

HOW TO FOSTER THE DEVELOPMENT OF IMPACT INVESTING?

SET OF RECOMMENDATIONS OF THE FRENCH NATIONAL ADVISORY BOARD

2020 Edition

SUMMARY OF RECOMMENDATIONS FOR THE YEARS TO COME

PILLAR 1: STRENGTHEN INTERMEDIATION AND BETTER MATCH SUPPLY AND DEMAND OF IMPACT INVESTING

Recommendation 1: Maintain the momentum built in terms of seed financing and support of impact start-ups and develop seed financing for associations

Recommendation 2: Encourage resorting to « titre associatif » (*quasi-equity instrument for associations*) to finance associations in scale-up phase

Recommendation 3: Carry on experimenting SIBs and DIBs

Recommendation 4: Develop blended finance for positive impact

Recommendation 5: Explore possibilities to improve liquidity of impact investments

Recommendation 6: Encourage coconstruction for social impact evaluation schemes and optimize monitoring processes (financial and extra-financial) of financed organizations

PILLAR 2: INCREASE THE SUPPLY OF CAPITAL AVAILABLE FOR IMPACT INVESTING

Recommendation 7: Create a solidarity-based option for all savings instruments

Recommendation 8: Continue promoting impact investing by foundations and endowment funds

Recommendation 9: Encourage impact investing by insurers

Recommendation 10: Facilitate impact investing by corporates

Recommendation 11: Mobilize dormant accounts in favor of associations and enable them to use ill-gotten assets that were seized by the State

Recommendation 12: Create a national outcomes payment fund

Recommendation 13: Mobilize EU funds for impact investing

Recommendation 14: Find appropriate mechanisms to earmark part of diasporas' savings towards impactful project in their country of origin

PILLAR 3: DEVELOP THE DEMAND OF CAPITAL FROM POSITIVE IMPACT ORGANISATIONS

Recommendation 15: Launch a State funding programme dedicated to support programmes for impact businesses

Recommendation 16: Continue promoting, moderating and updating the HubESS online platform

PILLAR 4: MODIFY REGULATION AND POLICIES TO FURTHER FOSTER IMPACT INVESTING

4.1 IN FRANCE

Recommendation 17: Authorize foundations and endowment funds to invest in « titres associatifs » (*quasi-equity instrument for associations*) and « titres fondatifs » (*quasi-equity instrument for foundations*) and in « ESUS » (« *entreprises solidaires d'utilité sociale* », *accredited social businesses*)

Recommendation 18: Create further dynamism on the use of the endowment of foundations (and endowment funds) in favor of the general interest and explore possibilities to create a framework that is conducive to impact investing

Recommendation 19: Work on stumbling blocks regarding the structuring of impact funds and identify ways to improve it, if any

Recommendation 20: Make internal management of solidarity-based activities more simple for asset managers

4.2 IN EUROPE

Recommendation 21: Modify the UCITS V European directive so that « billets à ordre » (promissory note) become eligible when it comes to impact financing

Recommendation 22: Amend the EuSEF regulation to better reflect the impact investing market

Recommendation 23: Define a social impact business taxonomy and reduce capital requirements for financing of these businesses

4.3 WORLDWIDE

Recommendation 24: Authorize foundations and endowment funds, the philanthropic mission of which is dedicated to the developing

world, to invest directly in impact businesses located in their geographic focus

Recommendation 25: Revive conversation on taking guarantees into account in Official Development Aid (ODA)

Recommendation 26: Authorize debt funds focusing on microfinance institution in developing countries to get registered in France

PILLAR 5: SUPPORT MARKET BUILDERS AND PROFESSIONAL SERVICES IN THE SECTOR

Recommendation 27: Develop a centre of expertise on impact investing in France

Recommendation 28: Carry out an analysis on the actual risk of impact investments

Recommendation 29: Explore potential interest for a digital platform that would help impact entrepreneurs and impact organizations identify target-financiers that suit their needs, and promote fund-raising coordinators

Recommendation 30: Set, for impact investors, a transparency code in terms of impact evaluation

Recommendation 31: Study feasibility of a social intervention costs database, and monitor developments on that matter worldwide