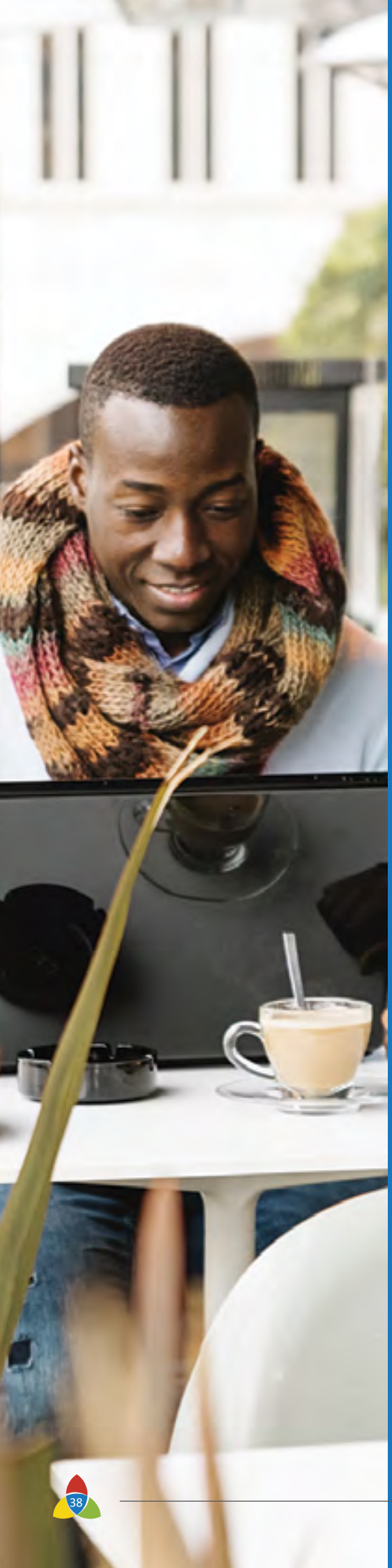
Youth development

This is the new favourite investment portfolio. In general, the three portfolios above are also aimed at youth, but with various levels of success, which indirectly impacts on the success of this portfolio. If you think you can design interventions ***for*** the youth, you have already diminished impact. If this portfolio is not backed by serious research, extensive engagement and detailed theories of change, and if it is not co-designed ***with*** the youth, it is doomed to fail. In general, strategic objectives and envisaged outcomes are vague, making this portfolio in most cases overrated concerning impact claims.

It also seems that youth development is the one portfolio where almost all possible indicators are thrown together to measure impact. Even SDG indicators are considered just for good measure. Youth development should not be seen as the panacea for all societal ills. Yes, it is the most important portfolio, as it addresses one of Africa's biggest issues, but it also requires a clear pathway for development. There are far too many disparate programmes and youth literally go from one intervention to the next. **Funders fall over each other to fund flagship-type youth development programmes, but there is neither follow-through nor reporting on the evidence of impact.**

The cost and time to develop organisations such as Harambee are clear indications of how much design, sector and government support, engagement and business modelling, research and finance are required to ensure success.

The portfolio with the highest probability of success is undermined with good intentions, but bad programme design and execution, and little impact. This portfolio needs clear goals, outputs, outcomes and impact to deliver a semblance of ROI. The pure magnitude (size, scale and number of programme interventions) of this portfolio also carries the risk of little impact, as outcomes are widely distributed but shallow. Most impact is unintended and indirect.



Empowerment

While there is a large focus on and interest in this portfolio, there is hardly any evidence of impact. In most instances, this portfolio focuses on women and youth empowerment. However, **to define an outcome such as empowerment is incredibly difficult.** This is because indicators to measure aspects such as inclusion, opportunity and equality are difficult to define and prove. **In most cases, empowerment is not defined but implied, for instance economic empowerment.**

Already in the theory of change, too many assumptions are made about possible outcomes. Broad descriptions, assumptions or theories – for example that skills development will lead to job creation or employment, which will provide an income, which means people will be empowered – are unscientific, unfounded and incorrect. It is even more important to understand that empowerment is only an outcome, not an impact.

The time of capacity development, training and skills development to empower is finally over. The big lesson is that what a programme does (e.g. provide training), what it achieves (e.g. knowledge transferred and obtained) and what it aims to accomplish (e.g. provide access to opportunities) do not mean that logic, development or impact follows in the same way.

Starting a business or finding and keeping a decent job that will provide financial security to reduce dependency on social grants may reduce poverty, but there is still a long way to go – many resources and numerous other interventions are required to ensure empowerment. In complex portfolios like this, small, isolated programmes that happen piecemeal and address the needs of one, five, fifty or five hundred individuals without considering the larger ecosystem in which it operates are doomed to yield low-impact in perpetuity.

> "AN OBJECTIVE OF PROVIDING OR DEVELOPING GENERAL SKILLS TO EMPOWER PEOPLE IS NOT STRATEGIC ENOUGH. IF THERE IS NO MATCH BETWEEN MARKET DEMAND AND LABOUR SUPPLY, ALL SKILLS DEVELOPMENT IS IN VAIN."

THE STRONGEST PORTFOLIO CURRENTLY (DELIVERING THE HIGHEST IMPACT)

Environmental development

Winner takes all. Based on evidence of countless impact assessments, there is **one portfolio that delivers impact, return, sustainability, improved quality of life, economic freedom and independence, inclusive and equitable development – the list just continues.** Whether it is called environmental development, conservation, rehabilitation, combatting or mitigating the impacts of climate change, rural development or renewable energy or responsible resource management, stainable agriculture, sustainable livelihoods, food or nutrition is irrelevant. Impact investors have a point to make, impact to be proved and returns to be guaranteed to investors with this portfolio.

The environmental portfolio, which integrates with other new development practices, philosophies and buzzwords such as the **circular economy,** is proving to be the one with the most impact and return. The wide range of impact dimensions (direct and indirect, positive and negative, combined and integrated, social, economic and environmental, short-term, medium-term and long-term, etc.) as well as the wide variety of indicators to measure such impact have amazed the corporate, financial and development sectors. For the first time, **the synergy between the financial and development sectors is clear** and a lot of this has to do with the commercial applications that come from environmental development approaches.

WHAT DO THESE PORTFOLIOS HAVE TO DO WITH IMPACT ASSESSMENT?

Everything – in the past 12 months, impact investors have developed their own impact assessment methodologies, collaborated and shared impact measurement experiences, raced to develop own impact management practices, agreed on impact and return indicators, and published impact reports as evidence of impact and return. Impact investors have moved impact management much faster than social investors over the past ten years.

It is amazing to see how much money impact investors are prepared to invest in all kinds of resources to prove impact and ROI, and with so much focus and commitment the practice of impact assessment moved forward at great speed.

The conclusion is that the importance of combined economic, environmental and social development and the ability to measure the **total** impact of the resources invested in development programmes is the biggest impact.

WHAT DO INVESTORS WANT?

Our work in 2017 indicated that investors

- aim to create many different types of impact
- actively seek to understand and manage their impact as well as increase their impact and return on investment
- prioritise implementing impact management and performance measurement practices over any other (strategic, operational or programmatic) practices

IMPACT MANAGEMENT AND MEASUREMENT PROCESSES

Social and impact investors can target a broad range of economic, social and environmental challenges. They recognise that each investment creates multifaceted impact. The opportunity lies in understanding the extent of the impact – the issue that is addressed, the stakeholders that are affected and the value of the change that is facilitated.

Impact management is the process by which investors can understand the effects of their investments on the economy, society and the environment and set goals to adapt processes and improve outcomes.

Impact measurement allows investors to feed the knowledge gained from impact assessment to drive more effective data-driven decision-making.

Other reasons for implementing impact measurement and management processes include:

- Understanding and validating impact and ROI to all stakeholders.
- Reporting and communicating impact and ROI to stakeholders.
- Managing and improving impact continuously.
- Supporting and fulfilling governance and compliance requirements.

CHALLENGES REMAIN

Even though there has been tremendous progress regarding impact measurement and management, some serious challenges remain. These include:

1. Integrating specific outcome and impact targets, such as the SDGs or the NDP in evaluations and performance targets.
2. Targeting the right beneficiaries and designing the right interventions to address specific societal challenges.
3. Having the right data for decision-making, learning and reporting to various stakeholder groups.
4. Transparency on impact performance, including targets and results.
5. The capacity, resources and skills to measure impact are lacking, including the ability to measure the **breadth** (the reach of impact across stakeholder groups and complex development systems), **additionality** (the positive impact that would not have happened without the investment) and the **depth** (the significance of the impact for the intended stakeholders or ecosystems).
6. The recognition that there are various tools, indicator sets and standards – there is no one-size-fits-all approach to impact assessment. The best opportunity lies in selecting a specific methodology to apply across investment classes and portfolios to ensure comparability, therefore any impact measurement and management approach should be customised.
7. Internal challenges that investors face when implementing impact measurement practices include collecting quality data, as well as aggregating, analysing and interpreting data across investment portfolios. Selecting appropriate impact metrics, identifying appropriate impact targets and objectives, as well as understanding and/or defining impact strategies, theories of change and impact theses.

THE VALUE OF IMPACT MEASUREMENT AND MANAGEMENT

Notwithstanding these challenges, several opportunities become evident through impact measurement and management practices in 2017:

- Transparency in impact data and results supports, advances and informs future impact measurement and management practice.
- Developing impact benchmarks and integrating impact data into, sustainability strategies, investment and development strategies and integrated reports add value.
- Improved certification, verification and standardisation in impact measurement and management practice will have a real impact on the future of social and impact investment practice.

Our clients celebrate the value of ongoing impact measurement and management. Reported benefits include:

- Increased resources and budgets as a result of verifying impact and ROI.
- Increased performance, learning and decision-making from understanding the total impact (positive and negative, direct and indirect) as well as assessing ESG risks and opportunities.
- Increased stakeholder relations as a result of communicating and sharing impact results.
- Better governance over strategies, operations and programmes, leading to increased efficiency and best practice.

THE SECRETS TO HIGH IMPACT AND RETURN

Impact investors are leading the way in funding, measurement and development practice. This is because of their defined processes from due diligence and funding to fund management and impact assessment. Additional success factors include:

- **The strict, integrated due diligence process,** research, deal making, deal structuring, deal leveraging and the extensive risk assessment processes that ensure that high-impact programmes are structured and selected based on their impact and return guarantees.
- **The attractiveness of commercial opportunities** (revenue and income generation).
- **The promise and guarantee of ROI** – people and companies, enterprises, financiers and developers have a lot at stake, least of which is their reputation. When the stakes are this high, more attention gets paid to detail such as programme effectiveness, efficiency, relevance, coherence, materiality, sustainability, impact and return.
- **Evidence of impact requires time.** The variety of financial structuring and commitment over time – a minimum of five to seven years' investment is the average, not the exception. The philosophy of patient capital is lived through every commitment. The combination of economic, social, socio-economic and environmental development is powerful. So is the combination of seed funding, private or equity finance, grants or donations, and of course combining extensive financial and development expertise is proving to be extremely effective.

WHAT HAVE WE LEARNED IN 2017? INVESTORS ARE MISSING THE OBVIOUS

Next Generation uses 75 benchmarks across three dimensions that we have proved have a direct impact on impact assessment: strategy, operations and programme management.

HOW STRATEGY IMPACTS IMPACT – WHAT IS REQUIRED FOR HIGH IMPACT AND RETURN?

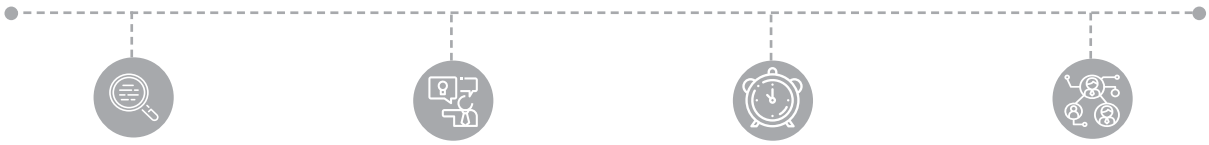
- Clearly defined strategic objectives and investment intent – defined impact goals and indicators to measure the effectiveness, relevance, efficiency, impact and sustainability for the funder.
- Clearly documented governance, compliance guidelines for oversight of the strategy, operations and programmes, not just the organisations that are funded.
- Integrated performance measurement and management processes that follow the value chain from programme identification or design, programme implementation and management to evaluation and reporting.

HOW OPERATIONS IMPACT IMPACT

- A combination of organisational due diligence (e.g. NGOs, NPOs, PBOs and FBOs in the social sector) and programme due diligence to ensure impact.
- Adequate skills, competencies, expertise and knowledge of development practice and subject expertise of governance, compliance, regulatory, policy, global development standards, guidelines and reporting frameworks.
- Transparency, accountability, responsibility and engagement with the people whose lives we aim to impact.

HOW PROGRAMME MANAGEMENT IMPACTS IMPACT

- A deep understanding that the whole philosophy of "buying" programmes to effect change is inefficient, irrelevant, unsustainable and immaterial. While social service providers may have the best intentions, years of cash-strapping have resulted in underresourced, underperforming, underskilled, outdated, irrelevant and badly designed programmes with below-average impact.
- Outsourced programme implementation practices require much more than monthly monitoring and quarterly or half-yearly reports. Frugality and plain shortsightedness about what it takes and how much it costs to implement and manage programmes have halved the potential impact in 70% of all programmes.
- In 90% of all impact assessments, programme design has the biggest impact on impact assessments and programme impact. Whether programmes are bought, co-designed or custom-made is influenced by what you know. Low impact can be directly linked to



- the amount of research undertaken
- the extent of stakeholder engagement conducted
- the time allocated to understanding connected or complex systems
- whether existing role-players are engaged and benchmarked

"WHILE SOCIAL SERVICE PROVIDERS MAY HAVE HAD THE BEST INTENTIONS, YEARS OF CASH-STRAPPING HAVE RESULTED IN UNDERRESOURCED, UNDERPERFORMING, UNDERSKILLED, OUTDATED, IRRELEVANT AND BADLY DESIGNED PROGRAMMES WITH BELOW-AVERAGE IMPACT."

OUR FOCUS IN 2018

In 2018, we will continue our focus on developing an impact measurement and management system. This includes:

TOOLS AND RESOURCES

- Developing more tools and resources to support the social and impact investment sector, aiming to contribute meaningfully to capacity development in the sector and in the process increase the impact and ROI of social and impact investments.
- Develop tools to certify impact globally through new technologies, such as blockchain.

GLOBAL STANDARDS

- Continue to align our impact performance management and measurement process to global standards.
- Continue to reach out to global partners in our search for the right tool to measure impact and ROI in the African development and investment context.

IMPACT MEASUREMENT

- Develop an impact measurement and management comparative benchmark for the development as well as social and impact investment sectors.
- Extend our impact measurement and management services to develop impact screening capability and capacity.
- Extend our impact measurement and management services from the social investment sector to the impact investment sector.

IN CONCLUSION

Based on our work and this research study, we argue:

1. **The widespread economic, political and social changes that affect the investment and social sector as well as the people, communities and causes we serve demand a range of different responses.** The changing role and shape of the state, uncertain political agenda and wider changes in attitudes, demographics and the digital revolution are among the trends explored in this report. These are vital platforms for creating a new operating environment in which all stakeholders can continue to deliver and even ramp up impact.

2. **There is an opportunity as well as a necessity to change the way we think about the available resources.** Alongside the traditional investment and development models that see resources flow from investors to social organisations and beneficiaries, we can support and maximise the resources and assets that beneficiaries, communities and other sectors already have.

3. **To make the most of these different resources, we need a fresh approach to relationships and the power dynamics between them.** This requires reimagining relationships with beneficiaries, intermediaries, funders, investors and other role-players across different sectors.

4. **Investors, grantmakers, philanthropists and funders can let these new financial and development models flourish.** Even in fast-changing environments, there are new approaches that can be taken to support new development models that deliver even greater impact, as is evident in this research report.

5. **By working collaboratively, the sector can collectively harness the power of data and digital.** Moving from a capacity-building model to a brokering model of development and measurement, and harnessing the digital technology that enables networks to be built more easily, offer new opportunities to support organisations in delivering impact.

6. **Governance and leadership must be refocused on impact and achieving social objectives and missions.** Responding to a challenging external environment and shifting to new models of development and investment, among other things, call for new attitudes, cultures and skills around the development table.

NEXT GENERATION CONSULTANTS IN A NUTSHELL

Next Generation Consultants is a strategic advisory and consulting company focused on sustainable development through social innovation. We work across industry sectors and have extensive experience in mining, financial services, media, telecommunications, information technology, retail, manufacturing, agri-processing, fast-moving consumer goods and oil and gas.

WHAT ARE WE KNOWN FOR?

1. We are well-known for social innovation, collective impact and shared value strategies, taking a systems thinking approach to tackling complex problems.
2. We have done groundbreaking work in the field of measuring impact and return on investment of development programmes and interventions. The Investment Impact Index™ is widely recognised as pioneering in the development and humanitarian aid sectors in Africa.
3. We are experts at developing high-impact development models that deliver a high return on investment for investors.

HOW WE WORK

We work with investors to create meaningful and lasting change and to develop a vision for how to contribute to transformative impact.

RESEARCH | ENGAGEMENT | STRATEGY DEVELOPMENT | PERFORMANCE MEASUREMENT | CAPACITY DEVELOPMENT

We gather appropriate data, generate strategic insights and make recommendations based on a holistic understanding of how social change occurs. We explore issues, looking deeply at context, connections and patterns and incorporate multiple perspectives in our work. We develop comprehensive strategies to create change, we conduct impact assessments to improve decision-making and learning so that programmes adapt to changing conditions. We design performance measurement systems to manage complexity and develop new frameworks to accelerate social change. We ensure transfer of skills through the process.

INNOVATIVE STRATEGIES WITH MEASURABLE IMPACT

At Next Generation Consultants, our core focus is social innovation. Our goal is to address economic, social and environmental challenges for our client organisations, while ensuring measurable impact and return on investment.

01 RESEARCH AND DEVELOPMENT SERVICES

Industry research
Analysing research outcomes, helping clients understand, anticipate and respond to fast-changing contexts.

Reviews, comparative research and benchmarking of industries and companies
Ensuring the competitiveness of our clients.

Baseline studies, due diligence, socio-economic and perception surveys, social impact, opportunity and management assessments
Assessing and researching extensive ranges of socio-economic data; integrating global and national development priorities into the research; assisting with development and performance management processes and systems.

02 ADVISORY AND CONSULTING SERVICES

Social innovation strategies
Assisting clients with innovative and sustainable business models.

Social investment strategies
Ensuring high impact and return on investment development models.

Impact investment strategies
Measuring the impact and return on investment of impact investments.

Circular economy strategies
Empowering communities, enhancing sustainable livelihoods and developing beneficiation models.

Shared value strategies
Presenting innovative and inclusive business models that deliver equal value to business and society.

Social capital strategies
Creating and enhancing social capital in the contexts where our clients operate.

Human rights management strategies
Assessing country and sector risks, benchmarking human rights practices, testing perceptions, reviewing and conducting due diligence of existing processes and systems, determining risks and impacts of products, services and relationships.

Stakeholder management strategies
Working across the entire stakeholder management process, from stakeholder identification and engagement to analysis and reporting.

03 IMPACT AND RETURN ON INVESTMENT ASSESSMENT

The Investment Impact Index™ determines and analyses impact across the development value chain, indicating the value created and change facilitated through investment and development.

04 CAPACITY DEVELOPMENT

Continuous professional development, master classes and tailored inhouse training
Our accredited courses are recognised for continuous professional development (CPD).

NEXT GENERATION
expertise · impact · return

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