

CHARTER OF INVESTORS FOR IMPACT



INVESTORS FOR IMPACT...

1

ARE PROBLEM-FOCUSED AND SOLUTIONS-ORIENTED, INNOVATING THE WAY TO TACKLE SOCIETAL CHALLENGES

- Investors *for* impact are primarily dedicated to mitigating or even fully eliminating societal challenges.
- Investors *for* impact proactively look for solutions that address the root causes of societal issues.
- Investors *for* impact are eager to find and support those solutions that have the potential to transform the way in which a societal problem is tackled.

2

PUT THE FINAL BENEFICIARIES AT THE CENTRE OF THE SOLUTIONS

- Investors *for* impact support solutions co-created with final beneficiaries.
- Investors *for* impact encourage social purpose organisations to proactively involve beneficiaries in their activities.
- Investors *for* impact are primarily accountable to final beneficiaries.

3

ARE HIGHLY ENGAGED FOR THE LONG-TERM, STRIVING FOR LASTING IMPACT

- Investors *for* impact take active ownership of the societal challenge and work very closely with the social purpose organisation to tackle it.
- Investors *for* impact look for solutions that have the potential to be impactful in the long term.
- Investors *for* impact strive to support social purpose organisations that can reach deeper social impact at scale.

4

TAKE RISKS THAT MOST OTHERS ARE NOT PREPARED TO TAKE

- Investors *for* impact are prepared to take both financial and impact risks betting on new solutions.
- Investors *for* impact are willing to accept a less attractive risk/return ratio than other investors, if they believe in the potential impact of the proposed solution.
- Investors *for* impact create the pipeline for follow-on investors by providing early-stage high-risk capital.

5

MEASURE AND MANAGE SOCIAL IMPACT

- Investors *for* impact commit to a set of common principles of impact measurement and management, to maximise social impact while minimising the risk of impact washing.
- Investors *for* impact collect data, not only to measure the impact, but in order to systematically refine their impact strategies and to take better informed decisions.
- Investors *for* impact help social purpose organisations set up their own impact measurement and management system to maximise their social impact.

6

PROVIDE EXTENSIVE NON-FINANCIAL SUPPORT

- Investors *for* impact provide highly-engaged non-financial support to strengthen the three core areas of development of the social purpose organisation: social impact, organisational resilience and financial sustainability.
- Investors *for* impact customise non-financial support to the social purpose organisation and its different phases of development.
- Investors *for* impact provide sufficient time and strategic bandwidth to allow the social purpose organisation to succeed.

7

TAILOR THEIR FINANCIAL SUPPORT TO THE NEEDS AND CHARACTERISTICS OF SOCIAL PURPOSE ORGANISATIONS

- Investors *for* impact provide appropriate funding to support the different stages of development of social purpose organisations.
- Investors *for* impact start from the societal solutions and reverse-engineer the financial support to provide.
- Investors *for* impact ensure that there is a match between the financial support they can offer (i.e. grants, debt, equity or hybrid financial instruments – or a mix of them) and the needs of the social purpose organisation.

8

PROACTIVELY ENHANCE COLLABORATION WITH OTHERS

- Investors *for* impact go beyond supporting individual social purpose organisations, to achieve systemic and lasting positive change at scale, by also focusing on building an enabling ecosystem (at regional, national, and global scale).
- Investors *for* impact acknowledge the importance of collaborating with their peers when it creates value for the solution.
- Investors *for* impact recognise the value of collaborating with others in the ecosystem – including the public sector, traditional philanthropic organisations, NGOs, investors *with* impact and corporations – aligning on a long-term vision.

9

WORK TO FOSTER THE MOBILISATION OF RESOURCES IN THE SOCIAL IMPACT ECOSYSTEM

- Investors *for* impact share and communicate their successes and failures.
- Investors *for* impact encourage other potential investors *for* impact to join the social impact ecosystem.
- Investors *for* impact inspire the world towards *positive* and *significant* impact, encouraging all investors to integrate impact considerations in each practice and decision-making process.

10

UPHOLD HIGH ETHICAL STANDARDS

- Investors *for* impact behave ethically, ensuring integrity, fairness and responsibility.
- Investors *for* impact embrace transparency.
- Investors *for* impact believe in the power of evidence.

BACKGROUND INFORMATION



This Charter is the result of a collective effort of experienced practitioners from the impact community



This Charter should be interpreted as guiding principles for all those on a journey of investing *for* impact



We acknowledge that other actors relate to some of these principles but we believe the collective set reflects the DNA of investors *for* impact



We see this Charter as an invitation to others to collaborate and co-shape the larger impact ecosystem

FOR MORE INFORMATION



Read our report [15 Years of Impact - Taking Stock and Looking ahead](#)

Visit www.evpa.eu.com

Contact knowledge.centre@evpa.eu.com

Join the EVPA community: evpa.eu.com/membership/apply-for-membership

This document has received financial support from the EU Programme for **Employment and Social Innovation "EaSI"** (2014-2020).
The information contained in this document does not necessarily reflect the official position of the European Commission.

