



# The Impact Principle

Widening participation and  
deepening practice for  
impact investment at scale

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Working Group Paper Extract:  
**ROADMAP FOR BANKS**

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## About The Working Groups

### Members of the Working Group on Widening Participation and Deepening Practice for Impact Investment

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<b>Shanthakumar Bannirchelvam</b> (Working Group Coordinator)	Managing Director, Global Strategy Partners

### Other GSG Working Group Reports

WORKING GROUP NAME	PILLAR REPRESENTED	TOPICS
<b>Building Impact Investment Wholesalers</b>	<b>Supply of Capital</b>	It details the what, why and how of building impact wholesalers
<b>Catalysing an Impact Investment Ecosystem: A Policymaker's Toolkit</b>	<b>Policy &amp; Advocacy</b>	It focuses on the role of government in the impact investment ecosystem and highlights how policy making can be catalytic
<b>Enabling ventures to leverage technology for impact</b>	<b>Demand of Capital</b>	It analyses the different enabling elements across the lifecycle of impact-tech, and focuses on recommendations to improve the global tech-for-good ecosystem
<b>Investing for a better world</b>	<b>Supply of Capital</b>	It focuses on recommendations to strengthen the financial services value chain to meet the sustainable development goals
<b>Widening &amp; Deepening the Market for Impact</b>	<b>Market Builders</b>	It outlines the why and what of impact investing and presents a theory of change for widening participation and deepening practice with practical guidance on actors and levers

**This report is a chapter taken from the GSG Working Group report: Widening and Deepening the impact Market.**

In this paper, we discuss how to widen and deepen the field of impact investment to ensure that a wider variety of actors are represented and the focus on impact remains transparent and measured.

The entire paper can be found on the GSG website:  
<https://gsgii.org/wp-content/uploads/2018/11/GSG-Paper-2018-WideningDeepening-the-Market-Nov.pdf>

Companion Papers to this can be found on the GSG website. We would recommend reading this alongside the Field Definition paper, which includes a framework to help investors understand and describe the impact performance of an investment, or portfolio of investments.

## About this note

### Banks in the Impact Economy

**This note builds on the experience of practitioners in impact investing and in other fields of practice to propose concrete guidance to make it easier for more people working in and with banks to see where they can translate interest to action and contribute to the development of impact investment.**

**It draws on the levers identified in the Working Group paper that create positive reinforcing effects, encouraging attention and action in areas where change can be driven systematically to:**

- ▲ Mobilise more actors for impact,
- ▲ Continuing to catalyse positive development,
- ▲ Design for the impact objectives, and
- ▲ Developing impact integrity

## About Impact Investment and The Impact Economy

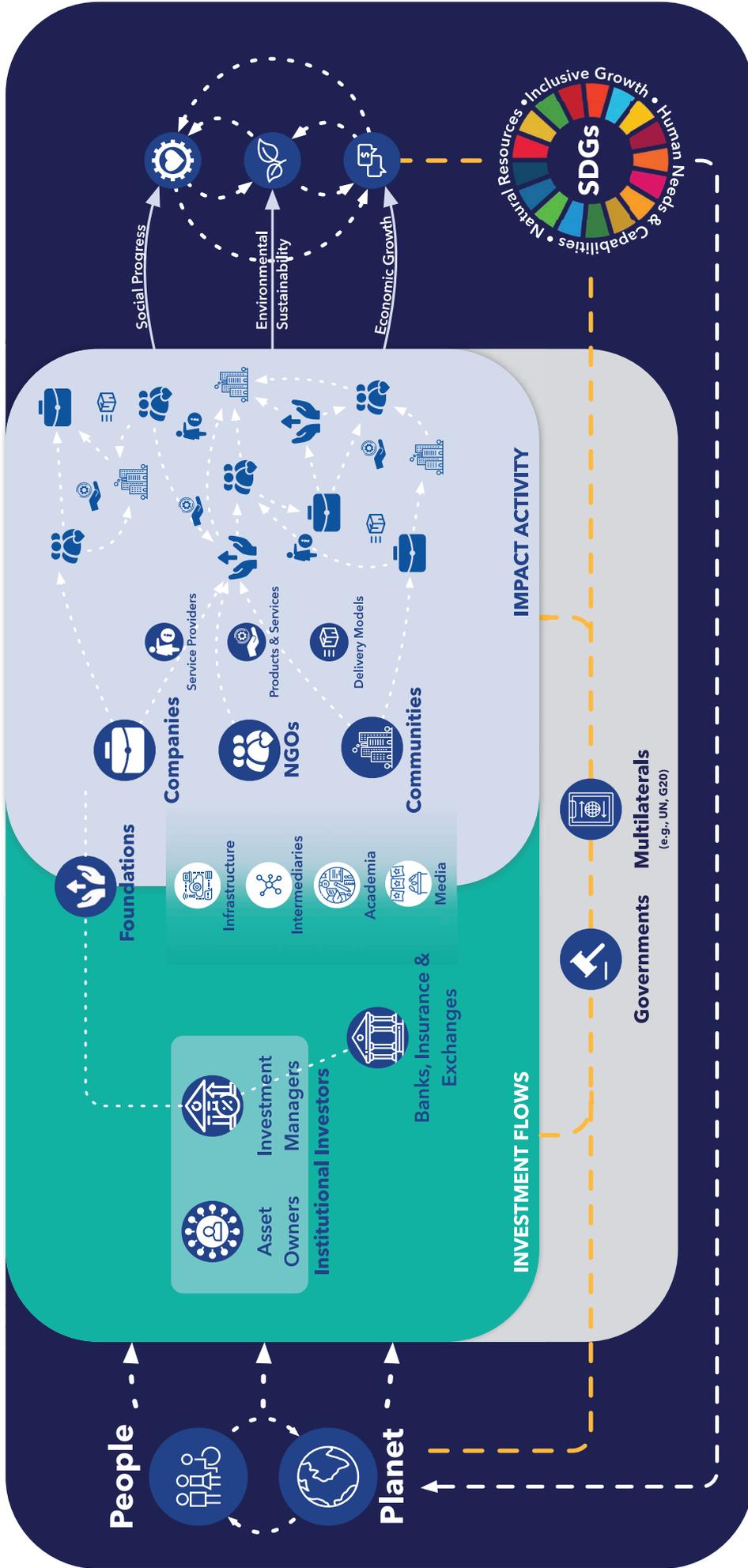
To navigate the complexity of achieving a future where no one lives in poverty and the planet thrives, we need a simple unifying principle: that it is the role of all actors in society to examine how their actions effect the people and the planet.

Impact investment optimizes risk, return and impact to benefit people and the planet, by setting specific social and environmental objectives alongside financial ones, and measuring their achievement. Impact management is a critical practice to reach this potential.

As more people and organisations get involved and become more successful in impact investing, there is a cumulative effect. A vibrant and growing impact economy can develop where businesses, investment and activity deliver tangible improvements in outcomes for people and the planet. In the impact economy, businesses use their capabilities to optimise both their positive impact on the world and their financial return. Investors use their resources to optimise business impact, adding and creating value beyond what would otherwise be achieved. The momentum of more positive impact being generated enlivens the possibility of an inspiring future.

**FIGURE 1:**  
**High-level view of an impact ecosystem**

This figure presents a simplified visual of the actors and activity, including financial flows, in a dynamic system that drives more positive impact.



Source: Design by Murphy, R. in collaboration with Addis, R. and Barbosa-Vargas, E. For the JW McConnell Family Foundation adapted from UN Global Compact and KPMG, SDC Industry Matrix; Financial Services, 2015 and UN Global Compact, UNCTAD, UNEPFI, PRI Private Sector Investment and Sustainable Development, 2015



## Navigating Impact: Banks

### BANKS AND BANKING HAVE A CRITICAL ROLE

**Banks touch nearly every person and critical to the function of any organisation is some form of bank product/account.**

- ▲ Banks can enable or provide finance for organisations expanding their impact to deliver benefit to people and the planet and contributing new solutions
- ▲ Banks can act as intermediaries aggregating and/or syndicating opportunities for impact to enable different groups to participate.
- ▲ Banks can finance organisations and infrastructure that creates jobs and impact in local economies.
- ▲ Banks are focused on the financial health of existing customers and have the potential to reach customer groups that have difficulty accessing appropriate finance.
- ▲ Banks can advise clients on opportunities to invest aligned with their values.

**Banks are critical partners for the recipients of impact capital. Banks' active participation can enable capital flows that have immediate and growing impact.**

### CASE FOR BANKS TO MOBILISE FOR IMPACT

**Impact investment can unlock opportunities that align a bank's impact goals with its core business, stakeholder values and future growth. It can:**

**Enhance trust and reputation with stakeholders and social licence to operate** by signalling that impact matters and aligning stated institutional values and impact goals.

**Attract and retain customers and employees** with opportunities more aligned with their values.

**Develop growth strategies for** new products and services to existing customers and extending products and services to new customers, including potential alignment to the SDGs.

**Increase competitive edge by** differentiating product offerings around impact.

**Leverage traditional corporate responsibility and philanthropic activity** by strengthening integration with core banking product and service offerings.

**Generate new value creation opportunities** through partnerships and collaboration where interests and values are aligned.

### FAST FACTS

- ▲ The combined assets of the top 100 banks is >US\$100 trillion.<sup>1</sup> Of that >US\$46 trillion is held by the top 25 banks.<sup>2</sup>
- ▲ Banks made up 6% of respondents to the 2018 GIIN Survey and reported impact investment growth projections of 24%<sup>3</sup>
- ▲ 54 Banks are currently members of the GABV and collectively have assets of US \$164 billion.
- ▲ Bank debt represents >50% of finance to micro, small, and medium-size enterprises, which make up 90% of global businesses and account for >50% of employment. But, the unmet need for credit among SMEs is >US\$3 trillion globally and >US\$2 trillion in low and middle-income countries, with 85% of SMEs suffering from credit constraints.<sup>4</sup>
- ▲ Between 2014 and 2017, banks reached 500 million individuals. Still, nearly a third (31%) of adults around the world and half (56%) of women did not have an institutional bank account. That's 1.7 billion unbanked individuals.<sup>5</sup>



When you see the kind of progress impact investments have had in solving social and environmental challenges, it's extraordinary to think about what could be achieved as the industry grows and becomes more efficient.



**JAMIE DIMON**  
JP Morgan Chase

## GETTING STARTED AND GROWING IMPACT

HORIZONS		GETTING STARTED	GROWING IMPACT
WIDENING PARTICIPATION	<b>Mobilising for Impact</b>	<ul style="list-style-type: none"> <li>▲ Allocate responsibility to a small team to drive and filter opportunities</li> <li>▲ Analyse current products and services that align with SDGs and potential for replication at scale.</li> <li>▲ Identify needs of current clients and customers that deliver benefits to people and the planet</li> <li>▲ Develop an internal communication campaign to spread awareness and knowledge</li> </ul>	<ul style="list-style-type: none"> <li>▲ Facilitate cross-department collaboration (eg. CSR, IR) to embed impact across the bank.</li> <li>▲ Build partnerships and design new impact offerings for existing and new customers</li> <li>▲ Understand segment needs and develop opportunities for customers in new or under-supplied markets</li> <li>▲ Build acceptance of new models and specialised solutions</li> </ul>
	<b>Catalysing Impact</b>	<ul style="list-style-type: none"> <li>▲ Create an engagement plan that clearly signals impact matters internally and externally.</li> <li>▲ Identify and engage with partners with impact expertise [NGOs, government etc].</li> </ul>	<ul style="list-style-type: none"> <li>▲ Actively align with stakeholders including partners with flexible capital around impact goals and issues [e.g. SDG alignment].</li> <li>▲ Join and lead field-building initiatives including: support for impact investing wholesalers and other intermediation and origination activities.</li> </ul>
DEEPENING PRACTICE	<b>Impact by Design</b>	<ul style="list-style-type: none"> <li>▲ Set clear impact goals and strategies at organisational level.</li> <li>▲ Develop positions to limit engagement with harmful investments and promote benefit and solutions.</li> <li>▲ Scope an initial impact filter to identify and prioritise early opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Develop flexible processes for approving new programs and scaling approaches that work.</li> <li>▲ Integrate impact assessment into client acceptance and risk management processes.</li> </ul>
	<b>Impact integrity</b>	<ul style="list-style-type: none"> <li>▲ Investigate mechanisms for more formalised reporting and disclosure.</li> <li>▲ Adopt methodology for internal evaluation and reporting of impact outcomes.</li> <li>▲ Collaborate with other industry actors to evolve a consist system of impact reporting and disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Build impact into governance and company priorities including KPIs.</li> <li>▲ External reporting against industry standards of impact metrics.</li> <li>▲ External accreditation of impact outcomes as available and rigorous framework of internal evaluation and analysis.</li> </ul>

## TOP PRIORITIES FOR COLLECTIVE ACTION

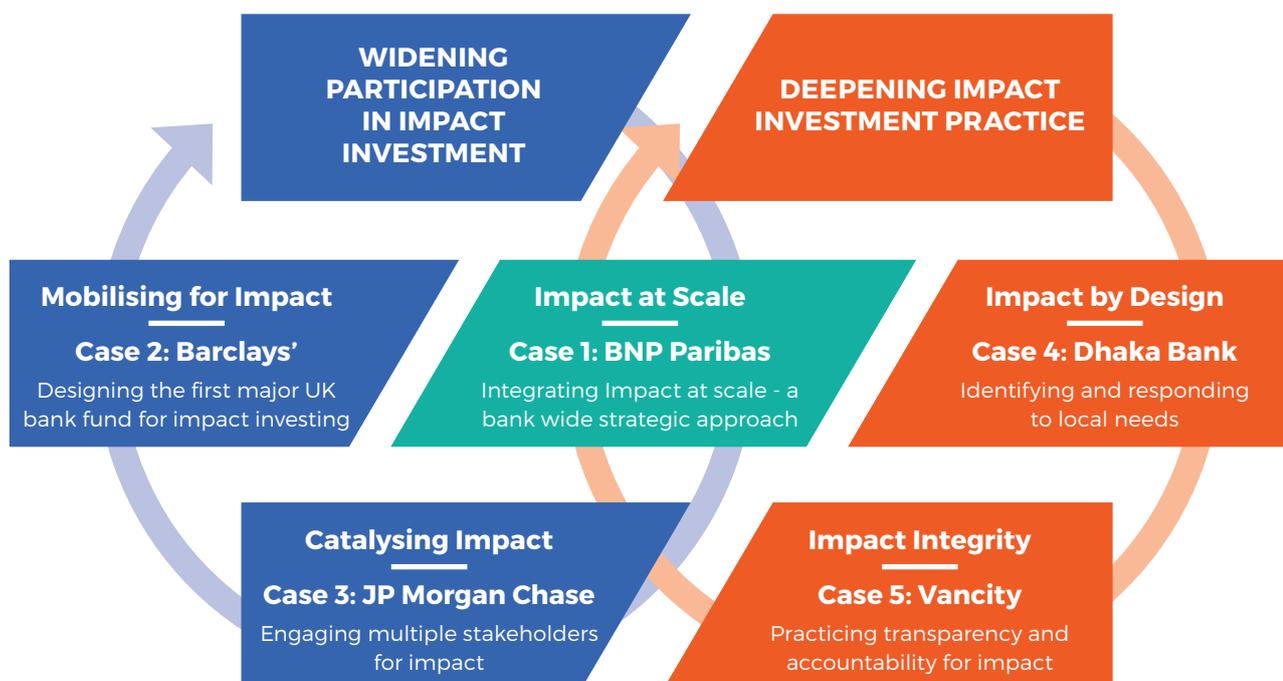
**Impact investing at scale requires collaborations to increase effectiveness and coordinate with partners and industry leaders to create a powerful effect. Three priorities ripe for collective action are:**

- ▲ Structured collaboration to focus alignment on impact goals [SDGs] for the industry. This will better enable awareness building and product innovation.
- ▲ Development of strategic communications mechanism to enable deals, knowledge and data flows across banking and with a link to blended finance investors.
- ▲ Advocacy for policy to reduce disincentives or create incentive for impact deals.

### NETWORK ORGANISATIONS, INDUSTRY FACILITATORS AND FIELD BUILDERS TO CONNECT WITH AND THROUGH:

- Global Impact Investment Network (<http://www.thegiin.org>)
- UNEP Finance Initiative (<http://www.unepfi.org/>)
- Global Alliance for Banking on Values (<http://www.gabv.org>)
- Banking Environment Initiative (<https://www.cisl.cam.ac.uk/business-action/sustainable-finance/banking-environment-initiative>)
- Global Partnership for Financial Inclusion (<https://www.gpfi.org/>)

## WHAT LEADERS ARE DOING



“

Banks must choose a new path. They need to recognize that the health of their businesses is inextricably linked to the long-term prosperity of their clients and communities and to sustained local and global economic growth. They have to turn their tremendous capability for innovation to financing consumer, social, and environmental solutions that benefit society while increasingly representing good investment opportunities for private capital. Doing so is the only way to preserve their legitimacy and their competitiveness.

”

### MICHAEL PORTER

Bishop William Laurence University Professor, Harvard Business school and Co-Founder FSG

## Case Study 1

### BNP PARIBAS GROUP TAKING A BANK-WIDE STRATEGIC APPROACH

BNP Paribas Group's strategic approach has been developed over two decades. It is designed to position the group as a leader in sustainable banking.

Its 12 commitments under 4 pillars on social and environmental responsibility include: investment and financing with a positive impact; systematic integration of ESG risks; products and services that are widely accessible; and partnering with clients in transition to a low carbon economy.

Since 2015, the bank's approach puts a focus on the SDGs and includes products and services designed to:

- ▲ Avoid harm through integrated SRI offerings and climate change abatement.
- ▲ Benefit stakeholders through targeting business sectors with positive contributions including education, health, agriculture and renewable energy and segments including microfinance and social enterprise.
- ▲ Contribute solutions through focus in areas including renewable energy and structuring social impact bonds

Measures include innovation in the bank's own processes e.g. testing an internal carbon price to evaluate customer resilience to energy transition and manage risk.

#### MOBILISING FOR IMPACT

First department for sustainable development established 2001; Company Engagement Department created 2017 to coordinate and strengthen initiatives across the bank.

In 2017, SRI AUM grew by 38.4% to €34.6 billion (relative to 1.8% increase in total AUM). €12.3 billion went to renewable energy projects and 16.5% of loans went to contributions to achieving the SDGs.

#### CATALYSING IMPACT

Targeted products make it easier for retail and institutional customers to contribute to the SDGs through their savings. These include Positive incentive loans, green loans, and social impact bonds.

Advisory role in UN partnership to finance measures that assist small farmers with

renewable energy, agroforestry and water access.

#### IMPACT BY DESIGN

30 funds certified in 2017 focused on best of class engaged issuers and thematic funds targeting environmental protection or social well-being and 16 ethical indices targeting impact. The Finansol label was also granted to 5 funds investing in the solidarity economy and microfinance.

The bank provides incentives for clients to improve their ESG performance by linking improvements to reduced cost of finance, e.g. debt facilities to BPost and Barry Callebaut.

#### IMPACT INTEGRITY

Impact management and measurement practices include tracking funds intermediated toward the UN SDGs, targeting specific issues, financing for renewables and emissions reductions. The bank uses measures linked to GRI, UNEP Fi, ISO 26000, the Global Compact and SDGs.

Impact governance at the Executive Committee of all group entities to steward integration of the principles. 20% of Group Incentive Scheme is allocated against social and environmental objectives decided by EXCO with CSR, road map over 3 years.

It disseminates knowledge and best practice to customers and employees on SDGs and environmental best practice.

#### LESSONS FROM PRACTICE

Embedding impact into the core and culture of an organisation takes time and done well requires a multi-pronged approach.

Banks that reactively respond to pent up client demand will not be as well positioned as those that proactively educate clients and direct it.

New products and services development is done best by creating a positive cycle of change through proactive engagement with employees and customers holding impact integrity at the core. Clear goals and incentives need to be set to ensure cultural alignment.

## Case Study 2

### BARCLAYS' MULTI-IMPACT GROWTH FUND

In 2017, Barclays designed the Multi-Impact Growth Fund after identifying a growing interest among its investors in socially and environmentally beneficial investment products.

The Fund uses an existing "fund of funds" product structure but incorporates impact considerations by investing in other funds that have investment strategies which seek positive social and environmental returns.

#### MOBILISING IMPACT

Designed the £7.7million Multi-Impact Growth Fund to give customers access to impact investing. Barclays has designed the first impact investing vehicle of its kind from a major UK bank.

#### LESSONS FROM PRACTICE

Understanding client interest and needs is an important first step in impact product development. Leveraging deep impact investment expertise through a fund of fund approach can limit cost, risk and time to market while delivering an attractive product offering to satisfy client demand.



The Sustainable Development Goals provide a focus for the world's efforts to meet global challenges including climate change, water management and sanitation and equitable education. The opportunity clearly exists for the private sector to create and commercialise sustainable solutions at scale.



#### STUART GULLIVER

Group Chief Executive,  
HSBC Holdings plc

## Case Study 3

### JP MORGAN CHASE

JP Morgan Chase was an early leader in several areas to catalyse impact investment. It was a founding partner of the GIIN and partnered with them for the first 6 years of the global impact investor survey.

JP Morgan Chase has also formed a number of other partnerships to create platforms and solutions that combine flexible and bank capital.

One example is the Gates Global Health Investment Fund providing finance to advance the development of health interventions including drugs, vaccines, and diagnostics to fight diseases that disproportionately burden low- and middle-income countries.

Another is NatureVest, a partnership with The Nature Conservancy to provide an impact investment platform for investors, bringing together conservation leaders, communities, policymakers, and investors.

#### CATALYSING IMPACT

JP Morgan Chase invested in research to attract more impact investors, and forged partnerships with social enterprises, NGOs, and other investors to generate greater deal flow.

They provided new investment and capital market services to various stakeholders, in addition to investing the bank's own capital.

The Bank has also committed to facilitating US\$200 billion in Clean Energy Financing by 2025.

#### LESSONS FROM PRACTICE

Partnerships with key impact experts and stakeholders such as NGOs and governments can enable and accelerate a bank's understanding of the aspects of impact risk and return. This can help the bank identify needs and facilitate the flow and growth of impact focused capital.

## Case Study 4

### DHAKA BANK LIMITED EXCELLENCE IN BANKING

By recognising the informal, yet highly active level of businesses in rural communities, Dhaka Bank has identified and prioritised early opportunities in developing customised financing products that meet the needs of local businesses in rural Bangladesh. These include agricultural loans timed to the local growing seasons and capital equipment loans for weavers. Dhaka Bank's values-based practices have allowed the bank to contribute to solutions in overlooked geographies. It has enabled the extension of services to and customer growth in formerly unbanked populations. For instance, in Belkuchi, a rural sub-district, this focus saw the bank's commercial customer base grow from five to 1800 in five years.

#### IMPACT BY DESIGN

Having a distinct SME unit has allowed the bank flexibility to approve innovative programs and scale approaches that work. It has allowed them to work with women entrepreneurs and micro and small businesses that have different needs and practices than traditional, large businesses.

Impact is built into governance by considering environment and social risk in core risk management.

#### LESSONS FROM PRACTICE

Setting up a separate department or unit dedicated to an impact priority can help banks recognize areas to grow value, innovate new products, and meet sustainability goals.

“

There are many investors that have pent up demand and are waiting for the right opportunities to deploy capital into impact investing.... What is preventing them from doing this is the unavailability of another party who takes the first step to provide risk capital. Our thought was we could be that provider.

”

**MARK NARRAN**  
VP Deutsche Bank

## Case Study 5

### VANCITY

Vancity has created and follows a set of guidelines, (Ethical Principles for Business Relationships), to make decisions about all business relationships. They actively seek opportunities to do business with organisations that create community impact in what they call “*Community Impact Transactions*”.

Vancity engages with its clients, and encourages involvement in impact initiatives. This includes qualifying for impact loans and other opportunities to move further along the impact spectrum.

Vancity also engages in field building by working with the GABV to develop industry standards and reporting benchmarks. Vancity engages in such field building practices because it seeks to play a greater role in driving positive change and creating a more inclusive, sustainable society.

#### IMPACT INTEGRITY

Impact management and measurement practices include a working group dedicated to reviewing impact transactions, organisational and management targets that specifically measure the bank's impact. Confidence and integrity is supported by a CRM system which is used to collect data on non-financial performance, such as % triple bottom line assets and SDG alignment. This also leverages Vancity to support clients to move from avoiding harm to contributing solutions.

#### LESSONS FROM PRACTICE

Designing and implementing guidelines and processes to manage impact through all activities is important for impact integrity. This can encourage clients to be more sustainable and allow the bank to monitor its broader impact. Sharing practices with other banks, external organisations, and industry alliances can also advance field building.

## Overview of Actors and Levers

Table 1 below provides an overview of the opportunities for actors across the impact value chain to engage and contribute to widening and deepening the field of impact investing.

**TABLE 1:**  
**Key actors and levers for widening and deepening impact**

PRIORITY ACTORS	WIDENING		DEEPENING	
	Mobilising for Impact	Catalysing Impact	Impact by Design	Impact Integrity
<b>DIMENSIONS OF IMPACT AT SCALE</b>	<ul style="list-style-type: none"> <li>▲ Educate and activate.</li> <li>▲ Incentivise and support actors who can drive impact design.</li> <li>▲ Intermediate impact.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Coordinate with leaders.</li> <li>▲ Invest in market infrastructure.</li> <li>▲ Encourage different combinations of actors to work together in a coordinated way.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Set clear goals, measure progress and re-set direction.</li> <li>▲ Develop and invest in capability and leadership.</li> <li>▲ Design for scale.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Embed impact measurement and management.</li> <li>▲ Commit to accountable practice.</li> <li>▲ Establish clear impact governance.</li> </ul>
 <p><b>INSTITUTIONAL INVESTORS</b></p>	<p>Make allocations to impact, including alignment with the SDGs.</p> <p>Run communications campaigns aimed at raising client awareness and understanding of impact products and offerings.</p> <p>Use Requests For Proposals (RFPs) and other mechanisms for engaging the market to solicit ideas and develop partnerships.</p>	<p>Signal impact matters by making public statements and commitments potentially collectively and through investment decisions.</p> <p>Engage actively as an investor and stakeholder, individually and collectively to advocate for impact and related disclosures.</p>	<p>Design an organisational strategy that integrates impact into goals for long term value creation, diversification, managing systemic risk and customer and employee attraction and retention.</p> <p>Ensure strategic asset allocation is clear about objectives for impact at scale.</p> <p>Embed impact into organisational culture through capacity building and KPI alignment.</p>	<p>Develop a rigorous and transparent impact framework that is embedded into the investment decision making process.</p> <p>Commit to accountability through rigorous measurement and Integrated reporting.</p> <p>Engage actively with the field to drive consistency in reporting and measurement.</p> <p>Use technology to enable access to impact reporting and facilitate client choice.</p>

(continued on next page)

**TABLE 1:**  
**Key actors and levers for widening and deepening impact** (continued...)

PRIORITY ACTORS	WIDENING		DEEPENING	
	Mobilising for Impact	Catalysing Impact	Impact by Design	Impact Integrity
 <b>INDIVIDUALS</b>	<p>Take up opportunities for investment and engagement more aligned with values.</p> <p>Break the investment taboo; talk with friends in a social context about making impact investments.</p>	<p>Signal impact matters through consumer demand and choice including for banking and pension fund activities.</p> <p>Engage actively to communicate expectations that others in the value chain avoid harm and benefit people and planet.</p>	<p>Clarify which social and environmental outcomes are of interest and analyse how current investments and/or donations are aligned with these.</p> <p>Investigate and Invest in products and support service providers that are aligned with impact goals.</p> <p>Identify opportunities for learning more about impact and building capacity.</p>	<p>Push service providers (e.g. wealth managers and pension funds) to report and describe impact alongside financial returns and risks.</p> <p>Actively choose product and service offerings that disclose impact through accreditation systems (e.g. Fair trade) or high levels of impact disclosure in reporting.</p>
 <b>BANKS</b>	<p>Engage new and existing partners and advisors in the effort to create impact solutions.</p> <p>Develop public facing educational capabilities and resources for clients</p> <p>Engage other parts of the bank (e.g. CSR; investor relations) in impact delivery.</p>	<p>Join and lead field-building initiatives including support for impact investing wholesalers with capital and capacity.</p> <p>Dedicate resources and leverage expertise from diverse partnerships to develop product in nascent and under-served markets.</p>	<p>Define and understand impact goals at the organisational level and revise corporate strategy to integrate impact.</p> <p>Operationalise impact through business strategies and products and service offerings permeating all facets of client and market engagement.</p> <p>Create dedicated units and carve outs to facilitate the bank's commitment to raising and deploying impact capital and build capacity.</p> <p>Provide additional institutional flexibility to product developers.</p>	<p>Develop rigorous impact management and reporting systems for transparent impact reporting to clients on products and services.</p> <p>Engage with other industry participants to establish consistency in impact reporting and disclosure and alignment with global standards [if available].</p> <p>Implement policies and practices for impact that align with agreed practice.</p> <p>Establish clear governance and KPIs around impact goals and report on the bank's impact.</p>
 <b>CORPORATES</b>	<p>Offer to leverage the firm's unique expertise and networks in the service of new types of partnerships (e.g. with development agencies or philanthropic foundations)</p> <p>Develop and contribute to thought leadership by sharing lessons.</p>	<p>Join impact investing networks and peer groups to share and leverage knowledge and capacity.</p> <p>Proactively explore opportunities to use investment to advance internal and external stakeholder interests. Where thematic alignment is strong, play an anchor role.</p>	<p>Clarify and communicate the corporation's agreed role in impact and its related KPIs.</p> <p>Ensure high-level executive sponsorship and buy-in on impact initiatives.</p> <p>Develop strategies for engaging with and supporting suppliers on impact.</p> <p>Consider collaborating with competitors on thematic areas of interest.</p>	<p>Take accountability for reporting on impact in a transparent and rigorous manner.</p> <p>Align with global standards, if available, or partner with other industry players to develop a consistent impact reporting approach.</p> <p>Set minimum impact benchmarks for suppliers (including financiers).</p>

**TABLE 1:**  
**Key actors and levers for widening and deepening impact** (continued...)

PRIORITY ACTORS	WIDENING		DEEPENING	
	Mobilising for Impact	Catalysing Impact	Impact by Design	Impact Integrity
 <b>GOVERNMENT</b>	<p>Expand the policy toolbox and build public sector capacity for the future.</p> <p>Support key actors such as social enterprises to provide more diverse and effective means of meeting citizen needs and delivering a more resilient social sector.</p> <p>Develop authentic pathways for soliciting citizen input.</p> <p>Call for EOIs which leverage the multiplier effect of impact investing for priority areas of government spending.</p>	<p>Invest in infrastructure such as an impact investing wholesaler to help scale the national market.</p> <p>Open up data accessibility (subject to privacy) and analyse and clarify the costs in key areas of social service provision.</p> <p>Convene key stakeholders around areas of policy priorities aligned with impact.</p> <p>Evaluate the current regulatory impediments to impact investing (e.g. Fiduciary duty clarification) with a flexible view to amendment.</p>	<p>Increase the “spill over” effects of economic growth and explicitly design for and measure targeted impact outcomes.</p> <p>Establish a dedicated unit as a “go to place” for other impact investment actors.</p> <p>Design and implement a government procurement framework with impact as a key component.</p>	<p>Increase measurement and transparency of outcomes for people and the planet from public funds.</p> <p>Strengthen the culture of M&amp;E and results-based policymaking.</p> <p>Create robust rules and standards requiring disciplined impact measurement and management by partners.</p> <p>Consider strengthening regulation around impact disclosure requirements for corporations including the potential adoption of integrated reporting.</p>
 <b>DEVELOPMENT FINANCE INSTITUTIONS</b>	<p>Engage key partners in target markets on impact and the strengthening of impact practice.</p> <p>Identify and consider filling specific market gaps.</p> <p>Share lessons and learnings to raise awareness, educate and activate others.</p>	<p>Create dedicated capabilities for deploying flexible capital.</p> <p>Develop custom solutions/platforms for activating intermediaries and leveraging grant capital for maximum catalytic effect.</p> <p>Play an active, collaborative role with peers and other market builders.</p>	<p>Commit to targets for deploying and leveraging high impact capital in support of compelling impact theses that link those resources to concrete developmental outcomes.</p> <p>Seek the necessary policy flexibility for driving financial innovation.</p>	<p>Transparently report against global standards (as available) on impact achieved.</p> <p>Convene stakeholders around consistency of impact goals, reporting standards and accreditation.</p>
 <b>FAMILY OFFICES</b>	<p>Commit to building understanding of impact management practice.</p> <p>Engage partners in conversations about what they do, and what the principals might need.</p> <p>Be open to partnering with specialists on client education and discovery.</p>	<p>Join and contribute to peer groups.</p> <p>Be prepared to develop early-stage markets of interest to the principals, by directly building the requisite financial infrastructure.</p>	<p>Clarify and communicate to partners the family office’s primary, actionable areas of interest</p> <p>Work closely with partners to develop robust impact theses in thematic areas.</p> <p>Put all tools on the table if needed (i.e. grants, DAFs, PRIs, endowment or investment capital).</p> <p>Set specific targets around impact allocation for investment capital.</p>	<p>Establish rigorous impact measurement and management requirements of partners.</p> <p>Require high levels of accountability and transparency around the impact created.</p>

**TABLE 1:**  
**Key actors and levers for widening and deepening impact** (continued...)

PRIORITY ACTORS	WIDENING		DEEPENING	
	Mobilising for Impact	Catalysing Impact	Impact by Design	Impact Integrity
 <p><b>FOUNDATIONS</b></p> <p>Foundations should adopt a similar approach to family offices above with a few additional activities</p>	<p>Weigh the value of field-level advocacy and education initiatives.</p>	<p>Convene key stakeholders around aligned impact goals to solve key issues.</p> <p>Take more risks in a catalytic role than has historically been the case for some foundations.</p> <p>Lead by example.</p> <p>Invest in field building e.g. Support for impact investing wholesalers.</p>	<p>Partner closely with program teams and external partners to amplify thematic impacts (e.g. grantees, service providers and peers)</p>	<p>Share learnings and approach with the broader market.</p> <p>Engage with peers and key stakeholders around consistency in impact reporting and disclosure requirements.</p>
 <p><b>IMPACT DRIVEN ENTERPRISES</b></p>	<p>Go to market with new and more diverse models for delivery.</p> <p>Leverage Technology to drive new solutions.</p> <p>Raise awareness and tell stories of impact and business success.</p>	<p>Open new market opportunities through innovative approaches to existing issues.</p> <p>Leverage flexible capital around a solutions orientated approach.</p>	<p>Set clear impact goals and objectives and develop a strategy that embeds these into business operations.</p> <p>Consider and track potential supplementary benefits of core impact objectives e.g. local job creation</p> <p>Attract and retain quality employees who are aligned around impact goals.</p>	<p>Embed impact into organisational mission and values.</p> <p>Develop an impact measurement framework and related KPIs.</p> <p>Focus on reporting with transparency and high standards of disclosure.</p>
 <p><b>COMMUNITY SECTOR AND NGOS</b></p>	<p>Leadership for more industry and impact-led activity designed to attract new and different resources.</p> <p>Share successes and knowledge more broadly to encourage industry participation in impact investing.</p>	<p>Create community sector industry research and development capability.</p> <p>Share data and frameworks as appropriate.</p>	<p>Orient and utilise more resources to achieve mission.</p> <p>Design for scale and sustainability in operations.</p>	<p>Develop a rigorous impact measurement and management framework which allows (but is not driven by) reporting to funders.</p> <p>Convene other sector actors to enable better and more consistent management and reporting of impact.</p>

## Endnotes

### Navigating Impact: Banks

#### FAST FACTS

1. S&P Global, *The world's 100 largest banks*, 2018
2. Ibid.
3. Global Impact Investing Network, *Annual Impact Investor Survey*, 2018
4. World Bank Group, *The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution*, 2018
5. McKinsey & Company and IFC, *Two trillion and counting: Assessing the credit gap for micro, small, and medium-size enterprises in the developing world*, October 2010

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**Case #1 BNP Paribas:** BNP Paribas Group, *2017 and 2016 Report on Activity and Corporate Social Responsibility*; BNP Paribas Group, *2017 Registration Document and Financial Report*, 2017; Euromoney, *Western Europe's best bank for sustainable finance 2018*; BNP Paribas; Keramane M, *Measuring social impact: a key step towards promoting Social Enterprises*, 2016; <https://group.bnpparibas/en/group/corporate-social-responsibility>

**Case #2: Barclays:** Barclays, *Barclays Multi-Impact Growth Fund Factsheet*, 2018; Barclays Newsroom, *Barclays launches industry first with new Impact Investing Fund*, 14 September 2017

**Case #3: JP Morgan Chase:** Annual Report 2017, Corporate Responsibility Report, 2017; NatureVest: *Advancing Investment in Conservation*; Corporate Responsibility Report 2009

**Case #4: Dhaka Bank:** FSG, *Banking on Shared Value: How Banks Profit by Rethinking Their Purpose*; Dhaka Bank Limited, *Engaging Tomorrow Today: Annual Report 2017*

**Case #5: Vancity:** Vancity, *Strengthening communities*; 2017 Annual Report; Vancity, *Defining Community Impact Transactions (CIT) – Business Lending and Deposits 2018 Guidelines*

See reference list in the full report which can be found on the CSG website:  
<https://gsgii.org/wp-content/uploads/2018/11/GSG-Paper-2018-WideningDeepening-the-Market-Nov.pdf>