

## Request for Proposals for Research Partnership: Impact Investing Institute – Estimating the UK Impact Investing Market 2023

Proposals due: 8<sup>th</sup> May 2023 to [hugh.stanley@impactinvest.org.uk](mailto:hugh.stanley@impactinvest.org.uk)

Researchers to be appointed: June 2023

Project delivery: July 2023 - July 2024

### Context

The Impact Investing Institute is an independent, non-profit organisation with the goal of making capital markets fairer and work better for people and the planet. We work to help investors and their advisors to deploy capital to address social and environmental challenges, alongside generating a financial return. We also advocate for regulatory and policy environments that support that goal. Our strength lies in bringing people together. Through engagement, networks and partnerships across financial services, the social sector, and with policymakers and investors, we help to drive real change.

In March 2022, the Institute - commissioned by the Department for Culture, Media and Sport (DCMS) - published the first estimate of the size of the UK impact investing market (in 2020), working in partnership with EY.<sup>1</sup> While Big Society Capital has provided market data on the sub-category of the social impact investment market over the last 10 years,<sup>2</sup> prior to 2022, the scale of the broader impact investing market in the UK had remained opaque. The 2022 report estimated that there was £58bn of impact investment in the UK in 2020, with an additional £53bn of investments which are 'impact-aligned'. The report also grappled with the methodological complexity of estimating the UK market size, creating a first model for how the exercise can be tackled.

It was a landmark report in UK impact investing, driving debate and conversation, framed as a first stake in the ground of starting to boundary and describe the addressable universe of impact investing in the UK. The report is a key touchpoint in any presentation that the Institute delivers, and its findings are regularly cited across the global impact investing ecosystem. The Minister of Civil Society attended and spoke at the launch of the report, and the report has since been viewed over 3,000 times.

Since this first publication, there have been some key market sizing updates relevant to the next UK exercise:

- Big Society Capital (BSC) updated their social impact investment market size for 2021, valuing the social impact investing market at £7.9bn. This represented a 22% increase on the year before and a ten-fold growth in investments aimed at social impact over the last 10 years – rising from £810m.
- In their 2022 [report](#) the Scottish National Investment Bank (SNIB) suggested that the Scottish impact investing market was £4.3bn.
- In Europe, the European Venture Philanthropy Association (EVPA) estimated the European impact investing market at €80 billion (read their report [here](#)). This was an exercise that the Impact Investing Institute collaborated on with colleagues at the EVPA.
- Globally, the Global Impact Investing Network (GIIN) released a [report](#) estimating the value of the global impact investing market at \$1.164 trillion, marking the first time that the organisation's report had topped the \$1 trillion figure.

The Institute is now planning to revisit our exercise, with funding from DCMS, to size the UK's 2023 impact investing market, publishing and launching the work in June 2024. The Institute believes that the impact investing market only continues to grow globally, making 2023 a timely juncture to take stock and once more look at the UK's contribution to the field.

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<sup>1</sup> <https://www.impactinvest.org.uk/publications/estimating-and-describing-the-uk-impact-investing-market/>

<sup>2</sup> <https://bigsocietycapital.com/our-approach/market-data/>

## Seeking a collaborative research partnership

The Institute is now looking for a research team to partner with on co-creating the report on sizing the UK's impact investing market in 2023. We want researchers who can refine the market sizing model, building on and extending our work so the 2023 iteration provides yet more robust detail on what the UK's market is and what it can deliver.

The Institute learned a huge amount from our first project to size the UK impact investing market, benefiting significantly from the support of EY. We come to this second exercise with a baseline number to work from, a model that we think works to size it, and also a clear sense of some of the builds and improvements that need to be made. We also come to it with an open mind: what else did we miss and what can we do better? We want to work with a group who can take the work that has already been done, iterate and improve it, and give richer insights and colour to the market for this next version.

We are looking for a partnership with researchers who want to work side-by-side with us; who bring quantitative, analytic rigour to our approach; and who combine those quantitative skills with an understanding of the collaboration across the field necessary to obtain quality data. We would expect to work closely with any research team: have fortnightly meetings with colleagues, be closely apprised of research developments, and ultimately co-create the final messages emerging from the report and steer editorial tone.

Lessons learned from the previous exercise, which we would be looking to feed into this next exercise, are as below:

- The top-down aspects of the first report were heavily influenced by the Investment Association's survey of their members on impact investment. This next exercise will require building on this relationship alongside bringing-in other representative bodies in the UK capital market, to improve the data flows that describe the market. We need to focus particularly on those bodies that help us hear the voice of key asset owner groups – family offices, pension funds and insurers – to ensure that perspective is being adequately documented.
- Coordination with other market sizers: as was intimated in the context section at the top, there are ongoing impact investment market sizing efforts in both Europe through the EVPA and globally through the GIIN. A research partnership needs to support the Institute as it coordinates and partners with these sister efforts in order to create comparable data sets and minimise survey fatigue amongst the investment community (e.g. creating a shared survey approach).
- In the first exercise while we were able to track what Sustainable Development Goals investors were targeting, we were limited in our ability to track the outcomes of that UK impact investment. We understand the complexity of attempting to deliver on this idea but seek in this next exercise to hear creative responses for how we might start building a methodology / obtaining information on the actual impacts of UK impact investment.

## Timelines, deliverables and broad budget

Below is an outline of our timeline for the project. KPIs are indicated in bold.

Year	Month	Deliverable / output
2023	June	Researchers appointed
	July	<b>KPI: detailed project outline delivered</b>
	July-Sept	Building data relationships, framing the study, suggesting improvements
	Sept-October	Creating and finalising survey working in partnership with others

2024	November	<b>KPI: Finalised questionnaire and distribution plan</b>
	Jan-Feb	Questionnaire release
	Feb	<b>KPI: Skeleton of report provided – content, drafting approach</b>
	Feb	<b>KPI: Clear evidence of significant questionnaire uptake</b>
	<i>FINANCIAL YEAR PROJECT GATEWAY</i>	
	March-April	Report synthesis and drafting
	April	<b>KPI: Highly polished first draft ready for external stakeholder feedback</b>
	April-May	Stakeholder feedback and finalisation
	End of May	<b>KPI: Final report designed and completed</b>
	June	Launch event

*Note: the launch event and design of the final report (and associated costs) will be delivered by the Institute team but will require the input and collaboration of the research partner.*

The total envelope for this work is £60k-£80k plus VAT, funded by DCMS. However, as this piece sits across two financial years, the budget itself is staged in two parts: £30k-£40k +VAT (2023-24) and a further £30k-£40k + VAT (2024-25). In your tender response please include a project gateway, and how you intend to navigate it.

## Creating a proposal that details your capability to deliver this research

This research partnership is a chance to be at the centre of the impact investing debates. The first market sizing report has become one of the most frequently referenced reports in the UK impact investing sector: researchers delivering this report will find themselves at the heart of any discussion on UK impact investing.

To apply to be our research partner in this effort please submit a proposal by **8<sup>th</sup> May 2023**. It should be a narrative document of no more than 5 sides of A4, highlighting your proposal for delivering this project. Below we include the seven areas we will use to grade submissions: we suggest you use the below structure to organise your work, but you needn't if there is an alternative way you wish to tell your story. Please send proposals to Hugh Stanley ([hugh.stanley@impactinvest.org.uk](mailto:hugh.stanley@impactinvest.org.uk)) with the subject line: III RFP\_Market Sizing\_23.

1. Your track record delivering equivalent projects	Evidencing: <ul style="list-style-type: none"> <li>- Excellent written and research (quantitative and qualitative) skills</li> <li>- A proven track record of delivering solid research reports to deadline</li> <li>- A strong eye for design and the proven ability to communicate complex topics through impactful visualisations</li> </ul>
2. Your knowledge of impact investing	Evidencing: <ul style="list-style-type: none"> <li>- Your understanding and fluency in the key debates in impact investing</li> <li>- Stakeholder awareness / relationships in impact investing</li> </ul>
3. Builds and ideas on the report itself	Evidencing: <ul style="list-style-type: none"> <li>- An opinion on the first version of the report, what you would build / change / add, new dimensions you would / could bring in</li> <li>- How you might help us think about tracking the outcomes of impact investment as well as the flows of impact investment.</li> </ul>
4. Competency in key tasks	Detailing how you would: <ul style="list-style-type: none"> <li>- Create / co-create the research questionnaire with key bodies such as EVPA and GIIN and the Institute</li> <li>- Conduct relevant desk research</li> <li>- Develop the methodology further</li> <li>- Help to manage the survey once it is live and solicit inputs</li> <li>- Handle quantitative / qualitative analysis</li> </ul>

	- Draft and finalise the report
5. Diversity, Equity and Inclusion	Evidence: - What Diversity, Equity and Inclusion considerations will you apply to your project processes, deliverables and team?
6. Partnership approach	Evidence: - A description of how you work with partners and how you would expect to work with the Institute team - A referee that has previously worked with you on a research project that can attest to your style, approach and delivery
7. Value for money	Evidence: - A competitive bid in-step with the budget - The KPIs you will hold yourselves accountable to - How you will navigate the project's financial year gateway

### Timeline following tender

- We will review tenders w/c 8<sup>th</sup> May 2023
- We will interview a shortlist of applicants w/c 15<sup>th</sup> May 2023
- We will appoint researchers by May 26<sup>th</sup> 2023
- We will work through final paperwork across June 2023
- The project will kick-off in July