

# THE IMPACT INVESTING MARKET IN THE COVID-19 CONTEXT

INVESTOR SUPPORT OF ENTERPRISES

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**Response, Recovery, and Resilience  
Investment Coalition**

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# ACKNOWLEDGMENTS

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## About the Response, Recovery, and Resilience Investment Coalition

Launched in May 2020, the Response, Recovery, and Resilience Investment Coalition (R3 Coalition) aims to streamline impact investing efforts that will address the large-scale social and economic consequences of COVID-19. **This initiative is a collaboration across prominent impact investing networks – to be managed by the Global Impact Investing Network as the organizing body – and is supported by a group of leading foundations.** Along with the GIIN, initial Partner Networks include the Aspen Network of Development Entrepreneurs (ANDE), AVPN, B Lab, Confluence Philanthropy, Association of European Development Finance Institutions (EDFI), European Venture Philanthropy Association (EVPA), India Impact Investors Council (IIC), Mission Investors Exchange (MIE), Synergos, Toniic, and U.S. Impact Investing Alliance.

See more here: [thegiin.org/r3coalition](https://thegiin.org/r3coalition).

## Sponsors

The Response, Recovery, and Resilience Investment Coalition is financially supported by David and Lucile Packard Foundation, the DOEN Foundation, Ford Foundation, John D. and Catherine T. MacArthur Foundation, Open Society Foundations, The Rockefeller Foundation, and Sorenson Impact Foundation.

## About the Global Impact Investing Network

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing around the world. 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, see [www.thegiin.org](https://www.thegiin.org).

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# Introduction

The global spread of COVID-19 has exposed the fragility of economic and social systems, exacerbated long-standing social inequalities, and constrained businesses' and investors' abilities to operate effectively. To catalyze strategic flows of impact investment capital and position impact investors to support their current investees, the Response, Recovery, and Resilience Investment Coalition (R3 Coalition) launched in May 2020.<sup>i</sup> This initiative represents a collaboration across impact investing networks.

Critical to impact investors' responses is their ability to react to new on-the-ground and macroeconomic realities, including by providing financial or non-financial support to their investees as appropriate. This brief seeks to illustrate the common challenges facing entrepreneurs and intermediating financial service providers and to describe the various types of portfolio support provided by impact investors during this time of crisis. Most commonly, investors participating in the R3 Coalition describe providing additional non-financial support (76%), introductions to prospective co-investors (72%), or additional investment (60%).<sup>ii</sup> Yet the need for further support and continual adaption remains if businesses are to survive COVID-19. These strategies, among others, are described in further detail through this brief.

## Methodology

Findings in this report are derived from:

- Interviews with 21 asset owners, asset managers, and service providers to understand the specific challenges facing their existing portfolios and effective strategies to navigate those challenges. These strategies principally focus on those suitable for direct investments, such as those into companies or projects, as well as investments into intermediating financial service providers, such as banks.
- Research and perspectives from R3 Coalition Partner Networks about the constraints facing their networks and the role that impact investors can play during this crisis.
- Desk research on resources available to impact investors and investees, particularly those aimed at offering financial or non-financial support during the COVID-19 crisis.

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## INSIGHTS

**1** Many impact investors are offering short-term support with a long-term horizon in mind, for example by rethinking administrative processes and financial management practices to strengthen long-term sustainability and resilience.

**2** Impact investors have varying mandates and objectives yet are universally exploring ways to support investees through the COVID-19 crisis, tailoring interventions according to investees' needs and market positions and to their own strategies and mandates.

**3** Impact investors are activating their personal and professional networks to connect investees to entrepreneurs in similar fields for potential collaboration, to local authorities to navigate project expansions, and to prospective sources of financial support.

**4** With investor support, many entrepreneurs are exploring innovative ways to expand or pivot their business models, such as by launching new business lines directed at the COVID-19 response and expanding into underserved markets.

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## THE NEED FOR ENTERPRISE SUPPORT

The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets, particularly focused on supporting small and growing businesses. In this section, ANDE – a Partner Network of the R3 Coalition – offers insights on the immense challenges facing emerging market entrepreneurs and the important role impact investors can play in enabling them to emerge from this crisis.

The COVID-19 crisis presents what Startup Genome calls a potential “mass extinction event” for early-stage businesses.<sup>iii</sup> While the experience varies in different geographies and industries, the overall trends are clear. An ANDE survey of entrepreneur support organizations and investors found that 12% of the enterprises in their portfolios had permanently shut down as of early June, with an additional 37% at high risk of failure due to the crisis.<sup>iv</sup> The lack of available capital in emerging markets means that startups in these geographies face a more imminent threat: over half of startups in Africa have less than three months of runway, compared to just over a third in Europe.<sup>v</sup>

The crisis presents challenges from all sides for entrepreneurs, who are squeezed by a slowdown in capital availability, dealing with disrupted supply chains, and facing a decline in consumer demand. While these trends affect for all businesses, impact businesses are particularly constrained due to their need to remain financially viable while also maintaining a commitment to social impact. For example, a social enterprise whose impact comes from targeting Base of the Pyramid consumers cannot just move their services online if that also means shifting to a higher-income customer base. And a business whose impact requires face-to-face interaction must balance the potential benefits of remaining operational against the health risks to their employees and customers – a difficult decision for any enterprise, but especially one that has creating positive social change as a core mandate.

**12%** of the enterprises in their portfolios had permanently shut down as of early June and another **37%** are at high risk of failure due to the crisis

**58% and 53%** of respondents said getting emergency debt or equity financing, respectively, is crucial for managing the crisis – and **57%** need technical assistance to help pivot their business model

Of course, the consumer shift into the digital realm also represents a major business opportunity for those social enterprises that can adapt their model while maintaining their impact. But this requires support – both financial and non-financial. In ANDE’s survey of early-stage ventures around the world in April, grant funding represents the biggest need, with 83% of entrepreneurs highlighting its importance. Emergency debt and equity financing are also critical, with 58% and 53% of respondents (respectively) responding that these are “extremely” or “very” important for managing the crisis – but an equivalent number (57%) conveyed this level of importance for technical assistance to help pivot their business model.

Given the dire financial and non-financial needs of ventures, the support ecosystem around entrepreneurs is more important than ever. Yet many of the organizations that make up this ecosystem themselves face just as many challenges as the businesses they help. In ANDE’s survey, approximately a third of capacity development organizations based in emerging markets face a “high” or “existential” risk of having to permanently shut down their operations.<sup>vi</sup> Wary of uncertainty, investors are delaying deals already in their pipeline and holding off on sourcing new deals. Without a concerted support effort, local entrepreneurial ecosystems that have taken years and decades to build face the possibility of a vicious cycle of destruction that could leave entrepreneurs without critical support as economies and societies move to the recovery phase of the crisis.

As a critical part of these entrepreneurial ecosystems, impact investors’ actions will play a significant role in whether and how entrepreneurs and the support ecosystem around them emerge from the pandemic.

## Investors' strategies to provide enterprise support

COVID-19's effects on the business community have been swift and severe, with about a third of small businesses ceasing operations by mid-April and over half furloughing or laying off employees by mid-May in the U.S. – and more globally.<sup>vii</sup> Larger establishments, as well, have experienced acute pains from COVID-19. Collectively, businesses face a multitude of factors creating immediate survival challenges. Yet notably, many investors described uneven effects across their portfolios. In some cases, both equity and debt investors have experienced little to no underperformance, potentially reflecting a lag in the economic consequences of COVID-19 on customers to companies to investors.

Interestingly, most investors noted that while many of their portfolio companies face acute challenges as a result of COVID-19's spread, some companies are achieving new levels of business success. In a recent survey by Intellect Advisory Services, nearly 15% of investor respondents noted that some of their portfolio companies had been able to adapt – and even thrive – during this period.<sup>viii</sup> These results were supported during interviews for this brief. For example, a company whose operations are naturally suited to respond to COVID-19's social or economic consequences – such as a job placement agency or textile manufacturer able to contribute to personal protective equipment (PPE) – may now pursue expansion opportunities.

Yet at the same time, investors across the market described proactively pursuing measures to strengthen and support their portfolios, with the optimal strategy typically shaped by the region or sector of the investee. Collectively, they described efforts to protect their current investees in a number of ways, including to address the immediate needs shaped by COVID-19, to address medium-term needs that would aid in the recovery and position their investees to achieve impact and financial success, and to strengthen their investees' resilience through this crisis and in the case of future risk events. In many cases, a single intervention may address needs across the response, recovery, and resilience spectrum.

### COVID Response Alliance for Social Entrepreneurs

This brief focuses on the support provided by impact investors to assist their investees during the COVID-19 crisis. Yet throughout interviews for this brief, investors noted that other organizations across the ecosystem, such as governments, philanthropists, and service providers, also play a vital role.

The COVID Response Alliance for Social Entrepreneurs (“the Alliance”) is one group that has emerged to convene actors across the broader ecosystem, with the goal of supporting entrepreneurs through the crisis. The Alliance has identified a series of recommended actions for the overall ecosystem. More information can be found [here](#).

### TYPES OF PORTFOLIO SUPPORT STRATEGIES, BY PHASE OF CRISIS RECOVERY PRIMARILY TARGETED



Additionally, several interviewees described applying past experiences facing crises – such as the 2008 global financial crisis, natural disasters, or periods of political upheaval – to navigate the current economic climate. Given the nature of risk and uncertainty during these various periods of crisis, investors have found many lessons learned to apply to the current moment in time. For example, such investors cited the value of using personal and professional networks, the need for innovation among investees as well as regarding investment structuring, and the prioritization of liquidity and other stopgap measures during crisis peaks.

## RESPONSE: Strategies to address immediate solvency constraints

With the spread of COVID-19, businesses face unprecedented challenges to their normal operations. Over 100 countries have experienced some form of lockdown or mandatory physical distancing,<sup>ix</sup> forcing many brick and mortar establishments to close or restrict their day-to-day operations. Globally, guidance from health and public officials encourages physical distancing – even if not formally mandated – thus discouraging prospective customers from patronizing businesses otherwise open for normal operations. As of May 2020, some 72% of small and growing businesses (SGBs) have temporarily shut down business operations or expect to in the future, according to an ANDE survey.<sup>x</sup>

Simultaneously, supply chain disruptions are rampant given the deep interconnectedness of global supply chains, further exacerbating risks to productivity. Some 76% of SGBs, for example, had experienced an inability to deliver on existing orders or contracts due to logistical challenges as of May 2020.<sup>xi</sup> Further, 31% of entrepreneurs participating in the Intelicap survey reported increases in the prices of various goods reflecting increased logistics costs.<sup>xii</sup> As a result, businesses face several constraints to revenue generation and cash flows coupled with increased operating costs, creating significant, immediate liquidity challenges.

**Providing liquidity or liquidity management support.** To lessen the near-term financial burden on borrowers and free up cash on hand, both debt and equity investors described their strategies to support investees' liquidity needs. When able, investors provided liquidity infusions directly, often via working capital or bridge financing. A few asset managers also described investing through entrepreneur-friendly investment instruments, such as simple agreements for future equity (SAFEs) or other alternative structures for non-priced rounds. To provide liquidity more quickly and stay abreast of COVID-19-related developments affecting their portfolios, investors have increased the frequency with which their investment committees meet. In some cases, foundations and non-profit asset managers have converted a portion of their lending activities to grants to reduce the financial strain on investees. Ongoing market uncertainty further exacerbates liquidity constraints, leaving both investors and investees unsure of their likely duration and extent.

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## Examples of funding initiatives launched to address COVID-19

Several investors have launched COVID-response facilities, including those offering emergency financing or liquidity, including:

- **Big Society Capital's** GBP 100 million Resilience and Recovery Loan Fund
- **Ceniarth's** USD 3 million commitment to zero-interest loans for rural CDFIs
- The **International Islamic Trade Finance Corporation's** USD 330 million commitment to immediate COVID-19 response needs
- **Open Road Alliance's** USD 40 million Open Road Impact Fund to offer short-term bridge loans
- **Visa Foundation's** USD 210 million commitment to support small and micro-businesses

Many other examples can be found [here](#).

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**Adjusting repayment schedules.** In the case of debt investments, some lenders have adjusted requirements based on the needs of their borrowers and the flexibility of their own mandates. In some instances, investors have temporarily deferred interest payments, paused interest accrual, or even delayed principal payments. One debt investor additionally noted the deferral of balloon payments on loans without further interest accrual for three months to enable borrowers to instead meet payroll or other immediate cashflow needs. In each instance, investors described intent to reassess business's needs at periodic junctures, typically on a quarterly basis, to revisit the borrower's ability to repay, the effects of lockdowns or related slowdowns on cashflows and revenues, opportunities to reimagine their business models or product/service offerings, and impact performance.

**Coordinating among investors and other partners to align adjustments and expectations.** Several investors described coordinated efforts to align expectations and terms with co-investors, and thus offer a coherent response strategy for their investees. For example, if one investor defers interest payments for a borrower while others maintain their repayment schedules, that investor essentially subsidizes the others' loans. Instead, investors have noted opportunity to coordinate among both debt and equity investors to align deferral terms and schedules, thus better positioning investees to recover from financial shocks and to achieve their impact targets.

**Providing introductions to other capital sources.** In many cases, investors noted that they may not be well-positioned to offer additional capital injections themselves, for example if their funds were already fully invested or if the capital needs do not fit within their strategies. In these instances, investors have facilitated introductions to prospective co-investors, such as those managing liquidity facilities, or to grant-makers in cases where grant funding was considered necessary. Often, these conversations include co-investors with whom the interviewee already had a strong relationship. Additionally, investors described offering support to investees as they sought to access government support programming. For example, in the U.S., investors have helped investees navigate the Paycheck Protection Program (PPP) application process to access forgivable loans administered through the Small Business Administration (SBA). The application process has proven challenging for many small businesses. In one example, minority borrowers of a U.S. Community Development Financial Institution (CDFI) faced long delays in response times and opaque requirements from banks administering PPP. That CDFI and its investors then leveraged their own existing relationships with those banks to accelerate the process, thus unlocking PPP capital.

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## Examples of government support for small businesses

Around the world, national governments have launched emergency response measures to support the business community:

- **Australia** offered temporary cash assistance to small businesses and nonprofits, as well as financial incentives for businesses investing in equipment and other capital expenditures. Additional wage subsidies have been offered to retain apprentices or trainees.
- Across the **European Union**, national governments have committed to reimbursing workers' incomes directly at 60% to 90% of wages. Additional assistance is available for small businesses in the form of tax forbearance and access to finance and grants, with some variation by country and sector.
- **India** has launched an emergency credit line of collateral-free loans to enable businesses to resume activities and safeguard employment, relaxed debt default norms, reduced market capitalization requirements for public shareholding, and strengthened incentives for local businesses to pursue government procurements, among other measures.
- In the **United States** the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in March 2020, includes stimulus for small businesses, including sole proprietors and non-profit organizations, through the Paycheck Protection Program (PPP). PPP loans can be accessed through participating Small Business Administration (SBA) approved 7(a) lenders or participating federally insured depository institutions or credit unions and Farm Credit System institutions.

A full list of country-by-country responses can be found [here](#).<sup>xiii</sup>

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## RECOVERY: Adjustments to ensure achievement of impact and financial objectives

Many impact investors have also re-evaluated their investees' abilities to deliver on impact and financial goals, recognizing that near-term performance is restricted by a range of outside forces. In many cases, investors recognized that investees may fall short of both financial and impact performance expectations in the short-term, reflecting market risk and volatility. Therefore, they have therefore chosen to implement support measures that could mitigate overall losses and enable an eventual recovery to pre-pandemic performance levels.

**Extending time horizon expectations.** In many instances, investors noted that they could reasonably expect to meet their financial and impact returns targets if they extend their time horizon expectations to accommodate the current downturn. In the short-term, many investees face compromised business performance. Yet in most cases, investors expect the market to rebound over the course of the coming two years, enabling them to recover to pre-pandemic impact and financial performance levels. In the case of listed equities, investors cited the rapid return of public markets to pre-March 2020 levels, particularly among impact and ESG investments with strong risk management protocols, acknowledging ongoing uncertainty looking ahead. In the case of private equity, COVID-19 has led to delayed exits among more mature investments or funds, a reflection of currently deflated valuations, market volatility, and the physical distancing and travel constraints that impede incoming investors from performing the diligence needed to complete a transaction.<sup>xiv</sup> Delays in exits may also affect asset managers' terms with Limited Partners (LPs), though most noted they have not yet had to renegotiate those agreements. In many cases, impact results are tied to the delivery of products and services to the market or to the operations of a business, and thus business closures or operational constraints impede the achievement of those results in the short run. In parallel to financial returns, therefore, many investors expect a slight lag on impact targets, which they anticipate recovering over the course of the next year or two. Extended time horizons are also reflected in debt investors' various strategies, in which many lenders have revisited repayment schedules to offer greater flexibility, as described in the previous section.

**Expanding the use of project finance.** In some instances, investors described providing project finance to advance a specific segment of an investee's activities when they were otherwise unable to conduct a full funding round or when these activities were deemed crucial to COVID-19-related needs. In one case, an investor noted that a company in the healthcare sector had plans to conduct a strategic review of rural telehealth opportunities in the coming two years, which was instead accelerated to take place imminently. Given the high impact potential, the investor fast-tracked consideration of a round of project finance for the design and implementation of the company's telehealth operations.

**Offering human resource guidance.** Several investors described a focus on the quality of employment at investee organizations, often a central component of their impact objectives. All development finance institutions interviewed and several asset managers described their role as one of support and guidance, in which they elevated resources to help portfolio companies navigate labor laws, uphold the quality of the jobs at their organizations, manage benefits, adapt to remote work, and support staff physical and mental well-being during the crisis. Interviewees expressed concern that companies may sacrifice ESG and impact compliance, particularly regarding working hours, working conditions, or the management of employee terminations. In these instances, investors increased their use and reference of International Labor Organization (ILO) standards to ensure adherence to global employment security standards and to their existing ESG or impact agreements. Several also described challenging conversations with entrepreneurs facing layoffs within their organizations, a reality that has proven unavoidable in many sectors. Looking forward, many investors expect to help portfolio companies connect with local or national guidance and other resources about best practices for reopening.

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## Examples of human resource guidance documents

Investors and employers both have used a range of human resource guidance materials to navigate COVID-19, such as:

- Sample [Temperature Monitoring Sheet](#) for Employers/Employees by Foundation Health Partners
- Human Service Council's [Health Screening & Temperature Check Resources](#) for Employers
- International Labor Organization standards on [employment security](#), [working time](#), and [occupational safety and health](#)
- [Various resources](#) compiled by The Management Center to navigate COVID-19-related issues, such as office safety, mental health, and remote operations

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**Offering support to implement new business lines.** In several cases, investors described investees exploring new business lines or expanding existing operations to respond to COVID-19's immediate- or medium-term effects. To support these developments, investors commonly offered introductions among investees operating in similar fields who may be well-suited to exchange learnings and maintained frequent touchpoints with the entrepreneurs. For example, one fund manager described working with a robotics company in their portfolio to explore the possibility of robotics-enabled COVID-19 testing. The company had no prior experience in healthcare, but through the investor, was able to connect with other technology-oriented companies in the healthcare sector. In another example, an investor periodically convenes seed-stage entrepreneurs in its portfolio to share learnings and surface collaboration opportunities. This periodic convening – now held virtually – first launched prior to COVID-19 to explore cross-cutting themes, such as human resources and information systems, which now includes an additional COVID-19 lens. In some instances, investors also encouraged entrepreneurs to participate in accelerator programs specifically oriented around the COVID-19 response.

## RESILIENCE: Opportunities to reimagine business models and processes with the future in mind

In addition to financial support, many investors described non-financial support measures to strengthen companies' internal operations, policies, and projections and to ensure that businesses are well-placed to weather an extended crisis. Further, some investors considered longer-term resilience, recognizing that there may be opportunity to help investees position themselves to manage future crises more easily. Notably, the concept of post-COVID resilience is still being defined, with investors recognizing that many opportunities may play a role in each phase of response, recovery, and resilience.

**Strengthening focus on addressing inequalities.** Beyond connecting entrepreneurs with each other, some investors described advocacy efforts with local government officials to highlight possible synergies or unlock expansion opportunities for essential services and those focused on long-term resilience. In one example, an investor worked with the municipal government to highlight innovations among its portfolio companies, particularly those well-suited to address local social vulnerabilities, such as an increasing need for elder care facilities and resources for ageing populations. In another, the investor has worked alongside its investee with local authorities to convert rural clinics into designated COVID-19 hospitals, particularly to capture authorities' perspectives on labor laws and medical liability issues.

Several investors also noted that COVID-19 has focused a sharp spotlight on long-standing social inequalities. To advance impact objectives related to social justice, these managers described working with investees to expand relevant services, such as job or skills training aimed at historically underserved populations. Additionally, investors noted their own introspection as they develop plans to launch new structures or facilities that apply a racial and/or gender lens as part of a longer-term commitment to strengthening the resilience of their communities against future crises.

**Reducing the administrative burden.** To address staff bandwidth constraints at their own organizations as well as at investee organizations, some foundations and asset managers have explored opportunities to lessen the administrative burden, such as by simplifying reporting or application requirements and by streamlining internal review processes for loan applications, deferral requests, or other support requests. For example, one firm has converted its loan acceptance process to be email-based in the case of repeat-borrowers, allowing it to respond more quickly and efficiently while simultaneously reducing paperwork requirements for borrowers. Initially, these strategies were developed to free capacity for the investor's and investees' staffs in the short-term, but the investor now expects these improved efficiencies to continue in the long-run, enabling all players involved to pursue higher value-add activities.

**Revising financial management systems.** Additionally, investors described working with investees – either directly or through external technical assistance providers – to strengthen their financial management systems. In some cases, investors identified gaps in financial management systems, encouraging the investee management teams to work on them directly. In particular, many interviewees described a need for deeper scenario and risk analysis, exploring possible business realities associated with a prolonged lockdown, a second or third wave of viral spread, further supply chain disruptions, and a multitude of other scenarios. Management teams were encouraged to strengthen their financial models alongside this scenario planning, developing strategies to maintain their financial health through this crisis and in the event of future shocks.

## Looking ahead

After months of directly affecting the business and investing communities, COVID-19 continues with no clear end in sight. This prolonged period of constrained business activities and uncertainty means that investees are likely to need support and flexibility for an extended period of time. Further, as time passes, the economic consequences of COVID-19 are likely to expand beyond direct investments to create a wave of knock-on effects along the capital value chain. As a result, investors are mindful of the need for portfolio support strategies that address current needs, account for a multitude of future scenarios, and strengthen investees' ability to pivot business operations or business lines as needed.

In the near term, investors will likely continue to apply the various strategies described above, such as exploring investment restructuring or maintaining flexibility regarding time horizons. Other strategies may also develop that enable investees to emerge from the pandemic. Investors that are able may also explore whether and how to provide technical assistance grants or otherwise contribute to the strength of the overall ecosystem.

Critically, many investors have also taken note of the growing spotlight on social inequalities, a persistent challenge brought to the forefront of public discourse and business activities with the spread of COVID-19. Looking to a longer-term future, investors cite the need for investment strategies and products, in addition to portfolio support efforts, that directly address issues of social equity and justice and strengthen investees' and investments' orientation toward a more resilient, sustainable, and inclusive future.

## Appendix 1. List of participants

This research was made possible through the contributions of the following organizations through interviews.

Bamboo Capital

Boston Impact Initiative

Capricorn Investment Group

European Bank for Reconstruction and Development (EBRD)

Good Return

GroFin

International Finance Corporation (IFC)

Investisseurs & Partenaires (I&P)

LeapFrog Investments

MacArthur Foundation

Mary Reynolds Babcock Foundation

Mercy Corps Ventures

MIT Solve

NAB

Portugal Social Innovation

Predistribution Initiative

RBC

Swedfund

USAID

U.S. International Development Finance Corporation (DFC)

WaterEquity

## Appendix 2. R3 Coalition Partner Networks

The R3 Coalition comprises Partner Networks who drive the coalition's activities. The GIIN principally drove analysis and synthesis for this report.



The [Aspen Network of Development Entrepreneurs](#) (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs can create jobs, stimulate long-term economic growth, and produce environmental and social benefits. As the leading global voice of the SGB sector, ANDE believes that SGBs are a powerful, yet underleveraged tool in addressing social and environmental challenges. Since 2009, we have grown into a trusted network of nearly 300 collaborative members that operate in nearly every emerging market. ANDE grows the body of knowledge, mobilizes resources, and connects the institutions that support the small business entrepreneurs who build inclusive prosperity in the developing world. ANDE is part of the [Aspen Institute](#), a global nonprofit organization committed to realizing a free, just, and equitable society.



As the only comprehensive funders' network in Asia, [AVPN](#) is a leading ecosystem builder for the social investment sector with 600+ members globally. AVPN's mission is to catalyse the movement toward a more strategic, collaborative and outcome focused approach to social investing, ensuring that resources are deployed as effectively as possible to address key social challenges facing Asia today and in the future.



[B Lab](#) is a nonprofit that serves a global movement of people using business as a force for good. B Lab's initiatives include B Corp Certification, administration of the B Impact Management programs and software, and advocacy for governance structures like the benefit corporation.



[Confluence Philanthropy's](#) mission is to transform the practice of investing by aligning capital with our community's values of sustainability, equity, and justice. We support and catalyze a membership network of private, public and community foundations; family offices; individual donors; and their values-aligned investment advisors representing more than \$70B in philanthropic assets under management, and over \$3.5T in managed capital. Confluence is an international organization, with the majority of members based in the U.S., and a handful in Europe, Canada, Latin America, and East Africa. Our members represent a diversity of institutions, charitable asset types, personal and professional roles, and programmatic missions, but we share a commitment to values aligned investing.



[EDFI](#) member institutions are focused on the development of private sector enterprises and operate in developing countries and emerging economies. They are mandated by their governments to contribute to the SDGs by creating jobs, boosting growth, fighting poverty and climate change. The EDFI Association's mission is to promote members' professional networks, inform policy, and drive innovation in industry standards.



Since its launch in 2004, [EVPA](#) has been building a community of organizations interested in or practicing venture philanthropy (VP) and social investment (SI) across Europe. EVPA defines venture philanthropy as an approach to building stronger investee organizations with a societal purpose, by providing them with both financial and non-financial support. Venture philanthropy’s ultimate objective is to achieve societal impact. VP does this through both social investment and high-engagement grantmaking.



[Impact Investors Council \(IIC\)](#) is the national industry body of impact investors in India committed to develop the impact investing ecosystem in the country and increase the flow of capital for the sector. IIC focuses on industry research, policy advocacy, debates and dialogues and outreach to relevant stakeholders to help evangelise the industry.



[Mission Investors Exchange](#) is a leading network of foundations engaged in impact investing. Its more than 200 members comprise a vibrant community committed to tackling the world’s most intractable social and environmental issues, from climate change and global health to education and quality jobs.



[Synergos](#) is a global organization helping solve complex issues around the world by advancing bridging leadership, which builds trust and collective action. We partner with philanthropists and philanthropic organizations, impact investors, government and corporate entities in the creation of effective social and environmental initiatives that apply systems thinking, collaboration and individual self-reflection to create a more just, equitable and regenerative world.



[Toniic](#) is the global action community for deeper impact investing. Toniic’s members are high net-worth individuals, family offices and foundations from more than 25 countries who are active impact investors. More than half have committed to move at least one portfolio to 100% values alignment across asset classes. Toniic creates community, provides educational resources, and curates investment opportunities for its members, who use Toniic to amplify their impact. Toniic also creates resources for the public to attract additional capital to impact investing, including the [T100](#) longitudinal study of the progress of 100%ers towards full deployment, and the [Impact Terms](#) platform, a free library of innovative impact deal terms and structures. Toniic’s members share a vision of a world in which all investments honor the planet and its inhabitants.



[The U.S. Impact Investing Alliance](#) is dedicated to strengthening the impact investing ecosystem to bridge market gaps and address shared challenges by advocating for an enabling policy environment, catalyzing the flow of institutional capital for impact, and building the impact investing movement globally.

## Appendix 3: References

- i Launched on May 12, 2020, the Response, Recovery, and Resilience Investment Coalition (“R3 Coalition”) aims to streamline impact investing efforts that will address the large-scale social and economic consequences of COVID-19. More information can be found here: [thegiin.org/r3coalition](https://thegiin.org/r3coalition).
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- x Guttentag, Davidson, Hume, Pedersen, Sure, and Hornberger, [The Small and Growing Business Sector and the COVID-19 Crisis: Emerging Evidence on Key Risks and Needs](#).
- xi Guttentag, Davidson, Hume, Pedersen, Sure, and Hornberger, [The Small and Growing Business Sector and the COVID-19 Crisis: Emerging Evidence on Key Risks and Needs](#).
- xii Intellect survey, “Impact of COVID-19 on the Entrepreneurial Ecosystem”, June 2020.
- xiii International Monetary Fund, Policy [Responses to COVID-19](#) (IMF, Last updated July 24, 2020).
- xiv For more information about due diligence strategies, see [The Impact Investing Market in the COVID-19 Context: Due Diligence](#).

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## Contact the GIIN

The Response, Recovery, and Resilience Investment Coalition seeks to streamline impact investing efforts that will address the large-scale social and economic consequences of COVID-19. For more information or to get involved, please contact [R3Coalition@thegiin.org](mailto:R3Coalition@thegiin.org).

## Disclosures

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