

Positioning Impact Investing

“The 5 Ws of Impact Investing” Position Paper

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EVPA is now **Impact Europe**
The Investing for Impact Network





Roberta Bosurgi,
*CEO of Impact
Europe*



Alessia Gianoncelli,
*Director of Knowledge
and Programs of
Impact Europe*



Gianluca Gaggiotti,
*Senior Knowledge
Manager of Impact
Europe*



Agenda

- > Introduction and welcome to the speakers
- > Part #1 – The key elements of this position paper
- > Part #2 – Relevance of this position paper for the future
- > Q&A – important: use the chat to post your questions!
- > Conclusions

Introduction

Who endorsed this position paper



Why? A need for:

- A clear definition of impact investing vis-à-vis other investing strategies (e.g. responsible and sustainable investing)
- A focus on the type of investees supported (i.e. *investees that contribute to solutions*) alongside *intentionality* and *measurability & impact management*
- Clarity on investor additionality, acknowledged and assessed through evidence of investor contribution
- An aligned, credible and recognised baseline of market data for benchmarking across the European impact investing sector
- Not reinventing-the-wheel but building on the most widely acknowledged standards and definitions at global level, e.g. Impact Management Project and the Global Impact Investing Network

What?

Impact Investing: Three defining features

1

a clear **ex ante intention** to contribute to solving social and/or environmental problems in addition to earning an appropriate financial return, starting from capital recuperation;

2

impact measurement and **management**, using the impact data collected to understand what works and what to improve, ultimately taking better informed decisions;

3

financing companies or projects whose primary mission is to **provide solutions** to address social or environmental challenges and/or benefit otherwise neglected/underserved target groups.

Private vs public assets

Private assets (e.g. private equity, private debt, etc.)

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Public assets (e.g. listed equity, listed bonds, etc.)

→ are treated as separate markets since **processes, investees and levers** to drive impact are very different

Who?

- Private impact funds: venture capital, private equity or private debt investments
- Banking: financial institutions through debt (or private equity) instruments
- Institutional investors: financial institutions like insurance companies, pension funds and institutional asset managers
- Public investors: (i) national promotional banks, which receive a specific investment mandate by the European Member States; and (ii) development finance agencies, specialised in private sector development in developing countries

Investor level

Investor intentionality

Investee/asset level

		Investee/asset level		
		<p>Outside sustainable range (caused by the organisation) AND improving over time</p> <p>A Avoid Harm</p>	<p>In the sustainable range AND maintaining/improving over time</p> <p>B Benefit stakeholders</p>	<p>Outside sustainable range (not caused by the organisation) AND improving over time</p> <p>C Contribute to solutions</p>
Investor intentionality	Investor additionality*	<p>2. Sustainability-improving (or transition) investing</p>	<p>3. Sustainable investing</p>	<p>5. Additional impact investing</p> <p>4. Impact investing</p> <p>European Impact Investing Consortium's main focus</p>
	NO investor additionality	<p>1. Responsible investing</p>		

*Captured through investor contribution

Meet the speakers



José Moncada,
*Vice Chair of
SpainNAB*



Laure Wessems-Chibrac,
*CEO of the Netherlands
Advisory Board on impact
investing*



Steven Serneels,
*Chair of Impact
Finance Belgium*



Thierry Sibieude,
President of FAIR



Part #1

**Key elements of this position
paper**

Speakers



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Part #2

**Relevance of this position
paper for the future**

Speakers



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Q&A

Speakers



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Conclusions

When?

Following the launch of its first market study in 2022, this year the European Impact Investing Consortium is conducting a **new market sizing effort** to fulfil three main objectives:

- i. provide **much needed figures** on European impact investing
- ii. contribute to the **advocacy efforts** of our respective organisations when it comes to European Institutions but also to national governments, and
- iii. **test the consensus** outlined in this paper with practitioners and other relevant stakeholders

Stay tuned as the new market sizing report will be launched at our Impact Week in Bilbao on 27-29 November!

Please share your feedback!



<https://rb.gy/x86fnc>

Thanks to all our partners





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