

Global Steering Group for Impact Investment's new CEO Cliff Prior outlines priorities for Covid-19 recovery

The human suffering caused by Covid-19 has disproportionately hit those who are most vulnerable. It is shining a light on structural issues and the lack of resilience in our economic systems, in addition to injustices deeply embedded in our societies. The global resonance of the Black Lives Matters movement - far beyond the US - is a symbol of the inequalities which millions of people experience around the world.

As a result of historic injustices, ethnic minorities and low-income populations are experiencing higher levels of health risks and are the first to be hit by the economic crisis. More than a quarter of a billion people will experience acute hunger by the end of the year, and this is an even bigger issue in countries such as South Sudan, Syria and Yemen where people live in conflict zones or have been displaced from their homes.

As economic growth and productivity slow, so too do the primary drivers that raise people out of poverty. The long-term financing of the Sustainable Development Goals is at risk.

While Covid-19 is a threat to everyone, its impact has been far from equal. There are uncomfortable realities we must face and difficult questions we must ask and address if we are to recover in any meaningful way. We need a powerful system change to achieve genuine lasting equality.

Covid-19 underlines the importance of action-driven policies that focus on social and environmental impact. We have an opportunity to re-build economies that are truly equal and resilient to future shocks. More than ever, we need to strengthen national education systems, rebalance labour markets, safeguard progress towards the SDGs and promote low-carbon development that will protect our planet.

As I take up leadership of the GSG, the responsibility of the impact investment movement has never been so strong. We are on the frontline to help re-build better and more just societies - a recovery with greater social, economic and environmental justice:

- Driving forward powerful impact-driven solutions to the post Covid-19 crisis by implementing, for example, mandatory reporting of social and environmental impact in a growing number of markets. In the UK, Big Society Capital and the Impact Investing Institute have been working together to establish a sector-wide approach to outcome and impact reporting for social and affordable housing, to scale up the supply of new genuinely affordable homes.
- Using impact investing now, to fight the Covid-19 emergency through the power of impact-led bonds. Tools such as pay for success outcomes funding for health, education, and re-skilling and employment initiatives will help to drive recovery against the SDGs.

The GSG's **Zambia National Advisory Board (NAB)** has already started work with the Central Bank of Zambia on the structuring of \$10bn kwacha (USD \$547 million) on such solutions.

- Bringing together the impact investment movement to share knowledge and best practices. GSG is already working with 32 countries as well as with our strategic partners, governments, multilateral organisation representatives, philanthropists, entrepreneurs, and business leaders across the world. For example, in South Africa, the NAB has shared a policy paper on impact-led interventions with the government through engagement with senior civil servants. The NAB has also engaged with the UN on a \$2.5bn funding programme to support the government's solidarity fund.

Together with our outstanding Trustees, I look forward to guiding GSG through this challenging time, which we must make a turning point towards more inclusive and impactful societies.

We will work for this just recovery – a recovery with social, economic and environmental justice. But there is no justice unless it is justice for everyone. As an impact investing movement, we recognize the challenges, and we will do our part in overcoming them.

Cliff Prior

CEO, GSG