



Impact Investing Newsbrief

February 2010

This *Newsbrief* provides an update of the work of the Rockefeller Foundation's initiative **Harnessing the Power of Impact Investing**. Over the past three years, we have met with many of you and benefited from your insights while drawing inspiration from your work. We are now planning to send updates about our initiative in order to convey a better understanding of where our work is going. We also hope to highlight insights and opportunities for collaboration. (If you want to receive future updates, please subscribe to the email below.)

Our Impact Investing initiative is premised on a simple idea: that it's going to take far more money than all the philanthropies and governments have at their disposal to make significant progress in improving the lives of all the poor and vulnerable people in the world. Impact investing—which helps address social and/or environmental problems while also providing a financial return—could unlock substantial for-profit investment capital to complement philanthropy in addressing pressing social challenges.

Our initiative aims to overcome the major obstacle to the growth of the impact investing industry. Following conversations with hundreds of expert advisors (including many of you), we have organized our initiative around four themes and have begun grantmaking and investing to support each theme. We highlight some of these grants and investments below. The complete list of grants and investments can be found **HERE**:

Catalyzing platforms for collective action that enable leading impact investors and intermediaries to coordinate efforts such as disseminating standards, sharing information and collaborating on deals.

- > The **Global Impact Investing Network** (GIIN) launched as an independent nonprofit organization in September 2009. Its Investor's Council has signed up 27 members including leading investment banks, asset managers, private foundations and impact investing pioneers, while the GIIN is coordinating an active outreach program and is leading the implementation of the Impact Reporting Investment Standards (IRIS) (see below).
- > The **Aspen Network for Development Entrepreneurs** is organizing leading intermediaries (firms providing capital and/or business development services), funders and experts who share a common desire to create a movement to unleash the potential of small and growing businesses in emerging markets.
- > The **Sankalp Enterprise and Investment Forum** brings together social entrepreneurs and investors in India around a business-plan competition and conference. Their next annual gathering is scheduled for May 2010 in Mumbai.



- > [Harnessing the Power of Impact Investing](#)
- > [The Global Impact Investing Network](#)

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Supporting the development of intermediation vehicles that help absorb impact investments at a scale necessary to attract the institutional investors who control the lion's share of global capital.

- > **Acumen Fund** is a pioneering nonprofit focused on investing at the bottom-of-the-pyramid initiatives. It has launched its first for-profit investment fund, Acumen Capital Markets, with an anchor investment from the Rockefeller Foundation. Working with our partners at Acumen, the Skoll Foundation and others, we structured and capitalized a \$16 million investment vehicle that is now set to put money to work in businesses providing basic services to poor communities in India, Pakistan and Kenya.
- > **Root Capital** is a nonprofit investment fund that provides loans to farmers' cooperatives in Latin America and Africa, enabling them to participate in higher-value trade. We provided Root Capital with a grant to develop a growth plan that we subsequently helped with a \$2 million **program related investment (PRI)**.
- > Partnering with Rockefeller Foundation's Innovation initiative, we made a \$1 million PRI into **Aavishkaar**, an Indian fund that provides capital and advice to entrepreneurs whose businesses create livelihood opportunities for bottom-of-the-pyramid customers and suppliers. Pioneering a new approach to "micro-venture equity" investments, Aavishkaar is investing in commercially-viable enterprises across a range of sectors including technology, handicrafts, renewable energy, agriculture, rural innovations, health and education.

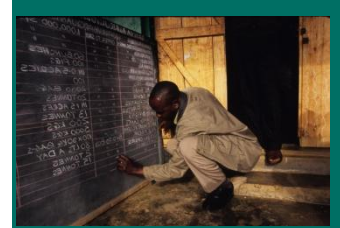
Building industry-wide infrastructure that enables broader and more effective participation in the impact investing industry.

- > The **Impact Reporting and Investment Standards (IRIS)**, a project of the GIIN, is working on the second version of its standards for capturing and reporting social and environmental performance data and is now promoting adoption through partners around the world.
- > The **Global Impact Investment Ratings System** is being launched to create a credible third-party ratings system for measuring the social and environmental effects of impact investment. Its methodology has been tested extensively in the U.S. and a focus of its operations in 2010 will be its application in Sub-Saharan Africa and Asia.

Supporting research and advocacy efforts that promote an analytical understanding of the impact investing industry and take necessary steps to facilitate its maturation.

- > We are supporting the dissemination of two reports that highlight opportunities for impact investors. Rockefeller Philanthropy Advisors has published a new **monograph** focused on practical advice in setting up and executing an impact investing strategy, while the consulting firm The Parthenon Group and Bridges Ventures in the United Kingdom plan in early March 2010 to publish a collection of case studies of impact investing across asset classes.

The Rockefeller Foundation impact investing team is based in New York, Nairobi and Bangkok. You can contact us at ImpactInvesting@rockfound.org.



- > [The Acumen Fund](#)
- > [Root Capital](#)
- > [Aavishkaar](#)
- > [Impact Reporting and Investment Standards \(IRIS\)](#)

