



*For Immediate Release*

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## **CAPACITY BUILDING IS AN IMPORTANT VALUE ADD FOR IMPACT INVESTING**

NEW YORK, October 12, 2017 – A majority of impact investors provide capacity-building support (or technical assistance) to investees, yet the vital role of capacity building in impact investing has not been adequately explored, according to the [Global Impact Investing Network \(GIIN\)](#). [Beyond Investment: The Power of Capacity-Building Support](#), a report published today by the GIIN, focuses specifically on capacity building in the impact investing industry, highlighting common, effective practices and opportunities to enhance future practices.

Drawing on findings from interviews with practitioners from 31 organizations, the report offers key insights into the reasons that impact investors, service providers, and funders choose to provide capacity-building support. These include improving an investor’s level of competitiveness for impact investment transactions, enhancing financial performance, and improving or expanding the investees’ impact.

GIIN research has found that 73% of impact investors provide this kind of assistance to their portfolio companies. Capacity-building practices used by impact investors often resemble forms of nonfinancial support historically leveraged by conventional investors to strengthen an investees’ strategy or operations. But impact investors offer deeper engagement with their investees and frequently use capacity-building support to enhance and extend their impact. Impact investors reported helping investee companies better understand their social and environmental impact and refine and articulate their impact strategies and objectives, among others.

Capacity-building is a versatile, widely-applicable tool that offers multiple direct benefits to both investors and investees. The structure and delivery of capacity-building support is often highly customized to meet the needs and requirements of specific recipients. Despite the bespoke nature of the support, the report finds that there is benefit to investors in sharing lessons learned openly with others, in order to accelerate the growth of the market. Collaboration among the different stakeholders, including investors, portfolio companies, service providers, and funders, could facilitate wider and more efficient use of capacity-building support across the industry.

“Capacity-building support is one critical tool to accelerate and deepen the change investors seek,” said GIIN Research Director Abhilash Mudaliar. “Through capacity-building support, investors, service providers, and funders can strengthen the *impact* of impact investing, grow vibrant markets with thriving communities, conserve and enhance our environment, and improve the lives of the people who need it most.”

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### **About the GIIN**

The Global Impact Investing Network (GIIN) is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing around the world. Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, please visit [www.thegiin.org](http://www.thegiin.org).

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