

Ladies and Gentleman,

I would like to thank the organizers for the invitation to contribute some thoughts to today's gathering and regret that I am not able to be present in Geneva today. The conference addresses both a very real need and a very real opportunity and I look forward to learning about the outcomes of the discussions and, more importantly, next steps.

For those in the audience who are not familiar with the Global Impact Investing Network, it probably helps to start with a brief word about the GIIN. We are a non-profit organization that is dedicated to increasing the scale and effectiveness of impact investing around the world. We do this so that more investors can allocate capital to fund solutions to the challenges of our times. We do this through a range of ways, including building critical infrastructure for impact investing such as tools for impact measurement and management, conducting research to inform industry evolution, and maintaining a global network of practitioners to support the learning, exchanges, and collaboration needed to drive credible and effective impact investing.

GIIN has a long-standing involvement with investors interested in development issues and emerging markets, including both DFIs and private investors. Our work has historically included the involvement of faith-based investors, but over the last year we have begun to work more systematically with the faith-based community.

On the surface of it, there should be a natural affinity between impact investing and the interests of faith-based investors since there is a strong alignment of purpose. The GIIN defines impact investing as investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Obviously, this has a clear resonance with the desire of many faith-based investors to create portfolios that align with their core beliefs and values.

From our research, many faith-based investors employ screens and tools to help them avoid investing into unacceptable sectors or companies, and impact investing offers the opportunity to complement screens with investments that create positive impacts aligned to the investors' values. In other words, they support investors in bringing together purpose and capital.

Despite this natural affinity, we have found that there are some misperceptions about impact investing that leave some reluctant to explore this area. In particular, there is the misperception that pursuing positive impacts ALWAYS involves a tradeoff. This is specifically relevant for the gathering today given the focus on engaging more investors into the development space. There are obviously impact investments that do require patient, extremely risk tolerant, and/or concessional capital. Those investors willing to pursue these options are providing capital that is desperately needed to address complex challenges. Further, when used in blended structures or other innovative ways, they can crowd in a lot more investors.

However, the reality is that it is possible to pursue positive impacts alongside a range of risk/return profiles. Indeed, research by GIIN and others has shown that you can find impact investments that deliver returns on par with "conventional" investments. I think that the bottom line for investors attending today's discussion is that impact investments come in a range of flavors. For development agencies, the key message is that when seeking to work with impact investors, it is important to make sure that you make sure your opportunity fits with the specific investors' appetite for risk and return alongside their impact interests.

As I said there is a resonance between the intent of impact investing and the desire of many asset owners and faith-based investors to align their investments with their values. Many of these opportunities can be found in the context of developing countries where needs are acute and the opportunity for creating positive change is enormous. The investment challenges are also often

considerable. However, the record shows that they are surmountable and that there is a strong interest within impact investing in many of the themes that are important to development practitioners.

We have also seen from our Frontier Finance Working Group that there are strong examples of how investors are also able to work alongside development organizations to put their complementary skills to work. And, the example of microfinance, shows it is not only possible to innovate an approach, but that it can also become increasingly investible over time.

But, regardless of the activity today and successes to date, we still need to do more. We are still far off-track on achieving global goals on slowing climate change. The SDGs require trillions of dollars of investments per year with much of it in emerging markets.

I know that there are a number of experienced impact investors present (many whom also happen to be long-time partners to the GIIN) that will be speaking on how to collaborate with impact investors, so I will focus my last few comments on the GIIN and the faith-based community.

As I mentioned, we believe that impact investing can be an important tool for helping investors infuse their capital with purpose and ensure that it is truly aligned with their values. This is important to both faith-based investors deciding how to allocate their capital and to faith-based development institutions seeking to deliver impacts.

We also believe that there is a wealth of knowledge and resources on the practicalities of “how to” that has been developed over the last decade that the faith-based community can and should draw upon. We see our role at the GIIN as helping to make that knowledge and those resources available to the faith-based community and welcome collaboration with other networks to pursue this goal together. This includes helping faith-based investors take advantage of publicly available tools such as the IRIS+ system for measuring and managing impact, our research and other publications that illustrate practices, and supporting exchange between faith-based investors and impact investors.

Through this collaboration, we hope that we can collectively make a contribution towards focusing more capital on solving the challenges of our time. We salute your efforts and look forward to working together.