

## ICA & IBAN

# Introduction to impact investment

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## 3 key questions

1. What is IMPACT investing?
2. What makes it different from conventional investing?
3. Is this a possible source of capital for my business?



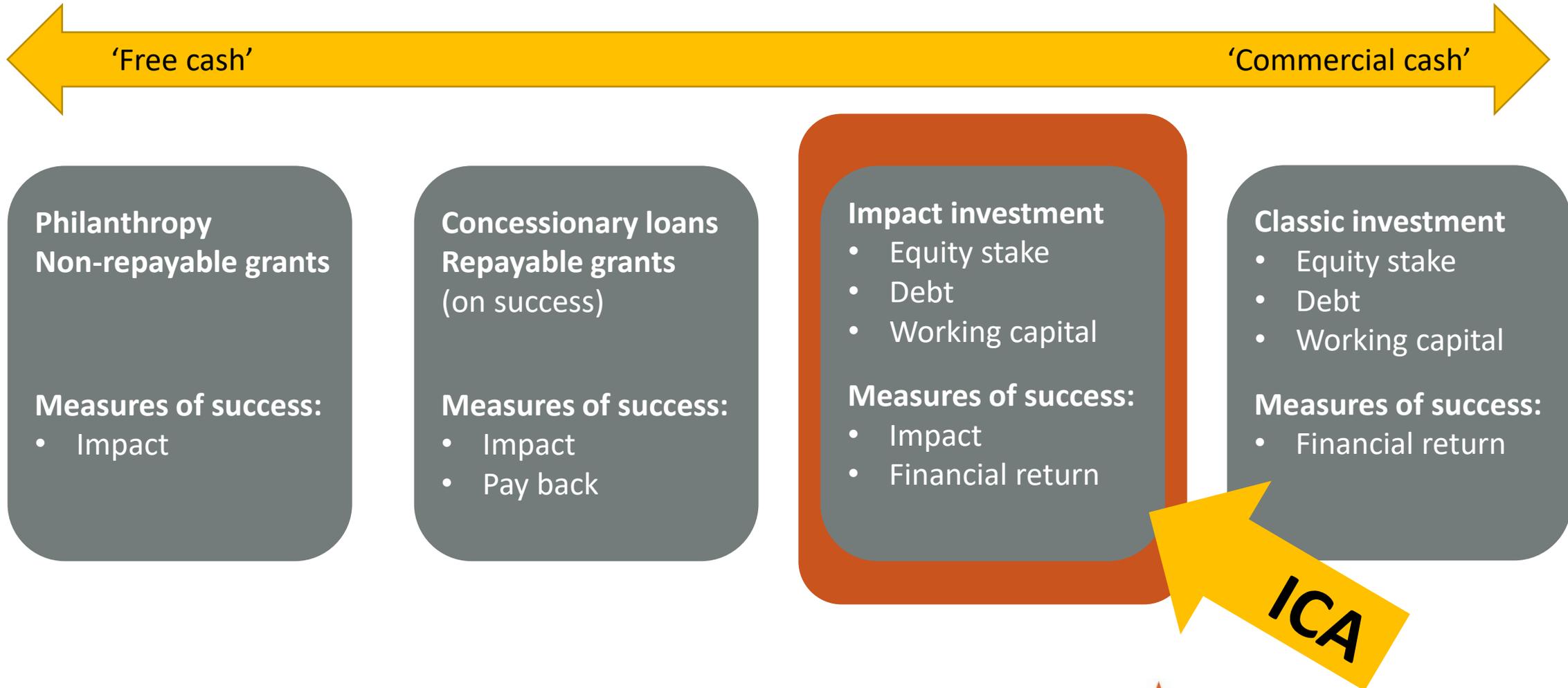
# What is impact investing?

- Impact investing is:
  - an exciting and rapidly growing industry
  - powered by investors who are determined to generate social and environmental impact as well as financial returns.
  - taking place all over the world, and across all asset classes.
- Impact investment allows conscientious investors and businesses to:

**Move away from  
philanthropic  
endeavours**

to identifying opportunities that  
have **defined, measurable social /  
environmental impact**

# What is impact investing?



# What is impact?

## Impact ISN'T



- Charitable health or education initiatives
- Supporting local sports teams
- Sponsoring local groups
- Local conservation initiatives

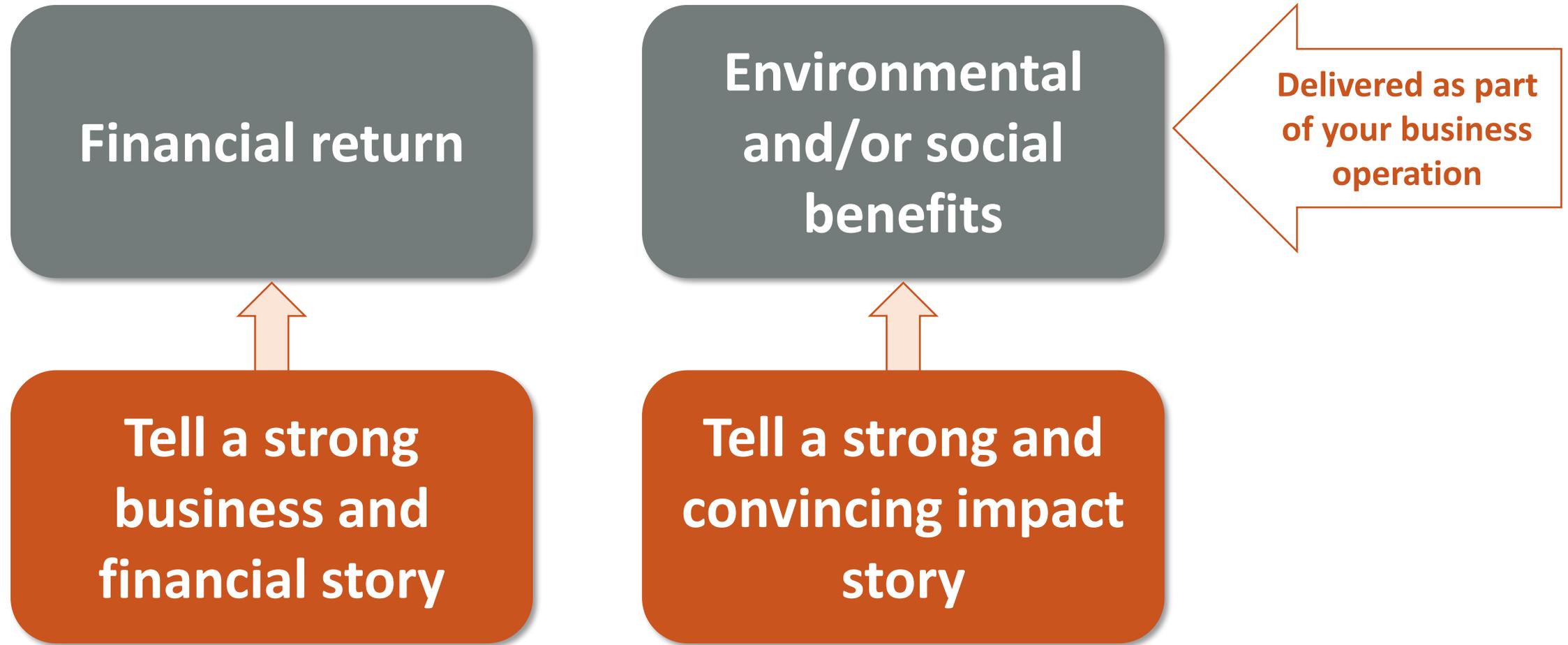
These are not an integral part of  
business operation

## Impact IS



- Benefits to people or the environment that are directly linked to your **core business operations**
- Contributes to the commercial value of your business

# Impact investors: what they want from you



# The hallmarks of impact investing



# Do I have an impact business?

- Check out the Sustainable Development Goals
  - A global blueprint for impact since 2015
  - 17 individual goals
  - Most impact investors follow them
- Do you contribute to any of them?

SDGs: a universal call to action to **end poverty, protect the planet and ensure that all people enjoy peace and prosperity** by 2030



# Do I have an impact business?

- Good news!  
MOST businesses in Zambia already deliver some degree of impact
- Some of the SDGs most relevant to Zambian businesses...



# Making your proposition attractive to impact investors

If you are approaching an impact investor, you need to:

- Build impact into your pitch as an integral part – not just an add-on
- Reference your impact to SDGs – very sensible approach
- Remember that you will need to be able to measure and report on impact if you are successful, so be specific and focused

**We can look at how to tell your impact story as part of support in this programme**

**There are some useful notes on SDGs on the Resource Hub, and we'll talk more about them and impact metrics next week**

# What does this mean for businesses seeking finance?

## Few companies will self-identify as impact businesses

- To attract an impact investor a business needs to demonstrate:
  - Ability to generate a financial return on capital
  - Ability to produce returns aligned with investor expectation
    - Can range from below market rate to a risk-adjusted market rate
  - A positive, demonstrable social or environmental impact
  - An impact story, approach and measurement methodology
  - Ability to define, measure, and report social and environmental performance and progress