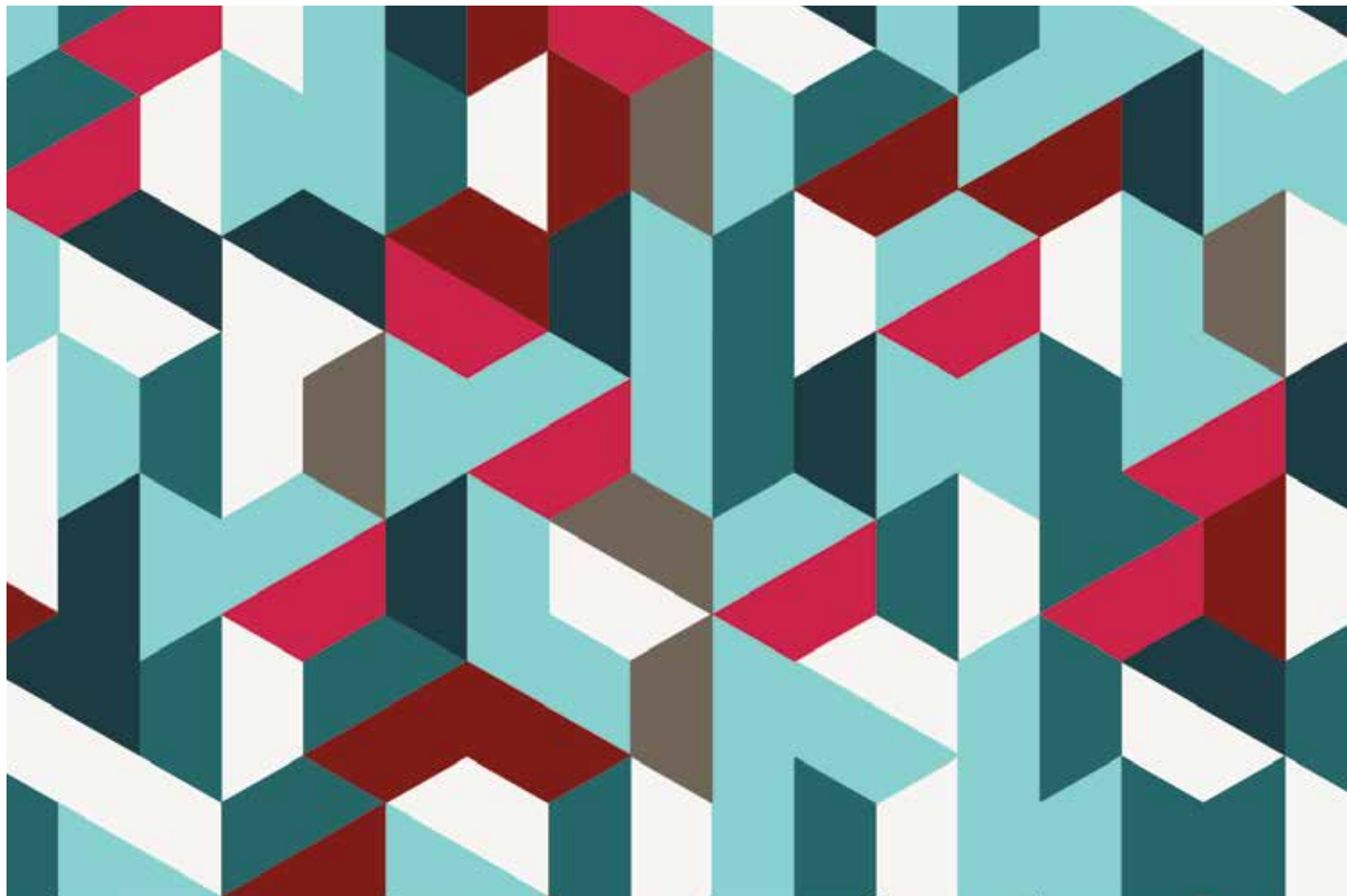

National Advisory Boards and Impact Investing:

THE POWER OF CROSS-SECTOR COLLABORATION

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INTRODUCTION FROM SIR RONALD COHEN

The Initiative for Responsible Investment at the Hauser Institute for Civil Society is a project of the Center for Public Leadership at the Harvard Kennedy School. The IRI supports the social purpose of finance through research and multi-stakeholder dialogue, with the goal of catalyzing leadership and action that creates long-term, values-driven wealth.

The IRI serves as a research center on fundamental issues and theories underlying the ability of financial markets to promote wealth creation across asset classes, while creating a stronger society and a healthier environment. The IRI accomplishes its mission by developing and presenting original research, providing a platform for dialogue, and taking practical action around issues of importance to the responsible investment community.

The GSG's National Advisory Boards (NABs) are driving a revolution to optimize impact alongside risk and return when making business and finance decisions.

In 17 countries and the European Union, NABs have become the go-to resource for promoting impact investment. By bringing together governments, investors, asset managers, intermediaries, NGOs, and market builders such as professional firms, NABs are powerful change agents for developing impact economies that benefit people and planet. They have demonstrated their potential to unlock new sources of impact capital and develop national impact infrastructure and policies.

The experience and successes of existing NABs are supporting the formation of NABs in at least as many new countries over the next three years.

At a time when pressure on governments to tackle social and environmental issues is coming from all sides, NABs unleash finance, innovation, and entrepreneurship to solve critical social and environmental issues. Their action will help to release the trillions needed to achieve the UN Sustainable Development Goals (SDGs), and also increase collaboration towards their achievement.

NABs are leading radical system change across the world by making impact the “invisible heart of markets” that guides their invisible hand.

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ABOUT THIS PAPER

This paper examines the development of National Advisory Boards (NABs) as multi-sector platforms to promote the practice and efficacy of impact investing within national (and now regional) contexts. Our goals are to:

- › understand the various purposes and activities of NABs in the eyes of participants in them;
- › draw lessons from their work on field-building for impact investing; and
- › consider how the formation of multiple NAB in different countries over a few years reveals something of the cultural variation in the understanding and practice of impact investment.

We hope the paper is useful for practitioners engaged in the work of National Advisory Boards and the Global Steering Group that serves them, and of interest to the broader communities of impact and responsible investors that their work is meant to support.

INTRODUCTION

The Global Steering Group for Impact Investment (GSG)¹ was formed in August 2015, as the successor organization to the Social Impact Investing Taskforce (Taskforce) established under the UK Presidency of the G8 in June 2013². The GSG, like the Taskforce before it, has at its core a set of member organizations known as National Advisory Boards (NABs) – multi-sector consultative bodies organized by country or regions of origin meant to assess the state and promote the practice of impact investing in their place of origin. The GSG coordinates their efforts globally and draws from their work and others in the field to promote impact investing as an important field of practice – with impact investment defined as investment that “optimizes risk, return and impact to benefit people and the planet”. Impact investing achieves this by setting specific social and environmental objectives alongside financial ones, and measuring their achievement³.

The NABs stand out as a different kind of institution in the field of impact investing. The NABs are tasked in principle with goals of educating specific places about impact investing, promoting the field, and helping to develop public policy environments that support it. That they originated in a Taskforce⁴ associated with the G8 highlighted their role both in engaging in policy discussions and helping to legitimize the field.

The original eight NABs which formed as part of the Taskforce⁴ created something of a natural experiment. Each country had to:

- › recruit a representative group of practitioners to populate the NAB,
- › designate a secretariat to manage it,
- › and generate a report that mapped the field and made policy recommendations relevant in their particular political and cultural context.

¹ <http://gsgii.org/>

² <https://www.gov.uk/government/groups/social-impact-investment-taskforce>

³ If you are looking for further definitions of terms in the impact investment space, please refer to the Glossary of the Impact Management Project, developed in collaboration with NABs, the GSG and others <http://www.impactmanagementproject.com/glossaries/>

⁴ Australia, Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

The structure and output of each NAB is a window into how different places understand the field, adapt international discourse to their circumstances, and identify opportunities to advocate for the field's growth⁵.

The addition of new NABs⁶ and the transition from the Taskforce to the GSG, sheds light on how this institutional form adapts to the needs of places who were not part of the G8 process – with particular light cast by the inclusion of new and emerging markets outside of the G8 community. The transition also reveals how the original NABs have changed as they moved from time-delimited working groups contributing to specific Taskforce goals (between June 2013 and September 2014), into ongoing institutional formations that are active contributors to the GSG and its mission.

“NABs are leading radical system change across the world by making impact the “invisible heart of markets” that guides their invisible hand.”

– Sir Ronald Cohen

This paper takes advantage of the transition to the Global Steering Group from the original Taskforce to take stock of this new institutional form: to learn from what has been done, and to evaluate the role of NABs in the broader universe of impact investing activity.

Drawing on interviews and engagement with participants from over 20 existing and potential NABs,⁷ a review of their published documents, and analysis of their work in the context of the broader field, this paper asks:

- › How are NABs formed, managed, and governed?
- › What actions do practitioners implement for promoting impact investing in their country?
- › What lessons can be learned from NAB activity to date?

Our hope is that this paper helps inform the field building efforts of existing and potential NABs and other advocacy groups engaged in similar work. We also believe that a close examination of the NABs reveals something about the field of impact investing generally, and about the ways in which the concept of impact investing adapts and takes root in specific cultural and political contexts.

BACKGROUND: WHERE DO NABS COME FROM?

In 2013, the UK government undertook the creation of a Social Impact Investment Taskforce to report on “catalyzing a global market in impact investment” under their presidency of the G8—soon to become the G7. The Taskforce itself was a complex project, a representative body comprised of public and private sector delegates from the soon-to-be G7 nations – the UK, Canada, France, Germany, Italy, Japan, the United States – as well as the European Union, with observers from Australia and the Organization for Economic Cooperation and Development [OECD].

⁵ For more information on each of the existing NABs, their national ecosystems, mapping reports and achievements, please visit the Country pages on the GSG website: <http://gsgii.org/nabs/argentina-uruguay/>

⁶ Portugal (2014), Finland (2017), European Union (2015), Argentina/Uruguay (2017), Brazil (2014), India (2014), Israel (2016), Mexico (2015).

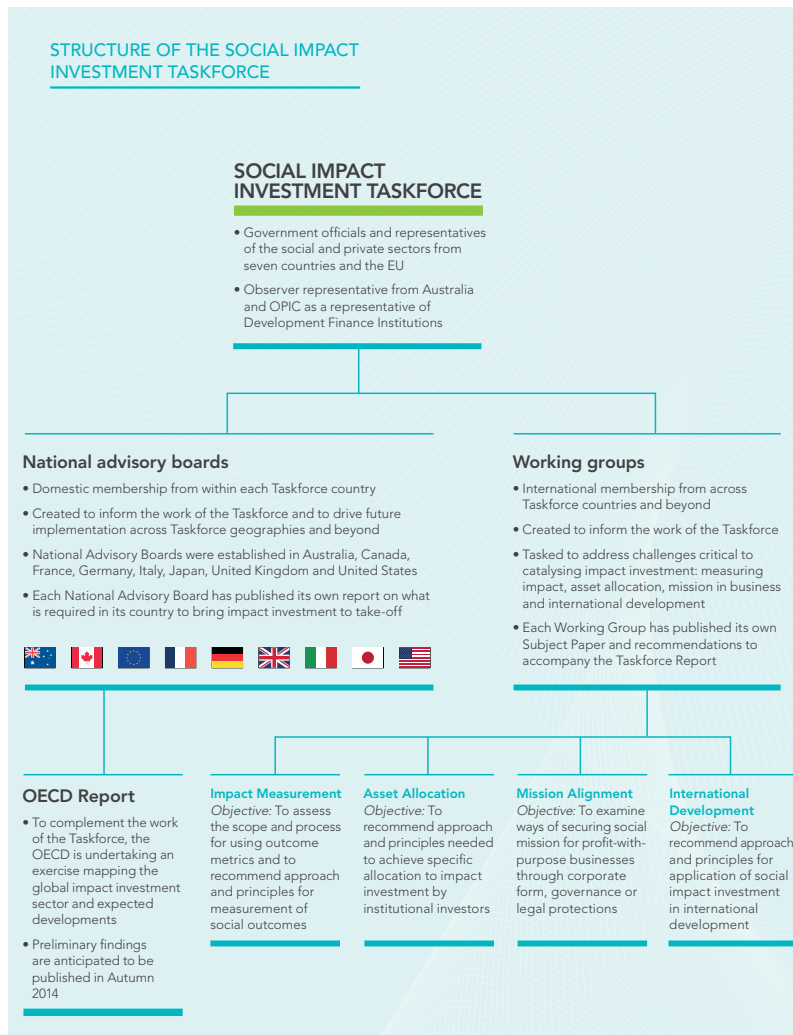
⁷ The countries from which representatives were interviewed or engaged over the course of this work include Argentina, Australia, Bangladesh, Brazil, Canada, Chile, China, Finland, France, Germany, India, Israel, Italy, Japan, Mexico, the Netherlands, New Zealand, South Africa, South Korea, Sweden, the United Kingdom, the United States, and Uruguay

The Taskforce oversaw international working groups of impact investment practitioners tackling four different topics:

- › impact measurement,
- › asset allocation,
- › mission alignment,
- › international development

Additional work focused on policy levers and objectives for the field, as well as complementary research commissioned from the OECD took on the task of mapping the existing investments in field.

By September 2014, the Taskforce, its working groups, and OECD had published under the Taskforce mandate work outlining the field of impact investing, and calling for specific activities to grow the field and bring it to scale⁸.



The Taskforce also brought into being a set of eight National Advisory Boards designed to represent the national impact investment markets of the G7 countries with an Australian NAB included via Australia’s observer status on the Taskforce. Like the Taskforce, the NABs were multisector bodies that coordinated discussion about the state of and potential for what the Taskforce had called “social impact investing.”

These NABs were tasked with evaluating the state of the market in their respective countries, and making recommendations, particularly public

policy recommendations, that would support the growth and effectiveness of impact investing. Their membership – with credible and influential leaders from multiple sectors – was meant to send a signal to a broad set of public and private stakeholders of both the current and potential development of the field. Further, the NABs were understood to be mechanisms “to inform the work of the Taskforce and to drive future implementation across Taskforce geographies and beyond” – in other words, to design and perhaps become a part of the social infrastructure

⁸ See “The Invisible Heart of Markets” for the Taskforce’s flagship publication, and the compilation of publications on the Taskforce’s website at <http://socialimpactinvestment.org/>. On the work of the Taskforce, see also Rosemary Addis and Anja-Nadine Koenig, “G8 Taskforce and the Global Market - Why the Social Impact Investment Taskforce Matters and What Comes Next” in *Impact Investing Policy: A Snapshot of Global Activity* published by Pacific Community Ventures and the Initiative for Responsible Investment, found at: http://iri.hks.harvard.edu/files/iri/files/impact_investing_policy_in_2014_a_snapshot_of_global_activity_2014_full_report.pdf. In addition to the working groups, the taskforce oversaw the preparation of a report on the global social investment market by the OECD. The process was led by Karen Wilson within the Directorate for Science, Technology and Industry within the OECD. The OECD published its report *Social Impact Investment: Building the Evidence Base* in February 2015. <http://gsgii.org/reports/social-impact-investment-building-the-evidence-base/>

that catalyzes the growth of the field. While there were particular antecedents to the NABs in both the UK (with a previous Social Investment Taskforce existing from 2000 - 2009)⁹ and in Canada (with the Canadian Taskforce on Social Finance existing from 2009 - 2010)¹⁰, and NABs had been modelled upon those, this was an essentially new kind of institution, an innovation of a national-level advisory body to an international taskforce developed with the force of the G8/G7 brand.

Since the completion of the Taskforce's initial work in 2014 with the publication of "The Invisible Heart of Markets", the work of the NABs has continued through efforts to implement their own recommendations, and engage with each other via the GSG (as successor to the Taskforce). More countries have officially joined the GSG – now with 16 official members. More places (both countries and regions) are developing NABs that may expand this membership further. Potential NABs under development in Africa, Asia, Latin America and Eastern Europe may bring more regional, cultural and economic diversity to the GSG community.

The NABs, having originally been tasked with mapping the field and developing policy recommendations, are now ongoing initiatives designed to catalyze and institutionalize Impact Investing¹¹, and the GSG a place to report on progress at the national level, exchange information on best practices, and build an international, multi-sector coalition that advocates for and helps create the institutional and financial frameworks, as well as the adequate conditions, for more frequent and effective impact investing activity, aiming at creating positive benefits for people and planet.

WHAT DOES A NAB LOOK LIKE? INSTITUTIONAL FORM: MEMBERSHIP AND SECRETARIAT

The first NABs were formed in response to the creation of the Taskforce, and their organizational membership and structure reflected the initial task of forming a national advisory board that would oversee the production of a report on the state of the industry and how to advance it in their respective countries. Later NABs have adopted this model of multi-sector participation with a secretariat, although the fact that they were not part of the initial Taskforce process is reflected both in their institutional form and their work plans - in part because they were not driven by the specific report-writing mandates which guided the Taskforce's original work.

MEMBERSHIP

Most of the NABs in existence are multi-sector platforms that identify and advocate for best practices in the field. In interviews with NAB members, a wide variety of stakeholder types come up as potential NAB members, including:

- > Public sector or government officials
- > Foundations or philanthropists
- > Impact investing funds
- > Social enterprises or their representative bodies
- > Incubators, accelerators and other intermediaries
- > Social service providers or social purpose organizations
- > Banks, Insurance Companies, and other "mainstream" financial institutions
- > Large businesses
- > DFIs and MFIs
- > Academics and other thought leaders

⁹ <http://www.ronaldcohen.org/initiatives/social-investment-task-force>

¹⁰ <https://www.marsdd.com/mars-library/mobilizing-private-capital-for-public-good-canadian-task-force-on-social-finance/>

¹¹ The Taskforce's original use of the phrase "social impact investing" has given way to the more widely used phrase "impact investing."

There was no clear definition of what membership entailed across NABs, and the recruiting process was organic and driven by different imperatives in different places. Interviewees tended to concentrate on the institutional affiliation of participants rather than personal positions or expertise, although in most cases they also highlighted particular individual members who took a personal interest or provided special personal value to their work. Invitations carried the weight of the Taskforce and its affiliation with the UK Presidency of the G8, which many interviewees highlighted as important to the recruitment process. Interviewees from NABs formed after the Taskforce process highlighted the existence of the GSG and an international network of NABs as serving a similar authorizing function in their own recruitment.

As described below, different countries took different approaches to forming the NABs based on their historical approach to the field and the particular outlooks of their founding members. The ultimate balance of members naturally depended on willingness to commit, the mutual value seen in engaging in group dialogue and action, and expertise in some aspect of the field.

A notable aspect of all the NABs, is the importance of engaging the public-sector in NABs and their activities. Many of the original NABs, given their origins in the Taskforce, had close ties to the government and all had designated public sector representatives – in the United States, for instance, the NAB celebrated the publication of its Taskforce report directly in concert with the Obama administration and with administration members who had played an active role. A similar level of participation from government was seen the Canada, France, and the United Kingdom. In other cases, and in particular with the NABs that have been formed without the governmental impetus of the Taskforce process, public-sector participation, even when present, was relatively muted, with private and civil society sector actors tending to drive the discussion. They would report their findings to the public sector either through direct submission to public officials, or in presentations or for a where policymakers are present. In Germany for instance, the private,

philanthropic, and academic participation helped drive work around field definition and mapping in the first stages of the NAB, with the object of demonstrating impact investing's relationship to public policy. In Brazil, NAB members were drawn from private sector and civil society actors, with public sector participation developing over time.

In all cases, when key public-sector champions engage in NABs, it is seen as noteworthy and a sign of progress. Further, though the goal of the NABs is often presented as “mainstreaming” or “bringing to scale” impact investing in financial markets, NAB membership across the various countries has tended to be more concentrated in practitioner or advocacy organizations than new larger entrants from financial markets institutions (such as pension funds or commercial banks for instance).

Finally, some participants in the interviews note that membership of the NABs has tended to not fully include the demand side of impact investment capital. This is something that can make NAB engagements less robust and that may sometimes also privilege recommendations around deals and financial mechanisms, overlooking other possible ways of lowering barriers to an efficient impact investment ecosystem (via for instance training, or awareness raising directed to a range of audiences). A variety of practitioners emphasized in our conversations the need for the field to regularly return and renew a commitment to its primary social purpose, rather than focus on the mechanisms for investment alone.

Among the original eight NABs that were part of the Taskforce, we can roughly distinguish 3 approaches to populating members on the Advisory Boards:

APPROACH 1: A REPRESENTATIVE BODY OF IMPACT INVESTING PRACTITIONERS

One way to approach the board was to gather a broad representation of existing activity in the field of impact investing. The United Kingdom, Canada, and the United States primarily drew their participants from active practitioners seen as leaders of their field, coming from impact investment intermediaries,

engaged philanthropic organizations, advocacy and research platforms, and, to a lesser extent, financial institutions who had specialized functions in the field. In the UK and Canada, membership grew out of previously existing task forces in 2000 and 2009, respectively. In the United States, organized philanthropy played a particularly important role both in funding the NAB and in participating in its deliberations. While none of those three NABs were a perfect representation of the field, these advisory boards in effect served as collective voices to coordinate practices meant to drive private capital to public purpose.

In this approach, one challenge was to include a broad array of practices associated with impact investing in respective national strategies and action plans, while being narrow enough to align around a common understanding of the field. In countries with relatively well-developed ecosystems, interviewees from the countries described the challenges of limiting membership to keep both the size and the focus of the work manageable – in Canada the NAB had 24 members, the United Kingdom 28, and the United States 27 members.

In each case, interviewees highlighted the challenge, in building membership, of balancing different sectors and existing communities of practice. In Canada, this meant tackling the challenge of integrating the more recent coining of “impact investing” with long-standing practices in social finance exemplified, for instance, in the Quebecois approach to the “solidarity economy”. In the United States, this meant balancing interest in social enterprise with the well-developed field of “community investing” targeting low-to-moderate income communities. In practice, adjudicating between various communities of practice resulted in reports from these NABs which tended to be highly tactical, and which highlighted yet to be implemented policy proposals that already existed within the field and were designed to be actionable in the near term by policymakers.

This approach proved well suited to developing a clear set of policy proposals for presentation to relevant policymakers.

APPROACH 2: A BROAD MULTI-SECTOR STAKEHOLDER CONSULTATION ON THE NATURE AND VALUE OF IMPACT INVESTING

Another approach in the original group of eight NABs was to engage a broad set of stakeholders, including advocates for, potential adaptors of, and skeptics about, private finance as a tool for achieving public goals. The NABs tended to be on the larger side of the original set of eight, with approximately 30-40 members from public, private, and civil society sectors. The continental European Advisory Boards from France, Germany and Italy adopted this sort of approach. The French NAB, formed at the behest of then Minister for The Social and Solidarity-based Economy, described its 29 members in the 2014 report as reflecting “backgrounds in banking, private equity, social entrepreneurship, government agencies, independent advisory services, government departments, academia, and international organizations” – a description which would also apply to its peer groups in Germany and Italy.

In this case, interviewees described the NABs as designed to be a vehicle to both socialize and interrogate the concept of impact investing. They explored where private sector opportunities for advancing social goals did and did not exist, particularly in the provision of social services and the development of profit-making social enterprises. The challenge in this model is to build a group robust enough to showcase differing perspectives and at the same time solid enough to come to useful and concrete conclusions about the nature and potential of the field.

Practitioners report this model as a particularly useful platform to promote impact investing across public, private, and civil society actors, and as a way to educate a broader community about the field. The model drove intense discussions about field definition and mapping. For instance, the German NAB developed a relatively narrow view of impact investing in their scoping of the field with an eye towards rigorous definitions around the intention of the investor as well as the measurement of impact, resulting in a relatively small figure for the overall size of the market. In France and

Germany, interviewees report the NABs spending time reflecting on the applicability and value of global impact investment activity within the context of different notions of the state's role in economic and social service delivery. In Italy, the NAB has formed a “scientific council” of academics meant to analyze the case for impact investment in different sectors and bring rigor to discussion of the field and its various approaches.

APPROACH 3: AN ORGANIZING PLATFORM

The third model adopted in the original group of eight, saw membership on the Advisory Board as a way to build the voice of influential actors in broader stakeholder communities in support of impact investing.

The Japanese and Australian Advisory Boards formed smaller (7 and 14 members respectively) groups than their peers. In Japan's case, membership came from influential large corporate foundations, the government sponsored development finance institution JICA, and the philanthropic sector, while the report writers further drew on expertise from a handful of impact investment practitioners. The Australian Advisory Board was established by social innovation practitioners with multi-sector experience who later formed the field building organization, Impact Investing Australia. The Australian NAB had a 14 member board with concentrated membership from mainstream financial institutions, community sector, philanthropic organizations and advisors with government experience. As with Japan, expertise from the market, including dedicated impact investing practitioners was used to inform the NAB report.

The NABs were designed to socialize impact investing as a field with influential stakeholders, and to incorporate insights from the global exchange engendered by the Taskforce into a national conversation on public policy and the field. By their nature these NABs concentrated the work in the secretariats, who were socializing new and influential members in the field and beyond. Examples of success included engagement with banks and wealth managers

who expanded their work in impact investing in Australia; and development of public sector support for impact investing via a pool of unclaimed assets.

Since the formation of these original eight National Advisory Boards, a further eight have joined the GSG. Other countries are considering formation in anticipation of the GSG Summit in 2018. The circumstances under which they have been formed are significantly different: most notably, there has been no explicit, time-delimited global project like the Taskforce. Nevertheless, similar patterns in membership are seen in these newer additions to the field.

As examples: The Israeli Advisory Board seems to follow the first model, building on the work of Social Finance Israel and focused on deep tactical political engagement. Portugal's NAB was inspired by the second model, with a broad set of stakeholders aligned through the production of a report and working groups dedicated to its execution, although Portugal has also drawn directly from the UK experience in shaping of a detailed five point “Blueprint” against which the NAB can execute.¹² The Brazilian, Mexican, and Argentine/Uruguayan Advisory Boards adopted the third approach, focused on socializing impact investment through engaging key sectoral players through the advisory board, using the NAB to promote and legitimize impact investment, as a way of bringing people and institutions into the field. All of these look to the global network of NABs, and the GSG as a coordinating body, to identify practices and relate their country-specific activities to a broader global agenda.

Two outliers in this analysis are worth calling out. The Finnish National Advisory Board mirrors the second approach as a consultation on the role of impact investing in Finnish society, but with heavy representation of public sector members – five of the NAB's twelve members come from the public sector, with two members drawn directly from investment institutions. The Indian National Advisory Board is unique. In India, an existing trade organization of impact investing venture capital organizations (India Impact Investors Council) has organized itself as a

¹² Portuguese Social Investment Taskforce: A Blueprint for Portugal's Emerging Social Investment Market, 2016.

National Advisory Board, drawing on the existing Indian impact investing practice in venture capital. Organizing as a NAB helped coordinate that impact investing community around public policy advocacy – along the lines of the first model, though in a narrower conception of membership, focused on a specific set of impact investment intermediaries.

We also find in several NABs under consideration the adaptation of the form to specific goals of individual institutions driving the organizing efforts – for example, a way to coordinate impact investing conversations between private investors, government and development finance agencies in the context of an emerging market; or a vehicle to socialize a particular conception of social enterprise in the context a centralized state economy. In these cases, the original design of the NAB emerges from a more a more particular purpose, and the principle of a multi-sector taskforce is a way to attract interest in and build legitimacy for the field remains.

Finally we should note that NAB membership and governance is an evolving process. Following the transition from the Taskforce process, the UK NAB has developed a two-tiered governance structure with a multi-sector board with members from public, private, and civil society organizations supported by a Practitioner’s Council of executives engaged daily in the impact investing field. The US National Advisory Board has reconstituted as US Impact Investing Alliance: its board is now comprised of senior representatives from philanthropic and financial institutions active in impact investing, and the Alliance board is supported by both an “Industry Partners” group of trade associations and related institutions from impact and responsible investing communities, as well as a “Council of Presidents” from 20 US foundations who have helped underwrite field building as well as invested themselves. In both cases, the changes reflect an effort by the original NABs to complement existing activity in the impact

investing sector in their countries, while continuing the original work of field-building that drove the creation of the NABs in the first place. Similar changes will likely take place in other countries – during the course of research for this paper the NABs in Germany and Australia, for instance, were undergoing strategy refresh that will also lead to changes in membership on the boards. The Australian Advisory Board will publish in December 2017 “Views from the impact investing field on what’s happening and what’s needed next,” a snapshot of field activity that will inform the Board’s next steps in the field.¹³ In the US, NAB changes were also linked to strategic planning for the next phase of work. The UK Taskforce’s recently published report “The Rise of Impact: Five Steps Towards an Inclusive and Sustainable Economy lays out the results of this engagement, with new concentrations on the Sustainable Development Goals, a broader range of investor and corporate activity included in the field, the opening of new opportunities for retirement savings towards impact investment, and reinforcing the UKs role in impact investing in development finance.¹⁴

LESSONS

Unsurprisingly, NAB membership is driven by the existing practices and history of impact investing and related fields in a given country – with a tendency to focus on impact investment practitioners and advocates. Interviewees note that public sector officials, beneficiaries of investments and mainstream investors tend to be underrepresented.

- › The construction of the NABs was linked to different conceptions of the roles they were meant to play – different relative weights are given to public policy recommendations, field-building and definition, education and recruitment depending on context.
- › NAB membership necessarily involves tensions in membership, as the group cannot in practice fully represent the full range of activities associated with using private capital for social goals.

¹³ <http://www.australianadvisoryboard.com/publications>

¹⁴ The Rise of Impact, October 2017.

- › A similar challenge in membership lies between active and potential practitioners, which naturally leads to tensions in the balance of advocacy, influence, research and education.
- › NAB membership and governance evolves as the collaboratives grow over time –and there is no one set of best practices to point to in designing or refreshing membership.

NAB SECRETARIATS

It is clear from the interviews that multi-sector field-building work (on which the institutional design of NABs is based) is not typically part of the day-to-day work of any organization in the field, nor is there a standing source of funding to deliver on this sort of activity. In the case of the first eight NABs, the work of organizing country-level reports, delivering on follow-up activities, and of creating and developing workplans for the Advisory Boards, tended to fall on a particular institution or a small set of practitioners.

In some cases, the secretariat for the NABs has come from existing social impact investing intermediaries, or advocacy groups associated with the field. In the UK, Big Society Capital lent original capacity to the NAB; in Canada, the MaRS Centre for Impact Investing, respectively, performed the same function. In Australia, Impact Investing Australia was created after the formation of the NAB in order to be its strategy and execution arm, intentionally set up as an independent organization not tied to any particular player in the market. In Brazil, the Instituto de Cidadania Empresarial plays a similar role. These organizations bring expertise to the discussion, but also faced the risk, as active participants in the impact investing ecosystem, of promoting a particular agenda for the field. Another challenge for these organizations is ongoing funding for their work as secretariat of the NAB. While Big Society Capital had internal resources to support field building work on its own, Impact Investing Australia and MaRS depended on external funding for the work in the form of corporate sponsorship and grants and faced challenges in continuing the work beyond the original remit of the Taskforce.

In many NABs, the secretariat has been housed within a private foundation that could provide staff and financial support to the NAB process. For instance, in Germany the Bertelsmann Foundation, in Japan the Nippon Foundation, in Italy the Human Foundation, in Portugal the Gulbenkian Foundation, and in the United States the Ford Foundation (now the home of the NAB secretariat), MacArthur Foundation, and Omidyar Network, have all provided significant support and central coordination of NAB activity in their respective countries. The discussion of passing on the secretariat to new organizations after the initial (usually 2 to 3) years of the NAB, is an ongoing conversation in some of these countries. The new “homes” for the secretariat of the NAB could be at other foundations, existing or new NAB members, or newly created legal entities with sustainable resources. Some transitions have already taken place: in the UK the secretariat has been transferred from Big Society Capital to Bridges Ventures for instance. In Finland, the NAB secretariat is housed in the Finnish Innovation Fund Sitra, a quasi-public endowment that functions as a research and innovation hub, an impact investor, and grant-maker, and is designed to sit between government and civil society. In South Africa, for the potential NAB information, a philanthropic grant has enabled the Bertha Centre for Social Innovation at the University of Cape Town, to get resources to explore the creation of an Advisory Board, and presumably to act as its original secretariat.

In other NABs, the work has been organized collectively, via a core group of NAB members serving as a secretariat and an emergent organization structure funded by NAB members (either a selection of them, or by membership fees as is the case for the Indian NAB). In the United States, the NAB has used philanthropic funding to support the creation of the US Impact Investing Alliance, currently housed in the Ford Foundation¹⁵. In France, the NAB has extended its multi-sector work via membership, with contributions directed specifically to supporting the creation of a new project, sponsored by the NAB, to work on investment product design.

¹⁵ <http://impinvalliance.org/>

Emerging NABs are often bootstrapping (in many cases, driven by dedicated individuals from sponsoring organizations who do most of the organizing work), with philanthropic grants also providing fundamental support in some places.

In every case, the challenge of funding a NAB secretariat and NAB activities, has been central to the organizational structure adopted by the Advisory Boards, especially as the work has transitioned from time-delimited research, advocacy, and report-writing to ongoing field-building that requires sustainable resourcing. In addition, as in any multi-stakeholder group, getting NAB members to actively contribute whilst engaging the wider ecosystem has been a challenge of secretariats in managing the workstreams of NABs.

To sum up:

- › In every case, the Secretariats drive the work of the NABs, with differing levels of engagement from NAB members within and between countries;
- › As a consequence, the work of the Secretariats is focused on collective action but driven by a small number of core organizations;
- › The membership and home of NABs has naturally evolved over time, reflecting the transition from time-bound to ongoing work, as well as the energy and commitment cycles of participants; and
- › Resourcing the Secretariats has taken different forms but remains a challenge for many NABs, particularly potential NABs in development.

WHAT DO NABS DO? THE ROLES THAT NABS PLAY IN IMPACT INVESTING

The NABs constituted by the Taskforce process were tasked with producing a report on the state of impact investing in their countries and policy recommendations on how to advance it. They were also built initially as multi-sector initiatives that could take the recommendations that emerged from those reports and bring them to fruition.

These reports, subsequent sharing of progress on the recommendations, and similar reports from the

more recently formed NABs of Brazil and Portugal, for instance, offer valuable insight into how impact investing takes shape in particular political and cultural context, laying out which issues resonate in a given country, and which institutions and people take leadership roles in promoting the field. Interviews with NAB participants, however, reveal a wider range of roles that the Advisory Boards play in their respective countries that go beyond report writing. We can distinguish six different roles for NABs that together help reveal how they can function in political and cultural contexts, and also illustrate some of the challenges they face in establishing themselves as support organizations for the field.

The following roles have been played at various times by the NABs, and they are not mutually exclusive. Questions for NABs moving forward, both individually in a specific country context and collectively, include

- › Which of the following roles are needed?
- › Who is appropriate to play them?
- › What is the value of the NAB structure in places where other advocacy or multi-stakeholder organizations exist?

1) DEFINING AND MAPPING THE FIELD OF IMPACT INVESTING

The original NAB reports all took as one of their primary objectives the “mapping” of the field of impact investment in their country. This included identifying major actors, successful cases and data along the continuum of demand, intermediation, supply of capital, alongside an analysis of the public policy environment that allowed for or posed barriers to impact investing, and various stakeholder groups engaged in supporting or expanding the field. More recently formed and currently forming NABs have in many cases adopted a similar model for their own initial activities.

Thanks to the coordinating force of the Taskforce, and the mandate it gave to the original eight NABs, these maps of impact investing shared common definitions of the field as well as many common areas of focus – for instance, the supply, intermediation, and demand framework; a focus on social service provision and

government procurement; and an attention to for-benefit corporate forms. These maps also reveal important differences: some countries such as the United States have a more active philanthropic base that can provide subsidy capital for field building activities. They also reveal that the social goals of NABs vary across countries with different emphasis placed on: innovation in service delivery, the social needs addressed (elder care, affordable housing, small business development), the importance of particular kinds of enterprises to impact investing; and so on. The purpose of mapping national ecosystems is for practitioners to gain a better empirical sense of activity on the ground, to demonstrate commonalities and differences, emphasize the size and potential of the market to potential new investors, and to highlight to policymakers the field's potential for social benefit. While the Taskforce provided a general frame for understanding the ecosystem that has influenced how members of the Taskforce and now GSG view the field, interviews often brought out competing views of what is or is not impact investing with considerable variation across countries. Participants described the challenges of clearly defining the new field, and of various approaches taken to measuring activity ranging from broad counting of activities such as responsible investing to a narrow (rigorous) definition of impact investing focused on more specific definitions of intentionality and measurement.

2) MAKING PUBLIC POLICY RECOMMENDATIONS

A core function of the NABs is to use their multi-stakeholder platforms to develop and propose policy recommendations meant to create a more supportive ecosystem in which impact investment can take place.

The public policy recommendations of the NABs tend to focus on tax and other incentives for new investment capital and products to enter into the field, opening access to government procurement and other social sector funds to for-profit social enterprises, and providing support to demand-side enterprises that achieve specific social goals. The policy recommendations often reflected the UK origins of the Taskforce: many (though not all) NABs, drawing on the experience of the United Kingdom, with for instance Big Society Capital inspiring NABs to look at unclaimed assets to establish a social investment wholesaler, or Social Impact Bonds (SIBs)¹⁶ receiving significant attention as impact investing instruments despite their relative newness. Common recommendations included efforts to institutionalize measurement standards, legal requirements for social enterprise, and provision of data to the impact investing market. The policy proposals also reflect the particular circumstances of the country of origin and concerns of NAB members, and they go beyond public policy to encompass general field-building activities that a broad set of stakeholders might support.

DEFINING AND MAPPING THE FIELD IN FRANCE

In its report to the Taskforce, the French NAB explicitly differentiated social impact investments from socially responsible investment or “investments with impact” – describing social impact investments as financial investments with specific social goals, ongoing assessment procedures, and quantifiable outcomes. The resulting map focused on a tailored set of impact driven organizations, drawing from existing French practices under the heading of the “social and solidarity based economy.” As a result, the field mapped by the NAB was narrowly defined to exclude broader related initiatives falling under headings of responsible or social investment that did not meet this definition.

http://www.socialimpactinvestment.org/reports/French_Report_Final_en.pdf

¹⁶ http://www.socialfinance.org.uk/sites/default/files/publications/sibs-early-years_social_finance_2016_final.pdf

Examples of policy recommendations are drawn from the original eight NAB country reports submitted to the Taskforce:¹⁷

Australia: Extend entrepreneurship support to social entrepreneurs. Support development of data and metrics on outcomes & impact.

Canada: Allow charities to provide a private benefit where it is necessary to achieve a broader public benefit, by clarifying guidance on the public benefit test. Provide support for impact and contract readiness, to build a pipeline of investment opportunities.

France: Introduce “solidarity-based development enterprise” accreditation. Build the French Development Agency’s capacity in impact investing.

Germany: Enable the simultaneous pursuit of economic goals and social impact by socially motivated organizations without legal uncertainty. Create standardized terminology and increase transparency and comparability for investors.

Italy: Create fiscal support for impact investing through lowered tax rates for impact investments. Expand the social housing work of the Cassa di Depositi e Prestiti to a broader range of impact investing.

Japan: Encourage experimentation in local government on government contracting. Cooperate with major business associations to promote public-private nonprofit partnerships that induce private sector investment and leverages government funding.

UK: Launch a Social Economy Commission. Create a social impact & scaling fund.

US: Support existing community development policies including the Community Reinvestment Act, the Low-Income Housing Tax Credit, and the New Markets Tax Credit. Use the influence of the federal government to celebrate impact-oriented entrepreneurs and businesses.

The experience of the NABs in moving public policy recommendations into practice has been mixed.

Successes in public policy work include:

- › In Japan, the government recently commissioned the creation of a social investment wholesaler funded by unused banking assets along the Big Society Capital model.¹⁸
- › In the United States, an important regulatory reform on the use of both private philanthropic and pension fund assets for social benefit was passed.¹⁹
- › In France, the NAB has helped promote participation in a solidarity economy policy known as the 90/10 rule, which requires companies with over 50 employees to offer retirement plans that devote between 5-10% of beneficiaries’ savings to support designated social enterprises²⁰

But even where there has been policy uptake, changes in government staffing or political administrations has made policy advances a stop-and-start affair, and in some countries political uncertainty or lack of political interest has led Advisory Boards to focus on other ways to build and support the field.

More generally, the policy recommendations have served as a way to express strategic plans for NABs and concentrate stakeholder engagement on specific tasks around which work can be coordinated.

3) BUILD IMPACT INVESTMENT INFRASTRUCTURE

The NABs were formed not merely to propose policy recommendations, but also to serve as infrastructure for building the field. Interviews with NAB participants frequently mentioned their important role as platforms for multi-sector engagement, between public, private, and civil society practitioners, to promote impact investment, and steps necessary to build an ecosystem in which it might flourish. Beyond policy recommendations, many NABs have described (as did the Taskforce in its flagship report) a broader vision for the field and steps to achieve it.

¹⁷ These policy recommendations are summaries of those found in the original NAB reports to the Taskforce, all found at the GSG website www.gsgii.org.

¹⁸ <https://www.japantimes.co.jp/news/2016/12/02/business/diet-passes-bill-allow-use-dormant-deposits-public-interest/#.WhfxCOpl82x>

¹⁹ <https://www.lexology.com/library/detail.aspx?g=e3376864-2d9e-44c4-b5d1-d4fc8ac2403>

²⁰ <https://evpa.eu.com/uploads/documents/FR-Nugget-90-10-Funds.pdf>

The ongoing work of the NABs has been organized into working groups of practitioners focused on advancing specific policy goals, but also developing an institutional framework for ongoing activity. Working groups on topics such as impact measurement, research and knowledge dissemination, innovation hubs for new product research and development, and capacity building for social enterprises are often explicitly described as impact investing infrastructure necessary to catalyze further investment.

The frameworks for this infrastructure are drawn from the Taskforce and its working groups, or highlight key elements for the field as defined by impact investment bodies such as the Global Impact Investment Network – this was originally represented in the working group structure of the Taskforce, with its focus on issues such as impact measurement. The challenge for first G8 NABs is that, in their origin, they were designed as time-limited projects with a clear goal to produce reports and recommendations, rather than ongoing bodies that require staffing and funding to achieve

their often ambitious goals. It was not always clear for those NABs transitioning towards an ongoing body, how responsibilities fall for carrying forward recommendations, and building field infrastructure. As practitioners frequently point out (in this and other fields), funding for long-term field-building and infrastructure development is scarce. In countries with relatively developed impact investing ecosystem the value of the NAB the role of the Advisory Board as a complementary piece of infrastructure needs a differentiating definition, proving NABs with a clearly understood value proposition for the ecosystem. On the other hand, in countries where the concept is new or narrowly adopted, the resources necessary for long-term engagement can be hard to come by.

4) INTELLIGENCE GATHERING AND BEST PRACTICE EXCHANGE

Practitioners have come to value the NABs as sites for sharing best practices across sectors, with the NABs serving an important role as places to learn about

BUILDING IMPACT INVESTMENT INFRASTRUCTURE

After being launched in 2014, the Brazilian NAB reviewed the recommendations of the Taskforce NABs, and drew from them, its own work, and a broad open online consultation to create an expanded plan for field-building in the country. The plan focused on specific opportunities to:

- › expand access to existing pools of capital;
- › attract new investments into social finance;
- › integrate public and private procurement strategies into social finance;
- › strengthen the intermediary infrastructure and pipeline development for social finance;
- › foster more, better, and scalable impact businesses;
- › and build a knowledge dissemination platform for the field.

The policy agenda sits alongside field-building activities focused on financial sector players and other stakeholders such as business schools deemed important for field development. The NAB defined clear targets for the field, based on broad stakeholder feedback from practitioners.

The Israeli NAB is concentrating on gathering data on the financial and social performance of impact investments in Israel to build transparency and track record in the field, and developing conceptual impact measurement models that build on performance indicators to allow practitioners to better manage their investments over time.

In 2016, the French NAB created an “Impact Investment Lab”, which acts as the operational arm of the NAB. The “iiLab” raised money from public and private sector impact investing partners to train, advise and realize SIB projects, as well as to follow the recommendations of the 2014 French NAB report, advocacy, and research.

RESEARCH AND BEST PRACTICE EXCHANGE IN GERMANY

The German National Advisory Board highlighted the importance of research and evaluation on the effectiveness of impact investing strategies, as well as the potentially valuable role that impact investing might play in catalyzing innovation in the delivery of social benefit. As the NAB has transitioned from the Taskforce participation to potential ongoing roles, the importance of multi-sector discussion among practitioners on the use of impact investing for different goals has become increasingly central to the Board's identity – with the NAB itself described as a piece of field infrastructure that enables information sharing among participants.

opportunities and challenges in the field. Interviews suggest that within a country, the NABs can play a vital role as places where multiple sectors gather to explore new ideas and learn what others are doing in the field. This role is often cited as justifying the continuing work, in some form or another, of the Advisory Boards which would otherwise sunset. The NABs can play a similar role as points of contact for international expertise, adopting/ adapting practices from other countries whether by exchanging with other NABs or connecting with major international impact investors (such as development finance institutions or global philanthropic organizations).

Interviews with new and potential NAB participants often point to outreach and organizing from the Global Steering Group secretariat as a motivating reason to create a new institution – the GSG helps create an authorizing environment that attracts interest and attention to field building within countries, and the opportunity to engage with and learn from peers in other countries is attractive. As with infrastructure building, the challenge for knowledge exchange for the NABs is differentiating their work from the ever-growing field of impact investment conferences and networks globally.

5) EDUCATION AND OUTREACH FOR THE FIELD

Interviewees described the NABs as essential points of education and outreach for the field – not just as best practice exchange among practitioners, but ways to attract new practitioners into the field. Membership of the NABs was designed to balance stakeholders' interests and to create access to multiple networks of relevant actors for the field. One key goal of the early NABs was

to make clear the nature and potential of the field to policymakers. Their reports, and engagement with policy makers around the recommendations they contained, offered a touchpoint for advocacy and outreach for the field. NABs have formed communications committees, and engaged with the Global Steering Group on coordinated communications support that will help reach a wider audience in their countries.

Membership of the NABs is seen as playing a vital role in attracting stakeholders who can meaningfully contribute influence and resources to impact investing to learn more about the field. For this reason, the balance struck between active practitioners – with deep knowledge and specific recommendations for policymakers, and potential practitioners – who represent the institutional base of resources necessary to bring impact investing to scale, has proved such an important element in understanding the Advisory Boards makeup and purpose.

Finally, we found in interviews that NABs occasionally wrestle with ways to make impact investment – understood as a globally significant concept – meaningful within a particular political-cultural framework. NABs have described impact investing in light of significant local frameworks like community investing in the US or the solidarity economy in France and Quebec, or focused on issues of particular local importance such as disaster relief in Japan. This “localization” of impact investing – the German and French NABs created words in their own languages to make it more meaningful to local stakeholders – suggest important lessons for how communications around impact investing requires careful understanding of local context to be effective.

OUTREACH AND EDUCATION TAKE DIFFERENT FORMS

The Australian NAB was designed to broaden the playing field of impact investing, by integrating important investment industry stakeholders into the conversation about the field.

In Italy, despite the disparate history of players in impact investing (including social cooperatives, bank foundations, institutional investors, and banks), the NAB acts as a shared platform of action to boost the impact finance ecosystem.

The UK NAB is exploring how to expand its engagement with the largest financial and corporate sector institutions, to better integrate targeted social impact into their activities.

The Argentine/Uruguayan NAB focused its efforts on long-term engagement with a key set of stakeholders for membership in order to build credibility and interest in the broader investment community.

We have also heard newer NABs point to global frameworks, such as the UN Sustainable Development Goals (SDGs)²¹, for which impact investing may be an important contributor. This is especially important for NABs in emerging countries where development finance and local impact investing ecosystems intersect or overlap.

6) LEGITIMIZING THE FIELD

The Taskforce was seen by the original eight NABs as an important legitimizing authority to bring attention and credibility to the field within their countries. Asking for participation on the NAB, many reported, was greatly facilitated by sponsorship of the UK government presidency of the G8, even if there was no clear precedent for what a Taskforce or its component NABs were in practice.

This points to a fundamental role for NABs that goes beyond their work products or integration of new ideas and actors within countries. The very existence of National Advisory Boards that participate in an international consortium of similar bodies creates credibility and legitimacy for the field. This legitimacy takes different forms and serves different purposes in different places. For some NABs the international network is particularly valuable in organizing competing stakeholder networks; for others, gathering

an influential multi-stakeholder membership allows for more effective public policy advocacy; for still others, the legitimacy opened the door to engagement with skeptics on the issues of whether and when impact investing is an appropriate tool to further public and social goals.

Of course, for the NABs, the legitimizing function makes the organization of their membership and their work more challenging even as it raises the potential of the NABs to have significant and lasting influence on the impact investing ecosystem. Debates over the relative roles of public and private provision of social services, the extent to which profit and purpose provisionally work together, and the breadth of activity that falls under the banner of impact investing are all complex topics, and there are significant differences on how to adjudicate these debates within and among the community of NABs that participate in the Global Steering Group.

The extent to which a particular Advisory Board plays some or all of these roles within its country context naturally varies. Different NABs have emphasized different roles across their lifecycle. For the first eight NABs, as they transition away from the Taskforce to ongoing activities, they debate the relative balance of report writing, information exchange, advocacy and outreach, for instance, in their work going forward.

²¹ <https://sustainabledevelopment.un.org/sdgs>

As new NABs are formed, and existing NABs adapt themselves to changing circumstances, it seems like a valuable practice to review the most useful and practicable roles for NABs, in a given context, and build membership and governing bodies accordingly.

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THE NAB LIFECYCLE: WHERE DO ADVISORY BOARDS GO FROM HERE?

The idea of a National Advisory Board was conceived as a multi-sector group of key stakeholders who would deliver an analysis and set of recommendations, and set the groundwork for translating those recommendations into action. Yet, as practitioners quickly point out, the work of field-building in impact investing is a long-term project. The original Social Impact Investment Taskforce has evolved to become the Global Steering Group for Impact Investment (GSG), an organization representing NABs, explicitly dedicated to bringing impact investment to scale over the next several years. Where is this new institutional form of the Advisory Board headed?

Members of the original eight NABs describe an energy cycle to their work, driven by the report, recommendations and follow-up work to get them enacted. The Social Impact Investing Taskforce offered a powerful motivating force and a clear time-bound goal. Follow-up work on the recommendations held the Advisory Boards together, with natural rates of turnover and different levels of commitment

depending on specific interests and engagement with the field.

Over time, political cycles have affected points of contact and focus of public policies. Policy recommendations of NABs have either been enacted or lost their capacity to focus the group's attention in keeping policy makers engaged towards enacting them. To the extent that policy recommendations formed the central focus of the NABs, this declined to be the key cohesive force holding the Advisory Boards together.

These original NABs are rethinking their role as catalytic agents for impact investing. For most, the value of multi-sector platforms for stakeholder engagement remains, and practitioners also highlight the potential of NABs to engage a broader set of potential investors, workshop new ideas, and bring promising experiments to scale. As a result, the NABs are also rethinking the scope and definition of impact investing according to communities they wish to engage. For instance, some are expanding their definition to link with responsible investment, or asset classes that have received less attention from NABs such as public equities or development finance. Public policy advocacy remains important but perhaps not as central to their organizational structure.

A major challenge they all point to: managing the NABs requires time and resources from a secretariat, and engagement from members to commit time and efforts in delivering on their activities and purpose. The balance between strategy setting and the work of execution remains complex.

At the same time, new NABs have adapted the form to their own needs. While these newer NABs do not have the motivating force or coordinating mechanism of the Taskforce, they find those benefits in engaging with the Global Steering Group, and NABs in other countries, to help draw attention and resources to their work coordinating national platforms for dialogue and action around impact investment. Some of these NABs have laid out ambitious national agendas for impact investing, including goals for investor engagement, product development, and education in the field. Others have used the idea of a National Advisory Board

to call attention from new stakeholders to existing agendas around venture capital investment, social enterprise definition, or development finance. (One thing that emerged from interviews with NABs from the Global North: the role of development finance in these NABs is vexed, perhaps because the country-specific focus of the NABs themselves has sometimes left important impact investors who invest in developing countries a bit removed from the NABs' work. This seems less the case in the NABs under formation in Latin America, for instance, where the role of the Interamerican Development Bank is notable).

As these new NABs take shape, the range and focus of the impact investing as a field is necessarily widening. The Taskforce, provided a relatively standardized (although always under review) framework for the field. The Global Steering Group was described, by those we interviewed, less as an organizing framework than as a nexus of best practices, information sharing, and mutual support. The GSG still serves as a legitimizing institution, and new and potential members point to the existence of such an active international body with multi-sector participation as a key factor in enabling their own development.

Key to thinking about the future, there are questions about how the GSG internationally, and the NABs nationally, differentiate their work among the rapidly expanding field of industry associations, affinity groups, educational programs, networks and conferences attached or related to the field of impact investing. The relationship of NABs to key efforts around impact investing, such as the role of private financing in achieving the Sustainable Development Goals, is a vital topic for exploration and has come up in multiple interviews and forums as such.

Even in the first set of NABs, practitioners suggest a broadening of approach, as self-identified impact investors integrate with related communities of practice, such as the large institutional investor community associated with responsible investment. As noted, one key aspect of the UK NABs recently published strategy is a focus on retirees and institutional investors as a means to get to investment at scale – an expansion of the field under consideration. As the range of NABs moves from initial stages of field-mapping towards field-building,

the process of making impact investment relevant to country-specific concerns leads towards a wider variety of issues and tools under consideration. At the same time, the range of potential stakeholders to engage differs by country, depending on asset class, allies to be found, public agencies, or development banks, etc. They will bring with them their own practices and agendas.

What does this mean for a global network of NABs? Practitioners acknowledge the breadth of the field, but they still see it as a field (as opposed to a mainstream approach in all sectors). Those whose task it is to organize the work of the NABs emphasize their desire to exchange ideas with their peers. They want to share common experiences of the day-to-day work of managing multi-stakeholder collaborations, as well as exchange ideas about how to build support for, draw new resources into, and enable experimentation and analysis of the field. The NABs' fundamental task going forward might be understood as balancing the international discourse and practice of impact investing with country-specific goals and demands that make impact investing useful in a given national context. Their ability to work with and learn from each other, and reconsider their own work in light of new entrants in the field, can help manage this balancing.

CONCLUSION: LESSONS ABOUT AND FROM THE NABs

NABs are new institutional formations, with multiple roles in field-building; a wide variation in membership and purposes in their country-specific contexts; and in transforming institutional work plans as the Taskforce transitioned to the GSG. This transition provides an important opportunity for reflection on the role of these multi-sector advocacy and field-building organizations within their countries, and a window into the rapidly developing number of global impact investing practitioners and the way they inform each other's work.

Our work engaging members of the various NABs, and reviewing their activities, suggests a set of lessons about how NABs function well, and perhaps what they tell us about the field of impact investing more generally.

Some lessons about and from the NABs:

- › The membership, staffing and governance of NABs should be tailored to their purpose. There is no single model for a multi-sector organization dedicated to field-building, because field-building must respond to specific cultural and political contexts.
- › NAB memberships balance active participants in the field with new recruits from whom the field could benefit. Determining this balance requires mapping the field of impact investing and understanding what brings legitimacy and engenders action in a particular place.
- › The Secretariats drive the work of the NABs, and their ability to function depends on member engagement. The work of these Secretariats includes often long-term high touch engagement with key stakeholders to build relationships and networks. Sustainable funding for Secretariats has proved and will likely continue to prove challenging.
- › The Secretariats, in particular their most active staff members on the NABs, derive a great deal of benefit from engaging with their peers via the GSG framework. Mechanisms to promote cross-Secretariat engagement, especially in person, are important.
- › NABs can play important roles in bringing legitimacy and promoting the field of impact investing in their respective countries/regions, but they need work plans and specified strategic goals

to be most effective. Practitioners emphasize the need for more than marketing and information exchange activities alone.

- › A distinguishing feature of NABs is their development of public policy recommendations and engagement with the public sector. However, this has proved to be difficult to sustain across changing political regimes and rotation of supportive policymakers.
- › Finally, the NABs and the GSG globally are seen by practitioners as potential vehicles through which to navigate the rapidly changing landscape of impact investment, and to hold existing practitioners and new entrants accountable to achieving targeted social goals. There are questions as to whether these institutional forms can develop strong enough visions, and rapid enough response mechanisms, to tackle a world where expanding interest from different kinds of individual and institutional investors, and new demands on private capital to support public purpose, continue to grow.

Practitioners are still exploring the roles of NABs and the GSG going forward. In theory, the NABs' goals are to build a field with a coordinated, compelling narrative, clear steps for a range of practitioners to take to build that field, and at the outer reaches, an ambitious agenda to reshape the relationship of finance to society. In practice, NABs need clear institutional roles, support for their activity, and specific goals and the means to organize stakeholders around them.

THE GSG OFFERS THIS CRITERIA AS IDEALS FOR NAB GOVERNANCE

- › National leadership and influencing power of NAB members (the NAB Chair or others)
- › Some NAB members should be able to open doors especially in the highest spheres of government, philanthropy and business
- › Representativeness of the national ecosystem and inclusivity of all voices
- › Some of the top leaders in each of the 5 ecosystem pillars are part of and fully engaged with the NAB.
- › Impartial, inclusive and transparent selection process for NAB membership
- › Strong and transparent governance, allowing for leadership to rotate on a regular basis
- › Shared ownership and leadership of the NAB and its strategy by a core group of highly committed people and organizations
- › Sustainable resourcing plan at least for the first 3 years of the NAB, thanks to for instance: philanthropic funding, in-kind support, NAB membership fees, etc.
- › Ideally, relative national ecosystem maturity where the 5 pillars of the ecosystem exist, are active, engaged and are dynamically developing, or strong commitment from NAB members to develop those proactively.



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