



IMPACT INVESTMENT PRIMER

REPORT BY ASHISH MEHTA

MARCH-2021

Organising Partner



Knowledge Partner



TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	3
2. INTRODUCTION	5
3. OVERVIEW OF PARTICIPANTS	8
4. CONTENT OF THE IIP	11
5. IMPACT ENTREPRENEURS ON THE JOURNEY	14
6. IMPACT INVESTORS – THE BALL IS IN YOUR COURT	20
7. OPPORTUNITIES AND THE ROAD-AHEAD	22
8. ACKNOWLEDGEMENTS	24
9. ANNEXURE I – PARTICIPANT LIST	25
10. ANNEXURE II – FEEDBACK FROM PARTICIPANTS	26
11. ANNEXURE III - REFERENCES	29

IMPACT INVESTMENT PRIMER

1. EXECUTIVE SUMMARY

Impact Investments - *investments made with the intention of generating both financial return and social and/ or environmental impact* - fulfil the gap between the money available from charity and government (about \$3 trillion) and the money forecast to be needed for achieving the UN Sustainable Development Goals (about \$6.5-7 trillion).

However, in India, 2 out of 3 social enterprises identify “**access to finance**” as a barrier to the growth and sustainability of their operations towards socio-ecological transformations. The gap in realizing the stated social and environmental goals is not only due to massive shortfalls in funding the social enterprises, but also due to an inability of the financial ecosystem to access and nurture on-the-ground change-makers. This propelled FES, under its Designing for Socio-Ecological Transformation program, to engage its knowledge partner **Second Nature** to create and conduct an **Impact Investment Primer (IIP)** that connects the socio-ecological change-makers to the Impact investment eco-system.

Between the months of June-December 2020, **thirty nine (39) change-makers participated in the IIP**. Twenty four of the participants came from existing social enterprises, the remaining fifteen represented corporate CSR, social service NGOs (including FES), an incubator, and aspiring impact entrepreneurs. Only four (04) participants had prior knowledge and interaction with Impact investors. The participants represent the diversity of social and ecological sectors in the Impact space, their primary sector of work ranging from Education and Human Rights, to Ecological Services and Sustainable Housing & Architecture, and to Clean Energy and WASH & Waste Management.

Tailored to this audience, new content was created in the form of simpler, fundamental frameworks, notably the 5M’s of Impact Investment (described in the main report), and the relationship dynamic between an Investor and an Investee. The references used are from sources in the public domain, so the participants can continue to access them throughout their Impact journeys. Feedback from the webinar series has been encouraging - **almost 90% of participants said they will highly recommend** the IIP to partners and social enterprises in their network.

Applying the learnings and the recommended models, the following **10 social enterprises** continued on to the one-on-one advisory stage of the IIP:

1. Earthyantra: Tree plantation under Payments for Ecosystem Services (PES)
2. Riverse: River rejuvenation under PES
3. Ayaad Foundation: Symbiotic living between the elderly and children
4. Anonymous (per Enterprise Request): Access to social & climate justice
5. The Eco-Logical Foundation: Climate resilient livelihoods in the Sundarbans
6. NotOnMap: Travel to Impact
7. Sarvasva: Creative economy, crafts, and livelihoods
8. AIDMI: Disaster Risk Reduction (DRR)
9. MinusCO2: Retail Impact investors for distributed urban solar & clean-tech
10. Kesarjan Building Center: Recycling construction & demolition waste

The socio-ecological initiatives of each of these enterprises has been delineated under the following four heads:

- i. **Impact Objective:** the fundamental objective of the enterprise and, where possible, their short-term and long-term impact goals
- ii. **Current Status:** activities on the ground, partnerships and collaborations being established, and their plans over the next 6 – 12 months
- iii. **IIP Perspective:** as the advisors and facilitators, our perspective on the initiative for the Impact entrepreneur and an interested Impact investor.
- iv. **In their words:** inputs from the enterprise founders on what they seek from the IIP team in order to take their initiative forward.

We encourage Impact investors, philanthropies, corporate CSR, and individual readers to explore opportunities to partner with these enterprises on their transformational initiatives. At least three, and up to five of the ten enterprises, are mature and robust enough to establish strong partnerships with the Impact and systems change funders, i.e. are Impact-ready. Second Nature is committed to collaborate and to continue to play the role of an advisor to these organisations.

In recent years, the crucial conversation in the socio-ecological community has been the move to support sustainable, longer-term changes that will address the root causes of societal problems in a full spectrum manner. The IIP recommends five areas for this shift, with the onus firmly on the Impact investors and organisations:

1. Approachability
2. Collaboration
3. Partnership of Equals
4. Content Dissemination
5. Funding and Securitization

Looking ahead to 2021, while the IIP team will continue to engage with the first cohort and explore the possibility of conducting a similar exercise with new cohorts, it has also identified three significant missing opportunities in the Indian Impact ecosystem. These are:

1. Payment for Ecosystem Services (PES)
2. Impact Investee Council
3. Systems Incubator with an Impact seed fund

We expect to expend a significant part of our energy, skills, and resources to establish frameworks and structures that will address these areas. *We invite the community of organizations that share this sentiment – including philanthropies, foundations, Impact investors, corporates, government agencies, and multilateral organizations – to partner and co-create this exciting and aspirational vision with us.*

“It is abundantly clear that a much deeper, faster, and more ambitious response is needed to unleash the social and economic transformation needed to achieve our 2030 goals.”

*Antonio Guterres
Secretary General - UN*

2. INTRODUCTION

The United Nations Sustainable Development Goals (UN SDGs) 2030 towards realizing a more sustainable, just, and inclusive world, encapsulate India’s aspiration to become an emergent power where no one is left behind. India has a crucial role to play as it accounts for more than 20% of the absolute world performance gap in ten of the seventeen SDGs and more than 10% of the gap in the other six SDGs². At the current rate of progress, these goals would be achieved by 2094¹.

Antony Bugg-Levine, ex-MD of Rockefeller Foundation, was one of the first to articulate that the money needed to solve global problems goes much beyond what governments and philanthropy can provide, *“Money of a different magnitude is needed to solve global problems such as housing, sanitation, or for helping a billion farmers upgrade their productive capacity so they could live better lives”*³. An idea took shape - to deploy the power of the capital markets and unleash the entrepreneurial energy and expertise of the social enterprises - to create meaningful Impact. And the concept of Impact Investment - ***investments made with the intention of generating both financial return and social and/ or environmental impact*** - was born^{4,5,6}.

At its core, the Impact revolution espouses a shift in capitalism: from Capitalism 1.0 to Capitalism 2.0, wherein it is possible to “do good” and “do well” at the same time⁷. And it is well on its way with 1720 organizations managing assets worth \$715 billion at the end of 2019^{8,9}. Closer home, \$10.8 billion has been deployed over the last decade across 586 impact enterprises impacting 490 million individuals. These are significant numbers^{10,11,12}.

In monetary terms, Impact Investment has the opportunity to fulfil the gap between the money available from charity and government (about \$3 trillion) and the money forecast to be needed for achieving the SDGs (about \$6.5-7 trillion)¹¹.

A. Need for an Impact Investment Primer (IIP)

In spite of the claims that trillions of investment dollars are available and are allocated to achieving the SDGs, huge numbers of our population continue to remain unserved or underserved, climate change is upon us, and environmental stresses are multiplying. The fundamental issue is a disconnect between socio-ecological change-makers that have transformative and scalable initiatives – and the investment world that has pools of capital seeking innovation and entrepreneurship.

Consider the following for India:

- There are approximately 3.3 million social organizations —more than double the number of schools – or one social-mission organization for every 400 Indians².

- 2 out of 3 social enterprises identified access to finance as a barrier to growth and sustainability².
- The challenge of achieving the SDGs has been translated into a financing gap of about \$0.6 trillion annually¹¹.
- A majority of social enterprises are not familiar with financial terms and investment models including the basics such as debt/ equity, project financing, and Internal Rate of Return (IRR). There exists a language and structural chasm between them and the Impact investors, even when there exists a match on sector and offering.

The gap between the stated social and environmental goals and the on-the-ground-reality, is therefore not only due to huge shortfalls in funding social enterprises, but also due to the inability of the financial ecosystem to access and nurture social enterprises to create and maintain the change. This speaks for the need of a training and capacity building series, in the form of an Impact Investment Primer (IIP), for change-makers.

B. IIP Partners and Mission

The following entities collaborated to connect change-makers to the Impact eco-system:

- ❖ **Friedrich-Ebert-Stiftung (FES)**: FES is Germany's oldest political foundation, named after its first democratically elected president. FES is committed to the advancement of both socio-political and economic development in the spirit of social democracy, through civic education, research, and international cooperation. The FES India office coordinates a Socio-Ecological Transformation program, under which it organised the IIP with Second Nature as its knowledge partner.
- ❖ **Second Nature Sustainable Solutions**: Second Nature is a clean-tech and climate finance advisory company that deploys innovative models towards realizing the SDGs. A key mission is to increase the flow of Impact investment to scalable initiatives in the socio-ecological sector. Second Nature has been engaged to create and conduct the IIP, and as an advisor to the social enterprises.

The learning objectives of the IIP were set out as follows:

What this will do

- Introduce the Impact investment world
- Achieve familiarity with Impact-oriented financial terms and models
- Provide inspiration to explore scaling-up of socio-ecological initiative(s)
- Serve as a prep-school for dealing with Impact investors

What this is not meant to do

- Provide a direct substitute for grant-based, philanthropic capital
- Provide Impact investment funding for an initiative
- Achieve Impact investment expertise
- Achieve expertise in building proposals for Impact investors

C. The Four Stages of the IIP

Taking advantage of the Covid imposed lockdown, and the suitability of an online medium for capacity development and awareness building sessions, a decision was made to conduct the IIP from June till December 2020, with the following four stages.

01

Webinar series on the concepts and different types of Impact Investments, including the innovative Impact Bonds.

02

One-on-one interaction with participants on their transformational projects (active or proposed).

03

Identification of up to three transformational projects for advisory support.

04

Report to encapsulate the learnings and requirements for socio-ecological change makers to leverage the Impact Ecosystem.

The initial proposition was to conduct only the webinar series. However, the USP of the primer are the change-makers, the doers-on-the-ground. It became clear that this group would benefit from in-depth interaction on their initiatives with the facilitator(s), in order to kick-start their own Impact journey to build/ expand their social enterprise. Consequently, an advisory part, complete with tools and templates was created, and each participant was encouraged to set up a one-on-one session for a deep dive into their initiative or idea. We believe this is one of the key differentiators of the IIP.

The webinars were conducted as a two-part series, each of 2 hours duration – participants were required to attend Part I before attending Part II. Each webinar had on average 6-8 attendees, to ensure sufficient interaction and exchange of ideas. Attending both parts was a pre-requisite to proceed to the one-on-one sessions.

D. Target Audience of the IIP

The intent of the IIP is to build awareness amongst social enterprises that are not only for-profit but also not-for-profit. Additionally, the IIP aims to reach out to those individuals who are aspiring to build careers in the socio-ecological sector, but who are fed the myth that “doing well” and “doing good” are contradictory. In its essence, it is the constituency of the “*aspiring impact entrepreneurs*” – a community that is almost exclusive to the IIP as it remains underserved by the existing frameworks and ecosystems, impact or otherwise.

Under its DSET (Designing for Socio-Ecological Transformation) work area, FES has been engaged in pioneering programs for transformative capacity development of the partners and change-makers in its network, such as TCDP (Transformative Capacity Development Program) and TCM (Transformative Change Management). Additionally, the Forum for Responsible Building (a collective of which Second Nature is a part) brings together change-makers engaged in working towards social transformation simultaneously with personal transformation.

The invitation to participate in the IIP went out to these communities, their own independent networks, and via a public announcement on FES’ social media platforms.

“If you want to build a ship, don’t drum up people together to collect wood and don’t assign them tasks and work, but rather teach them to long for the endless immensity of the sea...”

Antoine de Saint-Exupery

3. OVERVIEW OF PARTICIPANTS

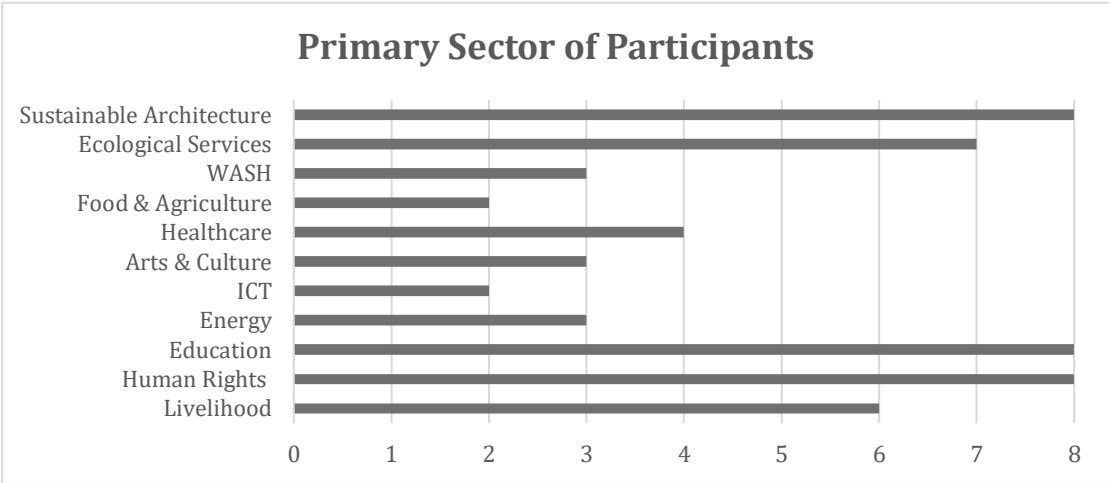
A rich and diverse group of change-makers participated in the IIP. It is fair to say that the participation exceeded the original plans of the organisers. 53 participants showed interest in the IIP – of these 39 attended both the sessions, and five attended only the first session. The rest were either no-shows or unable to join due to scheduling conflicts.

A look at the background of the participants (Annexure I) reflects their diversity, and consequently, the potential of collaboration and co-creation across their impact domains. Based on an enrolment form that each participant filled out, and some discretionary input from the IIP team, the following section provides an insight into this community.

A. Primary Sector of Participants

As is typically observed, those who work in the socio-ecological domains, seldom qualify their work within one sector – by its very nature socio-ecological initiatives are multi-dimensional and cross-sectorial.

The key sectors that the participants specified as their primary (and sometimes secondary) work areas are indicated in the graphic below, along with the number of participants per sector. The total by sector is more than the number of actual participants due to the fact that many enterprises work across sectors.



While the higher numbers in Education, Livelihoods, and Human Rights don’t come across as a surprise, the interest in the domains of Ecological Services and Sustainable Housing & Architecture represent an opportunity in the Indian context. These sectors are also the focus areas amongst several members of the Forum for Responsible Building.

B. Primary Sources of Funding

As expected, the primary sources of funding are the channels of Personal (including from family and friends), grants/ CSR, and the Government. Only four enterprises operate using revenues from their operations, which substantiates the challenges in the scaling of social enterprises that were alluded to in the previous chapter.

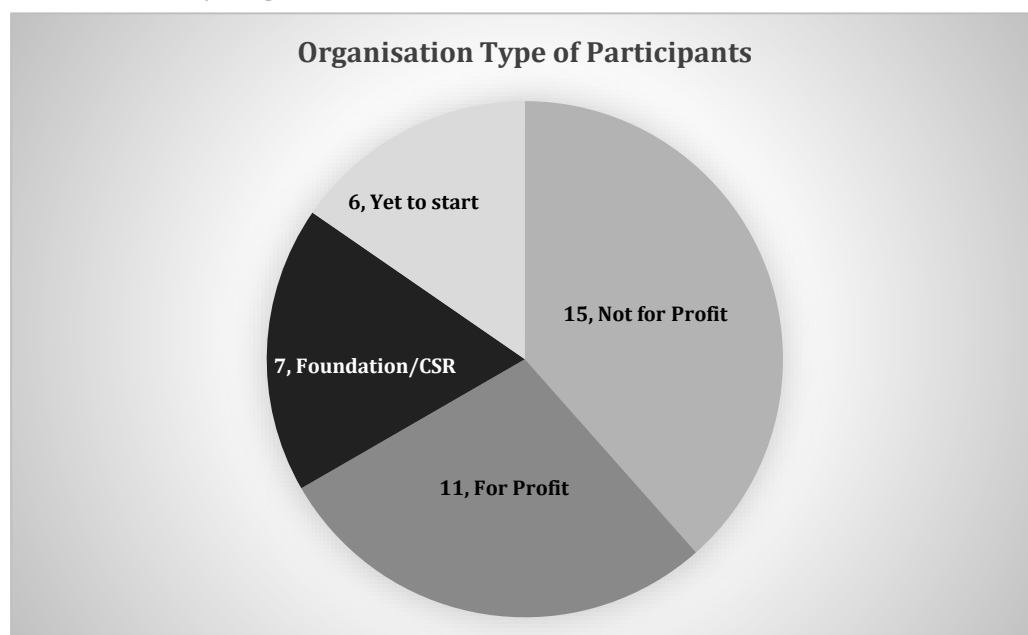
Sources of Funding	
Personal	16
Grant/ CSR	11
Government	8
Revenue from Operations	4

While half of the participants responded “Yes” to the question “have you heard of Impact Investment,” it is illuminating that only 4 out of the total of 39 had any direct interactions with Impact investors (including the competitions and events that entities like UnLtd, Sankalp, Intellectap, etc. regularly conduct). Clearly, the Impact universe is not reaching many change-makers.

C. Organisation Type of Participants

Annexure I outlines the profile of the participants. Of the thirty nine who joined, twenty four are working with an already existing social enterprise. The remaining fifteen represented corporate CSR, social service NGOs (including FES), an incubator, and aspiring impact entrepreneurs.

The split amongst organisation type is encouraging, both for IIP, and any investors looking at this community – see the numbers of each type of organisation in the pie chart below. Interestingly, and encouragingly, the social enterprises understand and appreciate the fact that they may need to change their organisation type and structure, and are amenable to do so in partnership with like-minded Impact investors, in order to achieve their Impact goals.



D. Demographics of Participants

Finally, the map below depicts the cities the participants came from, the number in brackets corresponds to the number of participants from that city.



Note – two participants who joined from the Netherlands have not been shown on this map. And, from a gender lens perspective, the IIP had a 2:1 mix, with 26 male and 13 female participants.

“In the 19th century, investors focused on returns; in the 20th, they shifted to measuring risk and return. The 21st century is, therefore, a paradigm shift to risk-return-impact.”

Global Steering Group for Impact Investment

4. CONTENT OF THE IIP

The IIP content needed to address change-makers who are experts and innovators when it comes to on-the-ground socio-ecological initiatives, but a) have limited understanding of the capital markets, and b) come from a traditional grant/ CSR project funding background. The initial premise was that readily available content, from both the impact investment domain as well as the traditional investment domain, will be available to create the masterclass. However, it was quickly ascertained that the existing content available in the public domain (as well as with the organiser’s networks) is not suited to this audience. It was also imperative to keep the IIP open and free for participants, and so new paid content could not be commissioned.

Consequently, the organizing team enrolled Second Nature to create the appropriate content from scratch, in addition to delivering and conducting the primer. While the exercise increased the time and effort required, the active participation and positive feedback received from participants, as well as their continuing interest, demonstrate the effectiveness of this approach. The IIP content has been developed to deliver the following principles and key messages to the change-makers:

A. Fundamental Shift in Practice of Investing

Most of the first webinar is oriented towards introducing and landing the message that capitalism, itself, is undergoing a transformational shift. This shift, from Capitalism 1.0 to Capitalism 2.0 makes capitalism more responsible so that it drives social, climate, and economic justice¹³. Corporations, investors, governments, and consumers are all part of this shift. The experiences and background conversations about traditional capitalism amongst many of the change-makers, keeps them distanced from the financial and capital market models that deliver scale. We emphasize that in this new paradigm, there is both a need and a requirement for investors to find entrepreneurs in the Impact space, not unlike the Tech and internet revolution. As an outcome, the change-makers need to be cognizant that a) for realizing the scale of their dreams, and b) for doing the problem-solving work they are capable of, more often than not, the Impact funding model is a better option than the philanthropy/ government funding model.

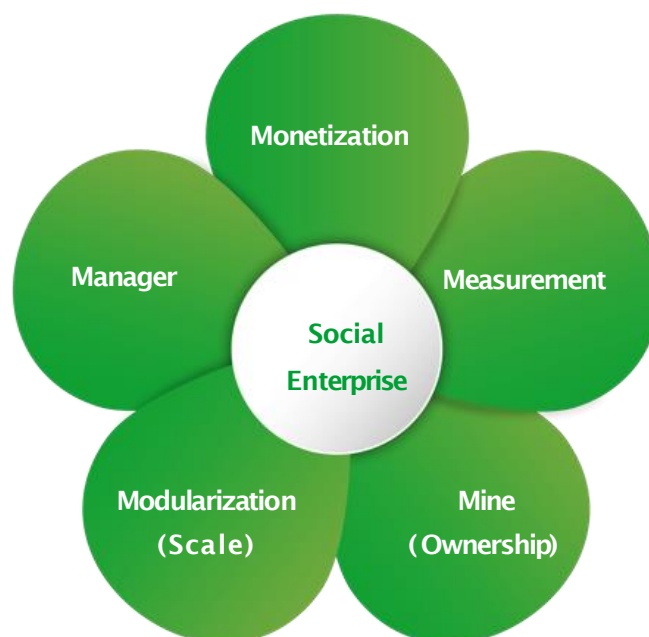
B. The 5 M’s of Impact Investment

Change-makers expend their energy and time on the ground, working closely with the people, systems, and ecologies that drive their passions. That is what makes them and their work transformational. They neither have the bandwidth to attend the latest accelerator/ incubator on-boarding workshops, nor should the Impact ecosystem require it of them. What they do need, is an exposure to the fundamental thought process that is needed to engage in a mutually rewarding investor-investee interaction.

In what turned out to be the most meaningful portion of the content, a concept called the 5M's of Impact Investment was introduced to the participants as a way for them to unpack their initiatives and their intentions, and to conduct a self-evaluation on whether they are philosophically suited for investment, impact or otherwise.

These 5 M's - *Monetization, Measurement, Mine (for ownership), Modularization (for scalability), and Manager* - reflect on critical considerations including:

- Are you prepared for a serious conversation about the monetary value of your service/ solution?
- Are you prepared to measure, and to be accountable for the outcomes, for the Impact you create?
- Are you prepared to be questioned, on what is your passion and expertise, and to (in all likelihood) cede some control?
- Are you prepared to scale your offering, and devote precious resources to creating systems, processes, and frameworks?
- Are you prepared for an assessment of your organization's ability to deliver, and to plug the gaps with (external) help?



This section received the maximum positive feedback. It establishes a framework for the change-makers to delineate their transformative initiatives for Impact readiness. Participants going onto the second and third stages had to describe their work in a templated questionnaire, prior to the one-on-one advisory interaction. The 5M's anchored the dialog through the typically thorny and "in-principle" readiness concerns for a successful investor-investee relationship, such as:

- What is your mindset about capitalism?
- In principle, should you/ do you want to monetize?
- What are your exit options, if any?
- Is there a unit price for the product/ service that delivers revenue?
- Can you work with a board of directors?
- Who is going to be CEO?
- Is scale important to you?
- Have you worked on multi-year plans?
- Have you worked as part of a large team?

Change-makers can refer to this framework at any point in their Impact journey.

C. Investee/ Investor Relationship

Several ecosystem service providers as well as thought leaders have remarked on the challenge inherent in the traditional relationship: an unequal power dynamic and a hierarchy that exists between the investor and investee^{1,14}. Coming, mostly, from a grant and CSR project-funding experience, the participants were known to be particularly wary of this unequal dynamic. A common thread through the IIP is an emphasis to collaborate, to partner as equals, and to simultaneously gain a healthy respect for the skills and constraints that each of the stakeholders brings to the Impact revolution. Some of the specific content tailored towards messaging this is:

- Change-makers are the experts in the room, with the depth of knowledge and the problem solving abilities in the socio-ecological sectors, i.e. they are exactly the kind of entrepreneurs that Impact investors seek for capital deployment in enterprises with explicit social & environmental missions.
- Establish an understanding and appreciation of Impact investors: specifically the shift in both mindset and mandates that necessitates investors go beyond only monetary returns to actively seek measurable and quantifiable impact¹⁵.
- Introduction to the pay-for-success models: Blended finance, Impact bonds, and Outcome Funds, and the opportunity (especially for not-for-profits) to leverage these innovative models and work on long-term systems change and impactful programs instead of short-term projects^{16,17}.
- Specific deep-dive discussions on the most effective approaches of working with Impact investors, in sections titled “Questions before you don the suit,” “Common Pitfalls,” and “Principles & Rules of the Game” as opposed to the more common foray into templates of proposals and pitches. While those latter elements were introduced, considering there is enough easily available content to create a strong business plan, a conscious decision was made to focus on the preceding step: the all-important “*why and how*” of the investment pitch in these sections^{18,19}.

D. Feedback

Participants were encouraged to provide feedback via anonymous Google forms. That input, coupled with verbal and written (email) feedback from the participants, has been used to continually improve upon the IIP’s content and delivery. Highlights of the feedback are enumerated in Annexure II.

“We need - for the first time in modern history – to align the interests of government and philanthropy with those of consumers, investors, businesses, and non-profit organizations, for the purpose of improving lives.”

- Sir Ronald Cohen

5. IMPACT ENTREPRENEURS ON THE JOURNEY

What has been extremely heartening is that of the 21 social enterprises that participated, 10 continued to the one-on-one sessions to kick-off their Impact journey. An additional five enterprises are seeking to continue this exercise into the next year. In this chapter we describe the initiatives of these 10 enterprises under the following four heads:

- i. **Impact Objective:** the fundamental objective of the enterprise and, where possible, their short-term and long-term Impact goals
- ii. **Current Status:** activities on the ground, partnerships and collaborations being established, and their plans over the next 6 – 12 months
- iii. **IIP Perspective:** as the advisors and facilitators, our perspective on the initiative for the Impact entrepreneur and an interested Impact investor.
- iv. **In their words:** inputs from the enterprise founders on what they seek from the IIP team in order to take their initiative forward.

We encourage Impact investors, philanthropies, corporate CSR, and individual readers to explore opportunities to partner with these enterprises on their transformational initiatives. At least three, and up to five of these ten enterprises, are mature and robust enough to establish strong partnerships with the Impact and systems change funders, i.e. are Impact-ready. Second Nature is committed to collaborate and to continue to play the role of an advisor to these organisations.

A. Earthyantra: Tree Plantation under Payments for Ecosystem Services (PES)

Impact Objective: to plant and nurture 200,000 trees in the next five years under reforestation and afforestation schemes, thereby increasing the forest cover, sustained carbon sequestration, and biodiversity. Create local teams of farmers for the upkeep and maintenance of the planted trees; in turn providing a secondary source of livelihood to farmers and employment to the locally unemployed in the village.

Current Status: Earthyantra has identified the location, local team, and the advisory group to pilot with a minimum of 1000 survivable native trees in Baramati Taluk of Pune district by 2021 – and are in the process of arranging the required funds. The local authorities (gram panchayat) is likely to allot one acre of their land for this project. Interestingly, measurement is set up as part of the project - performance using GPS, soil tests, and carbon sequestration - will be recorded.

IIP Perspective: the initiative falls under the PES umbrella (aka Natural Capital Financing), and therefore requires a deep-dive into the applicable revenue models for Impact creation and attribution. Once the pilot is under way, Earthyantra needs to explore the investment model and start interactions with investors with ready-to-hand execution data from the ground.

In their words: “going into 2021, we want to leverage the expertise and Impact investment eco-system services provided under the IIP.”

B. Riverse: River rejuvenation under PES and Natural Capital Financing

Impact Objective: Urban Rivers are in a very bad state – they are highly polluted and degraded, increasing the possibility of floods and evacuation at the edge of the rivers. Riverse aims to bring all stakeholders (government, private, and public), on a singular platform to sensitively transform the decaying river ecosystem. The goal is to establish a monitoring cell, to prepare a blueprint on a ‘Holistic Approach’ to River development, and to create public awareness material to advocate the approach.

Current Status: since 2010, Riverse has been working with stakeholders across the Citizens, Government bodies, private industries, institutional & local organizations, residential complexes, and informal settlements along the edges, for Mumbai’s urban rivers. The current goals are to increase the activation, network and reach, and to create a consortium with cities such as Nashik, Pune, Baroda that have the same Impact objective.

IIP Perspective: similar to Earthyantra, the crux for this initiative is establishing the model within the PES umbrella that applies to urban river rejuvenation. The team has been given advice a) to work through the 5M model framework, and b) to identify and specify the under-pinning Impact category they seek to influence, in order to partner with matching investors.

In their words: “we want Second Nature & FES to provide hands-on advisory services to us, and to facilitate our foray into payments for ecosystem services.”

C. Ayaad Foundation: Symbiotic living between the elderly and children

Impact Objective: to establish residential colonies of the elderly with creative and supportive interaction between the elderly and the children across education, health, and nutrition - viz. support for everyday needs of the elderly, after school education support for children, and health and nutrition of both children and the elderly. A tertiary outcome is the establishment of a livelihoods support program for the youth in the villages, complete with trainings and workshops.

Current Status: Operational since 2015, Ayaad’s current activities include construction of elder care homes; an after-school education centre on the premises; vacation homes for the elderly; and youth who volunteer their skill; at the Foundation’s property in Rajasamand district, Rajasthan. Ayaad is also establishing linkages with similar entities across the country, and generating additional revenue from guests staying at the property.

IIP Perspective: this social enterprise uniquely links elderly care, holistic child development, sensitive tourism, and rural livelihoods, under one ambitious impact program. Ayaad is a successfully running operation - with a viable cash flow that utilizes its revenues along with investment (using a property time-share model) and some grants i.e. it can as-of-date be considered an Impact enterprise. Crucially, the team sees itself as Impact entrepreneurs and theirs is a scalable model. The next step is to benchmark Impact metrics taking into account the sectorial diversity, and following that, align with appropriate Impact investors (including philanthropic).

In their words: “we will revert as the construction and program activity moves to the next stage.”

D. Anonymous (per Enterprise Request): Access to Social & Climate Justice

Impact Objective: social venture that seeks to develop creative ways to talk about the law – build legal awareness, legal literacy, and remove barriers to access to justice such as in feminist work, human rights, and climate justice. Create a framework that allows for easy dissemination and utilization of legal content in the Impact domain.

Current Status: incubated in 2016, they execute projects with community organisations, NGOs, and Universities. Going forward, they are positioning themselves as a service delivery social enterprise.

IIP Perspective: They aim to provide a unique service in a sector that is poorly addressed but one that has increasing importance from an inter-generational equity standpoint. The founders need to take the long-term view, viz. is the model that of legal content-as-a-service that is delivered over digital channels, a readily consumable and scalable proposition. Interactions with interested niche Impact investors will necessarily require that kind of internal alignment.

In their words: “we are looking to consolidate the projects we have and will decide whether to explore Impact investment later this year.”

E. The Eco-Logical Foundation: Climate resilient livelihoods in the Sundarbans

Impact Objective: The Eco-Logical Foundation (ELF) is working on the creation of an ecologically and economically harmonious relationship for farmers in the Sundarbans, the largest mangrove forest in the world. Through its co-creative R.I.C.E. (Resilience | Innovation | Culture | Empowerment) initiative, ELF is developing a program across the sectors of food retailing, agri-processing, agri-marketing, and using local cultural forms to connect with urban consumers via social media – and to introduce the intricacies of farming and several traditional rice varieties to the world.

Current Status: in the aftermath of cyclones Bulbul and Amphan, and aggravated by Covid, the goals of R.I.C.E. are to a) create a seed bank for climate resilient paddy, b) grow traditional varieties of paddy without chemical use, and c) introduce these varieties to urban consumers. They are currently working with local self-help groups (SHGs) at Kalitala panchayat (6,400 families living at the edge of the Sundarbans) for the restoration of mangrove micro-ecologies. In parallel, ELF is also exploring safer collection of wild honey from the Apis Dorsata bees.

IIP Perspective: Not unlike Earthyantra and Riverse, this initiative sits at the cross-roads of the PES ecosystem; this has been advised to ELF. ELF needs to focus on on-the-ground execution: outline the activities and plans for delivery, and the specific role and contribution being sought from Impact investors. Collaboration between the Disaster Risk Reduction (DRR) domain and the PES aspect in the Sundarbans has the potential to emerge as climate risk mitigation thought leadership.

In their words: “want to actively participate in the eco-system build of PES and to develop systems for local (mangrove) ecology within the IIP framework.”

F. NotOnMap: Travel to Impact

Impact Objective: NotOnMap aims to empower local, rural communities by helping them capitalise on their untapped heritage value viz. Culture, Festival, Lifestyle, Crafts, Food. They create community villages, curate homestays, and work with villagers around an existing homestay to provide a holistic experience to travellers, all the while implementing sustainable practices and responsible tourism at all layers of the value chain.

Current Status: a rural-travel platform has been launched (www.notonmap.com) which helps travellers, culture enthusiasts, teachers, and educators to experience the rustic and authentic lifestyle of villages. As-of-date, NotOnMap works with 450+ families in 14+ states of India. Over the last 2 years, they have identified, restored, and renovated 100+ heritage homes, raised income levels by 120%, and (by their assessment) impacted 16,000 lives. In the next three years, they aim to have 15000 stays across 20 states, creating the largest rural/ semi-urban sustainable travel ecosystem in India.

IIP Perspective: considering the delivery model, the proven execution, the viable commercials, and the positive Impact realized, NotOnMap comes across as ready for attracting serious Impact investors. The founders have been advised to get razor focused on their core proposition, and to articulate it effectively prior to interactions with the investment community.

In their words: “would like to continue to work closely with Second Nature/ FES on the Impact advisory, as well as to leverage their networks.”

G. Sarvasva's In.kaa: Creative Economy, Crafts, and Livelihoods

Impact Objective: to establish a resource centre to support the creative economy for craft clusters of India. This would positively impact livelihoods, loss of traditional practices, and build a sustainable economy. Sarvasva's role is across design interventions, upskilling, market outreach, research, and documentation.

Current Status: creating craft clusters for Goa, as a tourism based initiative along with the World Trade Centre, Goa; working on the distribution and sale of products; and setting up outreach programmes for artisans. Sarvasva has also helped set up “Hand For Handmade” a nation-wide organization – and it's founder is on the organization's Executive Council.

IIP Perspective: in a post Covid world, this is a powerful idea with ready-to-consume Impact goals and the potential to scale. That being said, the commercial components, for both the investor and the artisan, need to be modelled effectively vis-a-vis the state-of-the-art business models for the creative economy. It is likely that the first step is a capacity build process in a traditional grant and non-profit construct – the success of which will lead to institutional Impact investment.

In their words: “we will continue work on the advice/ input from the one-on-one interaction and revert in about 6 months.”

H. AIDMI: Disaster Risk Reduction (DRR)

Impact Objective: The All India Disaster Mitigation Institute (AIDMI) mainstreams DRR by turning disaster relief and rehabilitation into an opportunity for sustainable human

security and poverty alleviation by supporting the poor, vulnerable, and excluded citizens. They have been publishing DRR content to an established and growing set of readership - dissemination of this research and analysis creates a long-term impact on individuals and institutions, and therefore the system that reduces disasters and creates ecosystem services. Information dissemination, micro-macro links, policy action, and establishing networks, are the Impact goals of this work.

Current Status: publication (on the platform SouthAsiaDisasters.net) is ongoing since April 2005, and has been very well received, both domestically and internationally, by on an average 9000 to 21000 individuals and institutions. However, Covid has impacted projects of AIDMI leading to existential challenges in content development and publication. That said, there is an increasing demand, not just within India but also across South East Asia and beyond, for the expertise and insights that AIDMI brings to this field through the publication. AIDMI is seeking advice as well as investors to enable the publication to be established on a self-financed and sustainable basis.

IIP Perspective: DRR, and the possibility of linking it to PES, are a unique positioning within the Impact space – with the understanding that it may have limited Impact investment models. It is expected that the content publication will involve both grant/ CSR and a revenue component from subscription services. It is also likely that niche long-term players in the investment community are looking for exactly this kind of work, considering its universal application and the increased vulnerabilities to disasters. In addition, the strong credentials of AIDMI and its publication, can be attractive to an Impact player.

In their words: “we request Second Nature and FES to consider AIDMI in the year 2021 activities, and we also request Second Nature and FES to think of suitable financial support to address the ecosystem based needs for this kind of Impact work. We will be glad to help develop this idea and benefit.”

I. MinusCO2: Retail Impact investors for distributed urban solar & clean-tech

Impact Objective: MinusCO2 is addressing twin Impact goals: 1) increased adoption of distributed solar and clean-tech in the residential societies, schools/ colleges/ hospitals, and small & medium enterprises in urban cities with a zero-investment model for the end user; and 2) direct participation by the average retail investor into solar and clean-tech solutions as an investment asset category, i.e. retail private Impact investment.

Current Status: in less than a year, MinusCO2 has built a portfolio of 10 projects (solar rooftops, energy storage & efficiency, and architectural solar) in the cities of Mumbai, Pune, and Nashik in Maharashtra. The projects are generating positive cash flows, providing the on-boarded 10+ Impact Investing Partners strong returns on their investment. Fine tuning the existing business model, forming the right team and partnerships, finding the first 50 customers and their (matching) Impact investors, is the focus for the next year.

IIP Perspective: MinusCO2 is satisfying an unmet need – providing an opportunity for the average retail investor to participate in the clean-tech and Impact movement. Simultaneously, by addressing the single most critical factor of “high upfront capital costs,” their zero-investment model facilitates the increased adoption of distributed

clean energy solutions. The model is now proven and is scalable; the company is generating both positive cash flows and strong returns; and the founders are experienced, skilled, and entrepreneurial in their approach. Next, MinusCO2 needs to nail down the Impact metrics and their revenue model for the medium-to-long term. With its unique positioning - attracting retail investors to the clean energy Impact sector – the proposition should appeal to institutional Impact investors.

In their words: “we look forward to work within the IIP framework to meet with Impact investors, to build additional partnerships, and to scale our operations.”

J. Kesarjan Building Center: Recycling Construction & Demolition waste

Impact Objective: The focus of this initiative is responsible recycling of Construction & Demolition (C & D) waste, other industrial waste, and ready-mix lime mortar. In India’s growing economy, rampant and haphazard dumping of C & D and other inorganic waste is a serious health and hygiene issue. Kesarjan is establishing a self-sustaining unit that institutionalises the approach towards recycled materials for sustainable development, resource conservation, and recycling. From a current 4000 tons per year of waste, the aim is to get up to 135000 tons per year in the next 3-5 years.

Current Status: Kesarjan has taken up projects on individual houses, institutional construction, and industrial construction. Working with architects and consultants, over 40 projects have used their products and solutions, successfully validating the approach. They have also developed exposed bricks from the waste – sale of these bricks creates an additional revenue stream. Looking ahead, they want to increase the revenue (currently about INR 1 cr), and to generate a meaningful profit.

IIP Perspective: Solid Waste Management is a core Impact issue, and while there are multiple initiatives on plastic and organic waste – waste from construction activity continues to be languishing in the dumping grounds and on the roadsides. Further, Impact metrics such as total tonnage of waste and resource utilized per year, are available and recordable. Kesarjan has built significant expertise over the years - a multipronged approach of collaboration and consultation will result in creating efficiencies and scaling up their operations.

In their words: “want to actively participate in the Impact eco-system, and to continue working within the IIP framework.”

“A complete shift from the traditional donor-beneficiary power dynamic must be aimed for. Conscious reciprocity; transforming relationships from transactional to transformational ones; investments for formal and informal systems transformations, including shifting mindsets, all need to be part of the Impact ecosystem.”

IIP Participant

6. IMPACT INVESTORS – THE BALL IS IN YOUR COURT

It is abundantly clear that there are multiple impactful initiatives and enterprises that are not being satisfactorily addressed by the Impact investment ecosystem as it exists today. In fact, we could go as far as saying that the current Impact ecosystem fails to take advantage of a significant number of the initiatives and the individuals and teams that have the ability and potential to dent the SDGs in a meaningful way.

The ball is squarely in the court of the Impact investors, the systems change organisations, the market makers, and the accelerators and incubators. Based on the IIP series, we recommend five areas for these organisations to work on:

A. Approachability:

- i. The perceived gap in mindset, language, and beliefs needs to be removed. For this, interactions have to go beyond conferences, workshops, and competitions, to more informal settings and group discussions.
- ii. As the enterprises are often small in size, younger, and take longer to mature, Investors should discuss long-term engagement while also preparing them that their initiatives will evolve dynamically during the Impact journey. A report by Brookings¹¹ calls for a shift from passive to active investing, *“a space for ‘patient capital’ (where) impact investors serve dual roles in this, both as investees in businesses and as venture-capitalists”*.
- iii. Provide nonmonetary support in the form of knowledge sharing, access to networks, support in communicating the change leaders’ messages, gathering data, and fundraising support.

B. Collaboration:

- i. Impact investors are early in the curve in the socio-ecological sectors which in turn implies a lack of experience and expertise in their teams. By deploying their team members as interns and partners with social enterprises – they can enhance their understanding while creating long term relationships for transformative outcomes.
- ii. Social organisations invariably adopt and test new approaches in areas where Impact investors are looking for double or triple bottom-line returns. Impact investors can work with and fund these organisations to pilot new models, and in turn, bring the “fail fast” flexibility and learning to social enterprises.
- iii. Fundamentally, social enterprises straddle the world of for-profit and not-for-profit, whereas the investment world is seen as strictly for-profit. Impact

investors need to adopt hybrid organizational models facilitating both for-profit and non-profit avatars, and crucially, message the same to potential partners.

C. Partnership of Equals:

- i. Partnering and not prescribing: we believe this is the crux to unlocking the Impact potential of India, and the responsibility lies with the Impact investors to move contracts beyond a transactional relationship to a partnership of equals. The use of “program partner” rather than “grantee” or “beneficiary” is a necessary first step.
- ii. Leave the leading role to change-makers: while funders can be partners, collaborators, and advocates, they should let the social enterprises shine.
- iii. A trusting relationship: *“if we had to identify one theme that cut across all our discussions, it would be trust. 30 percent of the surveyed social entrepreneurs stated that ‘fear of failure’ is one of the main barriers to scaling in the social sector,”* is a telling commentary in the Ashoka/ McKinsey report on systems change¹. Investors need to establish the long term trust that unleashes the entrepreneurial energy of these social enterprises.

D. Content Dissemination:

- i. Lifecycle of an Impact Enterprise: Social enterprises are not versed with the various investment models and types, and the evolution over time of a funded enterprise²⁰. To nurture the best innovations across social and ecological sectors, investors have to effectively communicate the methods to raise follow-on capital, the strategic support required to create impact at scale, and the ability to make responsible and regular exits.
- ii. Impact Measurement: In this new model, Impact Investors partner with social enterprises and measure the outcomes achieved by the organizations they fund, rather than just tracking their activities. They will introduce and embed the global standards on Impact measurement in addition to the SDGs.
- iii. Cross-sector Impact: Since most social enterprises work in a cross-sector fashion, investors have to move beyond the existing narrow sectorial assessments and frameworks. This is an opportunity for investors to complement existing government programs and can have a profound impact on millions of consumers and beneficiaries across a myriad of development sectors in India.

E. Funding and securitization:

- i. Impact investment is too heavily oriented towards equity/ quasi-equity, and at the most, venture debt^{11,12}. Debt and balance sheet funding has to play a bigger role in the Indian Impact eco-system. It has to be both simplified and expanded with multiple layers in the form of grants, impact bonds, and debt.
- ii. Impact investors need to attract greater amounts of private capital, and build the market for early-stage and patient equity, and for debt risk capital.
- iii. Innovative Financing Models – outcome-based or pay for success funding instruments like Impact bonds, and guarantees that have a greater potential of deploying blended public and philanthropic capital, along with private risk capital, need to be unlocked²².

“The future is not some place we are going to, but one we are creating. The paths to it are not found, but made; and the activity of making them changes both the maker and the destination.”

John Schaar

7. OPPORTUNITIES AND THE ROAD-AHEAD

The ‘new normal’ necessarily requires a strong participative role from the capital markets and private sector, in addition to robust frameworks from the government and philanthropic organisations, to address our socio-ecological challenges. Impact investment is a vital cog in that wheel, one that will create a paradigm shift, a systems change, to a better and more just world – and that has the potential to drive entrepreneurship and innovation to realize India’s ambitious developmental agenda.

There are several reports and analysis by systems change think tanks and impact investment thought leaders on these topics, such as the Ashoka-McKinsey report¹ and the Asha-IIC report¹². In addition, there is a seminal report by the Global Impact Investing Network “Roadmap for the Future of Impact Investing¹⁴” that comprehensively encapsulates the systemic changes needed to fast track the Impact revolution.

Our remit is that of a field builder, and leveraging the IIP experience, we arm ourselves with a narrower, focused set of opportunity areas to take our Impact journey forward:

- A. **Building Awareness:** change-makers are largely unaware of the unfolding Impact revolution and its primary intent to contribute, significantly, to the SDGs
- B. **Content Development:** the content, complete with language, tools, templates, and delivery, needs to be created and curated, to ensure it is relevant and resonant with those change-makers that can avail of Impact investment.
- C. **Impact Ecosystem Services:** intermediaries, market makers, and advisory organisations are needed to bridge the gap between the change-makers and the Impact investors. The existing ecosystem - including several of the active accelerators and incubators – are not adequately addressing a whole lot of capable Impact entrepreneurs and their initiatives.
- D. **Mindset Shift:** the entrenched unequal positioning amongst investor and investee needs to transform into a mindset shift towards equal partnership. Innovative approaches in collaboration are required for individuals and teams from both communities to interact and co-create for transformative outcomes.
- E. **India-oriented investment models:** the focus of Impact investors to seek the more traditional equity/ quasi-equity vehicles into for-profit organisations, is in our opinion, hitting only the tip of the iceberg. Debt, debt-like instruments for balance sheet funding, blended finance, and other custom financial innovations, are urgently needed in an ‘Impact market’ as rich and diverse as India.
- F. **Impact Seed Fund:** establishing a seed fund, for incorporating key components of the above opportunities, will go a long way in delivering some of the ecosystem services and making available a healthy pool of near-ready Impact enterprises.

Looking ahead to 2021, while the IIP team will continue to engage with the first cohort and explore the possibility of conducting a similar exercise with new cohorts, it has also identified three significant missing opportunities in the Indian Impact ecosystem. These are:

- i. **Payment for Ecosystem Services (PES):** Unlike the developed world and several critical regions in the developing world, according to our understanding, India does not so far have a framework for PES and/ or Natural Capital Financing. However, across the length and breadth of the country, India's natural ecosystems are both critical and fragile. Interestingly, the IIP brought together social enterprises working on urban rivers rejuvenation, the Sundarbans, reforestation and afforestation, and Disaster Risk Reduction under one umbrella. We are keen to take this to the next logical step – establishing a PES chapter dedicated to work with the enterprises, multi-lateral organisations and government bodies, and civil society, that are yearning to tackle the challenges that ensue from a lack of natural ecosystem support.
- ii. **Impact Investee Council:** an idea whose time is well-nigh, is the establishment of an Impact Investee Council for the investee community, on lines similar to the Impact Investors Council²³ for investors. The IIP team will create the initial entity and incorporate it per the laws of the land; following that it will on-board two sets of partners and members:
 - a. Impact Field Builders and Ecosystem Players: we will invite entities like Sattva, Aspire, Impact Hub, Ashoka to co-create the Council.
 - b. Social Enterprises: leadership and alignment with the social enterprises, both at the local level, and at the sectorial level, will unleash the tremendous opportunities of cross-collaboration that exist, but are invariably lost in one-on-one investor-investee interactions.
- iii. **Systems Incubator with Impact Seed Fund:** quoting the Ashoka-McKinsey report¹, a systems incubator *“actively convenes systemic organizations working on related problems, e.g., in different regions or from different perspectives, and acts as a facilitator for dialogue and exchange. This incubator can moderate the exchange of experiences, align strategies, or amplify policy objectives and could even be supported by a collaboration of several funders.”* In recent years, the crucial conversation in the socio-ecological community has been the move to support sustainable, longer-term changes that will address the root causes of societal problems in a full spectrum manner. While it is an ambitious over-reach from the origins of the IIP, we realize that establishing a Systems incubator with the ability to provide seed funding to Impact enterprises is a necessary next step.

We expect to expend a significant part of our energy, skills, and resources to establish frameworks and structures that will address these three areas. ***We invite the community of organizations that share this sentiment – including philanthropies, foundations, Impact investors, corporates, government agencies, and multilateral organizations – to partner and co-create this exciting and aspirational vision with us.***

8. ACKNOWLEDGEMENTS

The inputs and support of the following individuals were critical for the IIP:

- A. **Pinaki Roy (@The Eco-Logical Foundation):** it wouldn't be a stretch to say that Pinaki conceived of the need of an Impact Investment Primer even before he himself was aware of Impact investments. A strong believer in the power of connected networks and transformational initiatives, Pinaki seeded the idea, inspired and enrolled me and FES, and his network of change-makers. His indefatigable energy and sense of purpose, coupled with his suggestions and recommendations, have been essential to the IIP.
- B. **Mandvi Kulshreshtha (@FES):** an urbanist and feminist, and Program Adviser – Economy of Tomorrow at FES India, Mandvi played the role of partner and supporter at the same time. She was always available to assist in the program, while giving a lot of freedom and flexibility in program design and delivery. A believer in the power of Impact investments, Mandvi also connected with other Impact organisations, and reached out to her own network of change-makers, personally enrolling participants.
- C. **Amit Bhatia (@Aspire Impact):** former CEO of GSG, and Founder of Aspire Impact, Amit is a global thought leader and champion of the Impact revolution. His honest and thoughtful inputs on the content and the state of the Impact ecosystem were extremely useful. Amit also shared GSG's high-quality Impact videos which served as the binding ingredient to land the fundamental message of a paradigm shift in capitalism.
- D. **Anurag Shanker (@FES):** Anurag has played a critical behind-the-scenes role through the IIP without at any time imposing himself or hindering any aspect of the program. Not only did he participate himself, but he also ensured that the online sessions, recordings, and contractual paperwork are complete. Most importantly, Anurag is always available to help, no questions asked – and as such is a source of comfort.
- E. **Siddharth (@Earthyantra):** a fellow traveller and someone deeply dedicated to carbon footprint reduction, Siddharth took out time and provided resources, critical inputs, and feedback that enriched the IIP's content and its templates. His insights into what could be the true value proposition for an entrepreneur, led to the focus on the fundamental thought processes needed for a rewarding investor-investee interaction.
- F. **Kabir Vajpeyi (@Vinyas):** an interaction with Kabir, Ashoka Fellow and co-founder of Vinyas, over lunch at a TCDP workshop in 2018, shed light on the huge disconnect that exists between the investment world and transformative change-makers. This, in fact, initiated a deep-dive into the Impact Investment ecosystem and my foray into the world of impact advisory for transformative initiatives in the socio-ecological sector.

*-Ashish Mehta
Second Nature
Mumbai: 31st March 2021*

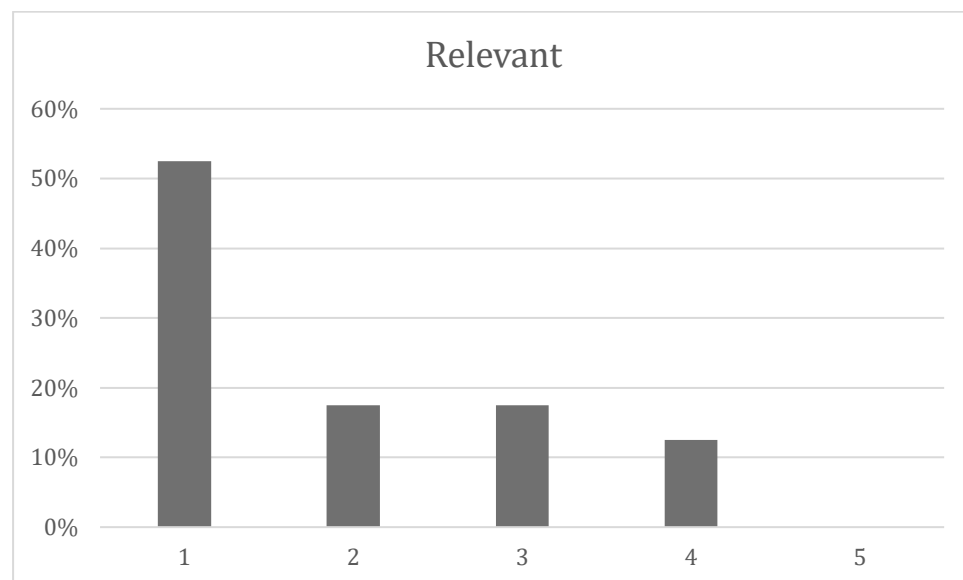
9. ANNEXURE I – PARTICIPANT LIST

S.No.	Organisation	Role / Title	Location
1	N/A	Freelance	Bangalore
2	CSBNE	Architect	Kochi
3	Educated Environments	CEO	Mumbai
4	AIC AARTECH	Associate	Bhopal
5	FES	Program Manager	Delhi
6	Fresh Thinkering Pvt Ltd	Design Lead/Director	Nachinola, Goa
7	Friedrich Ebert Stiftung, India Office	Senior Adviser	New Delhi
8	Sarvasva Designs Pvt Ltd	Founder	Goa
9	Mozaic	Principal Architect	Alto Porvorim, Goa
10	HCL foundation	Senior program officer	Delhi, Delhi
11	N/A	Freelance Architect/Urban Designer	Dehradun
12	Skrp waste management solutions	Founder	Mumbai
13	N/A	Independent Consultant	Calcutta
14	fes	programme manager	delhi
15	VINYAS & VINYAS Society	Co-founder / Partner	Delhi
16	Edible Routes	Founder	New Delhi
17	Development Alternatives	Manager	Delhi
18	Kesarjan	Founder	Ahmedabad
19	Water Environs	Founder	Mumbai
20	NotOnMap	Founder	Delhi
21	Friedrich-Ebert-Stiftung, India office	Program Adviser	Noida
22	All India Disaster Mitigation Institute	Director	Ahmedabad
23	N/A	Educator	Lucknow
24	Ayaad Foundation	Director	Rajsamand (Distt)
25	SOHARD	Director	Alwar
26	The ELF	Founder	Delhi
27	VINYAS & VINYAS Society	Co-founder, Partner	Delhi
28	TARN	Trustee/Founder Member	Dehradun
29	Mumbai Sustainability Centre	Founder	Mumbai
30	Government College of Teacher Education	Assistant Professor	Dharamshala
31	Biome Environmental Trust	WATER Team lead	Bangalore
32	Earthyantra	Founder	Mumbai
33	Anonymous	Founder	N/A
34	MinusCO2 Pvt. Ltd.	Founder	Navi Mumbai
35	HCL Foundation	Associate manager, Gender & Inclusion	Delhi
36	CUTS INTERNATIONAL	Executive Director	Jaipur
37	Water Environs	Founding member	Mumbai
38	Planit	Urban and Transport Planner	The Netherlands
39	N/A	Ph.D. Candidate	Netherlands

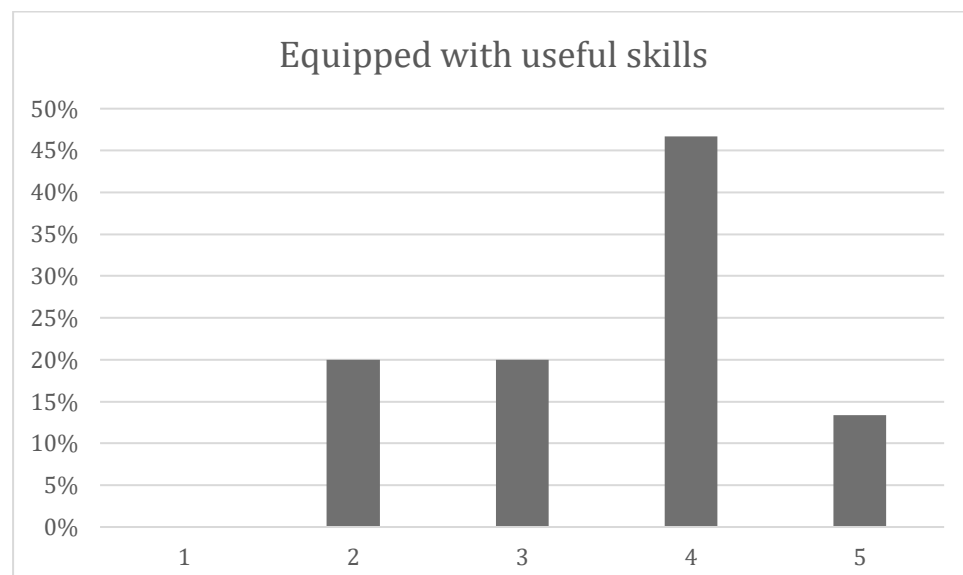
10. ANNEXURE II – FEEDBACK FROM PARTICIPANTS

Anonymous feedback via Google Forms was taken from the participants at the end of each of the webinars. The response has been enthusiastic and the participants have delivered high satisfaction ratings, some of which has been reproduced here.

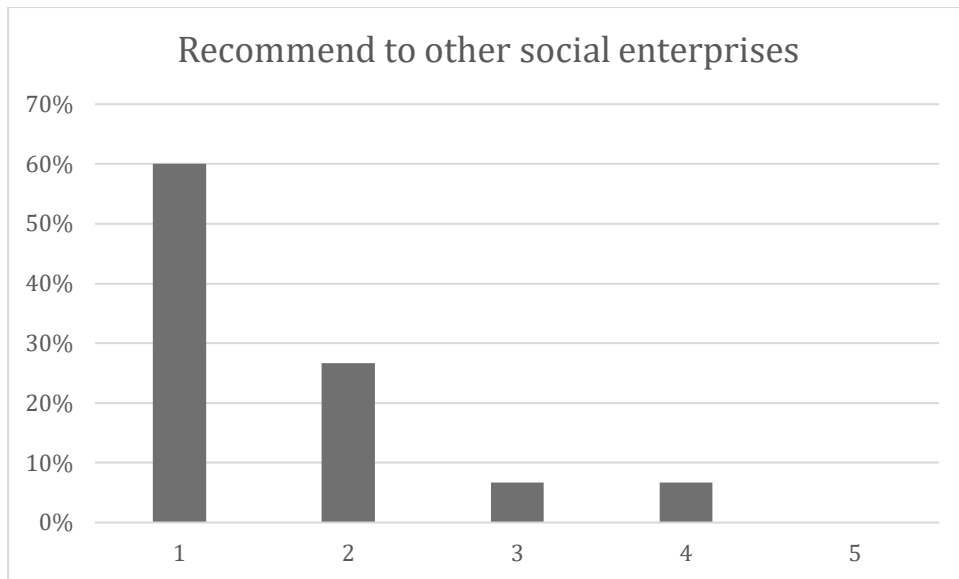
Over 70% of the respondents found the webinars highly relevant, on a scale of 1-5 where 1 = Highly Relevant and 5 = Not Relevant.



When asked about usability (1 = Not Useful and 5 = Very Useful), 3 out of 5 participants believe this equips them with useful skills and no participant found it not useful at all.



Finally, regarding recommendation to other social enterprises, almost 90% said they will highly recommend the IIP to their partners and other initiatives (1 = Strongly Recommend and 5 = Not recommend).



Some of the textual comments, after anonymization, are reproduced here – these have played a role in formulating the IIP’s recommendations and next steps.

“I can’t begin to tell you how wonderful your session was, even to someone like me who’s a complete novice and is sitting on the fence at this juncture. What really came through very clearly, both due to the content and the way you communicated it, is the fact that no other way of investing makes sense. If we’re unable to focus on the Impact then we’re clueless about where we’re going or what we’re hoping to achieve.”

“(Facilitator) comes across as a very experienced and informed professional. But he understands that not everyone has the same background and so makes the effort to simplify things for all audience types. He has a wealth of experience and can be very helpful to aspiring entrepreneurs.”

“Its important to learn roles and perspectives of different stakeholders in the Impact ecosystem, and this session introduced us to some of these stakeholders with current examples, making it easy to understand.”

“(Maybe) one needs a part III...also when one starts application of the given framework, there are many questions or feeling of (being) stuck.”

“(Need) More time. Some basic one on one's in the second stage. And in-depth one on one's in a subsequent third stage.”

“It would be more enriching, I feel, if the workshop spent more time on discussing the values and ethics underpinning Impact investments. Also, for this to be a true and equal partnership between the players, more thought could be given to how those looking for investments could have a space for asking the investors key questions about their motivations, commitment etc. A complete shift from the traditional donor-beneficiary power dynamic must be aimed for.”

“It was good but basic. While the first session focussed on introducing the sector and its potential to grow, it will also be helpful to understand the focus of Impact investors, what are the prerequisites to getting success there, etc. The 5M approach was very articulately put together.”

“Social entrepreneur's motivation to do work may be different from that of an Impact funder. We need better understanding about conducting conversations to address the differences. This is something, given the past experiences and background conversation, that may be a mental block in moving forward for many of us. Giving some more time will be very useful, from our perspective.”

“More time. And some one on one's. More examples of organisations that leverage Impact funds, their business models, replicability and contact information would really help us take next steps”

“I used to think that while working on impactful social ideas is good for personal satisfaction but it is financially challenging as one has to depend on grants and donations to scale up and make an impact. However, this workshop made me realise that there is funding available for Impact-driven ideas and many institutions and companies are looking forward to supporting these ideas. Most of us are unaware of Impact investment and just getting to know about it opens up so many opportunities.”

“Other areas that could be covered would include - new, state-of-the art ways of measuring outcomes and Impact; post project evaluations. More case studies, with live interviews of people actually involved, would be a great addition.”

“Let me thank you for your business advise to (our organisation's) plans to take its (initiative) on the path of sustainability and profit. Your inputs, guidance, and insights were of great help in finalizing our business plans.”

11. ANNEXURE III - REFERENCES

1. Embracing Complexity: Towards a shared understanding of funding systems change: Report by Ashoka and McKinsey and Company (January 2020)
2. Embracing the field approach to achieve India's Sustainable Development Goals – India Philanthropy Report 2019 – Bain and Company (2019)
3. Podcast by Impact investing pioneer Antony Bugg-Levine, along with IIX's Durreen Shahnaz: <https://knowledge.wharton.upenn.edu/article/whats-next-for-impact-investing/>
4. Impact Investing's Third Phase (Wharton – Social Impact): <https://knowledge.wharton.upenn.edu/article/whats-next-for-impact-investing/>
5. Mehta, Ashish (2020), "The Impact Revolution is Here – Are You Ready?" - <https://www.fes-india.org/e/the-impact-revolution-is-here-are-you-ready/>
6. Impact Investing – an Introduction (Rockefeller Foundation): <https://www.rockpa.org/guide/impact-investing-introduction/>
7. On Impact: A Guide to the Impact Revolution by Sir Ronald Cohen (2018): onimpactnow.org
8. Sizing the Impact Investing Market, report by Global Impact Investing Initiative (GIIN) (April 2019): https://thegiin.org/assets/Sizing%20the%20Impact%20Investing%20Market_webfile.pdf
9. GIIN Annual Impact Investor Survey 2020 (June 2020)
10. Pandit, Vivek and Tamhane Toshani (2017): "Impact Investing Finds its Place in India," McKinsey & Company
11. Ravi, Shamika; Gustafsson-Wright, Emily; Sharma, Prerna; Boggild-Jones, Izzy (2019): "The Promise of Impact Investing in India," Brookings India Research Paper No. 072019.
12. The India Impact Investing Story: Assessing a Decade of Capital plus Innovation for Impact (2010-2019), Report by IIC and Asha Impact (June 2020)
13. The Power of Impact, Global Steering Group for Impact Investment (GSGII) Summit Proceedings Report, Oct 8-9, 2018 (New Delhi)
14. Road map for the future of Impact Investing, GIIN: <https://roadmap.thegiin.org/actions/network-organizations-and-field-builders/>
15. Annual Impact Investor Survey (2019): Global Impact Investing Network
16. The Educate Girls Development Impact Bond: A New Finance Model for International Development: <http://instiglio.org/educategirlsdib/wp-content/uploads/2015/09/Educate-Girls-DIB-Sept-2015.pdf>
17. Social Finance India News Report: <https://www.prnewswire.com/in/news-releases/social-finance-india-s-new-ceo-shantanu-ghosh-and-chair-ashish-dhawan-to-deliver-social-outcomes-at-scale-844122518.html>
18. Center for Advancement of Social Entrepreneurship (CASE): <https://centers.fuqua.duke.edu/case/>
19. Survival Guide for Raising Capital – Next Billion Series - <https://nextbillion.net/nextbillion-series/survival-guide-raising-capital/>
20. Rustam Sengupta (2015): "De-mystifying Impact Investing: An Entrepreneur's Guide," GIZ India
21. Intellect Analysis: Impact Investing Ecosystem
22. Bringing Scale to the Impact Investing Sector, blog by Saadia Madsbjerg, <https://www.rockefellerfoundation.org/blog/bringing-scale-impact-investing-industry/>
23. Impact Investors Council, India: <https://iiic.in/about-impact-investors-council/>