

ACTION GUIDE

Fuelling the Impact Revolution

**RESEARCH &
KNOWLEDGE
DEVELOPMENT**
— TOOLKIT —

Fuelling the Impact Revolution

Collaborative Research
& Innovation through
GSG Working Groups

NAB Action Guide from
The Global Steering Group for Impact Investment

Innovation and collaboration across the global NAB network are the key to accelerating the impact revolution. To drive innovation and collaboration, the GSG convenes Working Groups to advance research and knowledge development across the five pillars of the impact economy. This Action Guide outlines the benefits of Working Groups and how NABs can step forward to play a leadership role, from shaping the intellectual agenda to participating in Working Group activities.

Introduction

Every revolution starts with a set of bold ideas. The Impact revolution we have embarked on together as a global network can not accelerate without shifting mindsets – about return, risk and impact – and needs bold new ways and means to mobilise investment capital for the good of people and planet as well as investors.


Rapid change is also the result of practical innovation by the many, not the wisdom of a few. Successful revolutions demonstrate the capacity to pilot new approaches, learn and adapt as they scale.

Given the central role played by thought leadership and collaborative innovation in movement building, network-wide knowledge development and the piloting of new approaches to complex challenges lie at the heart of the GSG's mission. It is central to what we do as a global network and core to our contribution to the broader global movement towards impact investment.

NABs are the building blocks for that collaboration and GSG Working Groups are our principal mechanism for mobilizing collective resources, ideas and action.

Every year, the GSG with support from its NABs establishes and runs a number of Working Groups to research complex challenges standing in the way of the impact revolution and to develop practical recommendations for stakeholders across the five pillars of the impact economy.

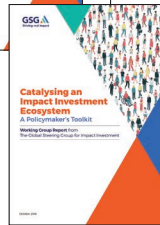
The outcome of these Working Groups has been tremendous. Together, we have raised international awareness about the importance of impact investment, the role of policy makers and investors in realizing impact investment and provided inspiration to NABs, governments and investors around the world about what they can do to take practical action.



The Impact Created from GSG Working Groups

5

Working Groups convened since 2015



10

NABs participating in Working Groups

4

Working Group Reports published

- ▲ **The Impact Principle:** Widening participation and deepening practice for impact investment at scale
- ▲ **Catalysing an Impact Investment Ecosystem:** A policymaker's toolkit
- ▲ **Building Impact Investment Wholesalers:** Key questions in design of an impact investment wholesaler
- ▲ **Investing for a Better World:** Strengthening the financial services value chain to meet the *sustainable development goals*

 **Download Reports** from <https://gsgii.org/resources/>

Media Mentions

BBC

Bloomberg

FT
FINANCIAL
TIMES

Working Groups are therefore an exciting platform for NABs and their key experts to play a global leadership role in shaping the intellectual agenda and drive innovation.

This Action Guide outlines how Working Groups are established and operated to bring NABs and other international experts together to harness the power of collective action and drive global innovation across the impact economy.

Objective of a Working Group

1. Purposes

Working Groups are an excellent platform for NABs to 'step up' and play a prominent leadership role globally to help drive innovation across the impact economy.

GSG Working Groups serve a number of purposes:

- 1 To better understand challenges and identify opportunities** related to unlocking the full potential of an impact investment ecosystem.
 - 2 To bring together global expertise, identify best practice** and understand, codify and disseminate lessons learned.
 - 3 To develop and advocate for new practices and standards** for the impact investment ecosystem
 - 4 To explore and propose new vehicles and instruments for impact investment** that help accelerate the impact revolution.
 - 5 To bring together global thought leaders** and the NAB community to advance innovation across the impact economy. This helps strengthen relationships, and breaks down silos of expertise that prevent systemic approaches to problem solving.
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and, in so doing, contribute to the creation of a working vernacular for impact investment that encompasses risk, return and impact considerations.

2. Expected Benefits

Expected benefits from GSG Working Group participation



National Advisory Board

- ▲ An opportunity to showcase expertise and innovation that resides in the NAB and the national impact economy on the international stage.



National Impact Economy

- ▲ An opportunity to learn from and leverage international experience for the advancement of the national impact economy.



Global Impact Movement

- ▲ A tool for driving innovation in the global impact economy at the levels of policy, regulation, standards, investment vehicles and products.
- ▲ Codification and dissemination of best available global expertise on key challenges and opportunities.

3. Pre-requisites for Success

Like any multi-party collaborative effort, GSG Working Groups only succeed and create real value for the global impact movement if certain key pre-requisites are in place:

- ▲ **Thoughtful identification and definition of Working Group topics:** The scale of the global impact investment movement and the pace of growth and innovation are such

that the GSG and NABs need to work together to identify Working Group topics that are both ambitious and globally relevant but also manageable to tackle from a research and project management perspective.

- ▲ **Committed leadership and participation from NABs:** Working Groups are an exciting platform for NABs to play a global leadership

role driving the intellectual agenda and product-level innovation for the impact economy, but they also require a significant commitment of time and energy. Working Groups typically take 10-12 months from start to finish to undertake their research, frame recommendations and publish their findings for the benefit of the global NAB community and the broader global community of stakeholders interested in impact investment. It is therefore critical that Working Group members have both the requisite expertise and the capacity to contribute as part of an international team effort.

- ▲ **Clarity of thought and accessibility of findings:** Ultimately, the definition of victory for any GSC Working Group is to advance international awareness and understanding on an important dimension of building an impact economy and advocate for practical action in that direction. Successful Working Groups make complex concepts understandable, provide valuable data and insights, and communicate a set of recommendations that are clear and practical to a wide range of audiences from policy makers to investors and entrepreneurs.



NABs who seek to champion and lead a Working Group effort are expected to help secure at least 50% of the required funding for the Working Group's activities.



- ▲ **Funding:** Working Groups require a minimum level of project funding of USD 100,000. NABs who wish to champion and lead a GSC Working Group effort are expected to help secure at least 50% of the forecast funding requirement to support the Working Group's activities, including not just the research and report writing phase but also the costs associated with effective international dissemination and advocacy efforts to build support and commitment for the Working Group's recommendations. For potential financial sponsors in a NAB's network it is worth remembering that association with a GSC Working Group is a global brand affiliation opportunity associated with high-quality international thought-leadership on the topic of impact investment.

4. Activities, Roles & Responsibilities

As the initiator and convenor of Working Groups, the GSG plays an active role in facilitating their success. NABs have the opportunity to play a critical role in four important ways:

- ▲ **Providing leadership** – both intellectual and project management – of the Working Group;
- ▲ **Defining the agenda** of forthcoming Working Group topics;

- ▲ **Participating as experts** in Working Groups; and
- ▲ **Disseminating the findings** of GSG Working Group reports and recommendations across their national impact economy.

This Action Guide outlines the activities, roles and responsibilities of the GSG, NABs and other participants in Working Groups across four phases of activity:



4.1 SELECTION OF WORKING GROUP TOPICS

Possible Working Group topics are identified and collated by the GSG Team on an ongoing basis as a result of the GSG's interactions with NABs and other market participants across the global impact economy.

This includes the GSG's ongoing dialogue with key strategic partners and other global field builders, such as the Global Impact Investment Network (GIIN), to ensure that that the GSG and others are complementing their respective research and knowledge-building efforts to the greatest degree possible.

Possible Working Group topics must be:

- ▲ Directly relevant to the development of one or more of the five pillars of impact economies;

- ▲ A relatively under-researched issue where a clear knowledge gap exists;
- ▲ Focused on addressing a critical challenge or barrier to progress or unlocking a significant market development opportunity; and
- ▲ Have a global focus and be of interest to a wide cross-section of NABs across the global network (i.e. not nationally or regionally specific issues).

A 'long list' of possible Working Group topics is managed on an ongoing basis by the GSG's Market Development team. NABs are encouraged to contribute their ideas on possible Working Group topics to the GSG Team on a rolling basis.

Final decisions on Working Group topics will be made at the bi-annual in-person NAB Chairs Meeting (at the GLM and GSG Summit).

4.2 SELECTION OF WORKING GROUP MEMBERS

The success of any Working Group is dependent on the expertise and commitment of its members, the quality of leadership and project management by the Working Group chair and by the ongoing project management support provided by the GSG Team.

4.2.1 Selection of the Working Group chairperson

Given the autonomy with which Working Groups operate, the appointment of the chair of each Working Group is a critical success factor.

While a Working Group may include outside subject matter experts as members, it will always be chaired by an individual who is an active member of a NAB. The GSG Steering Committee for Research and Knowledge Development will consult with the GSG Board of Trustees, the GSG Team and NAB chairs to identify the best possible candidates to lead each Working Group.

Working Group chairs must exhibit the following characteristics:

- ▲ Regarded as a global expert on the topic;
- ▲ Have the available personal capacity (time and energy) to be able to

personally commit to delivering a GSG Working Group report within the timeframes outlined by the GSG;

- ▲ Committed to delivering the Working Group report within the budget parameters agreed to with the GSG. This typically includes a commitment by the Working Group chair or their NAB to:
 - ▶ Support the development of the Working Group report through the provision of one research assistant on a full-time equivalent (FTE) basis of 3 months (likely used part-time over 6-9 months).
 - ▶ Contribute to the cost of their own travel for Working Group meetings with key experts, members and the GSG (if required).
 - ▲ Demonstrated ability to work collaboratively with GSG leadership on all aspects of the Working Group report such as its content, structure and design as specified in the Terms of Reference (TOR) agreed at the outset of the Working Group.
- At the annual meeting of NABs at the GSG Impact Summit the Working Groups for the forthcoming year will be agreed to and announced, including the chairperson for each Working Group.

4.2.2 Selection of Working Group members

While the chair of a Working Group will always be an eminent, senior member of a NAB, Working Groups may include other global experts who are not part of a NAB leadership team as and when appropriate.

Candidates for membership of a Working Group will be considered on the following criteria:

- ▲ **Recognised individual subject matter expertise** and/or leadership as a practitioner at a country or international level in the field or topic under investigation;
- ▲ **Personal interest and capacity** (availability of time) to participate in the Working Group for a 12 month period; and
- ▲ **The support and advocacy of one or more NABs** for their participation in the Working Group (or the GSG Team if an independent subject matter expert).

While the GSG will likely have a provisional list of Working Group members by the time of the GSG Impact Summit, the newly appointed Working Group Chairperson for each Working Group will have an



The GSG is committed to ensuring that Working Groups are representative of the views across the global NAB network and broadly balanced in terms of gender, ethnicity and professional background



opportunity to contribute to the determination of the Working Group.

In close consultation with the GSG Board of Trustees, the membership of each Working Group will be finalized and announced within 30 days of the conclusion of the Impact Summit.

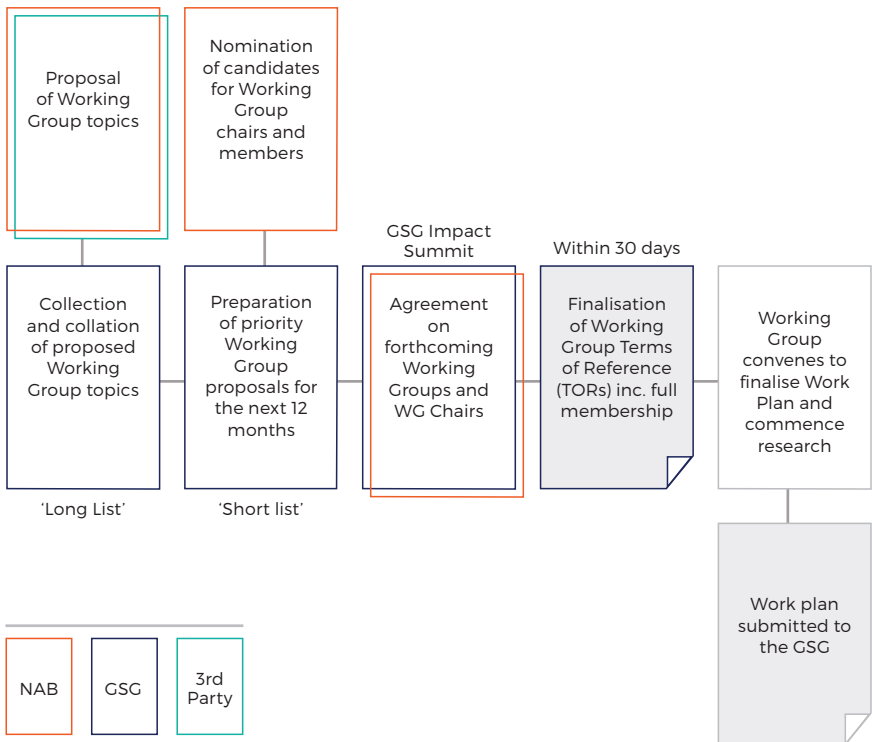
The GSG is firmly of the view that each Working Group must represent a range of views and perspectives to produce the best possible insight and recommendations to the global impact community. As such it is committed to ensuring that each Working Group be diverse in terms of gender, ethnicity, national origin and professional background across the five pillars of the impact economy.

4.3.1 Working Group research & report writing

The Working Group and the GSG will agree to the scope of work, timeline, milestones and budget for the Working Group's activities. This will be documented in a Terms of Reference (TOR) document, which will serve as the charter for the Working Group.

The Terms of Reference and full membership for each Working Group will be communicated to all NABs within 30 days of the conclusion of the annual Impact Summit so as to enable the Working Group to commence work immediately.

GSG Working Group – Topic and Membership Selection



4.3.2 Working Group Activities

Under the direction of the Working Group chairperson, and in close consultation with the GSG Team Staff, the Working Group will undertake its research and report writing activities, typically over a 6-9 month timeframe.

Report format: The Working Group can, with agreement from the GSG, select the medium of output for its research. In 2018 and prior, these have been research papers between 30-100 pages in length, whilst in 2019 the end product was a book.

The end product must meet the following criteria:

- ▲ Include primary research compiled from interviews, case studies, focus groups;
- ▲ Reference relevant research from the public domain/GSG partners; and
- ▲ Include 3-10 tangible recommendations for action over short, medium and long-term timeframes.

GSG budgetary support for Working Group meetings: It is expected that Working Group collaboration occurs primarily online through collaboration tools such as video conferencing and shared drive tools which can be set up with the support of the GSG Team.

Depending on the funds raised and provided to support the activities of the Working Group, its budget may support some face-to-face Working Group events as and when there is a compelling case to do so. This budgetary support and the

anticipation of any specific Working Group events will be outlined in the Terms of Reference for the Working Group at the outset.

Working Group Secretarial Support:

Arrangements for basic project support to the Working Group will be outlined in the TOR for the Working Group but in general terms it is expected that the office of the Working Group chairperson (which might be their NAB) will provide GSG Team support to the Working Group.

Expected Timeline: Depending on the agreed TOR between the Working Group and the GSG Board of Trustees, it is expected that the research and report writing activities of the Working Group will take anywhere from 6-10 months.

GSG Facilitation Support: The GSG Team will remain in close contact with the Working Group chair and members throughout their activities and will provide strategic counsel and general trouble-shooting support based on past experience, and facilitate connection with international research sources, data providers and subject matter experts as is required by the Working Group team.

Research and Project Management Support:

To the extent that the Working Group requires dedicated research support, this will have been identified in the TOR at the outset and the Working Group team will have the agreed financial support from the GSG to procure the support it requires.

Project Management and

Accountability: The Working Group team and the GSG Team will have monthly project update meetings to assess progress against the agreed schedule in the TOR and discuss any barriers to progress. These meetings will also be a valuable opportunity to discuss early research findings and emerging ideas and recommendations with the GSG Team and Board of Trustees.

Quality Assurance - Draft Report

Review and Feedback: The TOR for the Working Group's activities will include an agreed date and timeframe for GSG review and feedback on a draft report. This is a critical stage in ensuring the intellectual rigor of the report is high and that the recommendations are both relevant and practical to the network of NABs. A structured final review process by the GSG and potentially independent third party experts will be arranged.

▲ The GSG Team will help the Working Group to coordinate multi-sector engagement, including GSG partners and stakeholders such as UN, OECD, WEF, EVPA, AVPN and others.

▲ The GSG Team will also support the Working Group by leveraging internal GSG capabilities such as strategic communications and policy research as well as facilitating GSG's global access to subject matter experts and practitioners.

Desktop Publishing and Presentation:

Once the draft report is finalized, the GSG Team will arrange for all final editorial and desktop publishing support.

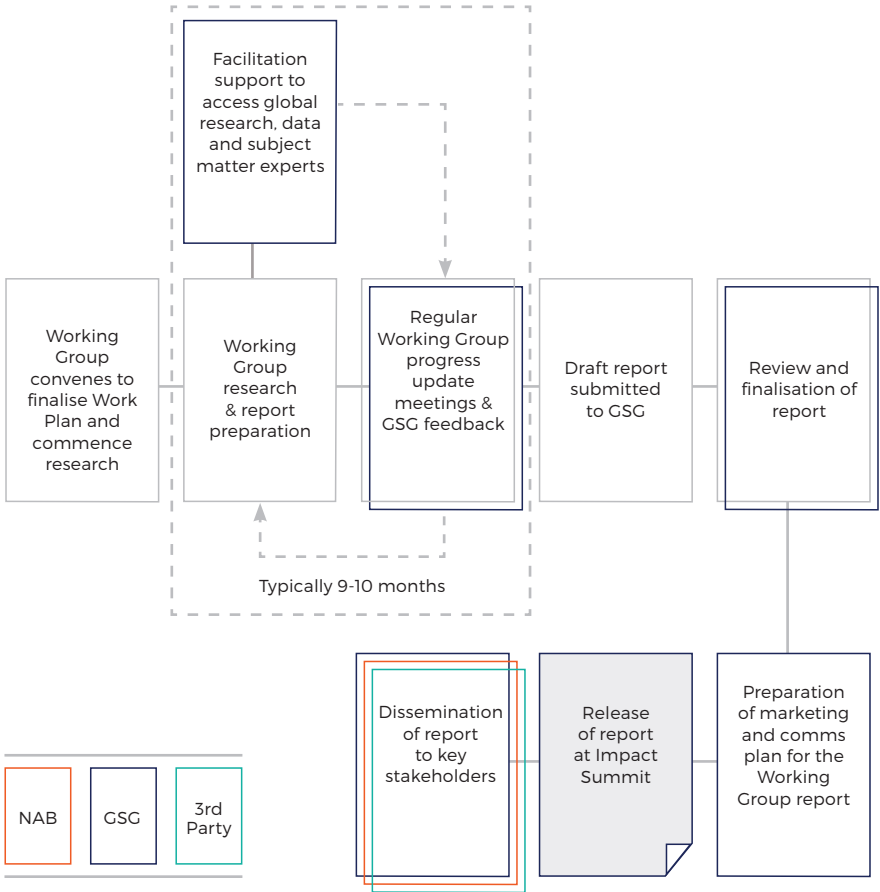
4.4 REPORT LAUNCH & DISSEMINATION

Typically, Working Group reports are formally released at the following year's GSG Impact Summit.

The GSG Team will take the lead in coordinating all marketing and communications activities associated with the report release and covers the cost of report printing and distribution.

A media and communications plan for the release of the Working Group report will be agreed during the final draft stage of the Working Group's activities.

GSG Working Group – Research, Drafting & Public Dissemination



5. Anticipating implementation challenges and risk factors

▲ Sustaining commitment and momentum:

The participation of NAB leaders and experts in GSG Working Groups is fundamental to their success but it also a very significant personal commitment of time and energy on the part of those individuals who become Working Group members. Individuals from NABs interested in participating in Working Groups need to be confident of their capacity to accommodate the commitment to the Working Group alongside their other professional and personal commitments.

▲ **Research and data challenges:** Given the pace of change in the global impact economy and the complexity of the issues that Working Groups will be investigating, data availability and reliability is a perennial challenge. Working Group members will need to be both tenacious and innovative in the methodological approach they bring to the Working Group to

overcome data challenges and will also need to anticipate the requirement for additional research support – either from contributing NABs or external data and research service providers – to accomplish their work.

▲ Seeing the forest and the trees:

Ultimately, the objective of a GSG Working Group is to bring creativity and clear thinking to a complex challenge associated with building the global impact revolution. If the answers were easy to come by, there would be no need for Working Groups in the first place. It is therefore essential that the Working Group team stress-test their ideas and seek input and reflections from others outside the group – on a regular basis throughout their work – to ensure that the final report delivers the level of insight and the practical recommendations that impact economy stakeholders are looking for to pick up and run with in their own local context.

GSG WORKING GROUPS

	GSG Role	NAB Contribution	Estimated Time Commitment
1 Working Group topic selection	● ● ●	● ○ ○	Occasional
2 Working Group membership selection	● ● ●	● ● ○	Occasional
3 Working Group research & report writing	● ○ ○	● ● ●	Significant over 12 months
4 Working group report launch & dissemination	● ● ●	● ● ○	Ongoing

6. Measurements for success (i.e. KPIs)

Ultimately the measure of success of a GSG Working Group is the resonance that a Working Group report creates within the global impact movement and the practical application of Working Group ideas and recommendations by NABs around the world.

- ▲ Is it well received by practitioners in the field and the international media?
- ▲ Is it perceived by NABs and their

constituents as advancing the knowledge and tradecraft of stakeholders across one or more of the five pillars of the impact economy?

- ▲ Does it inform the decisions and actions of impact economy practitioners, either changing behavior or inspiring new impact investment commitments and innovation?

7. Contact

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