

ACTION GUIDE

Managing and Scaling a High Performance NAB

**MARKET
DEVELOPMENT**
— TOOLKIT —

Managing and Scaling a High Performance NAB

NAB Action Guide from
The Global Steering Group for Impact Investment

The GSG supports NABs along their journey to becoming a high-performance catalyst of their national impact economy in five ways:

- 1 A 3-year strategic planning framework for NABs;
- 2 A recommended Annual Action Plan process;
- 3 A NAB Self Assessment tool;
- 4 Semi-annual governance and strategy dialogues with GSG leadership; and
- 5 Strategy, governance and fundraising advisory support from the GSG Leadership team as needed.

1. Introduction

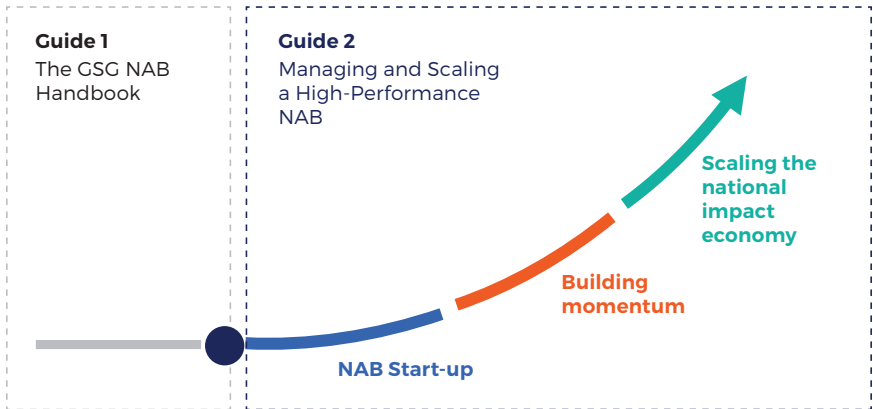
National Advisory Boards (NABs) play a critical role in galvanising the global impact investment movement by motivating people and institutions to join and shape the impact revolution at a national level. NABs are therefore both catalysts and advocates for their national impact economy.

Since the first NABs were established in 2013, a great deal has been learned about how NABs can operate at a consistently high level of performance in their national context. A separate GSG Guide, *The GSG NAB Handbook*, outlines the requirements for

establishing a NAB as part of the GSG global network. It also provides more in-depth insights, best practice and case studies of how to successfully operate a NAB.

This guide focuses on how NABs can steadily and consistently improve their performance over time as they grow and mature; and how the GSG supports NABs along that journey. This guide builds on the foundations established in *The GSG NAB Handbook* and focuses on supporting NABs with practical management tools and frameworks.

Relevance across the NAB Lifecycle



2. Expected Benefits

2.1 THE CHARACTERISTICS OF NATIONAL ADVISORY BOARDS

The GSG NAB Handbook outlines in detail the aspiration point and key design considerations for all National Advisory Boards in the GSG global network. As NAB leadership teams look to embrace a philosophy and culture of continuous improvement, it is worth recapping on the core characteristics, activities and value proposition of NABs and the indicators of high-performance.

- ▲ Legitimate
- ▲ Influential
- ▲ Effective

In summary, a high-performance NAB is one that has established itself as a trusted

'go to' presence in the national impact investment ecosystem undertaking a number of roles for the benefit of that ecosystem as a whole.

In institutional terms, a NAB has the following characteristics:

- ▲ An incorporated legal entity;
- ▲ A Board comprised of diverse individuals distinguished for their professional experience, industry standing and broader government and professional networks. Diversity here means by gender, skill set and professional background across the five pillars of the impact economy;
- ▲ A clear governance charter based on best practice principles and codified democratic corporate governance processes, including for decision making and periodic rotation of the Chair;
- ▲ A membership program open to impact participants from across all five pillars. High performance NABs have typically attracted at least three of the top 10 players in each pillar and government representation is either directly on the Board or actively engaged with the NAB;
- ▲ A dedicated secretariat of one or more full time staff, capable of coordinating the Board and advancing the NAB's strategic priorities and program of activities;
- ▲ A 3-year strategic business plan operationalized by annual action plans (outlined in this Guide) and an annual budget; and
- ▲ Defined sources of income, ideally secured over several years to enable to NAB to focus on, and fully deliver against, its ambitions.

Programmatically, a NAB is characterized by:

- ▲ An active program of local stakeholder engagement, including events & media and communications outreach to engage and mobilise local stakeholders across the national impact economy;
- ▲ Thought leadership by sponsoring or participating in signature research and knowledge products at a national level and internationally through participation in GSG Working Groups, the GSG Impact Summit and other international fora and initiatives; and
- ▲ A structured, campaign-like set of government relations and advocacy

activities to raise awareness, secure buy-in and advance legal and programmatic initiatives with Government.

2.2 THE NAB VALUE PROPOSITION

As catalysts and market-builders the core value proposition of a NAB should remain front and center for NAB leadership teams as they continually seek to enhance their own performance as the NAB grows and matures.

A NAB that is demonstrating its core value proposition:

- ▲ **Represents multi-sector, multi-disciplinary and inclusive views** from across the five pillars of the national impact economy;
- ▲ **Raises awareness** of impact investing and the impact economy across a broad range of constituents, including government;
- ▲ **Identifies opportunities** for practical action to create a critical mass of activity, talent, supportive policy settings and infrastructure for impact investing;
- ▲ **Creates a catalytic platform for influence and action** that focuses on developing the overall effectiveness and performance of the field; and
- ▲ **Engages with, and is accountable to, a broad base of interested stakeholders:** people and institutions including investors, foundations, entrepreneurs, service delivery organizations, intermediaries, policy makers and government agencies.

2.3 IN PURSUIT OF EXCELLENCE – INDICATORS OF A HIGH-PERFORMING NAB

From our collective experience since the first NABs were formed in 2013, the most effective NABs have developed and maintained the capacity to catalyse significant shifts and improvements in the laws, regulations, institutions and programmatic initiatives that help fuel the national impact economy. Success takes many forms across different stages of market maturity and given very different local market conditions. Nevertheless, success in facilitating big impact strategic outcomes is a clear sign of a high-performing NAB. These outcomes might include:

- ▲ Active and operational Wholesaler, Fund of Funds and/or Outcome Fund that meets market demands as a direct result of the NAB's catalytic efforts;
- ▲ The emergence of new impact intermediaries (e.g. pay-for-success or impact bond enablers) or instruments;
- ▲ The growth of effective programs to develop the demand side of the impact economy. This might include, for example, evidence of a strong investment pipeline at all stages;
- ▲ NAB led efforts to periodically and holistically measure the achievement of SDG outcomes due to Responsible, Sustainable or Impact investments;

- ▲ NAB activities that decisively lead national asset owners, managers or entrepreneurs, etc. to collaborate internationally to benefit other nations; and
- ▲ The NAB being seen as a global leader by its peers; actively participates in global ecosystem development via global campaigns,

events, knowledge sharing, and technical support to other NABs.

In short, high-performance NABs successfully achieve and sustain maximum *legitimacy, influence* and *effectiveness* within their national impact economy and proactively contribute beyond their borders to help accelerate the global movement.

3. Performance Enhancing Measures

A number of the earliest NABs, including the UK, USA, France and Japan, have all undergone a deliberate process of redesign and renewal in pursuit of levels of performance excellence and catalytic impact.

Given the rapid evolution of national impact economies, the central learning from recent years has been the importance of regular review by the NAB of its structure, conduct and performance.

The overriding aim of these periodic reviews should be to ensure that the

NAB retains an effective structure and that its programmatic posture adds value to the current stage of development of its national impact economy and its stakeholders. As the needs of the market change, the NAB must adapt to sustain, and ideally enhance, its legitimacy, influence and effectiveness.

Based on past experience around the global NAB network, there are a number of practical actions NABs can take as they look to continually enhance their performance potential and their catalytic role:

Performance Enhancing Measures	Rationale
1. Broaden the membership / participation base	As your national impact investment economy expands, so too should the NAB's base of active participants.
2. Refresh the NAB board	New skills and expertise will need to be represented on the NAB's governing body and Secretariat leadership as the needs of the national impact economy evolve.
3. Shift roles and responsibilities among Board members and NAB Secretariat staff	As the demands on the NAB grow with more participants and new challenges, delegation of tasks, including potentially through working groups, can ensure the NAB draws on the best ideas and available talent across its national impact economy and remains agile and responsive.

Performance Enhancing Measures	Rationale
4. Conduct a NAB Strategy review	Participation in the GSG requires a 3-year strategic plan. These should be reviewed and refreshed every 3 years in consultation with the GSG, and potentially earlier as local circumstances require.
5. Prepare and publish an Annual Action Plan	The GSG recommends that each NAB's leadership team set an annual program of work to help mobilise participation from stakeholders across the national impact economy in a structured way and help to guide concrete action against agreed timelines and milestones.
6. Upgrade communication and information products	In a rapidly evolving field like impact investment, market participants place significant value on regular updates of market intelligence, case studies and data. Subject to available resources and the availability of alternative information products in your national market, the NAB might be ideally placed to provide regular information products to existing members and help attract new participants.
7. Upgrade governance arrangements	As a governance body, the NAB's leadership team should be constantly looking for simple yet effective means to strengthen the NAB's governance arrangements in line with international corporate governance and charitable organisation standards, including best practice codes of conduct. Selected reference materials are provided in section 10 of this guide (Additional and Related Information Resources).
8. Raise the national profile of the NAB	In addition to seeking local media coverage for NAB events, publications and initiatives, explore opportunities for representatives of the NAB to participate in nationally and regionally significant conferences and for the NAB to make formal submissions to government inquiries around specific public policy issues of relevance.
9. Increase the capabilities of the NAB Secretariat	This may be facilitated by additional fundraising or through a relationship with an existing organization, such as a foundation, as a fiscal conduit.

4. NAB Support Provided by the GSG

The GSG is very committed to capitalizing on and sharing international learning across the global NAB network to facilitate practical support to NABs to help them along this journey to high-performance whatever their current stage of development.

Over the past four years the GSG has:

- ▲ Played a catalytic role in helping to launch National Advisory Boards across the world and helped shape their strategic plans for local action;
- ▲ Produced Working Papers with

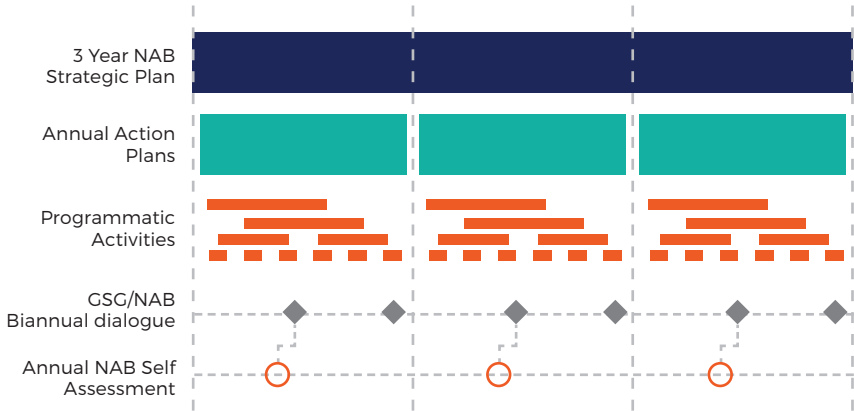
NAB leaders and experts covering core topics from all five pillars of the ecosystem and outlining practical solutions to critical global challenges for scaling impact investment;

- ▲ Convened four global GSG Impact Summits creating a platform for shared learning and collaboration among NABs; and
- ▲ Supported NABs with their own performance assessment and improvement initiatives by providing 21 NAB Self Assessment reports.

The overarching approach of the GSC to supporting and mobilizing the

global NAB network is highlighted below.

Mobilising the Impact Revolution – Strategy | Action | Impact



In formal terms, the relationship between the GSC and the NABs is set out in the GSC NABs partnership document (An overview is provided in Appendix 4).

In practical terms, the GSC Leadership team provides five discrete but interrelated support services to NABs:

- ▲ Two services focus on supporting NABs with their strategy and priority setting; and
- ▲ Three services focus on supporting ongoing performance evaluation and improvement.

The resources required of NABs to undertake these activities with the support of GSC varies.

NAB Development – Summary of GSG Services

	Degree of GSG Support	Complexity	Estimated Time Commitment
1 3-Year NAB Strategic Plan Development	●●○	●●●○○	100 days
2 Annual Action Plan	●●○	●●○○○	20-30 days
3 A Nab Self Assessment Tool	●○○	●○○○○	30 days
4 NAB/GSG Biannual Dialogue Meetings	●●○	●○○○○	2 days twice / year
5 Strategy, Governance & Fundraising Support	●●○	●●●●○	As needed

4.1 THREE-YEAR NAB STRATEGIC PLAN

A requirement of participation in the GSG network is that each NAB must have a 3-year strategic plan in place to guide its action.

While recognizing that the pace of innovation and change in the global impact investment economy makes it very difficult to see three years ahead, a three-year strategic plan is intended to encourage a longer term, more strategic view at a national and regional level about critical desired outcomes and signature initiatives that will inevitably take time to for NABs to develop and help deliver. It is also a timeframe that helps NABs secure medium term funding support to underwrite the NAB's operations.

It may however be desirable, or indeed necessary, to revisit the NAB's 3-year

Key questions for a robust NAB strategy

- ▲ What is our vision for the national impact economy and our mission as a NAB?
- ▲ Where will we participate in the national impact economy?
- ▲ How will we create change and catalyze innovation and participation?
- ▲ What resources & capabilities do we need to succeed?

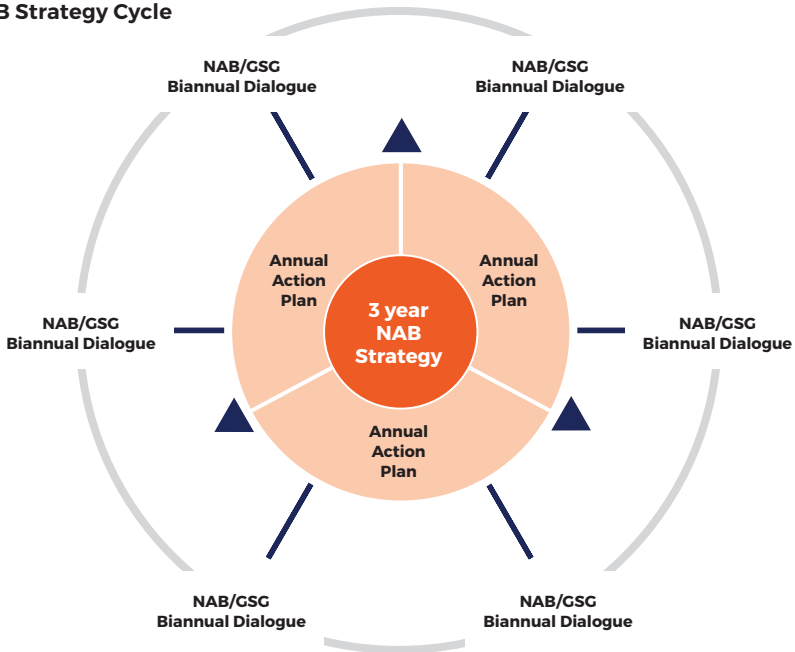
strategy more frequently. While no strategy should be changed lightly, neither should it be set in stone; particularly in a dynamic, rapidly evolving market context. NAB leaders are encouraged to apply a degree of discretion and flexibility in the face of rapidly changing market conditions.

As outlined in more detail in Appendix 1, good strategy is about the pursuit of opportunity within the constraints of finite available resources. The impact revolution presents immense and exciting opportunities for every nation and therefore a long list of opportunities for NABs to pursue and challenges to take on. A robust NAB strategic plan is about making choices – about what the NAB *will do* and, equally importantly, what the NAB *will not do* – over the timeframe of the strategy and within the envelope of the resources available.

Internally, the 3-year NAB Strategic Plan becomes the foundation for Annual Action Plans, bi-annual dialogues between the GSG and the NAB and provides the yardstick by which the NAB can utilize the results of the NAB Self Assessment tools and reports provided by the GSG.

Externally, it helps to articulate the NAB's mission and priorities to local stakeholders across the five pillars of the national impact economy and helps to rally their participation. Three-

NAB Development - NAB Strategy Cycle



- Priority Setting (by NAB)
- Strategy & implementation support from the GSG

- ▲ NAB Self Assessment
- Advisory Support available from GSG

year strategic plans need to be shared with the GSG but we also encourage NABs to make their 3-years strategic plans publicly available. A robust strategy review process will typically include:

- ▲ Insights gathered from regular **field scanning and mapping** of changes in the national impact economy. Market Sizing is typically seen as a foundational element of assessing and mapping the national impact economy. To that end, the GSG has provided guidance on market sizing

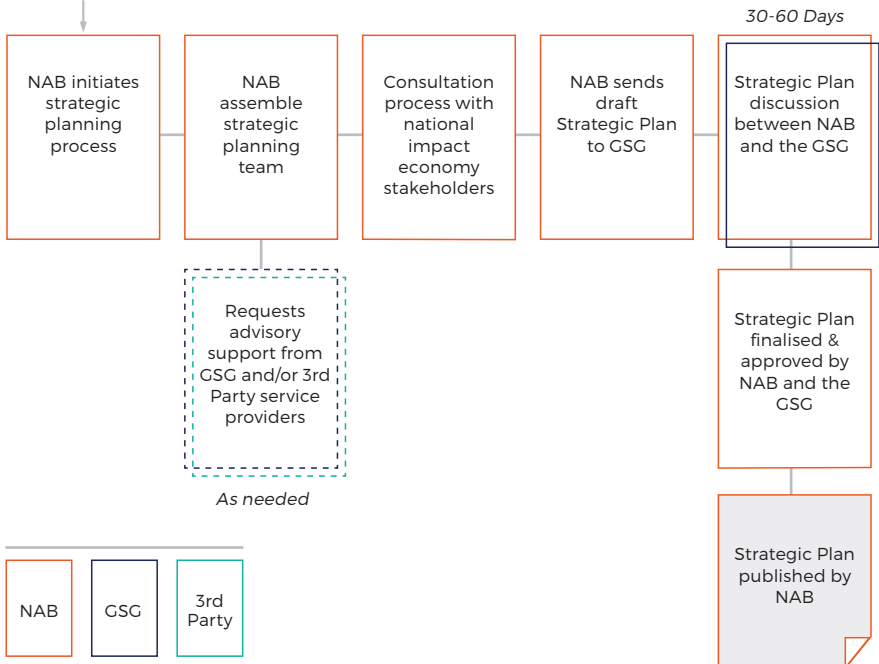
in a separate GSG Action Guide;

- ▲ A survey of the **attitudes and expectations of impact economy participants**; and
- ▲ The benefit of **external perspectives** sought from outside the NAB's leadership team and outside the national impact economy.

The GSG's suggested strategic planning framework is attached in Appendix 1 and the recommended process for managing a NAB Strategic Planning process is outlined below.

3-Year Strategic Plan Process

- ▲ End of previous 3-year planning cycle
- ▲ NAB leadership change
- ▲ NAB Self Assessment outcome



The GSG Market Development team is happy to assist NABs as they think about undertaking a review of their strategic plan and can connect the NAB to other NABs at a similar stage in development, those who have gone through a similar strategic planning or review process as well as to other international experts as needed.

4.2 NAB ANNUAL ACTION PLAN

Every NAB's legitimacy and influence within its national impact economy ultimately flows from its capacity to deliver tangible benefits to, and catalyse participation from, national impact economy stakeholders. An Action Plan – with concrete priorities, scheduled activities, clear KPIs and realistic timeframes – is therefore the critical tool for cascading the NAB's medium-term strategic intent into short-term practical actions and concrete benefits to stakeholders.

Given the pace at which the global impact movement is growing and the ever-accelerating rate of innovation in impact investment products and services, flexibility and agility are key. We therefore do not recommend action plans longer than 1 year. Annual plans also enable NABs to organize themselves around financial years for tax and accounting purposes and/or aligned with the planning cycles of major financial sponsors.

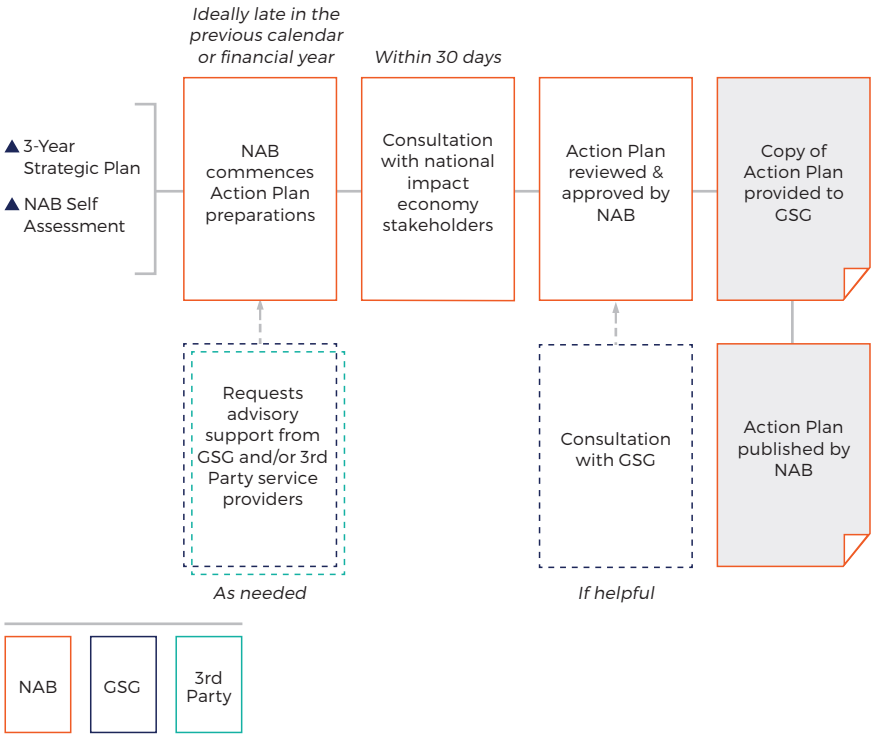
Characteristics of a good Action Plan

- ▲ One-year time horizon.
- ▲ Specific actions that can easily be measured.
- ▲ Identified budget and other requirements.
- ▲ Simple KPIs / Milestones to assess success.
- ▲ Timelines to drive commitment.
- ▲ Designated lead/support accountability.

Annual Action Plans need not be overly complex or elaborate. The most important requirement of an effective plan is that it identifies priority initiatives, specific activities and projects and assigns to each one the required participants, timelines and expected outputs in order to ensure effective and timely action and accountability.

The GSG's suggested Annual Action Plan template is attached in Appendix 2 and the recommended process for managing a NAB Action Plan process is outlined on the facing page.

Annual Action Plan Process



4.3 THE NAB SELF ASSESSMENT TOOL

The NAB Self Assessment tool is a survey instrument developed by the GSG to help NABs assess their own performance and capabilities along three dimensions - *Structure, Conduct and Performance*. Based on completion of the survey instrument by the NABs leadership team, the GSG prepares an Assessment Report comparing the NAB's self-assessed performance against other NABs in

the global network as a useful point of reference.

The GSG requires that NABs complete this self-assessment process at least once per year ahead of the GSG Global Leadership Meeting (GLM). As part of the self-assessment process, the NAB will be required to provide the names, email addresses and the component of the national impact economy they participate in (supply, demand, intermediation, government or professional services).

The GSG processes the survey results and presents them back to the NAB in an aggregated and anonymized format to enable comparison across NABs. As such, the completed self-assessment provides a number of potential benefits to NAB leadership teams, as a useful annual baseline to:

- ▲ Evaluate and reassess how best to further enhance the performance and impact potential of the NAB;

- ▲ Inform changes in governance arrangements, a refocusing of programmatic activities or membership outreach and/or additional fundraising activities;

- ▲ Help the NAB understand when, and in which areas, to consider expanding the capabilities of the NAB's Secretariat; and

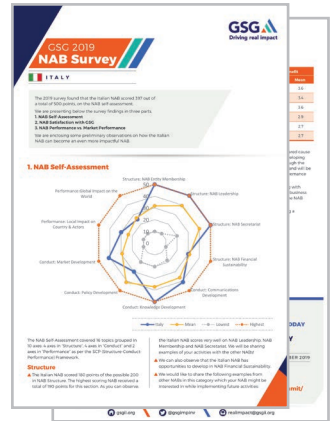
- ▲ A valuable input into a NAB Annual Action Plan process and broader 3-year strategy review process.

NAB Self Assessment

Framework



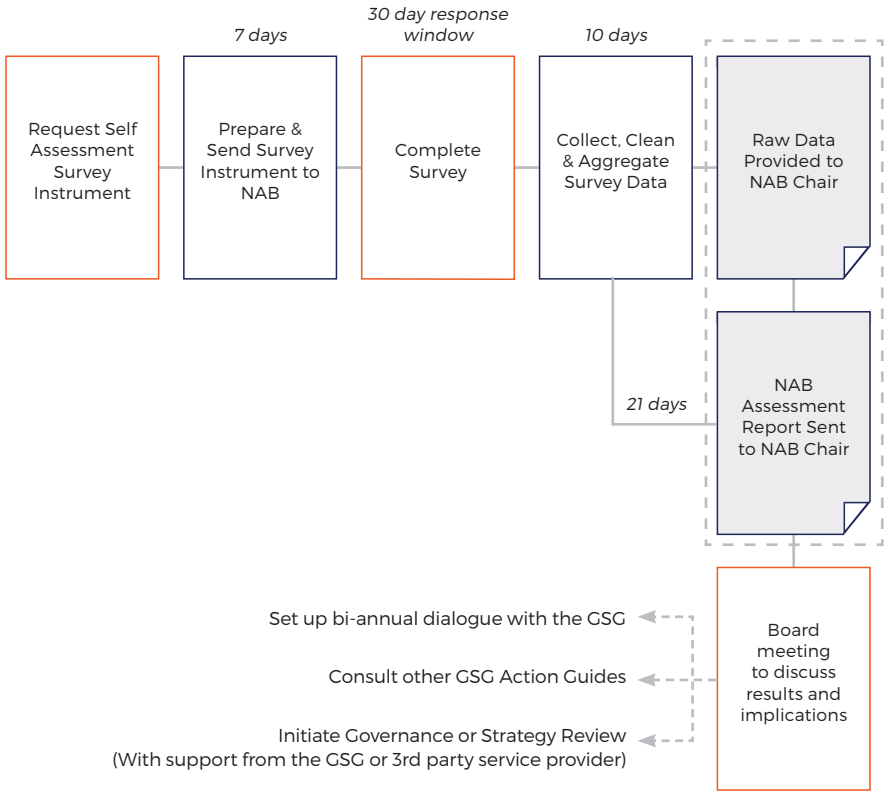
GSG Assessment Report



Commissioning and completion of the NAB Self Assessment is expected to take 30 days from contacting the GSG for the survey instrument to receiving the aggregated and cleaned raw data back from the GSG.

This assumes a survey response window of 15 days. The NAB and the GSG can, at their discretion, extend this window as and when needed.

NAB self-assessment: Timeline



4.4 BI-ANNUAL GSG/NAB LEADERSHIP DIALOGUES

Twice each year the GSG Leadership team aims to have a 60-90 minute 'check-in' conversation with the Chair and/or full leadership team of each NAB.

These bi-annual discussions are:

- ▲ A valuable opportunity for the NAB to update the GSG's leadership team on progress being made by the NAB and for the GSG to update the NAB on global developments of relevance to the NAB;
- ▲ An opportunity to discuss any governance, strategy or operational challenges faced by the NAB in its national market on which the GSG can usefully be a source of advice or assistance;
- ▲ A discussion on short to medium term priority actions, including those requiring close collaboration between the NAB and the GSG;
- ▲ A forum for the NAB to provide the GSG with feedback on the GSG's own performance and effectiveness in supporting and facilitating the success of the NAB and its participation in the global NAB network; and
- ▲ An opportunity for the GSG to gather NAB learnings and, where relevant,

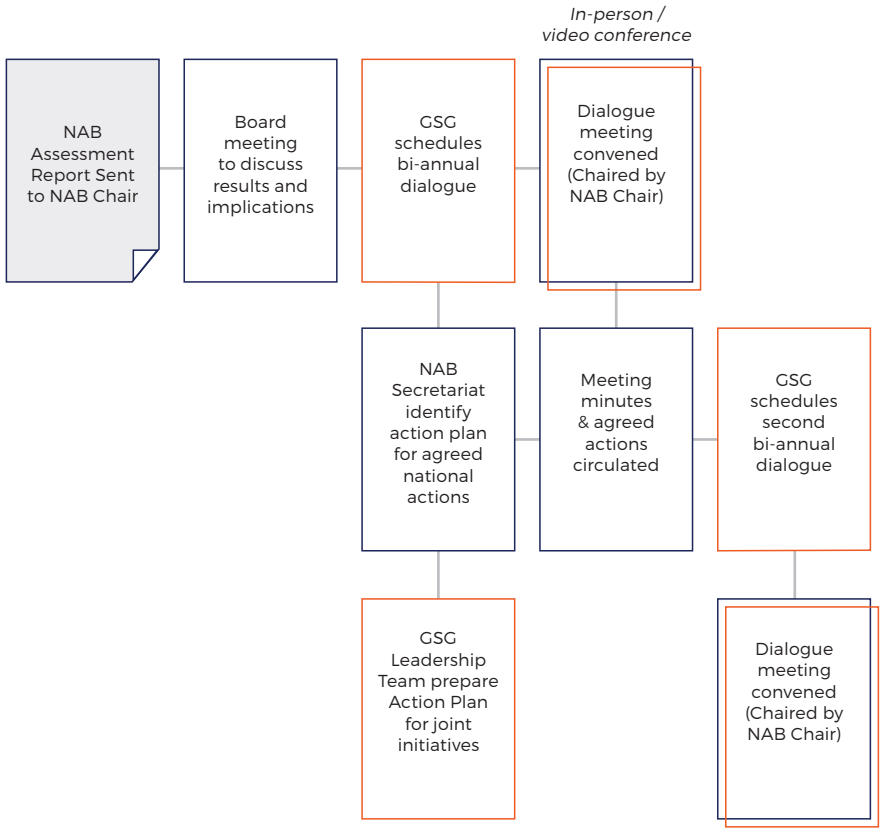
share examples of others navigating similar challenges and priorities.

The first of these bi-annual discussions most usefully follows the completion of the NAB Self Assessment by the NAB's leadership team. Ideally these meetings will occur within 30 days of the submission of the Assessment Report by the GSG to the NAB Chair.

These twice-yearly dialogues between the leadership of the NAB and the GSG are designed to be at a strategic level and time efficient. The expectation is that each meeting would be scheduled for 60-90 mins and involve the NAB Chair at a minimum but likely either the full Board or a selection of Board members and senior Leadership team. From the GSG, these meetings would be attended by the GSG CEO and other members of the GSG leadership team as appropriate.

The NAB Chair or other NAB member would be responsible for chairing these meetings, circulating a Meeting Agenda prior to the discussions and preparing and circulating appropriate Meeting Minutes after the meeting.

NAB / GSG Bi-annual Dialogue Meetings



4.5 ONGOING ADVISORY SUPPORT FROM THE GSG LEADERSHIP TEAM

The central, and recurring, question facing all NABs is ‘*What does the field most need now to change the game?*’

Answering that question effectively to inform the NAB’s strategy will typically involve gathering data and perspectives from a number of vantage points.



As part of the GSG’s support to NABs, the GSG Trustees and Leadership Team provide ongoing advisory support and counsel to NABs as they seek to maximize their capacity to ‘change the game’ in their national impact economy.

In general terms, the GSG provides advisory support in four key areas:

- ▲ NAB **governance** arrangements;
- ▲ NAB **strategy** development (as outlined above);
- ▲ NAB **capability** building; and
- ▲ NAB **fundraising**.

4.5.1 GOVERNANCE ADVISORY

As key agents for the impact revolution, past experience has shown that NABs need to remain agile and must evolve as quickly as the impact economy they are helping to foster. The governance arrangements underpinning the capacity for a NAB to operate within its national impact economy must be part of that adaptation process.

That might involve a change in NAB leadership personnel or a change in legal status.

Second, as NABs seek to emulate all of the markers of high-performance outlined in this guide, it should also include a constant focus on sound corporate governance principles and practices in line with national legal requirements but also international best practice.

The GSG Leadership team can support NABs in addressing governance challenges – whether structural options or the adoption of best practice procedures. The GSG Market Development team can provide strategic advisory support to NAB Chairs and share best practice in governance arrangements and practices from across the global NAB network.

A number of best practice corporate governance guidelines are listed below.

4.5.2 STRATEGY ADVISORY

Whether as part of a 3-year strategy review process or on an ad hoc basis, the GSG Leadership team is available to NABs as a strategic thought-partner as and when needed.

The specific nature and depth of support provided by the GSG to a NAB that seeks support will be customized to the needs of the NAB and the available capacity of the GSG at the time of the request.

A specific scope of work will be discussed and agreed to align expectations, activities and timelines.

4.5.3 CAPABILITY BUILDING ADVISORY

The institutional development of a NAB – the size, shape and configuration of its human resources – varies enormously across the NAB network depending on the nature and needs of the local impact economy and the strength of support and commitment from local stakeholders and participants.

While all NABs are built around a ‘coalition of the willing’, some NABs are institutionalized as a legal entity while others are not. Some NABs are comprised of 6 board members, others as high as 21 board members.

Diversity of NAB Capabilities



Average age of NABs



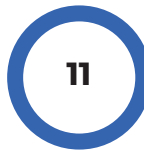
Coalition of actors.
(4 NABs with existing
separate legal entities)



Average budget for 2019
(from USD 0 to USD 1.5M)
mainly from grants. 4 NABs
w. membership models.



Average membership size
(from 0 to >100)



Average board size
(from 6 to 21)



Average FTE in NAB
Secretariat (from 0 to 5)

The GSG is ideally placed to advise NABs on organizational and capability building issues in three ways:

- 1 Sharing lessons learned and the pros and cons of different organizational and resourcing models;
- 2 Quickly connecting one NAB to another NAB that has gone through a similar set of organizational challenges; and
- 3 Helping to facilitate resource sharing across the global network in the event that one NAB has specific resourcing needs or technical expertise that are being sought by another NAB for a short-term period of time.

4.5.4 FUNDRAISING ADVISORY

One of the core and recurring challenges for every NAB is the challenge of raising funds to finance the operation of the NAB. The average revenue raised by NABs in 2019 was USD 160,000 across both OECD and emerging market economies, with the most developed and active NABs having funding available of over USD 1 million per annum and several full time staff members.

In order to really create the change towards impact investment we wish to see in the world, NABs need to have the financial capabilities to develop and deliver innovative campaigns

and programs nationally that can accelerate the impact revolution. These will likely include efforts such as:

- ▲ Government advocacy and lobbying for specific policy and regulatory changes;
- ▲ National events bringing stakeholders across the five pillars together; and
- ▲ Efforts to help facilitate the creation of national impact investment wholesalers and the launch of outcome funds.

While fundraising to finance the activities of the NAB is the responsibility of the NAB itself, the GSG team stands ready to support these efforts in a number of ways:

- ▲ First, GSG 's leadership team can make in-country visits to support key NAB business development and fundraising meetings. For example, the GSG Chair Sir Ronald Cohen has supported such meetings for a number of NABs over the past 5 years; and
- ▲ Second, where the GSG has relationships with global or regional funders interested in funding national impact economy efforts, it will introduce and support NABs to those funders and support fundraising meetings. For example, the GSG vice chair assisted in a fundraising meeting in Colombia in support for the taskforce.

5. Expected benefits of GSG support to NABs

Through our support along the journey to building and sustaining a

high-performance NAB, we believe a number of benefits will be realized.



National Advisory Board

- ▲ A more effective and efficient NAB capable of delivering the agenda based on current market needs.



National Impact Economy

- ▲ A stronger impact investment market and a pathway for the development of an Impact Economy.



Global Impact Movement

- ▲ A strong and capable colleague in the global movement.
- ▲ A source of inspiration and best practice ideas, tools and approaches to scaling impact.

6. Pre-requisites for success

Building a NAB and relentlessly pursuing performance improvements in the pursuit of maximum *legitimacy*, *influence* and *effectiveness* is never easy. Like any start-up and business building endeavor, it requires a number of essential leadership pre-requisites including tenacity, skill, patience and a willingness for self-critical reflection and learning in the pursuit of excellence.

It is also vital that the NAB has sufficient financial and human resources committed for the medium term to stay on this journey. As

NAB Reinvention: The Germany NAB experience

After 5 years of operation, the Germany NAB, one of the original NABs from the G7, is undertaking a complete revamp of its operations through a self-evaluation and redesign of its value proposition in the German impact economy. It is doing this by engaging with a broader group of stakeholders working towards similar goals but who needed further engagement before fully coming on board.

outlined in *The GSG NAB Handbook*, the GSG strongly advises that NABs have financial commitments in place to fund several years of operations. This is reinforced by the need to have a 3-year strategic plan in place that will provide the business case to support fundraising efforts.

This should assume a steady scaling of full-time leadership team staff resources and the capacity to source other services from the national market as necessary to support vital programmatic activities, whether they be research, advocacy & outreach, product development or delivery of network building events.

7. Anticipating implementation challenges and risk factors

▲ Securing buy-in and NAB leadership team alignment

Pursuing performance improvements within any organization is challenging and typically involves having to manage both supporters and advocates for change as well as those who are reluctant to change established ways of operating. Depending on the composition, size and complexity of the NAB's governance structure, this could be a difficult and time-consuming task. It should not be under-estimated.

▲ Financial risk

Achieving steady improvements in performance requires the right mindset and commitment more than financial resources. Most of the performance enhancing

measures and management tools outlined in this guide (such as the NAB self assessment) are low cost to implement. Embarking on a broader strategic review of the NAB's governance arrangements and/or strategy for impact can be a costly exercise if it requires considerable internal time and/or if it involves contracting 3rd party consultants, facilitators and experts on commercial terms. Careful upfront consideration of the resource requirements of a review or capability building process and diligent scoping of the terms of reference for 3rd party service providers is essential to managing the associated direct and indirect costs.

8. Measurements for success

As NABs in the global network evolve in their own capabilities and inspire each other, the benchmark for what constitutes a fully functional NAB and a high-performance NAB will get higher over time.

Indicators of a sustainably high-performance NAB were outlined earlier in this guide.

9. Appendices

Appendix 1: NAB Strategic Plan Framework and Template

Appendix 2: Annual Action Plan Template

Appendix 3: NAB Self Assessment Survey Instrument

Appendix 4: GSG NAB Partnership

10. Additional and Related Information Resources

Further information related to the GSG Support Services outlined in this Guide include:

▲ National Advisory Boards:

- ▶ *The NAB Handbook*
- ▶ *The NAB Brochure*
- ▶ The GSG Working Group Papers (widening and deepening)
 - › <https://gsgii.org/resources/>

▲ Best Practice Governance Guidelines:

- ▶ *UK National Corporate Governance Code* published by the Financial

Reporting Council:

- › <https://www.icaew.com/technical/corporate-governance/codes-and-reports/uk-corporate-governance-code>
- ▶ *The UK Charity Governance Code (2017)* published by the UK Charity Commission:
 - › <https://charitycommission.blog.gov.uk/2017/07/13/the-new-charity-governance-code-essential-reading-for-all-trustees/>

11. Contact

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Appendix 1: NAB Strategic Plan Framework and Template

Introduction

Good strategy is about aligning ends and means. In other words, aligning your vision for the national impact economy and your NAB's role in achieving those ultimate outcomes with the resources and capabilities you can assemble at, and through, the NAB. Given that your resources and capabilities as a NAB will inevitably be limited, the essence of strategy is framing and making choices – about what you will do and, equally importantly, what you will not do – within a given timeframe (3-years).

With the rapid pace of growth and innovation in the global impact investment movement, this is an exciting moment in history for national leaders to step-forward to lead a NAB and the impact revolution for their national economy. Nevertheless, given the excitement of the moment, the sheer scale of the opportunities ahead and the challenge of corralling and influencing such a wide range of national stakeholders – from government leaders and policymakers, to entrepreneurs, SMEs and institutional investors – it can be daunting to make hard choices about what to focus on now as a NAB and what to defer until later.

The GSG has learned a number of valuable insights from the experience of NABs across the global network over the past four years. Two stand out:

- 1 The most effective, high-performance NABs are those that are very clear-eyed about the

medium term needs and priorities for their national impact economy:

- 2 They have a robust sense of their 'theory of change' as a NAB and are very focused on a manageable set of practical activities along that critical path.

Strategy formulation should not be daunting or overly complex. Indeed it should be motivating for the NAB's leadership group and a fantastic opportunity to engage and mobilise your broader base of stakeholders.

It is also true that the impact revolution waits for no-one. An appropriate balance needs to be struck between a strategy formulation process that is thorough and one that is relatively short to run from start to finish. The goal for any NAB in crafting or reviewing their strategy should be that it is:

- ▲ Grounded in evidence;
- ▲ Reflective of past national and international experience;
- ▲ Inclusive of the views of stakeholders across the five pillars of their national impact economy;
- ▲ A set of implementable priority initiatives with simple key performance indicators (KPIs) to assess progress and the quality of outcomes achieved; and
- ▲ Presented in clear, practical language accessible to a wide audience.

Strategy making as choice making

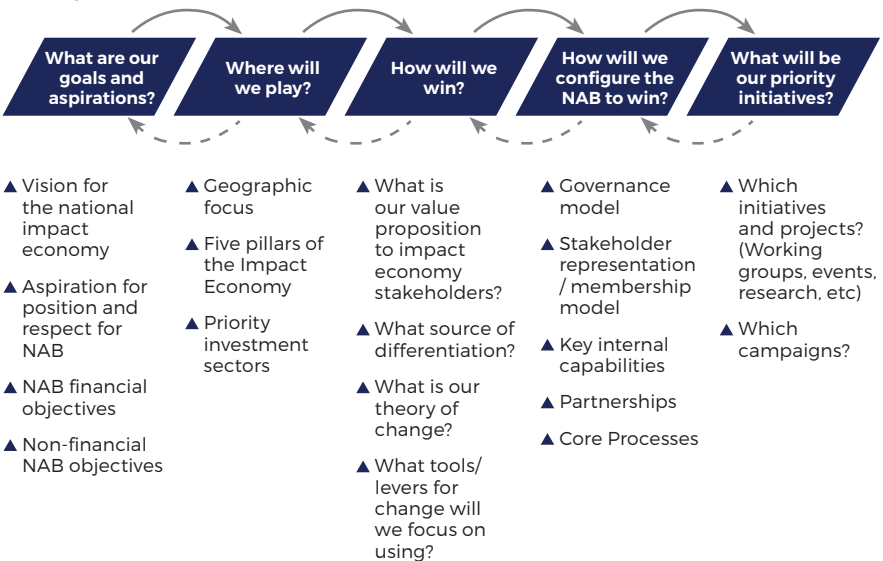
With these process goals in mind, the choice structuring (or choice cascade) approach developed by Prof.

Roger Martin at the Rotman School of Business is a practical and accessible scaffolding for NABs to use for their strategic planning process.

We have adapted Prof. Martin's choice structuring approach for NAB strategic planning as shown below. We believe this framework, with its suggested

dimensions of choice and guiding questions, is a helpful way in which NABs can start and structure their strategic planning process, articulate their value proposition to their national impact economy and move quickly to start identifying priority activities for the forthcoming 3-year period.

Strategic Choice Framework for NABs



Adapted from 'Playing to Win: How Strategy Really Works', 2013 R. Martin and A.G. Lafley

Further insights about the strategic choice structuring approach to strategy can be found at: <https://rogerlmartin.com/thought-pillars/strategy>

In general terms, the GSG believes most NABs should be able to conduct a strategic planning process within 100 days including consultations across the

national impact economy and with the GSG leadership team as outlined in this Guide.

A strategic plan template for use by NABs

Neither the process nor the final Strategic Plan document need be long or complex. Indeed both the

process and the final report should be characterized by candor, accessibility and transparency.

With that in mind, an indicative structure for a final NAB strategic plan document might look as follows:

Plan Component	GSG Guidance
1. Executive Summary	1 page narrative and completed choice cascade template as shown above.
2. Context ▲ Global context & recent trends ▲ National context (Market size, growth, key actors, recent trends, etc)	CSG newsletters and other research reports will be helpful sources for global developments. The GSG Guide on Market Sizing will be of assistance for sizing the national market.
3. Major national challenges	The 5-pillars of the impact economy framework is a useful structure for identifying critical challenges. NABs may also find it helpful to use PESTLE or a similar framework for considering different types of challenges.
4. Major Opportunities for Accelerating the Impact Revolution	Key opportunity areas and priorities identified by the NAB.
5. Mission and Vision for the NAB	A simple, clear articulation of the guiding vision for the NAB and its mission within the national impact economy, both ideally aligned to, and referencing, the 2030 SDGs
6. NAB Strategic Goals	Per the framework above, this should represent the 3-year goals for the NAB.
7. NAB Priorities (Where to play)	Focus areas for the coming 3-year period. It is helpful to also include an explanation of what has been explicitly deprioritised for the coming three years and why.
8. How We Will Win	A clear articulation of the NAB's 'theory of change' within its national impact economy ('By doing a, b and c we are confident we can achieve x, y and z outcomes on behalf of the national impact economy); the value proposition it aspires to deliver consistently to its stakeholders and how it will measure if it is succeeding or not. This should also include an explanation of what the NAB has decided explicitly it will not do in the coming three years and why.
9. NAB Governance & Organisation	An overview of the activities and functions to be performed by the NAB and how those functions are to be organized (an organisation structure). This section should also outline how the NAB has determined what will be done in-house, outsourced to sub-contractors and in partnership with others to maximise participation by stakeholders and the delivery 'leverage' achievable by the NAB.
10. Priority Initiatives, Programs and Campaign	A description of each of the NAB's key programmatic activities for the next 3 years such as events, lobbying campaigns, research activities, etc. Ideally, these should be described along the four dimensions of the GSG's activity system - Market Development, Policy Development, Communications, Research & Knowledge Development.
11. Financials	Details of the NAB's forecast budget requirements for the 3-year period and an overview of the NAB's funding arrangements (committed funding and fundraising plan).
12. Appendices	Year 1 Action Plan

Appendix 2: Annual Action Plan Template

NABs should prepare Annual Action Plans to organize for action on three dimensions:

- 1 Delivering practical outcomes for the national impact economy through a range of programmatic activities and interventions;
- 2 Strengthening the governance and performance capabilities of the NAB itself; and
- 3 Participating in the GSG global work agenda and international network of NABs.

As such, we recommend that each NAB develop their Annual Action Plan around the following components and consider the following guiding questions:

Annual Action Plan – Key Components



Annual Action Plan – Guiding Questions

Governance & Capabilities	What internal activities or initiatives do we need to undertake this year to boost the effectiveness and productivity of the NAB board and Secretariat?
Market Development	What are our priority initiatives this year for scaling the national impact market and for activating private investors?
Policy Development	What policy research and advocacy work will we undertake this year to help unlock the full potential of all five pillars of the impact economy?
Communications Development	What marketing and communications activities will we undertake nationally and internationally this year to advocate for, and help build, the national impact economy?
Research & Knowledge Development	What are our priority research & knowledge development activities this year and with which local and international partners, including the GSG?
International Network Participation	What GSG activities will we participate in this year to network with NAB colleagues globally and continue to help build the global movement?

We suggest the following two pages be the core of the Annual Action Plan template perhaps with a preface from the NAB leadership team providing

any additional context or guidance as to how these priority actions were determined.

Annual Action Plan Template

	Action	Output / Outcome Measure (KPI)
Market Development	e.g. ▲ 1.1 Support the launch of a SIB; ▲ 1.2 Support the establishment of private impact funds	Eg. MOU for new SIB signed and design process under way
Policy Development	e.g. ▲ 2.1 Lobby for wholesaler; ▲ 2.2 Advocacy for Public Outcome Fund.	e.g. Official government support for Wholesaler secured. Enabling legislation in process
Communications Development	e.g. ▲ 3.1 Launch national newsletter ▲ 3.2 Host Implnv event at national parliament	e.g. Newsletter launched with monthly circulation of 2,500 Five government ministers attend parliament house event
Research & Knowledge Development	e.g. ▲ 4.1 Complete market sizing study; ▲ 4.2 Commence research program on solutions to poverty	e.g. Market size study launched with significant national media coverage achieved
Governance & Capabilities	e.g. ▲ 5.1 Complete Capability Assessment; ▲ 5.2 Hire Research Analysts	e.g. NAB members are satisfied and the NAB influence in the country results increased
International Network Participation	e.g. ▲ 6.1 sharing news for the GSG newsletter; ▲ 6.2 Participate at the GSG Summit.	e.g. NAB members are aware of foreign experiences as well as national cases are shared in the international community

Action Plan Budget & Delivery Schedule

Activities	Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Market Development													
1.1 xxx	xxx		◆				◆						
1.2 xxxx							◆						
2. Policy Development													
2.1 xxx	xxx			◆									
2.2 xxxx	xxx											◆	
3. Research and Knowledge Development													
3.1 xxx	xxx				◆								
3.2 xxxx	xxx								◆				
4. Communications Development													
4.1 xxx	xxx				◆	◆	◆	◆	◆	◆	◆	◆	◆
4.2 xxx	xxx												◆
5. Governance & Capabilities													
5.1 xxx	xxx									◆			
5.2 xxxx	xxx			◆									
6. International Network Participation													
6.1 xxx	xxx										◆		
6.2 xxxx	xxx					◆							

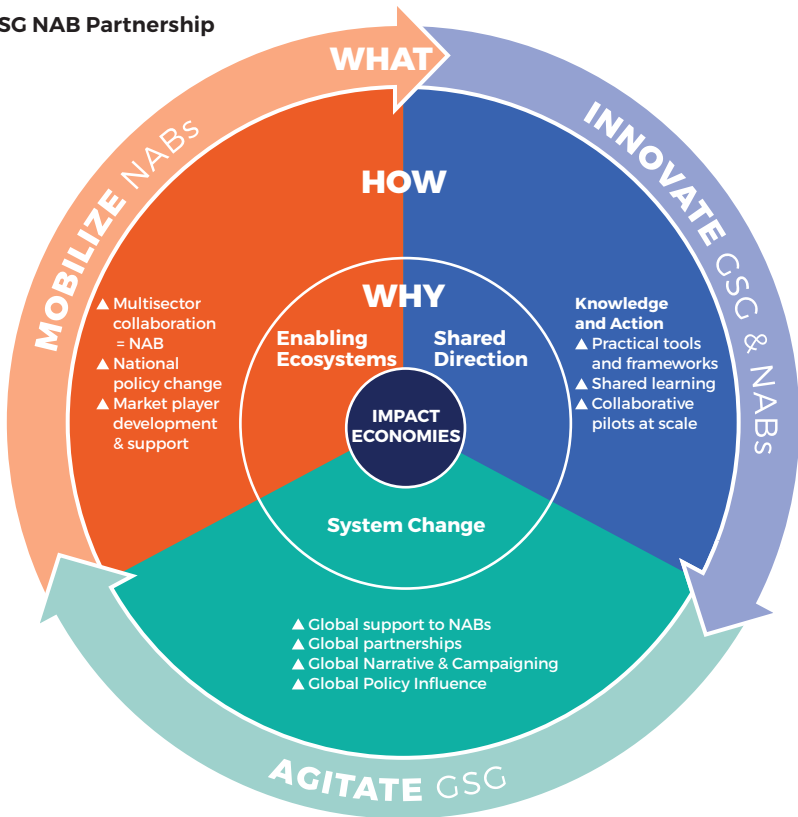
Appendix 3: NAB Self Assessment Survey Instrument

NAB Self-Assessment Questions

NAB Entity Membership	Is the NAB inclusive? Does it have a wide membership? Is it diverse? Does it represent all 5 ecosystem pillars (incl. actors such as Government as observers)? Are 3 of the top 10 actors in >3 pillars part of the NAB?
NAB Leadership	Is the NAB leadership influential? Is it democratic? Are there high standards of Governance (including periodic rotation of the Chair)?
NAB Secretariat	Does the NAB have an independent or dedicated Secretariat? Is it appropriately staffed? Does it have the right capacity and capability?
NAB Financial Sustainability	Does the NAB have a financial plan? A budget? Is it sustainable? Are its sources of income diverse?
Communications Development	Annual/ bi-annual Event or other eminent Convening News & Stakeholder Communications for Awareness and Field Development Communications campaign to build movement
Knowledge Development	Market Sizing Efforts, Return Benchmarking Research, Thematic Knowledge Development, etc.
Policy Development	Active Agenda-based Advocacy, Regular Government Interface, Policy Analysis & Recommendations
Market Development	Funds Development: Unlocking supply of impact capital to fill market gaps Intermediary Development: Improving intermediation of impact capital to fill market gaps Entrepreneur Development: Supporting & galvanizing demand for impact capital
Local Impact on Country & Actors	Measurable impact on national ecosystem development Annual Country Impact report
Global Impact on the World	Measurable impact on global ecosystem development Active participation in and contribution to global research, Working Groups and field development

Appendix 4

GSG NAB Partnership



National Advisory Board (NABs) are an important part of the GSG and the GSG team works with them to “innovate, orchestrate and agitate”. The NABs promote the development of impact investing in, and from, their countries and regions. The GSG coordinates the efforts globally and draws from the work of NABs and others in the field to deliver its charitable objectives – including the relief of poverty, the promotion of sustainable development and the advancement of education

of impact investing – and to drive collective action at a global level.

Working together, the GSG and NABs reinforce efforts to provide leadership and catalyze the ecosystem for impact, to achieve breakthroughs and demonstrate efficacy and advocate for policy change. This document sets out the principles on which the GSG and NAB partnership is based and the mutual commitments among NABs and between NABs and the GSG.

