



Knowledge Exchange Series

The Impact Investing Institute's Knowledge Exchange Series is a series of roundtables providing a platform for mutual learning and practical knowledge sharing between impact investing National Advisory Boards in different countries, to help strengthen impact investing markets globally.

Building impact investing knowledge and skills of local actors

This session of the Knowledge Exchange Series explored how impact investing National Advisory Boards (NABs) and other market-building organisations can build up the skills, knowledge and capacities on impact investing of key local stakeholders, including investors and policy-makers.

The session was moderated by Laurie Spengler, Lead Expert for International Development at the Impact Investing Institute. The session featured Will Goodhart, Lead Expert for Education at the Institute, Barry Panulo, Senior Project Manager, Innovative Finance at the Bertha Centre for Social Innovation and Entrepreneurship (University of Cape Town) and Amanda Feldman, Engagement Lead at the United Nations Development Programme (UNDP) SDG Impact Initiative, alongside participants from global NABs and other market-building organisations.

Top tips: Building impact investing knowledge and skills of local actors

- **Understand the context of your knowledge- and skill-building work.** As a NAB, your greatest strength is your ability to engage with a variety of stakeholders (including public and private sector audiences, supply and demand-side actors, and intermediaries), but those may have very different, and in many cases limited, levels of understanding of impact investing. This is made even more difficult by the innovative and fast-paced nature of impact investing.
- **Be clear on the change you want to make.** Not everyone needs to have the same level of knowledge. Focus on tailoring your skill building offer to the needs of the groups you are trying to engage.
- **Act now.** It may be tempting to wait until the impact investing field has fully matured, for example in terms of impact management standards, before trying to educate your stakeholders on it. However, this may prove illusory and counterproductive, as the landscape and terminology of the impact investing world are changing constantly. The worst thing to do is to not get started.
- **Be strategic in your engagement and leverage partnerships.** As it may be difficult to provide skills building that is tailored to the needs to all of your stakeholders, it may be useful to leverage partnerships with key stakeholders as a way to multiply your impact. For example, working with professional bodies in the financial industry and training organisations can allow you to reach their own networks. Similarly, when engaging government, you may prefer to initially engage directly relevant departments (like the Treasury) who through their own expertise and relationships with other departments can help you develop skills building programmes that can be picked up by other parts of government.

Global spotlights

UK: The Impact Investing Institute builds knowledge and skills on impact investing among investment professionals

- Limited awareness and knowledge of impact investing is often cited as a key reason why investment professionals do not integrate impact into their decisions. The inclusion of impact investing in the education of investment professionals has therefore been a key focus area for the Institute.
- The Institute has pursued two key avenues to educate stakeholders in the investment industry:
 - 1. Partnering with professional bodies and training organisations.** Professional bodies already have trusted relationships with their memberships. Through tapping into these existing networks, the Institute has been able to harness a multiplier effect as these organisations will go on to educate their memberships. The same applies to training organisations that are focused on the financial services industry. If such organisations exist in your market, it may be easier to work with them to embed the content of impact investing into their learning programme. This may be particularly important for NABs that do not have the resource to develop their programme, nor to accredit for-profit providers of training.
 - 2. Developing a learning framework designed to help providers of investment qualifications and programmes to incorporate impact investing into their offerings.** Developed in collaboration with learning experts, the framework formed the basis of the Institute's open-source online [Learning Hub](#). Resources on the hub are reviewed and expanded regularly to ensure their relevance – new modules and practical case studies will also be added over time.
- The intended users of the hub are:
 - Professional organisations, who can use the learning hub to make impact investing part of their training courses and materials.
 - Individuals, including investment professionals, who can use the hub to build up knowledge of areas in their field and integrate impact into their work and investment decisions.
 - NABs and other market-builders, who are invited to either use the content from the learning framework directly, adapt it to their local markets or make suggestions to improve the UK edition.

South Africa: The Innovative Finance team at the Bertha Centre for Social Innovation and Entrepreneurship (a unit within the University of Cape Town Graduate School of Business) partners with governments, enterprises and investors to build the impact investing and innovative finance market on the African continent.

- In the wake of the coronavirus pandemic, there is a need for new ideas, operational models and financial instruments. In South Africa, as in many other countries, working with government to leverage impact investment has been vital, as government is a key priority setter and development funder.
- Outcomes-based contracts (OBCs), including through the use of social impact bonds, have been gathering increasing attention as a new type of innovative financial instrument.¹ Among other advantages, OBCs enable governments to have a greater focus on impact, create accountability for results and develop a conduit where impact investors can participate in development.
- OBCs require a mindset shift in government, as they move government from being a procurer of **services** to being a procurer of **impact**. In advocating for OBCs, the Bertha Centre team noted three areas where the knowledge of government officials had to be increased:
 - **Practical relevance:** e.g. what kind of social issues are relevant to OBC? How do instruments align with frameworks and processes?
 - **Creating and working with instruments:** e.g. how to develop social instruments and approach contract management?
 - **Networks and toolkits:** e.g. what tools can policymakers access to facilitate instrument development? How can local impact ecosystem actors (supply- and demand-side, intermediaries, markets builders) be leveraged?
- The Bertha Centre regularly offers **workshops and courses** to promote market development. Between 2016-2018 the Bertha Centre delivered training on OBCs which covered how to use these instruments, relevant policy mandates, the regulatory environment and key case studies.
- The team gathered several lessons learned during these workshops, which may be useful to other NABs seeking to raise the knowledge of government stakeholders:
 - **Harness local experience.** Local case-studies were particularly persuasive in demonstrating the success of an OBC.
 - **When talking about impact investing, help your stakeholders make the case of how it may help improve business-as-usual.** The public sector has been historically a tough place for innovation to occur. Policymakers will need to sell the ideas to seniors and ministers within their departments – help them develop the knowledge and confidence to do so.
 - **Present practical, and ideally local, opportunities to apply knowledge.** Course participants were encouraged to develop and apply for a EUR 1 million funding opportunity that would allow them to put the concepts into practice.
 - **Continue the conversation with your new network of advocates.** Participants are generally eager to build on connections made during the course. Provide follow-up conversations, webinars, reports so that your alumna remain engaged with the impact space.

¹ OBC refers to an approach to contracting through which a payer, such as a government or an impact investor, provides working capital to service providers towards the delivery of agreed outcomes, rather than specific activities or outputs. Payment is fully or in part tied to the achievement of the outcomes.

The UNDP SDG Impact Initiative helps local ecosystem stakeholders build their knowledge on impact measurement, management and reporting (IMMR)

- The world of impact investing is evolving rapidly. However, this presents a clear challenge: there is a strong need to upskill actors that come from and operate in a wide range of contexts. Through the lens of IMMR, we can encourage local stakeholders to be more critical regarding their contribution to the Sustainable Development Goals (SDGs). There is a need for more education, awareness-raising and guidance on impact. Ways that this can be done include the following:
 - **Increasing clarity through the Impact Management Project (IMP).** IMP has successfully built momentum towards global consensus on measurement and management of impact performance. It is a valuable framework in giving stakeholders the key concepts required to navigate a jungle of impact systems, metrics and acronyms.
 - **Developing SDG practice standards.** UNDP has developed a set of **integrated practice standards**, building on the IMP framework, that can be used by private equity funds, enterprises, bond issuers and other stakeholders. They revolve around internal decision-making, designed to transform how enterprises and investors think about value creation, and integrate impact management and contributing positively to the SDGs in their strategy, management approach, disclosure, and governance practices.
 - **Providing education courses.** CASE at Duke University has developed a **course** that builds on the IMP framework and the SDG Impact Standards. This free course will be launched in June and is available to all. UNDP will also run trainings in some of its 80 offices across the globe, in order to support their local ecosystems.

References

Impact Investment Institute

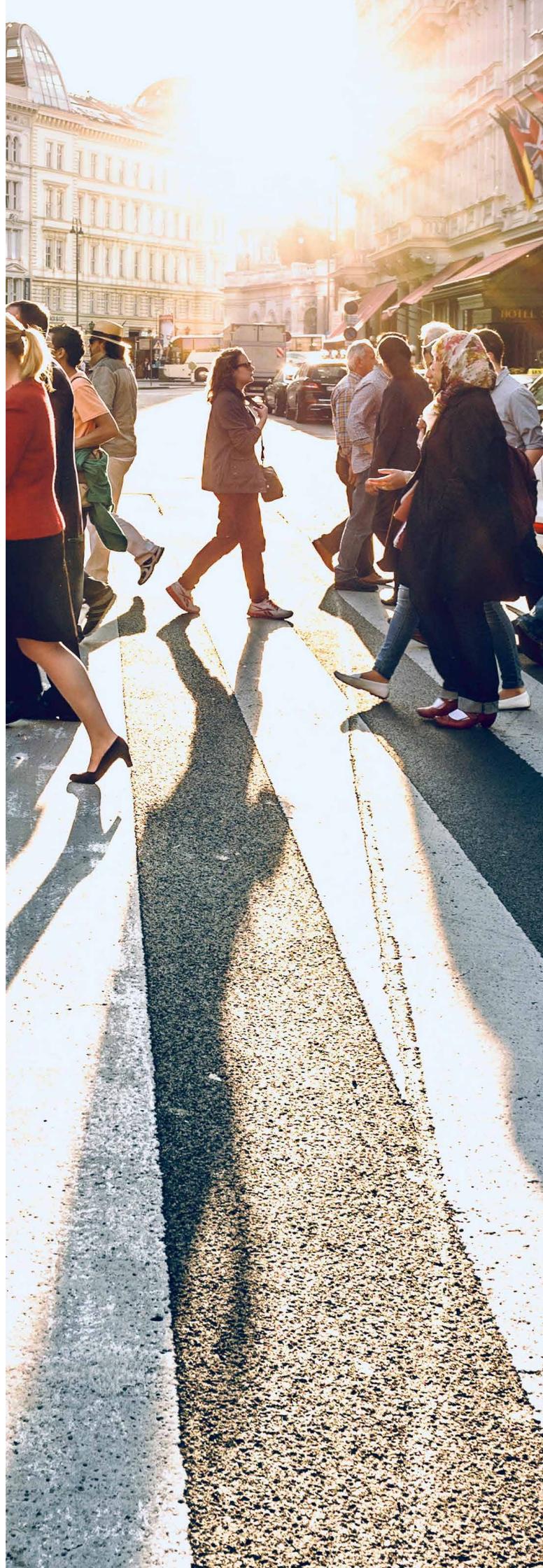
- [Learning Framework](#)
- [Learning Hub](#)

Bertha Centre for Social Innovation and Entrepreneurship

- [Series of workshops and courses](#)

UNDP SDG Impact Initiative

- [Impact Management Project](#)
- [SDG Practice Standards](#)
- [Centre for the Advancement of Social Entrepreneurship at Duke University](#)





The Impact Investing Institute is an independent, non-profit organisation which aims to accelerate the growth and improve the effectiveness of the impact investing market. Our vision is for lives to improve, as more people choose to use their savings and investments to help solve social and environmental challenges, as well as seeking a financial return.

We drive change through education and awareness raising, providing useful tools and resources, and advocating for supportive policies.

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