



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.

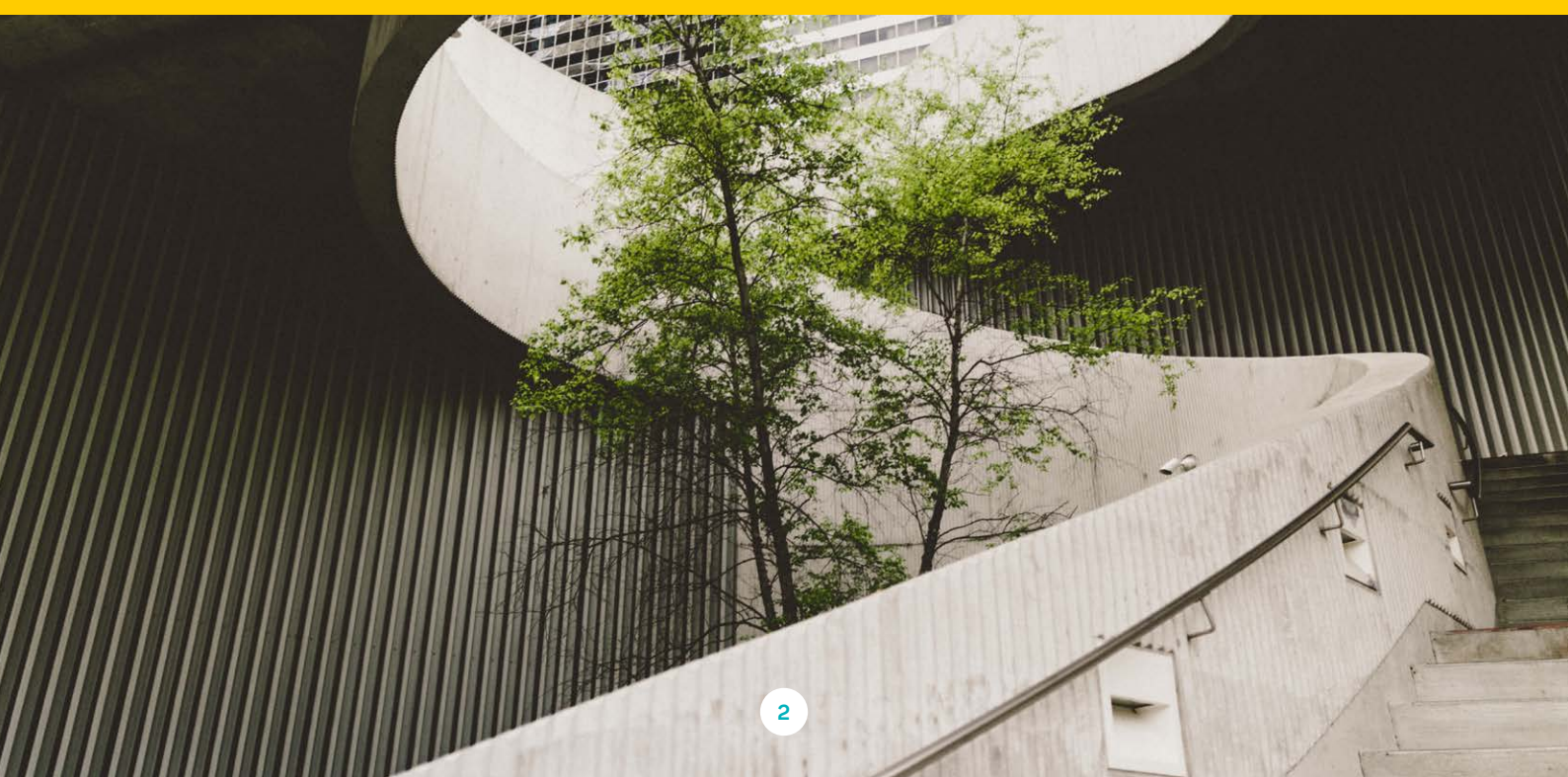
Impact Investing National Advisory Board (NAB) Governance and Sustainability

Setting an effective governance model is key, particularly for impact investing National Advisory Boards (NABs) and NAB Task Forces that are in their early stages. A second challenge, relevant to all NABs, is achieving long-term financial sustainability.

In this session of the Knowledge Exchange Series, global NABs and NAB Task Forces shared their experiences in establishing effective governance structures and developing sustainability and fundraising strategies.

Top tips: NAB governance and sustainability

- **Design your work programme around a clearly defined 'need'.** Relating programmes to the specific need of particular groups of stakeholders (mainstream or impact investors, funders, government, society stakeholders etc.) makes engagement easier.
- **Be nimble – be responsive to your NAB member organisations to see how their needs may be changing.** Whilst it is important to have structure, key performance indicators (KPIs) and aspirations as a NAB, it is also important to stay agile and responsive to how the ecosystem is changing around you.
- **Focus and prioritise.** Focus on amplifying and converging pre-existing voices rather than launching new initiatives. Do this carefully to avoid competing with your supporters. Only set up working groups if a clear work programme and need has already been identified – managing working groups can be very time and labour intensive.
- **Communicate openly – and often – with your stakeholders.** Reporting back to stakeholders and conducting one-to-one conversations opens doors for supporters to share your message and provide opportunities for additional support. It is crucial that supporters feel they have ownership and involvement in the NAB's work programme.



Insights from the Global Steering Group for Impact Investment (GSG)

- NABs take various forms and differ in their membership composition and resources. They are mostly made up of market builders, asset managers and asset owners.
- There are **six types of funding models** across the NAB community, each with its associated strengths and risks. Most NABs use a combination of these (and some use all of them).
- Whatever the funding model chosen, NAB governance should be set up according to three pillars: **democracy and transparency; representativeness and inclusivity; and shared leadership and action.**

Philanthropic funding

With this model, it is important to set expectations with funders about what the NAB aims to achieve and how it aligns with donor priorities, while also setting priorities that benefit a range of stakeholders.

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Host organisation

Many NABs start this way and later move out of the host organisation. Being a separate entity is important for long-term sustainability.

Membership

One successful example is the Indian NAB. It is difficult for most NABs to be fully sustainable from membership revenue alone (membership fees typically cover 30-50% of costs), so this is often paired with other funding sources.

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Collective funding models

NABs bring together coalitions of stakeholders that provide funding and pro-bono resources.

Government support

Government agencies can provide NABs with funding for their operations. This may come from local or national funding.

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Funding for delivery of projects

This is especially useful in the early task force stage (before a NAB becomes a NAB). However, there is a risk of competing with other impact structures, which can clash with the role of NABs as market builders

Lessons learnt: NAB and NAB Taskforce spotlights

UK – The Impact Investing Institute

- **The Impact Investing Institute is a limited liability company that functions as a partnership between paid staff and pro bono experts in their fields (Lead Experts).** Lead Experts sit on the Board of Directors with other non-executive directors from a range of backgrounds. The Department for Culture, Media and Sport (DCMS) and the Foreign, Commonwealth and Development Office (FCDO) attend Board meetings as observers as they partly fund the Institute.
- **The Advisory Council meets twice-yearly, and members are leaders in their respective fields.** There is representation across the supply, mediation and demand sides of impact capital. Corporate supporters are invited to nominate representatives to the Council. **The wide range of voices offered by this structure helps to amplify the Institute's message.**
- **Key takeaway:** The Institute manages a large networks of sponsors and stakeholders, each with varying degrees of desired involvement in its work programme. **The Institute has found that hosting fortnightly webinars has been a good way to engage these supporters and a broader network of stakeholders.** Webinars can also provide supporter with an outlet to share their message.

India – The Impact Investors Council

- **The IIC is membership-based and its membership is largely exclusive to the impact investing ecosystem.** It is comprised of a six-member secretariat team with working groups (sub-committees) at leadership level to ensure members are involved in direction-setting. The Board has five members, including the Chair, who are elected through secret ballot for two years. **The IIC's sustainability model relies on its annual membership fee, alongside a sponsorship model.**
- **The IIC is a non-profit industry body with an inhouse research team.** It works with the Government of India to advocate for impact investing. Recent highlights include the publication of three research papers on [debt financing in Indian impact enterprises](#), [impact measurement and management in India](#) and the [India impact investing story – 10 years of impact in India](#).
- **Key takeaway:** **The IIC's inhouse research team and events are central to its sustainability model.** The inhouse research team collaborates with various ecosystem players who sponsor reports. The IIC also organises events throughout the year, including its flagship event – [Prabhav](#), the India Impact Investing Week.

Nigeria – The Impact Investors Foundation NAB Taskforce

- The IIF was registered in 2019 as a non-profit organisation. Its governing board consists of five founding members – the Ford Foundation, the African Capital Alliance, the Bank of Industry, BusinessDay Media and Dalberg Advisors.
- The IIF has non-financial (e.g. advisory) and financial supporters. Financial support derives from membership fees and grants from funders.
- **Key takeaway:** The IIF has found that careful attention should be paid to representation amongst its membership, so it reflects the specific political and economic landscape in Nigeria. The criteria to be used to elect NAB members will include: individual skills, deep-sector expertise and ability to influence; sectoral representation; representation from each of the four geopolitical zones in Nigeria; and gender – in line with Nigeria's national gender policy, at least 35% of members shall be women.

Kenya – NAB Taskforce

- The Kenyan Task Force is due to launch in 2021 and is based on aggregating networks rather than taking individual memberships – it has thirteen organisations as members so far, and is growing.
- The Task Force is directly involved in setting up important initiatives, such as strengthening the legal, fiscal and regulatory environment for unlocking private capital, setting up innovative instruments including impact bonds and funds, and matching capital with investments that increase inclusion and have a positive socio-economic impact in underserved areas and populations.
- **Key takeaway:** The Task Force has found that the lively impact investing landscape in Kenya creates a risk of the NAB competing with this membership. **To avoid this, the Taskforce has strategically developed an approach based on convening, catalysing and connecting disparate voices and agendas.** This has created a strong convergence and good will across diverse stakeholders in the Kenyan ecosystem.

Israel – The Israeli Forum for Impact Economy

- The Israeli NAB was set up in 2015 but it is currently restructuring with the aim to be set up as an independent NGO, the Israeli Forum for Impact Economy, in 2021.
- The Forum will be comprised of an executive Board (of up to 7 members), a Board (of up to 25 members), and a network of partners beneath this from different sectors.
- **Key takeaway:** The Forum emphasised the importance of balancing Board size with the desire of national ecosystem actors to be involved. The Forum will operate through working groups established according to the Forum's need and partners' interests and strengths, thus facilitating the involvement of ecosystem actors whilst keeping the size of the Board manageable.

Malaysia – MyIDEAL (Malaysian Impact and Digital Economy Alliance) NAB Taskforce

- Stakeholders in Malaysia are looking to establish a NAB that responds to the country's unique opportunities and challenges such as low awareness of impact investing among policy makers, the small number of local impact investors, and limited local footprint of global development finance institutions (DFIs) and foundations.
- **Key takeaway:** the Malaysian NAB Taskforce highlighted the importance of being flexible with regards to its focus and work programme. In response to the above challenges, it has broadened its agenda to include both impact and the digital economy.

Resources

- [GSG NAB Handbook](#).
- [GSG NAB Financial Sustainability Resource document](#) (for NAB access only).



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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