

THE IMPACT INVESTING MARKET IN THE COVID-19 CONTEXT

DUE DILIGENCE

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

JULY 2020

ACKNOWLEDGMENTS

Authors and Reviewers

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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 – 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 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.

Sponsors

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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.

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Introduction

The rapid and perilous spread of COVID-19 has simultaneously amplified the critical role impact investing plays in addressing social and environmental challenges – such as the health and economic consequences of COVID-19 itself – and hampered investors’ ability to operate effectively and efficiently. As impact investors respond to COVID-19, many seek to deploy further capital – either to new investments (87%) or to investees already in their portfolios (70%).ⁱ Notably, not all investors are currently conducting due diligence, with many focused on supporting their current portfolio companies.

Yet among impact investors seeking to deploy capital, 52% cite challenges in conducting due diligence quickly.ⁱⁱ This brief seeks to provide greater clarity on the specific factors hampering investors’ abilities to conduct due diligence in the current climate and on strategies that investors have tested or are exploring to overcome these challenges. This report is a second of a series of issue briefs produced under the Response, Recovery, and Resilience Investment Coalition ([R3 Coalition](#)), an industry initiative seeking to address the negative effects of COVID by providing investors with insights and convening opportunities to coordinate and accelerate responses to address the crisis.

Methodology

Findings in this report are derived from:

- A survey about due diligence during COVID-19, distributed during June 2020, which received 40 responses from individuals working for impact investing organizations. Respondents are split between asset managers (55%) and asset owners (40%), including foundations, family offices, development finance institutions, and high-net-worth individuals.ⁱⁱⁱ
- Discussions with impact investing asset owners and asset managers through interviews (15 participating organizations) and focus groups (6 participating organizations) about the challenges they face and strategies they have applied or are exploring to navigate these challenges. Participating investors described their due diligence experiences with both direct opportunities, such as with companies, as well as indirect opportunities, such as with asset managers.

INSIGHTS

1

Partnerships play a critical role in remote due diligence, as investors work with co-investors and service providers to share due diligence documentation, provide reference checks, conduct site visits by proxy, and otherwise determine the viability of a company and its management team.

2

Strong relationships require a foundation of empathy and trust. As investors and investees navigate a complex and challenging time, their relationships with each other require a strong, trusting foundation. The same holds true for relationships among co-investors sharing insights and documentation.

3

Impact investors are adapting their due diligence processes and requirements to adjust to a constrained environment, for example by increasing their use of technology, strengthening analysis of financial statements, using COVID-related scenario analysis tools to gauge investees’ potential, and better streamlining decision-making processes.

4

Impact investors have evolved their due diligence processes rapidly, and they expect further changes in the months ahead, particularly as they explore new opportunities in an uncertain and volatile market.

Common challenges to due diligence during COVID-19

Survey respondents described factors underlying their due diligence challenges. Most commonly, 76% cited the inability to travel to meet prospective investees (Figure 1). Additionally, 57% described challenges associated with market uncertainties, which adversely affect their ability to gauge risk and set investment terms accordingly. Interviews highlighted a third common challenge, specifically investors' need to adapt their historical due diligence processes to reflect changes to their activities as they launch COVID-19 response efforts. These three topics are explored later in this report. Notably, budgetary and staffing capabilities were less common, each cited by about a fifth of survey respondents.

Figure 1: Factors underlying challenges to due diligence in the COVID-19 climate

n = 37



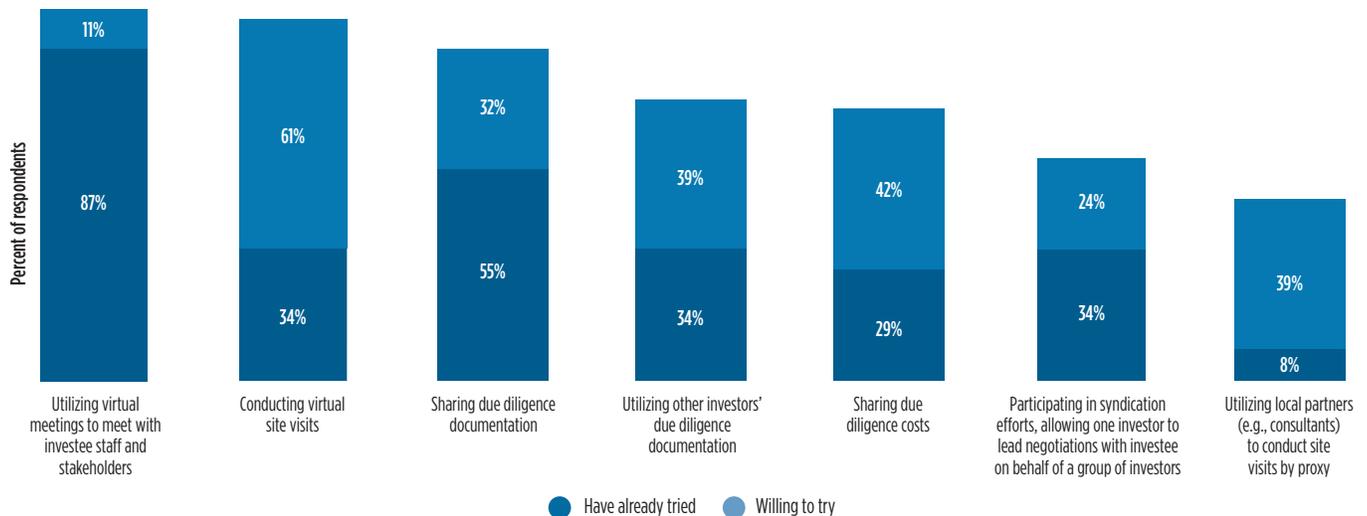
Source: GIIN, *The Impact Investing Market in the COVID-19 Context: Due Diligence*

Strategies to navigate due diligence during COVID-19

To navigate these constraints, over 90% of investors had explored, or were willing to explore, virtual meetings to meet with investee staff and stakeholders (97%; Figure 2) or the use of virtual site visits (95%). Others sought to increase their collaboration with other investors by sharing documentation (87%) or utilizing shared documentation (73%), sharing costs (71%), or partnering in other forms.

Figure 2: Due diligence strategies impact investors have tried—or are willing to try—to deploy capital during COVID-19

n = 38

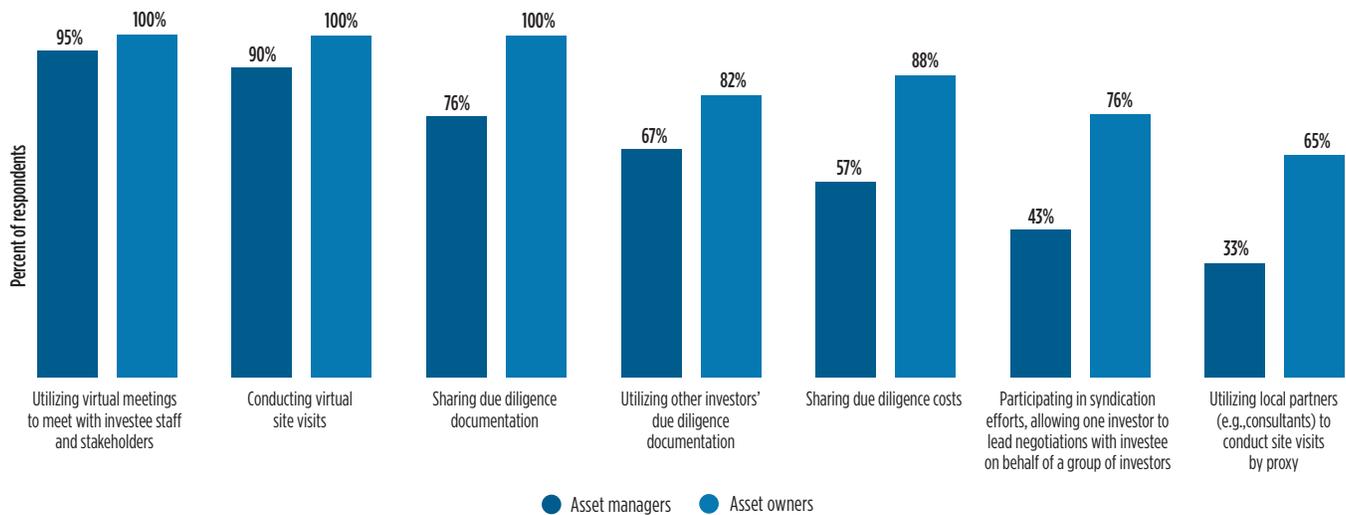


Source: GIIN, *The Impact Investing Market in the COVID-19 Context: Due Diligence*

Interestingly, asset managers and asset owners reflected stark differences in their openness to exploring these strategies. For instance, asset owners universally described willingness to consider virtual meetings and site visits and to share documentation (Figure 3). Further, about two-thirds or more of asset owners described openness to each strategy listed. Asset managers, on the other hand, indicated greater reluctance to share materials, utilize shared materials, and otherwise rely on partners or co-investors. This divergence may reflect asset owners' ability to assume risk, as compared to managers' responsibility to deliver on agreements with their investors.

Figure 3: Asset owners' and asset managers' consideration of various due diligence strategies

n = 21 asset managers and 17 asset owners; depicts strategies investors have tried or are willing to try during COVID-19



Source: GIIN, *The Impact Investing Market in the COVID-19 Context: Due Diligence*

These various strategies, among others surfaced via interviews, are described further below, as applied to the specific challenge area they may help address. The three main challenges and corresponding solutions detailed in the next sections of this issue brief include:

- Adjusting to travel restrictions and physical distancing requirements;
- Operating in an uncertain and volatile market; and
- Adapting processes given changing priorities.

Adjusting to travel restrictions and physical distancing requirements

The challenge

Part of COVID-19's threatening trajectory is its ability to spread both quickly and quietly. Early containment efforts led to a drastic reduction in global travel, with every country in the world imposing some form of travel restriction.^{iv} To further mitigate COVID-19's contagion, over 100 countries have experienced some form of lockdown or mandatory physical distancing.^v These restrictions, key to the mitigation of the virus' spread, have meant abrupt changes for impact investors. As described above, 76% of investors cited constraints from the inability to travel to meet with prospective investees, and 32% cited challenges from social distancing restrictions, which restricted their ability to meet with locally based investees, co-investors, and Limited Partners (LPs). This dearth of in-person engagement opportunities constrains investors' abilities to reach a sufficient level of assurance to move forward with potential investments and negotiate investment terms accordingly.

The lack of site visits to meet companies and their clients is particularly problematic since these enable investors to gauge the intangibles: whether policies are genuinely implemented; whether an investee's products are used appropriately by their clients, for example if clean cookstoves are used for cooking versus for storage or shelving; how a management team interacts with their staff – and how staff interact with clients; and many other elements of day-to-day operations that may not be fully discernible via phone or

video conferencing. In some cases, in-person site visits are also built into the contracts between General Partners (GPs) and LPs and thus cannot be avoided without contractual changes. Investors based in developed markets and allocating into emerging markets perceive this challenge particularly acutely, though it was notably cited by investors based in and investing in all regions. Notably, many interviewees expressed expectations that due diligence would become a greater challenge looking forward if lockdowns or physical distancing persist as they begin to conduct due diligence on companies with whom they do not have existing relationships.

Possible solutions

Leveraging existing relationships. In the absence of in-person visits, investors cited increasing reliance on their existing relationships, including with co-investors and local service providers (such as consultants or advisors), in lieu of in-person contact. Most commonly, investors have increased their use of reference checks with locally based contacts and co-investors to confirm the viability of a prospective investee, to compare reflections on a business' operations and impact potential, and to discuss an investee management team's vision and skillsets. Investors conducting due diligence on new investment opportunities, versus those deploying additional capital into companies already within their portfolios, described a particularly enhanced use of reference checks to confirm and triangulate insights.

Beyond reference calls, investors described the use of proxies to conduct site visits and strengthen their assessments of prospective investees. Investors that cited this approach conducted site visits by way of co-investors (in the case of both asset owners and asset managers) or GPs (in the case of asset owners) if they had pre-existing, trusting relationships with those organizations or conducting site visits via staff already affiliated with their organizations. For example, a foundation may send grantmaking staff if they are locally based to conduct such site visits instead of their investment management staff based in other regions or countries. In each case, however, interviewees cited some remaining concern about fully capturing the intangibles, particularly if a given proxy had limited experience conducting field visits, contributing to investment analysis, or gauging and interpreting impact. Interviewees also noted that they would not ask staff, contractors, or consultants to conduct site visits during a period of heightened risk of viral spread.

Utilizing technology. Nearly all survey respondents cited a willingness to explore virtual meetings with investees and other stakeholders (96%). Commonly used virtual platforms include Zoom, particularly to engage with investee management teams or LPs, Whatsapp, particularly with target stakeholders (such as clients or suppliers) in hard-to-reach markets, and other tools designed to streamline elements of the due diligence and investment management process.^{vi} Across organization types, investors noted a shift toward video calls, rather than voice only, to gain a greater sense of connection. These platforms enable investors to build or maintain relationships with entrepreneurs, consultants, and co-investors – but can present challenges in interacting with the full array of a company's stakeholders, who may face language barriers, limited technology access, or poor connectivity. As a result, for many investors, video conferencing falls short of entirely replacing site visits. In a couple of instances however, fund managers were able to shift parts of site visits, namely their meetings with a company's management and staff, to virtual conferences. This shift lengthens the due diligence process, for example converting a two- or three-day site visit into one to two weeks of video calls, conducted in two-hour segments, but does allow prospective deals to move forward despite travel restrictions.

“Meeting the end customer is always a crucial component of impact investing due diligence. Whilst Covid-19 has made this more challenging, it is still possible to do so. We are asking prospective investees to organize Zoom / virtual sessions with end customers. This can be challenging from a technology infrastructure perspective. It can also be challenging from a language perspective. In certain instances where the end borrower has preferred to converse in Spanish, we have asked a translator to join us for the discussion.”

– Foundation

Adapting documentation requirements & reviews. Some investors have sought to strengthen and adapt their review of financial statements to supplant the insights lost from a lack of in-person contact and site visits. In several cases, investors noted increasingly detailed reviews of investees' financial statements, greater emphasis on cashflow statements, and heightened utilization of reputable third-party assessments (for example, from the Credit Bureau in India). In some markets, receipt of documentation, such as audited financial statements, can be delayed if the requisite interim processes (such as the audits themselves) are postponed due to particularly stringent lockdowns or physical distancing requirements. In most cases, impact data requirements remain unchanged, though a few investors noted a greater emphasis on impact metrics that reflect changes in priority social or environmental needs, such as the number and quality of jobs. Documentation requirements have additionally shifted to reflect the market's volatility, as detailed in the following section.

“At Caspian Debt, we are focusing on eliminating subjectivity in our virtual due diligence process by bringing in more rigor in financial data requirements while working on reducing the turn around times through the effective use of technology.”

– Caspian Debt

Sharing and triangulating documentation. In addition to comparing reflections on a given entrepreneur, management team, or company, investors described a willingness to share documentation – such as term sheets, transaction memos, financial models, and impact reports – with other investors as part of their due diligence process, if the requisite confidentiality and legal agreements are in place. In some cases, investors sought to share such information on investees on whom they were conducting due diligence with potential co-investors. In other cases, they shared such information on investees not suitable for their mandate but that may be of interest to investors otherwise in their networks. Notably, however, while many investors cited a willingness to share documentation with others, fewer indicated that they could comfortably rely on such information, instead leveraging such insights to triangulate their own independent due diligence. Those who could rely on shared documentation described strong pre-existing relationships with the sharing investors, confidence in the sharing investors’ reputations and track records, and alignment in this range of topics or information assessed. In many instances, interviewees noted that this practice remained relatively unchanged from the pre-COVID era when they additionally shared data and documentation, for example through ShareFile, a secure portal for file transfers.

“The impact of COVID has meant impact investors need to adjust how they approach diligence during this period. We have moved to leverage technology, including weekly teleconference calls with management, data rooms, shared documentation with additional parties, and bringing in additional third-party resources to make our diligence process more robust in the absence of site visits. We are also requesting and sharing more documentation with potential co-investors to streamline analysis and ensure the diligence process continues smoothly during this period.”

– HCAP Partners

Leading with empathy. Across investment strategies, investors emphasized the value of strong existing relationships, particularly with investees, but also with co-investors and service providers. To maintain and strengthen relationships, many described increasing the frequency and depth of touchpoints. In several instances, investors noted speaking with investees one to three times per week during the due diligence process to monitor changes to their operations and projections and strengthen their relationships with management teams. This increased frequency of touchpoints resonated, as well, with asset managers currently raising capital as they build relationships with prospective LPs. Interestingly, many investors described a heightened sense of intimacy during these touchpoints, as video calls offer a window into others’ homes and personal lives and as the individuals share the experience of navigating a pandemic and its complex consequences. Across the board, investors described leading with empathy, for example by spending more time checking in on entrepreneurs’ wellbeing and sharing materials and guidance on workplace mental health and safety.

Operating in an uncertain and volatile market

The challenge

Market conditions have complicated due diligence for impact investors, with 57% of investors citing adverse effects from market uncertainty on their ability to gauge risk and set investment terms accordingly. Uncertainty regarding the duration and severity of the health and economic impacts of COVID-19 has hampered modeling and valuation of potential investees during diligence. Several investors noted that COVID-19 has caused them to rethink assumptions and inputs to those models, including historical performance indicators, cash flow forecasts, and presumed cost of debt. Given how rapidly market conditions are changing, and how divergent the real and financial economies have been in certain markets, the expected shelf life of a valuation has also significantly shortened. This creates a challenge particularly for investors who began the due diligence and valuation processes before the impacts of COVID-19, and who have had to contend with repeated shifts in company cash flow projections as lockdowns have intensified, eased, and, in some cases, subsequently restarted.

Investors also noted challenges assessing and quantifying potential investees’ risk. For direct investors, the same issues that hamper forecasting of cash flows have made it difficult to accurately assess probable risks of potential investees. This challenge results, in part, from new risk factors introduced by COVID-19 and in part from the unpredictability of the future state of the economy. For indirect investors, particularly those investing into emerging markets, quantifying the risk of a fund investment has also constrained capital deployment.

Possible solutions

Expanding use of scenario analysis tools. In the case of equity investments, market volatility has complicated investors' ability to generate accurate and reliable valuations. Not only does this present a challenge for investors – fair and accurate valuation of companies is a necessary input to any investment decision – but it poses a significant challenge for companies raising capital. Several investors noted that early-stage portfolio companies, particularly in the Series B-D range, are targeting fundraising rounds at valuations below their previous. For investors from previous rounds, this makes maintaining their proportional stake relatively attractive; the depressed valuation makes that an economical proposition. However, a valuation below that of a previous round is not a good indicator for new investors and is likely to be sufficiently concerning to prevent some new investors from joining a round or to compel some funds or companies to temporarily pause fundraising efforts.

COVID-19 scenario analysis tools

Examples of COVID-19 scenario analysis & resilience tools can be found via:

- [the Social Performance Task Force;](#)
- [Capria's Edge platform;](#)
- [IIX's COVID-19 Resilience Tool;](#)
- [ygap's Resiliency Toolkit](#)

A few investors noted conducting scenario analysis to inform their decisions, building several models, each premised on different potential future states of the economy – such as in the cases of shorter or lengthier periods of physical distancing or a second wave of viral spread – with probabilities assigned to each. That process relies on some estimation of potential future states of the economy, which is challenging to accurately predict at present.

Reimagining risk assessments and risk reporting. Most investors are currently in 'risk-off' postures, meaning that they are trying to reduce portfolio risks and are therefore looking at fund opportunities that are either inherently low-risk (cash equivalents, fixed income, etc.) or which have built-in risk mitigants. Several interviewed fund managers noted that this challenge has hampered their fundraising process—even for those structuring blended investment vehicles. Prior to COVID-19, they built multiple tranches in the form of junior tranches or first loss to mitigate risk facing commercial investors. As COVID-19's economic impacts hit, commercial investors in those stacks sought more coverage from catalytic tranches, citing the increase in risk and inability to accurately forecast risk from COVID-19.

In one example, a fund manager developed a new risk framework designed to reflect the new realities of COVID-19. This framework assesses various risk areas including the range, depth, and adaptability of service offerings, the levels of dependence on suppliers and local labor, the ability to function during lockdown, and the likelihood of quick recovery following lockdown. In another case, an asset owner described requiring updates to entrepreneurs' risk self-assessments monthly, rather than the quarterly frequency expected prior to COVID-19. These assessments cover entrepreneurs' cash flows, re-opening plans, and proposed or ongoing adaptations to their operations.

Adapting assessments of creditworthiness. COVID-19 and the associated shutdowns have led many impact enterprises to take on debt they would otherwise not have required. While credit markets have generally tightened, some investors are providing bridge loans or other flexible debt to enterprises in need of capital to maintain operations or prevent insolvency. For investors providing such loans, assessing the creditworthiness of new investees is difficult given the unpredictability of cash flows in the multiple recovery scenarios. Most investors pursuing this strategy described seeking companies that are otherwise fundamentally sound and for whom cash flows will be able to recover quickly after lockdowns. Several investors have also built flexibility into repayment schedules, allowing for longer repayment periods to ensure that companies will meet their existing debt obligations. Most investors agreed that underwriting criteria set before COVID-19 should no longer govern their investment decisions and that adjustments must be made to reflect the evolving economic environment and the needs of portfolio companies.

Adapting processes given changing priorities

The challenge

COVID-19 has changed the need for impact investment capital, in many cases intensifying existing social inequalities and heightening the urgency of critical sectors such as financial inclusion, food security, and healthcare.^{vii} Simultaneously, as described above, the resulting market volatility has hampered investors' abilities to gauge risk and return. As a result, many investors seeking to support the market's recovery have reimagined their role in the market, placing greater emphasis on certain impact areas, instruments, or operational efficiencies. In rethinking their role or objectives, investors then also have to adapt their due diligence processes. Other investors, notably, have maintained their focus with an eye, instead, toward enabling for a more resilient market following the crisis.

Possible solutions

Increasing focus on crisis-relevant impact indicators. Many interviewed investors had an existing track record of investing in sectors or impact themes critical to the pandemic's response, such as financial services, food and agriculture, and job creation. Generally, these funds indicated an approach to impact measurement consistent with the pre-pandemic period but noted that they may weight certain impact indicators more heavily during their due diligence analysis. For example, investors described a heightened focus on certain impact metrics or topics during due diligence, such as:

- the number and quality of jobs at prospective investee organizations
- the provision of paid sick days
- the depth of an agriculture company's distributor and supplier networks
- availability and quality of local infrastructure (for example, agro-processing infrastructure)

Focusing on more liquid investments. While many investors continue to pursue illiquid investments, particularly those geared toward the market's recovery or future resilience, others described pivots toward more liquid strategies, in part to reflect acute capital needs of investees and in part to mitigate against the risks from uncertainty described above. Most commonly, investors described a temporarily increased focus on debt instruments, including working capital, bridge loans, and convertible notes. In other cases, investors described a heightened focus on indirect investments through fund managers or other intermediaries as part of a temporary strategy shift to accelerate the deployment of capital to key market segments in need. This was especially common among developed-market-based asset owners deploying capital through emerging-market-based asset managers.

Streamlining and accelerating decision-making processes. Given the rapid evolution of COVID-19 and the resulting social and economic challenges, many impact investors are operating with amplified urgency. In several cases, investors described exploring strategies to quicken their decision-making process and shorten the time between beginning the due diligence process and deploying capital. This approach was especially pronounced among private debt investors offering emergency or survival loans.

Specifically, these investors increased the frequency with which their investment committees (IC) convened to weekly or even daily virtual meetings. In one example, a debt investor described simplifying their loan application process to an online form that no longer required in-person assessments and rather focused on financial statements and credit histories, as part of a temporary pivot from growth to survival and working capital. This shift shortened the time to investment from 30 days to about one week. In another example, a fund manager described offering smaller loans to reduce the total value of assumed risk, which they could then turn around in a 14-day period. Private equity fund managers also described more frequent IC meetings, such as on a weekly basis, to advance companies through due diligence more quickly.

"The COVID pandemic has forced us to change the way we do business in that our focus, at least in the short term, is to provide SMEs with working capital relief in order to cover their salaries and wages, pay rent, and just generally keep the lights on. Providing relief funding as opposed to growth capital funding requires a different approach to the way one receives applications, performs due diligence, contracts with the client, and disburses the funds. Turnaround times need to be counted in days in order for the relief to be effective and new platforms need to be developed to deliver on this."

— Business Partners

Looking ahead

COVID-19's uneven effects have emphasized long-standing social and environmental issues. As a result, impact investors perceive an opportunity to better highlight the role their investments play in addressing persistent social inequalities, promoting racial and gender equity, contributing to advancements against climate change, and enabling a more sustainable future.

Further, the COVID-19 crisis is still unfolding, creating ongoing uncertainty for the market's future. Already, due diligence strategies have evolved substantially as investors consider new strategies to build and strengthen relationships, evaluate opportunities to leverage each other's insights, apply COVID-related scenario analysis tools, integrate new technological capabilities, and otherwise adapt and adjust their processes to best respond to the market's needs. Additional adaptation is likely required in the months ahead as well, leaving ample room for further creativity, innovation, and knowledge sharing.

Appendix 1. List of participants

This research was made possible through the contributions of the following organizations, either through submissions to the due diligence survey, interviews, or focus group discussions.

12Tree Finance GmbH	Pacific Community Ventures
Acumen	Pro Mujer Inc.
Anthos Fund and Asset Management	Rianta Capital
BOMA Investments	RSF Social Finance
Business Partners Ltd	SEAF
Caspian Impact Investments	Small Foundation
Christian Super	Social Finance
Citrine Capital	Treehouse Investments, LLC
Colombia Inversor Fund	Upaya Social Ventures
CREAS Ecuador	Village Capital
ECMC Foundation	Vital Capital
Elevor Equity	Vox Capital
EquaLife Capital	
European Bank for Reconstruction and Development	
FINCA Ventures	
Fundación IES	
GAWA Capital	
Global Partnerships	
HCAP Partners	
IDH Farmfit Fund	
IIX	
Individual investor (1)	
Individual investor (2)	
International Finance Corporation	
iungo capital	
Lendable	
Michael & Susan Dell Foundation	
New Island Capital Management, Inc.	
Novastar Ventures	
Oikocredit	
OpImpact.Fund	

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 These findings emerged from the survey for this brief, *The Impact Investing Market in the COVID-19 Context: Due Diligence*, described further in the methodology section.
- ii Rachel Bass, [The Impact Investing Market in the COVID-19 Context: An Overview](#) (New York: The GIIN, June 2020).
- iii The remaining 5% of organizations identify as ‘other’ organization types, namely service providers and enterprises.
- iv U.N. World Tourism Organization, [“100% of Global Destinations Now Have COVID-19 Travel Restrictions,”](#) UNWTO, April 28, 2020.
- v Anna Petherick, Beatrix Kira, Noam Angrist, Thomas Hale, Toby Phillips, and Samuel Webster, [Variation in Government Responses to COVID-19](#) (Oxford COVID-19 Government Response Tracker, May 28, 2020).
- vi Additional technology platforms used by impact investors are detailed in [“Redesigning due diligence for a deal pipeline in lockdown,”](#) written by Suzanne Biegel and published by ImpactAlpha (May 29, 2020).
- vii Rachel Bass, [The Impact Investing Market in the COVID-19 Context: An Overview](#) (New York: The GIIN, June 2020).

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.

Disclosures

The Global Impact Investing Network (“GIIN”) is a nonprofit 501c(3) organization dedicated to increasing the scale and effectiveness of impact investing. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry.

Readers should be aware that the GIIN has had and will continue to have relationships with many of the organizations identified in this report, through some of which the GIIN has received and will continue to receive financial and other support.

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