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CONCEPT NOTE

THINK TANKS AND IMPACT INVESTING: IS THERE AN OPPORTUNITY?

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EXECUTIVE SUMMARY

Impact investments, as defined by the Global Impact Investing Network (the GIIN) 'are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return'.[3] Impact investments should meet the following core characteristics:[4]

- Intentionality: to generate a positive social and/or environmental impact through the investment.
- Financial returns: to generate a financial return.
- Impact measurement: measure and report the actual social and environmental impact of the investments.

Since their launch in 2015, more and more investors have recognised the Sustainable Development Goals (SDGs) as the dominant framework around investing with impact (IFC 2020).[5]

The impact investing sector is a young industry and, as such, it still faces many challenges. Many commendable efforts have been made so the industry grows with integrity, and steps up to the challenge of contributing to the delivery of the SDGs by 2030 and helping address climate change. The current COVID-19 and racial discrimination crises have only deepened and confirmed the urgency to act as well as the importance of the private sector to addressing the crises. It has also

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[3] See: https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing

[4] See: https://thegiin.org/assets/Core%20Characteristics_webfile.pdf

[5] See: www.ifc.org/wps/wcm/connect/8b8a0e92-6a8d-4df5-9db4-c888888b464e/2020-Growing+Impact_FIN_Web.pdf?MOD=AJPERES&CVID=navn4gw

become clear that the magnitude of our challenges cannot be solved by a single actor and collaboration is needed more than ever. In such a spirit of collaboration, we propose that think tanks are perfectly placed to help nurture this young industry and help it learn in a more systematic, rapid and sustainable manner.

The think tank label includes a broad range of organisations with the shared purpose of informing policymaking and debates on issues of public interest, with arguments based on research-based evidence. Think tanks have traditionally focused on informing public and private decision-makers on issues of public interest to improve decision-making and ultimately benefit societies; yet they remain largely absent from the impact investing ecosystem.

In delivering their missions, think tanks fulfil several functions that may be helpful in addressing the challenges facing the impact investment industry. The table below provides a very high-level illustration of how think tanks are able to meet some of the challenges, and their root causes, that are discussed in more detail throughout this paper.

Challenge facing impact investing	How can think tanks contribute?
Stakeholders are often confused about which standard/convention/principles to use, and whether to use more than one together, and how. In the absence of impact benchmark, other challenges include determining what is "good enough" and assessing investor contribution. While some standards/tools have greatly contributed to answering these needs (e.g., IRIS+ brings together several other standards and conventions such as the SDGs, and the 5 dimensions and enables clear and comparable data), the practice of assessing and verifying impact practice and performance is still not widely implemented.	Think tanks' extensive experience in monitoring and evaluation in relation to impact makes them well placed to help design, deliver and manage IMM systems across the industry through data collection, analysis and advice to ensure the robustness of the model. As independent actors, think tanks can play the role of trusted broker in the impact investment ecosystem; for instance, an independent arbiter to verify adherence to the Operating Principles for Impact Management (OPIM), undertaking ex-ante, mid-term or final evaluations, and/or identifying lessons learned for future investments.
Meaningful learning and evaluation activities are limited and scarce.	Think tanks can conduct ex-post evaluations with a focus on accountability and learning for future impact investments. These evaluations can provide investors and foundations with a clear assessment of the results achieved by their portfolios and individual investments.
There is limited evidence that investments can generate both financial returns and positive social and/or environmental impact.	Think tanks can identify, gather and systematically review individual cases to generate evidence of this dual impact, where it exists.
The voices of beneficiaries are not yet being systematically heard or included.	Think tanks can raise the voice of population groups or sectors whose needs and interests are not often heard. Local think tanks are perfectly positioned to present the needs and interests of the blob:file:///03c7e969-0f11-4a35-b6ee-7d33e1278659 intended beneficiaries of impact investments. Specially, think tanks know the national realities where investments are made and have experience collecting data and engaging with beneficiaries and stakeholders at the national and local levels.

Perverse incentives hamper the industry's ability to grow with integrity.	Think tanks can act as arbiters between the multiple and conflicting incentives that exist in any policy. Similarly, they can help reduce knowledge and information asymmetries between the parties in the impact investment ecosystem and reduce perverse incentives.
Investors' expectations sometimes lead to conflicts and challenges.	Think tanks can help legitimise decisions by providing evidence and credibility. This can help identify and manage the most appropriate expectations for all parties: investors, fund managers, businesses, and other stakeholders.
This is a new industry, which is still learning but mostly through self-reflection.	Think tanks are particularly well placed to identify and draw evidence-based lessons of relevance to the industry, and also to draw lessons learned and 'dos and don'ts' from their extensive experience in international development and traditional aid effectiveness
As a new industry, it faces weak or inadequate policy frameworks.	Think tanks are well placed to develop and advocate for evidence-based recommendations intended to help strengthen the policy frameworks that govern the industry at the local level.

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INTRODUCTION

The impact investing industry is relatively young and growing. According to the Global Impact Investment Network (the GIIN) the total value of the impact investing industry's assets under management is estimated at USD 715 billion as of the end of 2019. The market is expected to continue growing as global attitudes about the role capital should play in our society are shifting (GIIN 2019) and the need for private capital to help bridge the financing gap to deliver on the UN Sustainable Development Goals (SDGs) is tangible. Indeed, the financing gap to achieve the SDGs in developing countries is estimated to be USD 2.5–3 trillion per year.[6]

As the impact investing industry continues to grow, one key variable for its long-term success and sustainability is that it does so with integrity[7] or fidelity,[8] i.e. 'ensuring good intentions translate into real impact results' (GIIN 2019). However, evidence that investments can generate both financial returns *and* positive social and/or environmental impact remains scarce. Indeed, defining, measuring, managing and reporting on impact performance continues to be a challenge for the industry despite progress and continuous efforts.

As the window of opportunity for action closes in terms of the climate agenda and achieving the SDGs, there is a sense of urgency for the industry to deliver on its own *impact promise*. Crucially, 'current impact investors are also shaping the way that a much broader set of investors will account for their impact for years into the future'.[9] Furthermore, in the context of the COVID-19 crisis, impact investors are adapting to find innovative ways to respond. This has presented many challenges and concerns about 'SDG washing'[10] and even "COVID washing". Indeed, if investors are to adjust their focus to respond to a crisis with inherently higher risk, they will need to make sure this is justified in terms of expected and actual impact. This can only be demonstrated through robust impact measurement and management (IMM) systems and practices.

This context presents a unique opportunity for action and collaboration across sectors and, in particular, for policy research organisations, or think tanks. To date,

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[6] www.un.org/sustainabledevelopment/sg-finance-strategy/.

[7] It is important to note there is no single definition or understanding of the term 'integrity' (https://acgc.cipe.org/business-of-integrity-blog/impact-investing-and-bribery-risks-and-incentives/) For the purposes of this document, the term is aligned to the GIIN vision.

[8] Trelstad, B. Impact Investing: A Brief History. 2016.

[9] GIIN 2019, *The state of impact measurement and management practice.*

[10] According to the OECD, SDG washing is defined as: 'using a UN logo to signpost sustainability without doing much – the term SDG washing points to businesses that use the Sustainable Development Goals to market their positive contribution to some SDGs while ignoring their negative impact on others.' See: https://oecd-development-matters.org/2017/09/25/ever-heard-of-sdg-washing-the-urgency-of-sdg-due-diligence/.

the impact investment industry has *taught itself* and learned by doing and through peer collaboration regarding measuring impact. Progress has been remarkable, leading to major improvements such as shifting its focus from building buy-in around the importance of measuring impact to integrating IMM frameworks into all investment processes (GIIN 2019) – moving beyond 'metrics and indicators' to actual impact management. The main players and contributors to this progress are the Global Impact Investment Network (GIIN), Impact Management Project (IMP), International Finance Corporation (IFC), Global Reporting Initiative (GRI), Organisation for Economic Co-operation and Development (OECD), the United Nations Global Compact, UNDP, B Lab and the World Benchmarking Alliance, among others.

Collaboration groups and networks have been created and consulting firms have developed advice and consulting on how to build robust IMM frameworks and evaluate impact.[11] Yet, the overall industry is un-regulated and the impact measurement and management practice remains fragmented. The numerous standards for measuring social and environmental impact can be overwhelming, even for industry specialists (McKinsey 2016).[12]

Furthermore, best practices in evaluating actual impact remain absent from the industry or at best unclear, and there is limited evidence of actual impact and return. There is also growing awareness of an insufficient effort to bring 'the voice of the beneficiaries' to a process where impact is mostly defined by investors and entrepreneurs.[13] In many cases, there is also an assumption that investing in the Global South is sufficient to be considered an 'impact investor'. This situation puts the industry's credibility and, most importantly, its unique ability to delivery actual results at risk.

Think tanks have traditionally focused on informing public and private decision-makers on issues of public interest to improve decision-making and ultimately benefit societies; yet they remain largely absent from the impact investing ecosystem. As the industry continues growing and focusing on achieving social and/or environmental impact, should think tanks have a role in impact investing? If so, what would such role(s) look like? Could think tanks leverage their knowledge in monitoring, evaluating and learning to contribute to the industry integrity? Could think tanks with local knowledge bring the 'voice of beneficiaries' and country knowledge into the design and delivery of impact investments? Could

[11] There is growing demand for this type of service, especially after the launching of the IFC principles. www.impactprinciples.org/.

[12] See: www.mckinsey.com/business-functions/sustainability/our-insights/how-impact-investing-can-reach-the-mainstream.

[13] Real Impact, Morgan Simon, 2017.

think tanks fill the function of 'independent verification' included in the IFC principles? In other words, what would think tanks' unique contribution be, if any?

This document provides an overview of the impact investing industry with a focus on impact measurement and management and makes the case for think tanks to consider playing a currently missing role in its ecosystem in order to strengthen it and support its growth. First, we will discuss what impact investment is and its characteristics. Second, we will look at the main players in the ecosystem and their roles. Third, we will analyse the current challenges the industry faces in terms of impact delivery, its root causes and potential consequences. Fourth, we will outline potential roles think tanks could play and opportunities for funders to support them.

Method

This document was developed in three stages. The first involved drafting a concept note based on a review of the most recent literature and interviews with actors in the impact investing field. We shared a summary of the draft concept note through an online article published by OTT[14] to elicit comments from a wide audience. During a second stage, we shared the draft concept note with a group of 20 stakeholders including funders (See annex 2), impact investors and thinktankers. We used the concept note to host a series of three consultations with these stakeholders, where we discussed our analysis, findings and recommendations as well as their own. Finally, we incorporated their recommendations into a final document.

[14] See the article here: https://onthinktanks.org/articles/is-there-a-role-for-think-tanks-in-impact-investing/.

1. WHAT IS IMPACT INVESTMENT?

Impact investment – definition and core characteristics

The term *impact investment* has emerged in the last decade.[15] Impact investments, as defined by the Global Impact Investing Network (the GIIN) 'are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return'.[16] This definition is intentionally broad; yet to be considered so, impact investments should meet the following four core characteristics:[17]

- Intentionality: An impact investor's aim is to generate a positive social and/or environmental impact through the investment (CRIGGER 2019,[18] GIIN).
- Financial returns: Impact investments are expected to generate a financial return. This return can be below, at, or above market rate (risk-adjusted market rate).
- Range of asset classes: Impact investments can be made across asset classes, as shown in the spectrum in Figure 1.
- Impact measurement: Investors are committed to measuring and reporting the actual social and environmental impact of their investments. See figure below.[19]

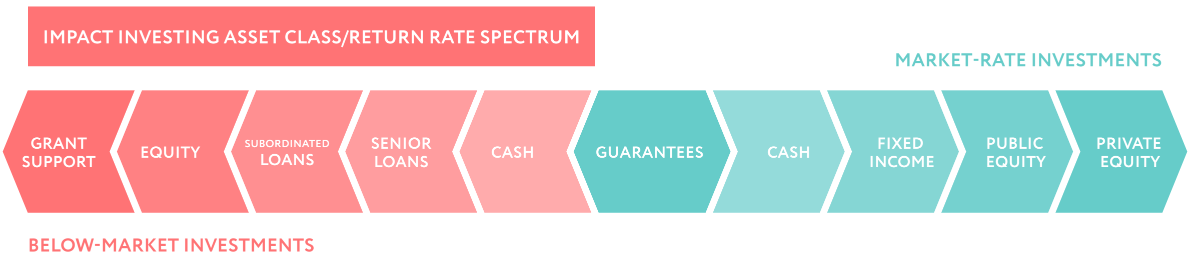


Figure 1. Source GIIN

What an impact investment looks like in practice will ultimately be driven by the investor's strategic goals, in terms of both expected financial and impact targets. In addition to the core characteristics noted above, the GIIN, in collaboration with impact investors, has defined the baseline expectations for the industry as:

[15] IFC, CREATING IMPACT, *The Promise of Impact Investing, 2016.*
[16] See: https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing.
[17] See: https://thegiin.org/assets/Core%20Characteristics_webfile.pdf.
[18] See: www.etf.com/sections/features-and-news/esg-impact-investing-not-same.
[19] https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing

- Intentionally contributing to achieving positive social and/or environmental impact: Explicitly setting financial and impact goals as well as defining an underlying investment thesis which articulates the strategy to achieve such goals.
- Using evidence and impact data during investment design: Use evidence to define the areas of investments (what is the social and/or environmental need), design the investment strategy to achieve impact, define what expected impact is and indicators to measure it as well as using analytics to improve the rigor of impact investing practices.
- Manage impact performance: Seek to identify the risk of not delivering their impact goals, mitigate negative consequences of their investments, and disclose actual impact performance as well as having feedback loops during the investment cycle.[20]
- Contribute to the growth of the industry: Commit to using best practices/ conventions, transparency in terms of the use of impact investing practices, considering the practices of co-investors/ partners and sharing learning, evidence and data.

It is important to note that there is a distinction between environmental, social and governance (ESG) investors, socially responsible investing and impact investors. ESG investors are concerned with environmental, social and governance factors only so far as they might impact on the performance of the company, and therefore the investment. Socially responsible investors actively select investments based on a set of ethical guidelines that may reflect personal or political values and beliefs. Only impact investors seek investments that contribute to a positive impact in the world and commit to measuring and reporting on this impact alongside financial returns.[21] Impact investors argue that they help bridge the finance gap to achieving the SDGs.

[20] In terms of impact measurement and management, the IFC has established a set of principles to be used by investors as a framework for the design and implementation of their impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle. These principles are high level and do not provide specific tools or approaches to measure and manage impact. Available at: www.impactprinciples.org/principles.

[21] See: https://toniic.com/impact-investing/.

Market size

The GIIN estimates the current size of the impact investing market to be USD 715 billion. Across 1200 organisations, asset managers account for about 54% of industry assets under management, and 50 development finance institutions (DFIs) manage about 36% of total industry assets. According to the GIIN (2019), most impact investing organisations are relatively small (managing less than USD 29 million each). There are also large players managing over USD 1 billion each. The industry has been growing over the past few years and it is expected it will continue to do so. The five-year trend from 2013 to 2018 showed a 32% increase in yearly capital invested that brought total impact investing assets under management to USD 502 billion (Hornberger 2019;[22] GIIN 2018). There continues to be growing demand by investors for impact options.[23] Clearly, investors want impact (Medium 2019)[24].

Impact integrity

The GIIN has a vision of a world 'in which social and environmental factors are routinely integrated into investment decisions, as the 'normal' way of doing things'. Impact investors understand that this vision can only happen if there is robust evidence of actual impact. Indeed, measuring and reporting impact has been at the core of the development of the industry as many actors have emerged to ensure the industry continues growing, but does so with 'integrity' or 'fidelity'.

This is also a key concern for many potential investors, in particular foundations, DFIs, and multilateral and bilateral development agencies.

[22] See: www.andeglobal.org/blogpost/920159/337713/It-s-time-to-professionalize-the-impact-in-impact-investing-Here-s-how?tag=Performance+Measurement.

[23] It is worth mentioning that the estimated figures have a few limitations. However, they consistently show a positive trend in terms of growth.

[24] See: https://medium.com/@theSVX/market-trends-looking-ahead-at-impact-investing-in-2020-2f874486126.

2. THE MAIN PLAYERS IN THE ECOSYSTEM AND WHO DOES WHAT

Impact investment has attracted a wide variety of investors,[25] both individual and institutional, many of which are familiar to think tanks and their work. These include:[26]

- **Development finance institutions:** A development finance institution is a multilateral, bilateral or quasi-government institution that invests in the private sector for development purposes (e.g. the European Bank for Reconstruction and Development [EBRD], IFC, the Dutch Entrepreneurial Development Bank [FMO], IDB Invest and CDC Group).
- **Foundations:** Foundations are increasing their impact investing mandate and moving increasingly from pure philanthropy to programme-related investments (PRIs) or mission-related investments (e.g. the MacArthur Foundation, the Rockefeller Foundation).
    - Institutional investors:
    - International banks with a social finance arm or wealth management functions (e.g. KPMG, Deutsche Bank, UBS group, Credit Suisse).
    - Corporations (e.g. Nuveen, Propel Capital, Leapfrog Investments).
    - Pension funds, and insurance companies.
- **Fund managers** (e.g. TPG Rise Fund, IFU – Investment Fund for Developing Countries, Finnfund, Norfund, Bridges Fund Management).
- **Non-profit organisations** (e.g. Calvert Impact Capital)
- **Religious institutions** (e.g. Oblate International Pastoral Investment Trust).
- **Independent investors:** Includes high-net-worth individuals and small family offices that manage investments for wealthy individuals or families.

There is a strong drive to help the industry expand and generate evidence that it can achieve both financial return and impact and different players have emerged to respond to the need of measuring and managing impact at different levels.

Consulting firms and individual consultants are quickly filling the space and competing to both advise investors on the design and implementation of their impact measurement and management frameworks and, most recently, to

[25] International Development Agencies: Aid agencies can be multilateral, bilateral, government, or quasi-government. Aid agencies are most often sources of grant capital but do occasionally provide investment.

[26] See: https://thegiin.org/impact-investing/need-to-know/#who-is-making-impact-investments.

validate investors' implementation of the IFC operating principles. Since these are very high level, it is unclear what constitutes 'acceptable' or 'good enough' in order to verify adherence to the principles. Without transparent, clear, and robust standards this is arguably decided by consulting firms themselves (e.g. Tideline score card/report to verify adherence to IFC principles). This concern about what constitutes 'good enough' and who defines it has been shared among investors, especially since some 'verificators' are going beyond a 'yes/no' exercise to a more complex rating based on their own methodologies – which are, by the nature of the consulting sector, not always possible to verify.

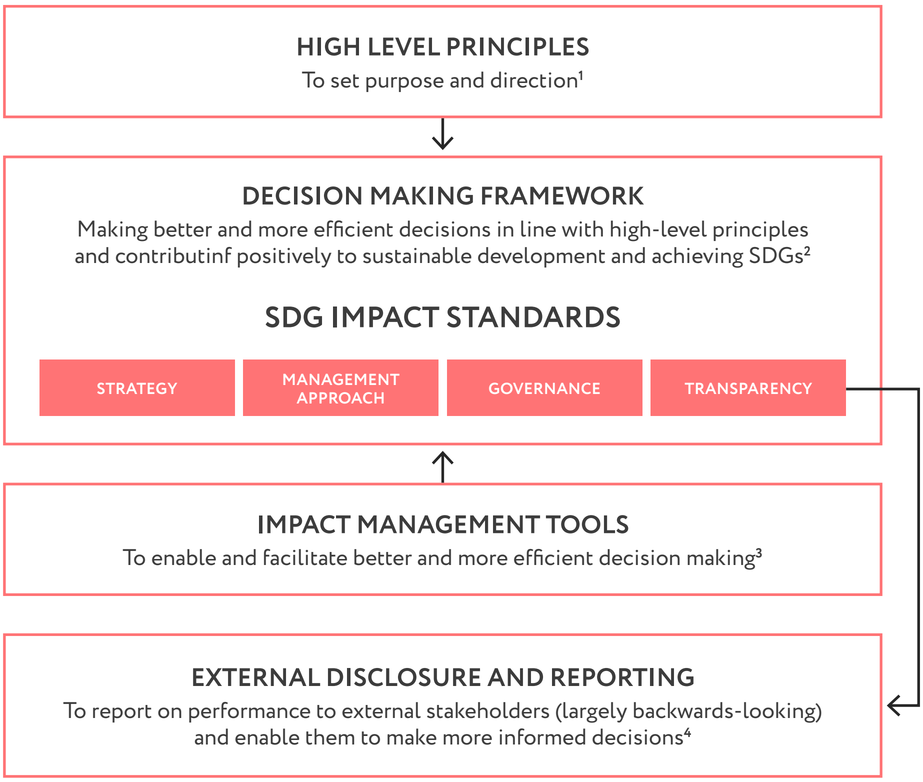
Many initiatives have intended to provide guidance to the industry in standards, principles and impact metrics. In many cases, benchmarking is unclear and there are cases where there seems to be duplication or at least several options to choose from without clear criteria for doing so. For instance, GRI, GIIN/IRIS+ and SASB all provide a set of standard metrics. In addition to the IFC principles and the principle of responsible investment (PRI). The landscape with respect to reporting on impact is crowded. There are high level principles of practice – IFC, PRI, UNEP FI, GIIN's Characteristics; there are many performance standards – IRIS, SASB, GRI.

However, there was a lack of practice standards to help operationalize the high-level principles and direct users to metrics and reporting tools were missing. In response to this challenge, the UN SDG Impact team launched the SDG Impact standards for private equity in 2019. The standards are aligned to the IFC principles and PRI as well as other principles (see Figure 2). The UN SDG Impact standards now include Bonds and Enterprises and provide specific "guidance, tools, and insights to authenticate contribution toward the SDGs". Complementarity is now easier to identify. For instance, IMP, GIIN/IRIS+, and the IFC operating principles and UN SDG Impact Standards are complementary: the latter tells investors what kinds of general 'good' practices and standards they should have in place for the design and implementation of their IMM frameworks to ensure integrity and transparency respectively; the Impact Management Project's (IMP) five dimensions provide guidance on how to define impact;[27] and the GIIN, through IRIS+, is providing a set of standard metrics, by impact themes and aligned to the SDGs, thus encouraging standardisation and comparability. Despite the efforts, the field remains plagued by what seems competing standards and practices. Challenges remain in regards to financial and non-financial materiality discussions when managing ESG risks, enterprise value and value creation as well as the use

[27] The IMP has defined impact as 'a change in positive or negative outcome for people or the planet'. The IMP has built consensus around five dimensions of impact performance: What, Who, How Much, Contribution and Risk. https://impactmanagementproject.com/impact-management/what-is-impact/.

of reporting standards and how they differ from integrate management practices that incorporate sustainability and impact considerations, among others.

Figure 2 illustrates how principles, standards and impact measurement and management tools set up by different players related to each other.



[1] Including IFC's Operating Principles for Impact Management, UNEP FI's Principles for Positive Impact Finance and Responsible Banking Principles, Principles for Responsible Investment, Social Value International's Social Value Principles, and GIIN Core Characteristics of Impact Investors.
[2] Integrating UN Guiding Principles for Business and Human Rights, Ten Principles of UN Global Compact and Impact Management Project shared norms, and contributing positively to sustainable development and achieving the SDGs.
[3] For instance, metrics, taxonomies, valuation models, benchmarking tools e.g. IRIS+, GRI, UNCTAD metrics, Voluntary National Reviews (VNRs) on the implementation of the SDGs, SDG Impact Market Intelligence Investor Maps, Nationally Determined Contributions (NDCs) to the Paris Accord, OECD Guidelines for Multinational Enterprises, Capitals Coalition Natural and Social and Human Capitals Protocols, SVI Standards, Blab SDG Action Manager and UNEP FI Impact Analysis Tools.
[4] For instance, Integrated reporting, SDG Disclosure Recommendations, GRI, SASB.

Source: UNDP, SDG Impact Standards for Private Equity[28]

There are also current efforts to find common approaches to monetise impact, but with limited debate regarding estimation of economic rates of returns (e.g. Yanalytics, IDB Invest). This has not been widely applied, as 'placing a monetised

[28] https://sdgimpact.undp.org/assets/SDG-Impact-Standards-for-Private-Equity-Funds-Version_1_0.pdf

value on externality requires a very high level of evidence, preferably with a clear, proven Theory of Change' (IFC 2016). It also increases monitoring costs and requires significant ex-ante and ex-post competency and technical expertise. These are competencies and technical expertise that think tanks have.

Other initiatives such as the Impact Frontier collaboration, funded by the McArthur Foundation and Omidyar Network, is a community of leading impact investors dedicated to quantitatively and holistically integrating measures of social and environmental impact alongside financial risk and return into their investment practices. The approach was first described by Mike McCreless, then from Root Capital in the Stanford Social Innovation Review article, 'Toward the Efficient Impact Frontier',[29] and provides an integrated, data-driven and scalable way for investors to address questions such as: 'Should I make this investment, given its expected impact, risk, and return?', 'How can I construct a portfolio that offers the greatest possible impact, given my financial goals and constraints and the investment opportunities available to me?' This approach, also applied by IDB Invest, aims at putting impact at the same level of financial returns when assessing and monitoring an investment both at individual and portfolio levels.

It is fair to conclude it is a crowded space, and challenges remain if we are to ensure the industry has and grows with integrity. There is a need for a comprehensive landscape review of principles, methodologies and approaches, standardised metrics and data, and the identification and evaluation of best practices. This would allow investors and businesses to understand 'what is out there', 'who is doing what', 'what works', and 'under what circumstances. The UN SDG Impact provide great clarity on this matter and emphasizes the importance of decision-making with sustainability and impact considerations and goes beyond metrics and corporate reporting.[30] The IMP Structured Network is working to bring clarity and is seeking consensus on how standards and tools related to each other. The result is yet to be seen and challenges still remain in terms of when/why and how to operate and invest considering financial materiality versus non-financial materiality. In other words, are we seeking to run business and investments for enterprise value or value creation? As impact and SDG claims increase it will be imperative for business, investors, and citizens to clearly understand the differences. Specifically, managing environmental risks that are material to the enterprise value (financials) can be very different than managing environmental risks that do not affect the enterprise value but are detriment to the planet. In this sense, it is also important to note that most efforts are focused on the IMM

[29] See: https://ssir.org/articles/entry/toward_the_efficient_impact_frontier.

[30] https://www.ifrs.org/projects/work-plan/sustainability-reporting/comment-letters-projects/consultation-paper-and-comment-letters/#comment-letters.

framework, impact dimension, and metrics or ESG standards – there is still limited guidance and/or established best practice in regard to actual monitoring, rigorous evaluation of results and learning.

This state of affairs is very similar to that faced in the past by international development agencies. A plethora of standards, methods and approaches to assess the impact of international aid has led to the development of global standards and a recognition that these need to be adapted and assessed locally to ensure their relevance. Current evaluation practice, in development policy and public policy more generally, employs a range of methods that balance between accountability and learning objectives. This is led by policy research institutes – think tanks – across the world.

3. WHAT ARE THE REMAINING CHALLENGES IN RELATION TO IMPACT?

Ultimately, the sector's ability to deliver meaningful impact is what will ensure its sustainability and continuous growth. But the industry faces a few challenges in terms of impact measurement and management:

- **No standard definitions of impact and unclear use of the term:** Impact is defined by the Impact Management Project as 'a change in an outcome caused by an organization. An impact can be positive or negative, intended or unintended'. This definition is consistent with the OECD definition.[31] In practice, the term 'impact' seems to be widely used as a synonym of 'results' (from outputs to intermediate outcomes or outcomes). Also, there is little discussion on attribution and sustainability (whether the changes are long term). It is also key that there is no confusion between the actual impact delivered by impact investing and the Environmental, Social and Governance (ESG) investments discussed above, which are concerned only with the financial performance of the funds. Today, there seems to be a tendency to mix ESG considerations with impact.
- **There are many IMM frameworks available, but they show overall fragmentation and gaps:** While different tools to measure and manage impact have emerged, there has been no prevalent adoption of any of them. Many principles and high-level guidelines are available, but it is unclear for investors where to start and how to use them. Furthermore, most frameworks remain underdeveloped and are considered highly complicated (TONIIC, 2017; TONIIC, 2018; OECD, 2019). As a result, investors lack consistency in measuring and quantifying impact and embedding it in their processes. The UN SDG Impact Standards are a major step in the right direction and adoption will be key to move the state of the sector to the next level. According to the GIIN (2020), 89% use external systems, tools and frameworks for IMM. The most commonly used IMM resources are the SDGs (73%), the IRIS Catalog of Metrics (46%), IRIS+ Core Metrics Sets (36%), and the IMP's five dimensions of impact (32%).

  Currently, there is lack of clarity and confusion about what constitutes a benchmark or best practice. There is an overall 'feeling' that no more standards, approaches or metrics are needed, and the time has come to consolidate, agree and build consensus. Yet, it is unclear whether such an exercise would take place and how it would end, given that this is a non-regulated market with various actors, limited data and evidence-based best

[31] See: www.oecd.org/dac/evaluation/2754804.pdf.

practices. Also, would a global consensus be relevant at the local level, where investments are meant to deliver impact?

The cohesion that is required would bring greater transparency and accountability, increase confidence in the industry and support its growth while also helping potential investors manage and report (IFC 2016). Despite so many initiatives, there are still missing pieces and limited know-how in terms of how to advance the IMM practice and build a robust framework. For most investors, many unknowns remain, for instance: Is an impact rating needed? How can it be built? How to monitor ex-post? What is the best way of collecting quality data? How to find out impact on beneficiaries? Where to start? What constitutes a robust evaluation?

- **Focus on communications, expected results and PR even when lacking data and/or robust evidence – 'window dressing':** There is a tendency to self-declare as an 'impact' investor without evidence to support this claim. In some cases, investors present cases or anecdotal evidence. There is also a tendency to report on expected impact rather than actual impact, even among DFIs. For instance, some Multilateral Development Banks (MDBs) report reduction of GHG emissions as 'annual tons (in millions) of CO2 equivalent emission reductions expected to be produced by climate change mitigation projects funded. The data for a particular year is calculated as the sum of ex-ante estimated annual emission reductions of loans or other instruments supporting climate change mitigation that are approved during that year'.[32] More clarity is needed in terms of reporting expected vs actual results.
- **Self-reporting as standard practice:** Related to the point above, when investors do assess impact, they tend to self-evaluate. Given the nature of the market, there is a tendency to seek out and share positive impacts while minimising failures or bad investments. Despite this, investors such as Calvert Impact Capital and various DFIs have made efforts to identify lessons learned, which they include in their published reports. With the launching of the IFC Impact Investing Principles, some signatories such as Calvert Impact Capital and LeapFrog have hired consultants to verify the alignment of their impact management practices to the principles.[33] It is important to distinguish this from the undertaking of portfolio or investment evaluation. This is a third-party verification of signatories' adherence to the principles, but it does not involve assessing actual impact achieved. To sum-up, 'Impact performance remains largely self-reported and is not audited, and a lack of

[32] See: https://crf.iadb.org/en/indicator-glossary.

[33] See: www.calvertimpactcapital.org/storage/documents/principles-disclosure-statement-2020.pdf; www.calvertimpactcapital.org/blog/924-principles-impact-management-disclosure.

transparency exists on impact performance across the industry' (Rockefeller Philanthropy Advisors 2020).

- **Lack of or minimum transparency and accountability:** The practice of systematically assessing impact is not embedded in the industry: 89% of impact investors indicated that a lack of transparency on impact performance is a significant or moderate challenge (GIIN 2019). Even when investors conduct evaluations and/or prepare impact reports, it is estimated that only 49% of impact investors make them publicly available (GIIN 2019). This could be due to a reluctance to share insights leading to a loss of competitive advantage, or simply because results were not as good as expected.

  There is no obligation to share impact reports in the same way that investors have to publish financial statements, and indeed there are no widely adopted standards for doing so. There are a few sustainability reporting initiatives such as the Global Reporting Initiative (GRI)[34] or the Sustainability Accounting Standards Board (SASB), but these mainly focus on ESG, not impact. Such initiatives have been helpful to provide 'essential insights into management effectiveness and thus a company's long-term prospects' (NORTON 2019), and certainly 'help communicate how a company's ESG policies might impact people and the planet' (CLANCY 2019).[35] However, from an impact perspective, it is necessary to explicitly go beyond ESG. It has also become increasingly evident that voluntary disclosures are not enough and changes regulation are being considering. E.g. Europe.

- **Limited resources dedicated to IMM and the perception that it is 'costly':** Measuring impact creates costs and can necessitate changes in the processes, systems and culture of an organisation. On average, impact investors spend an estimated 12% of their organisation's total budget on IMM-related activities, with the greatest share spent on data collection (on average 25% of IMM-related expenditure) and reporting (24%) (GIIN 2019). Fortunately, there is a general perception that while IMM incurs costs, it also generates additional business value for both investors and investees (GIIN 2019). However, the capacity for building robust IMM framework and systematically assessing impact is highly influenced by the size of the investor and their strategy. Building robust IMM frameworks is more challenging for small investors.

- **Data collection challenges:** Collecting data may account for a quarter of IMM-related activities, but 90% of investors identify collecting quality data as challenging. Overall, there is an implicit practice of minimising reporting burdens for companies or funds. Many investors have had to

[34] See: www.globalreporting.org/standards/media/2458/gri_standards_brochure.pdf.

[35] See: www.greenbiz.com/article/investor-interest-fuels-sasb-adoption-inspires-new-gri-tax-disclosure-standard.

'adjust' or accommodate to how fund managers are measuring impact. Getting impact data from the actual beneficiaries has also been challenging in terms of feasibility and the reliability of the data. Indeed, 'some of the data required to provide evidence of the impact of an investment are not commonly collected, so even fundamental questions such as who benefits from a given product or service can be challenging to answer' (TIDELINE 2020). 60 Decibels, a social enterprise based in New York, is currently the main point of reference when it comes to collecting data from beneficiaries across the globe.

- **Emphasis on due diligence and monitoring rather than evaluation:** Although the industry has made efforts to incorporate the impact lens through the investment cycle, there is still much to do in terms of assessing results. Existing impact measurement practices and initiatives are more focused on monitoring activities and outputs than on assessing the outcomes and impact of investments (Reisman, Olazabal & Hoffman 2018). Also, given the newness of the practice, investors are either still building their IMM practices or are in the testing phase of recently developed frameworks. Refinement and adjustments are expected as they test their approaches and collect more data that allows ex-ante and ex-post comparisons. Validation of impact results has been identified as the most significant challenge impact investors face (GIIN 2020). Although the need to validate data to ensure sufficient quality and analyse it are identified by the G8 Social Impact Investment Task Force as a key part of an IMM structure in 2014, it still remains a challenge.[36] Interestingly, references to 'impact performance' are extensive in the latest GIIN Annual Impact Investor Survey, but there is no reference to 'evaluation' in the report.

- **Most impact investors operate in weak or inappropriate policy frameworks:** Impact investors are operating in policy frameworks designed for traditional profit-maximising enterprises or in contexts where attracting the type of funding necessary for impact investing is made harder by the policy frameworks that govern the financial sector. Similarly, the intended beneficiaries of the industry do not necessarily enjoy the accountability provisions that the industry, whose twin-core objective is to impact the lives of the vulnerable, should expect.

As a result of these challenges, the impact investing industry suffers from limited evidence of actual impact and limited ability to conduct analytical work, compare

[36] See: www.thinknpc.org/resource-hub/impact-measurement-working-group-measuring-impact/#:~:text=The%20Impact%20Measurement%20Working%20Group%20(IMWG)%20was%20created%20in%20June,measurement%20in%20the%20years%20ahead.

impact performance across investments and establish benchmarks. Gaps still remain in the availability of market-level insights and comparable impact results (GIIN 2019). Most recently, Harvard Business School has developed a methodology that connects impact to accounting standards, in order to 'transparently capture external impacts in a way that drives investor and managerial decision making.'[37] Indeed, more reliable data and analysis is required, 'to help investment professionals understand the potentially limitless combinations and permutations of financial and impact goals'.[38] Many investors have the expectation of someday being able to estimate and calculate impact along the same lines as risk-adjusted financial return (clear methodologies, easy to understand, standardised, etc.) but given that many challenges continue to be unaddressed, there is a real risk of the industry failing to deliver its 'impact promise'. This could have negative consequences such as:

- Unintended sub-optimal, and possibly negative, effects on those it intends to help (people and the planet). At the very least the effect would be 'unknown or unclear'.
- 'Impact washing', which deters potential investors and threatens the credibility of the industry (IFC 2019). Reputational risk for the industry can affects its growth. According to the GIIN Annual Impact Investor Survey (2020), investors claimed to be mainly concerned about impact washing (66%), followed by the market's 'inability to demonstrate impact results' (35%) and the 'inability to compare impact results with peers' (34%).
- 'De-incentivising' good behaviour if market is unable to signal and distinguish real impact vs impact washing.
- Sub-optimal allocation of resources: no 'impact pricing'.

As we have seen there are currently many actors trying to avoid these consequences. Most recently, the Tipping Fund has formed 'a coalition of industry leaders' to 'uncover the challenges and barriers that could prevent the market from scaling'.[39] The fund was convened by the US Impact Investing Alliance after an in-depth analysis of the impact investing industry found two key areas suitable for grant-funded interventions: (i) Data, metrics and measurement (e.g. standard

[37] Impact-weighted accounts are line items on a financial statement, such as an income statement or a balance sheet, which are added to supplement the statement of financial health and performance by reflecting a company's positive and negative impacts on employees, customers, the environment and the broader society. The aspiration is an integrated view of performance which allows investors and managers to make informed decisions based not only on monetized private gains or losses, but also on the broader impact a company has on society and the environment. See: www.hbs.edu/impact-weighted-accounts/Pages/default.aspx.

[38] Brian Trelstad, Impact Investing: A Brief History, 2016.

[39] See: www.tippingpointfund.com/learn-more.

impact measurement and management fundamentals, data interoperability) to provide greater clarity to market actors and ensure high standards of impact accountability, and (ii) Public engagement and policy (e.g. communications campaigns, policy advocacy and implementation) to enable or encourage more investors to enter the market. In its first call for proposals, which closed in January 2020, the fund focused on delivering outputs that will help prepare the industry to engage with policymakers as potential regulators.

Evidence, metrics, and measurement analysis is a major problem faced by the industry and can have negative consequences that will ultimately affect people and the planet. Going further into the analysis: why is this happening? We have identified five root causes that we consider key to devising potential solutions:

- **The industry is relatively new/young and is 'still learning' – 'self-learning', in fact:** The skills needed to manage, and measure, impact investments are not widely available in the existing financial system. The need for investors to strengthen current resources through education, in-house training, and hiring practices has been recognised (Ormiston, Charlton, Donald, & Seymour, 2015) and it has improved in the past five years (GIIN, 2019). However, there is a culture of 'self-sufficiency' in the industry. Professionals with experience in hard-core banking investing, MBAs and/or management consulting have successfully shifted towards a career in impact investing despite not having the training or previous experience. It is worth noting that MBAs are increasingly including impact investing courses as part of their programmes (Harvard Business School, Oxford University Said Business School, and UCLA Anderson School of Management, among others), which is very positive. Yet, room for cross-collaboration from other disciplines that have traditionally worked on generating impact and increasing effectiveness could enrich those programmes.

  While IMM practice is emerging as part of this 'young' industry, the aid industry, which is an increasingly important investor, has extensive experience and stocks of lessons learned. It is worth asking whether cross-learning and collaboration is possible to accelerate the industry IMM capabilities and not to reinvent the wheel.

- **The industry faces perverse incentives towards IMM.** Including:

  - Commercial motivations, competition and pressure to show results 'fast': Some impact investors see IMM as a competitive advantage to attract investment. According to the latest GIIN Impact Measurement and Management Survey, a significant share of investors cited IMM as a key process for capturing business value (93%), marketing or fundraising (92%), and addressing client demand for impact information (80%). Although investors may see the benefits of offering a better impact management system and better results metrics, there is a danger of focusing on processes rather than outcomes (IFC 2016). More competition in the sector can lead to companies 'over-selling' impact for purely commercial reasons (Ortega, 2018). Some suggest that given the industry momentum, there are likely to be new actors entering the market from conventional finance, with a 'get rich quick' mentality that would prioritise profits over impact.

- Bureaucracy that perpetuates itself: Stakeholders such as the IMP were initially designed to be in the market for a limited time while they help build the industry. However, it has gradually incremented its role based on industry needs. A dynamic *mapping* of the players, roles, complementarities and overlap is needed to help the industry to grow efficiently.

- No incentives for 'good' IMM systems – 'lemons problem' / asymmetry of information: The lack of robust IMM practices and knowledge makes it very difficult to verify which investors are having impact and which are not. 'From the outside, it's incredibly hard to tell good 'market-rate impact investing' from 'impact-washing'– that is, slapping the label of 'impact' on something a commercial financial institution was going to do anyway, regardless of the actual impact it does or does not achieve' (McCreless 2017). Without such distinction, it is not possible to allocate resources efficiently. Furthermore, if having a robust IMM practice and assessing impact has a higher cost and no recognition, the incentives to maintain rigor will be negative.

- Markets rewards financial return over 'impact return': At exit, if the base case financial model was off, investors will 'pay for it'; however, if the wrong impact decisions were made, it will be hard to track, measure and attest to that. In other words, the costs of not achieving the expected financial return have immediate financial consequence in the investor's balance sheets. Metrics of success focus on financial returns and the millions of dollars mobilised to the industry, not on impact metrics. There are few consequences for investors for not delivering social or environmental impacts, at least in the short run.

- Although there is broad agreement on the benefits of adopting rigorous standards regarding IMM, the incentives for doing so are unclear. The first mover in setting the bar will likely report worse results if its IMM framework is more robust than those used by other investors. Therefore, there are no incentives to do so. This could be solved either by a market-based solution where a big player takes the lead and introduces such a method (e.g. JP Morgan Development Finance Institution to adopt IFC AIMM tool), which is then followed by other players. Another possible solution is public policy, whereby a regulator could request the industry to adopt good practices.

- **Beneficiaries lack voice in the industry**: The voices of community stakeholders, often referred to as 'beneficiaries', are hardly considered in the methodology and process (especially when investing in funds or through IFIs). Impact is mostly defined by investors and entrepreneurs instead of beneficiaries (Simon 2017). This generates a 'northern bias' when designing tools, metrics, principles, etc. In the rare cases when efforts are made to include the beneficiaries' perspective, the focus is mostly on data collection rather than design. The industry is showing an increased interest in integrating beneficiary and user perspectives and 'finding an appropriate balance of numbers and narrative' (Rockefeller Philanthropy Advisors 2020). This has been accentuated in the context of COVID-19 and the 'Black lives matter' movement.
- **Investors' trade-off expectations**: One important root cause is the variability in terms of what investors expect in terms of commercial or sub-commercial returns from impact investments. According to the GIIN (2019), 66% of respondents target market-rate returns, while 20% target below-market returns closer to market rate, and 15% target below-market returns closer to capital preservation. A 2017 Morgan Stanley investor survey showed that 63% of respondents under age 35 thought that investors seeking 'positive impact' would have to deal with lower returns (International Finance Corporation, 2016). The perception that investing for impact implies a high-risk appetite or a financial trade-off has also impeded investors to move forward on this direction (Ormiston, Charlon, Donald & Seymour 2015). Beyond managing expectations, this also shows why collecting robust data on impact and returns is needed.

  Also, it is important for impact investors to understand the inherent risks of the industry. Impact investments have their own set of risks which should be clearly measured so they can be matched with investors' risks appetite. Given the nature of the very complex social and environmental issues impact investors seek to address, such risks are not minor (Knowledge@Wharton, 2019). Some have suggested a need to rethink risk and return by accepting that financing transformative impact may not be profitable by traditional standards (FRAM 2018).

Related to this is the matter of timing. 'Often, companies seeking social and environmental returns actually earn solid financial returns, but they may not earn enough quickly enough to buy out investors for a number of years' (Dubb 2018). In response, funds have turned into 'patient capital' with an offering longer than the traditional 10-year venture capital lifespan (Dubb 2018).

4. WHAT IS THE OPPORTUNITY FOR THINK TANKS?

These challenges, and indeed their root causes, require a response that the industry, on its own, has not been able to deliver at the pace the planet needs it. We consider that think tanks, in line with their own missions, could contribute and help the industry to address them.

The think tank label includes a broad range of organisations with the shared purpose of using arguments based on research-based evidence to inform policies and debates on issues of public interest. The label includes independent not-for-profit policy research institutes, university-based policy research centres and, in some cases, for-profit firms with an explicit public mandate and public research institutes with an autonomous mandate. By and large, think tanks operate in the space between the fields of politics, academia, civil society and the market (Medvetz 2012)[40]. This in-betweenness makes them natural arbiters in public debates (Akam 2016).[41]

To deliver their missions think tanks have adapted to their environments. This involves adopting a breadth of research and evaluation methods and tools, developing research agendas that are relevant to the context and the needs of their audiences, and employing innovative strategies for public communication and engagement. While they are interested in impact – particularly impact on issues of public interest, which concern impact investments – they set themselves apart from other actors in the same space. For example, unlike academia that prioritises methodological robustness, and may tackle the measurement of impact through expensive and time-consuming impact evaluations, think tanks prefer research methods that deliver timely and relevant results and recommendations. In contrast to advocacy NGOs, whose arguments are often driven by ideological positions or communication strategies that tend to privilege activism, think tanks' arguments must also be technically robust and based on evidence and their communication is more targeted and constructive.

The capacity to balance academic robustness with practical relevance makes them particularly well suited to intervene in IMM and make a positive contribution to the field. In delivering their missions, think tanks fulfil several functions that will be helpful in addressing the challenges and root causes facing the impact investment industry.

[40] See: https://press.uchicago.edu/ucp/books/book/chicago/T/bo13181062.html.

[41] See: www.theguardian.com/business/2016/mar/15/british-umpire-how-institute-fiscal-studies-became-most-influential-voice-in-uk-economic-debate.

Consider the following:

- Developing and strengthening an adequate policy framework: Think tanks study, make recommendations and advocate for changes in policy in the sectors they focus on. This includes advocating for evidence-informed changes in the policy frameworks for emerging and existing industries.
- Managing investors' expectations: Think tanks can help legitimise decisions by providing evidence and credibility. This can help identify and manage the most appropriate expectations for all parties: investors, fund managers, businesses and other stakeholders, in different sectors and contexts.
- Promoting collaboration: They can create and nurture spaces for debate and deliberation – even acting as sounding boards for decision-makers who need to avoid committing to an idea or policy early in a decision-making process. Think tanks may be able to help address collaboration challenges between the many actors involved in the IMM ecosystem and that have hitherto failed to find a way to sustain a cohesive body of knowledge and practice.

  Furthermore, think tanks are part of broader national, regional and global knowledge communities which span several sectors and disciplines. Their networks offer an opportunity to aggregate and share knowledge and skills across countries and regions.
- Combating negative externalities: Think tanks can offer an independent auditing function on public and private interventions. They often act as arbiters between the multiple and conflicting incentives that exist in any policy. Similarly, they can help reduce knowledge and information asymmetries between the parties in the impact investment ecosystem and reduce perverse incentives. Their extensive experience in monitoring and evaluation in relation to social impact makes them well placed to help design, deliver and manage IMM systems across the industry.
- Helping to articulate the voices of beneficiaries: Through their research, communication and engagement, think tanks are able to raise the voices of population groups or sectors whose needs and interests are not often heard in public policy debates or decision-making processes. They are perfectly positioned to present the needs and interests of the intended beneficiaries of impact investments – as they are likely to be the groups and sectors that their research agendas are trained on.

  Their communication and engagement capacity in particular make them suitable actors to help disseminate and communicate new knowledge on and for the sector to a wider audience, thus helping inform public debate on impact investment and public and private decisions with regard to the sector's future.

- Providing knowledge and expertise: Think tanks require an in-depth knowledge of the economic, social and political contexts in which they operate in order to deliver their missions. These are the same contexts that impact investments operate and attempt to bring about change in.

  Think tanks' core function involves generating and communicating knowledge to help societies learn and make better informed decisions. This is fundamental in new fields or industries. They are often at the vanguard of the development and popularisation of new fields (e.g. new public policy management, the green revolution, aid for trade, etc.).

- There are still many unanswered questions that think tanks' knowledge and expertise could help address. For instance:
  - Is the value proposition of impact investing backed by evidence? That is, can an impact investment achieve more than the sum of its investment and philanthropic parts? (Trelstad 2016) Is it possible that the same or even greater impact may be delivered by not-for-profit organisations, and at a much lower cost to all?
  - What are the ethical implications of supporting for-profit investments to affect the most vulnerable in a society?
  - Is the way that impact is defined and measured robust enough to account for evidence that impact is, in fact met – or not?
  - Is it possible to achieve both financial return and meaningful impact? Under what conditions? For what type of assets?
  - What motivates investment allocation decisions to include impact or sustainability as constraints? What are the actual incentives to deliver and report impact?
  - How and under what conditions should governments use public funds in this field?
  - Shall the market be regulated? How to engage with the government? How to inform public policy?

Think tanks are also critical providers of cadres of experts in the fields that they study. They would therefore be perfect to help nurture this young industry and help it learn in a more systematic and sustainable manner while ensuring there is no duplication with what the market players are already doing effectively (e.g. developing another set of standard metrics, or impact investing principles, etc.).

In sum, think tanks can play an important role that is currently missing in the impact investment ecosystem. Some of the specific areas where think tanks could actually make a critical contribution include:

- Institutional development: Think tanks can contribute to institutional development by:
    - Informing the decision-making processes involved in building effective IMM frameworks that adequately balance methodological robustness and practice feasibility.
    - Promoting evidence-based policies to support the development of an impact investment sector with integrity.
    - Advocating for policy and regulatory changes for investment regulators.
- Contextual knowledge generation, including beneficiaries' perspectives on needs and actual impact: This can take the form of:
    - Data, analysis and research of the sectors in which impact investors are operating or wish to operate, and/or the populations they aim to impact, in order to inform the design of ongoing or future impact investments as well as improving operations that deviate from original planning.
    - Research into the political, economic and social factors that affect the populations that impact investors aim to benefit, to inform how impact investments design their interventions.
- Evaluation: Think tanks can undertake both summative and learning evaluations:
    - Through ex-ante and ex-post evaluations with a focus on accountability and learning for future impact investments. These evaluations can provide investors and foundations with a clear assessment of the results achieved by their portfolios and individual investments in terms of how they affected the end-beneficiaries.
    - Through developmental evaluations (ex-ante, during, and ex-post) of impact investments to ensure that the most recent and relevant evidence of impact – and what works to deliver it – are incorporated into investments' strategies.

- Capacity development: Think tanks can provide capacity building and advice to impact investors and funds at the local and regional level, so that they are better able to design and deliver robust monitoring, evaluation and learning systems that consider investees' and beneficiaries' realities.
- Communication and engagement: Think tanks can communicate, advocate and disseminate findings of the field with a wider audience including policymakers, other researchers, civil society and future investors and entrepreneurs. Through their own networks and communication channels they can help to promote a more engaged debate about the limits, merits and potential of the impact investment sector.
- Brokering: As independent actors, think tanks can play the role of trusted broker in the impact investment ecosystem; for instance, an independent arbiter to verify adherence to the IFC principles or external evaluations.
- Learning: This can take place at both local and global levels:
    - Documenting, analysing, drawing lessons across investments and sharing the lessons across global communities of think tanks to maximise the opportunity for them to inform their own local impact investment communities.
    - Providing a 'clearing-house' for data, evidence and knowledge on the field and making recommendations to support the sector with evidence, globally. A new global think tank on impact investment could fill this space.
    - Contribute to the efforts of current players to improve the principles and standards used by the industry.

In our view, think tanks should claim a role in the impact investment field. Their experience in relation to issues of public interest awards them the legitimacy to say whether an investment is leading to a positive impact or not – and, most importantly, *why* this is the case – so the industry can learn, adapt and deliver its impact promise.

To support this new role, think tanks funders, especially those who also support impact investment, need to consider:

- Accompanying their impact investment funding with appropriate long-term programmatic or core funding to think tanks in the countries and sectors where the investments are meant to take place. This funding should pre-date the design of impact investment portfolios to ensure that individual investments are adequately informed.

- Funding independent long-term research on the impact investment ecosystem in the Global South.
- Coordinating their support to think tanks and research on the field through regional or global initiatives, in a similar way as they do with global and regional impact funds, to promote learning across countries and regions.

This would guarantee that think tanks are able to contribute to the impact investment industry without losing their independence.

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ANNEX 1: INTERVIEWS

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