

GUIDANCE NOTE:

Building the Evidence Base for Impact Investing and Impact Economies

Guidance for Building Effective Collaborations
between GSG National Partners and Local Research
Institutes to Deepen the Evidence Base



Introduction

Impact investing shapes a more sustainable and equitable future for our societies and our planet. Since 2015, the GSG Impact (formerly Global Steering Group for Impact Investment) has been dedicated to accelerating the growth of the impact investing market globally by working with a growing number of National Partners (formerly National Advisory Boards for Impact Investing) to accelerate the adoption of impact-driven economies. NPs are locally-led market leadership organisations uniting key market actors from supply and demand, policy, research, and intermediation who work collaboratively to advance knowledge sharing, build capacity, and advocate to shift markets toward sustainable development and measurable, positive outcomes.

GSG Impact and its affiliated NPs come up against two key barriers that hinder the uptake of impact investing practices. These include **the lack of a well-developed evidence base for impact investing** and the **need to bridge knowledge and capacity gaps among stakeholders - policymakers, regulators, and investors - well-positioned to bring about the delivery of positive social and environmental outcomes.**

A set of solutions to these challenges stands out. By forging more systematic collaborations between NPs and local research institutes, evidence can be generated and put into practice and new audiences can be reached and engaged. A **2021 study** conducted by On Think Tanks (OTT) and Impacto Consulting, supported by FinDev Canada and the International Development Research Centre (IDRC), concluded that think tanks perform several activities that reinforce and strengthen the efforts of impact investment market builders.

These include:

- **Consolidating, communicating and facilitating research that can be put into practice** through policies and new investment vehicles;
- **Identifying sector-based opportunities** and generating relevant research on potentially catalytic sectors;
- **Informing and connecting** policy actors and markets;
- **Generating and analysing** social impact evidence and contributing to impact measurement and management practices; and
- **Facilitating and bridging dialogue** between different actors including policymakers/regulators, intermediaries operating in emerging markets such as accelerators and incubators and impact businesses.

Importantly, working with local researchers in emerging markets also serves to decolonise research methodologies and practices¹. Local think tanks are well-versed in identifying the needed reforms in their countries and are often best placed to include local voices in their policy-oriented research.

Supported by the Canada-based International Development Research Centre (IDRC), to explore factors that can shore up lasting collaborations between NPs and local research institutes, three NPs - in Ghana, Colombia, and Nigeria - participated in a two-year pilot project to develop context-specific research in collaboration with local research bodies, advancing a set of domestic priority issues defined by each NP.

¹ Includovate (2023). Research for Development: Who's Research Is it?. Available at: <https://www.includovate.com/research-for-development-whose-research-is-it/>

This Guidance Note presents a collection of learnings for NPs and other market builders to apply in their work as they engage in effective advocacy for the promotion of impact investing and impact economy-focused policy changes.

What

This Guidance Note provides learnings on how to foster sustainable collaborations with local research institutes. It captures learnings from the two years of project activities, January 2022- December 2023

How

The paper provides a step-by-step guide for initiating and sustaining research collaborations, from the planning phase to knowledge translation and dissemination. It includes case studies offering practical examples of how NPs and local researchers can work together most effectively and over the long term to shape policies and investor practices

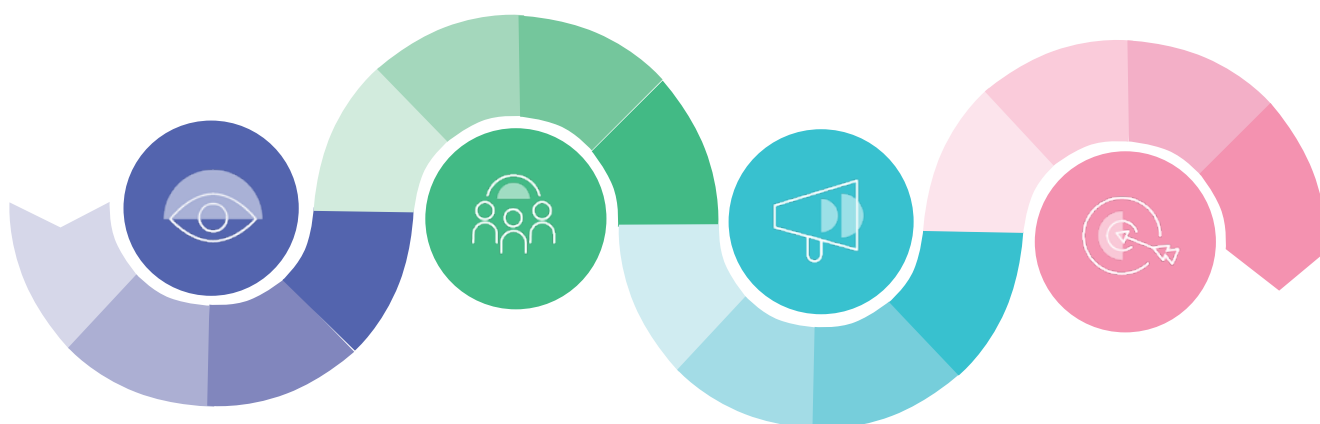
Why

By sharing these learnings, we seek to provide useful guidance and advice to NPs and other market builders on topics that should be addressed when establishing new collaborations with local research bodies to advance the impact investing market and the transition to impact economies.

For whom

This paper is written for NPs, local research partners, and other market-builders who are dedicated to drawing from and fostering a local base of evidence to propel the continued expansion of the impact investing market.

Putting Research Collaboration into Action between GSG National Partners (NPs) and Research Partners



1

Planning Phase: Initiating the Research Collaboration

Define research objectives:

Clearly outline the research questions and objectives the NP should focus on, tailored to the NP's current stage of development.

Select research partner:

Identify and evaluate potential research partners based on expertise, resources, and alignment with the NP's mission.

Facilitate knowledge-sharing:

Allocate sufficient time for knowledge exchange on impact investing to ensure a unified understanding and consistent terminology among all parties involved.

Co-design the research project:

Collaboratively develop the research design and methodology to ensure it meets the needs of both the NP and the research partner.

2

Implementation Phase: Building a sustainable partnership

Appoint a project lead:

Designate a dedicated individual within the NP to lead and oversee the research project, ensuring accountability and continuity.

Engage industry experts:

Involve industry experts to guide the research process, either as part of an external advisory group, task force, or within the research team.

Establish clear communication channels:

Develop and maintain regular communication channels between all parties to ensure transparency, alignment, and timely updates.

3

Late Implementation Phase: Validating and disseminating research findings

Peer review and validation:

Subject preliminary findings to peer review to validate the research and enhance credibility.

Translate knowledge into action:

Convert research insights and theoretical findings into practical, actionable recommendations for industry stakeholders and policymakers.

Disseminate findings:

Share the final research outcomes and recommendations with a broader audience through targeted dissemination strategies, including publications, presentations, and digital platforms.

4

Post-Implementation Phase: Considering future research strategies

Reflect and plan:

Evaluate the outcomes of the research collaboration and consider future research opportunities and strategies to continue building on the partnership's successes.

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About GSG Impact

Active in over 50 countries, GSG Impact works to progress the transformation of global financial systems, so that every investment, business and government spending decision takes into account impact, as well as risk and return.

The GSG Impact Partnership is a growing community of national partners dedicated to advancing impact locally and globally. GSG Impact supports the development and work of the national partners. We harness our collective voice to advocate for impact globally, and advance impact through innovation, knowledge sharing, convening and collaboration.

GSG National Partners profiled in this study:



Impact Investing Ghana (IIGh)
Catalysing impact investing in Ghana and West Africa.



NAB COLOMBIA
CATALIZANDO LA INVERSIÓN DE IMPACTO

NAB Colombia
Catalizando la inversión de impacto.



Nigerian NABII
Unlocking private capital for impact investments in Nigeria.

About the partners



On Think Tanks (OTT) focuses on a range of issues of relevance and interest to think tanks as well as their staff and supporters. OTT is a global initiative driven by the conviction that better-informed societies have a better chance of delivering progress for their most vulnerable. The members of the OTT team and its partners consider that policy research institutes, or think tanks, can play many important roles in supporting better-informed societies.



IMPACTO Consulting is a hub of sustainability and impact experts that helps organizations actively consider their environmental and social impact in their decision-making process.

Background

1. Project Context

While GSG National Partners (NPs), as locally-led market leadership organisations for impact investing, often exchange information with local researchers or think tanks, there have been limited formal efforts to collaborate to build the local evidence base toward the achievement of shared long-term and strategic goals.

An IDRC-funded project, "Tapping into Local Research Expertise to Deepen Evidence-Based Impact Investing," launched at the end of 2021, brought together GSG Impact, On Think Tanks (OTT), Impacto Consulting (Impacto), and NPs from Ghana, Colombia, and Nigeria to generate context-specific research and identify the role of data and research partnerships in growing the impact investing market. The project's theory of change shows that by collaborating with local researchers, NPs gain the insights needed to influence investor behaviour and affect policy change.

The initiative set out to address two key challenges facing market builders: the need to develop a robust evidence base and the need to bridge knowledge gaps among policymakers and investors. To capture learnings, the project featured **a two-dimensional learning approach**, a research level and a meta-learning level of feedback and analysis, designed not only to generate new research and outputs but also to capture learnings about the process NPs can follow to build lasting and sustainable partnerships with local researchers to transform their markets.

To document learnings from this two-pronged approach, the facilitators of the project - GSG Impact, OTT, and Impacto organised quarterly learning sessions to gather reflections and insights from the NPs and research institutions about their collaborations. Many of these learnings underpin the recommendations relayed in this Guidance Note. Specifically, insights from the 6 learning sessions include:

- Insights related to the process of setting up and initiating research partnerships;

- The importance of developing and making use of a shared lexicon, a common set of shared definitions;
- The benefit of engaging with local researchers and using research as a lever for change;
- Findings from the project have shown that partnerships enhance NPs' credibility and empower them to drive substantial market changes, including policy reforms, increased investor allocations to sustainable development, and lasting strategic alliances.

Additional learnings are discussed in the body of this report.

The Project's Two-Dimensional Learning Approach

1

Research level learnings:

Context-specific findings led by the NPs and local research partners, focused on specific market or evidence gaps.

→ Ghana - Colombia - Nigeria

2

Meta-learning level learning:

The identification of good practices led by learning partners, GSG Impact, OTT, and Impacto, resulting in the articulation of the success factors that led to a successful collaboration.

2. The Research Projects

The following section provides an overview of each NP's research context and partnership descriptions.

1 Impact Investing Ghana - GSG National Partner in Ghana

- **Research Aim:** Gather and present performance data about the Venture Capital/Private Equity (VC/PE) industry to encourage greater engagement by institutional investors, specifically local pension funds.
- **Background:** Set up in 2021, Impact Investing Ghana (IIGh) is an independent private-sector-led initiative that aims at tackling Ghana's pressing social and environmental challenges by driving innovation that moves more capital to deliver real impact. IIGh is a well-resourced NP that runs various programmes targeted at specific actors in the ecosystem. Identifying the need for access to research early on, IIGh set up a research collaborative comprising a database of researchers and a platform for knowledge-sharing and new knowledge commissioning. On the eve of the project's start date, IIGh was gearing up to co-launch a new fund of funds vehicle and sought to use this research project as an opportunity to gather and share VC industry performance data to mobilise new pools of capital from local capital providers, especially pension funds.
- **Research Partner:** The NP assembled a multi-sector team bringing together expertise in applied research, consulting, and investment management. Research partners include SAA Consulting, Emperiks (a local research institution), and the Ghana Venture Capital and Private Equity Association, an industry leader in the Venture Capital industry in Ghana.
- **Research Findings:** IIGh's research study, Baseline Report on the State of Venture Capital and Private Equity in Ghana, provides performance data, case studies and a set of recommendations for actions that can help unlock more local VC/PE for impact in Ghana. It also includes an analysis of the contribution of VC/PE to impact and gender equality in Ghana.
- **Meta-Level Learning:** The NP developed and utilised a platform that facilitated active engagement and collaboration between industry and research stakeholders. Established by the NP, the Ghana Research Industry Collaborative (GRIC) helped the NP strike a balance between academic rigour and practical insights.



To learn more about the Ghana NP's research collaboration, see the blog series on this project [here](#).

2 NAB Colombia - GSG National Partner in Colombia

- **Research Aim:** To inform the policy platforms of the newly-elected government and embed sustainable development and impact investing in new policies and regulations.
- **Background:** Facing a presidential election in 2022, the NAB Colombia sought to use the research project to craft a set of recommendations, including the use of impact investment as a financing opportunity, and shape the administration's new National Development Plan.
- **Research Partner:** With its project focused on policy change, Colombia NP sought a partner experienced in policy analysis and known in political circles. Founded in 1970 as a non-profit research institution or think tank, Fundación para la Educación Superior y el Desarrollo (Fedesarrollo) contributes to the design, monitoring, and improvement of public policies. The organisation advances the economic and social development of the country through studies, publications, and debates.
- **Research Findings:** The NP's study, Recomendaciones para Fortalecer el Papel del Gobierno en la Promoción de un Ecosistema de Inversión de Impacto en Colombia identifies the main social and environmental challenges in Colombia that could be addressed with impact investment

policies. The paper includes an analysis of existing regulatory frameworks and how they can be enhanced, identifies challenges to realise them, and provides recommendations for courses of action by both the private sector and Colombia NP and other market builders.



• **Meta-Level Learning:** Collaborating with Fedesarrollo, a well-respected local think tank already known for its policy analysis and role in informing key government decisions, strengthened NP's influence and credibility among stakeholders, especially policymakers. Moreover, the NP research team made a point to gather input and ideas from civil society representatives across the country through a series of meetings and presentations. This in turn demonstrated to the government that the platform had buy-in and support from a diverse array of stakeholders and market actors.



To learn more about the Colombia NP's research collaboration, see the blog series on this project [here](#).

3 Nigerian NABII - GSG National Partner in Nigeria

• **Research Aim:** To identify regulatory issues and financing gaps preventing access to finance among local micro, small, and medium enterprises (MSMEs) in the healthcare, education, and agriculture sectors.

• **Background:** The Nigerian NABII joined as NP in 2021 and since then has been dedicated to knowledge sharing, capacity building, and political advocacy. The IDRC project kicked off within the NP's first month of joining, providing a timely opportunity for the NP to develop research that would underpin some of its more major campaigns, among them, the establishment of an impact investment

wholesale fund. As part of its strategic objectives, the NP selected three priority sectors – health, education, and agriculture – in which to advance impact investment solutions, and policy and regulatory change. Through the research, they sought to deliver the first-ever mapping of existing mechanisms financing MSMEs in Nigeria currently and, in tandem, present the financing gaps, as well as a set of recommendations to bridge demand-side challenges.

• **Research Partner:** The Nigeria NP was fortunate to have a well-respected local research institute among its members. The Nigerian Economic Summit Group (NESG) is a local think-tank that promotes sustainable growth and development in the Nigerian economy using research-based advocacy methods. The NESG serves as the host of the United Nations Global Compact (UNGC) National Secretariat and UNGC Corporate Sustainability Champion (tasked with advancing sustainability and corporate governance in Nigeria), as well as a member of Nigeria NP leading its Policy workstream.

• **Research Findings:** The NP's study, *Investing for Nigeria: A Deep Dive into Agriculture, Education, Health Sectors Report* recommends policy reforms that can unlock institutional capital deployment for impact investing in the country's priority sectors of agriculture, education, and health. The study consolidates demand-side data to facilitate impact investment in these sectors. The report concludes with evidence-based recommendations, co-developed and validated by key stakeholders.



• **Meta-Level Learning:** The NP leveraged their research partner's robust expertise in knowledge translation and dissemination, utilising their local communication channels and networks to ensure research findings reach a broader audience.



To learn more about the Nigeria NP's research collaboration, see the blog series on this project [here](#).


Part 1: National Partner-Local Researcher Partnerships: The Value Proposition

1. The Need for Evidence to Build the Impact Investing Ecosystem


The journey towards impactful outcomes starts with developing a strong foundation of evidence that shapes the formation of new investment strategies and policies. However, a recent [UNESCO Science Report](#) found that sustainability science is still not mainstreamed globally, and 80% of countries still invest less than 1% of their GDP in research and development.

Research is needed to bridge existing knowledge and capacity gaps. Moreover, in emerging markets, where the impact investing market is still in its nascent stages, the need for local evidence-based case studies that demonstrate the possibility of both financial return and social/environmental impact is especially paramount. This need is reinforced in the three NP research projects undertaken through the project. The NPs' unique data gaps are outlined in the box to the right.

The project enabled the collection of local evidence through a collaborative effort with local researchers who possess an intimate understanding of their communities and environments. Involving local researchers also ensures that knowledge is embedded within the communities it aims to benefit.

 **Nigeria NP:** A lack of empirical evidence on topics related to impact and sustainable investing constituted a significant barrier to attracting local investors, including pension funds, to impact investing. Information asymmetries between local and foreign investors have delayed or even prevented local investors from being more active in the design and execution of impact deals. The Nigeria NP hypothesised that evidence-based case studies would help inform local stakeholders and address hesitations which in turn would accelerate the growth of the domestic impact investment market.

 **Ghana NP:** The absence of research on how Venture Capital/Private Equity (VC/PE) investments imbed impact principles, gender equality, and social equality delayed the interest and engagement of the local pension industry. These findings were revealed during a series of roundtables held by the NP with industry and pension fund representatives in 2021. IIGH's project sought to gather these inputs to encourage more engagement from Ghana's pension funds.

 **Colombia NP:** Colombia NP sought to persuade the new government to strengthen its support for policy reforms that would accelerate the impact investing market. To do so, the NP gathered evidence and solicited public input to show the government that sustainable development and impact investing aligned with national aims and targets.


2. The Benefits of Research Partnerships for National Partners

Working with local research institutes or think tanks can bring significant benefits to GSG National Partners and other market-building organisations. These benefits are explained below.

1) NPs gain access to robust research methods and data collection

NPs can benefit from working with research partners who are highly skilled in the research methods needed for the type of study the NP wishes to undertake. Additionally, research partners bring an extensive archive of existing data and local knowledge to the table, making the data collection process both more efficient and insightful. Their knowledge, connections, and affiliations often furnish access to critical primary and secondary data sources that may otherwise be challenging to obtain and utilise.

Case Study - Ghana & Nigeria NPs


 **Ghana NP:** The researcher team's local relationships and its collaboration with the VC industry association facilitated access to valuable primary and secondary data, as well as a deep understanding of Ghana's private equity and venture capital ecosystem. Especially in the face of practical challenges, such as scheduling difficulties with industry players, the local research partner's connections were pivotal in helping to overcome delays and ensuring seamless data collection.

 **Nigeria NP:** Similarly, NESG brought a wealth of existing data covering various facets of policy, the economy, and Nigeria's seven key priority growth sectors. This reserve of data not only laid the groundwork for the research but also provided profound insights into the Nigerian economy. Leveraging NESG's network further facilitated the acquisition of new primary source data. Regular meetings with NESG also provided essential guidance and feedback, fostering a collaborative and productive environment for the research team.

2) Boosts credibility and influence among key stakeholders

Strategic partnerships play a pivotal role in enhancing the credibility of NPs. Selecting partners with a trusted name and extensive experience in public policy and engagement can significantly bolster the influence of the NPs. These partners often bring a wealth of knowledge and a track record of engaging public and private sectors in policy discussions, advocacy, and high-quality research. Such credibility within various stakeholder circles is invaluable in effectively advancing the NP's work and reinforcing its impact in its priority areas.

Case Study - Colombia NP

 **The Colombia NP** sought to include impact investment in the National Development Plan by issuing a set of public policy recommendations with concrete short-, medium- and long-term actions. To do so effectively, the NP needed more than just a researcher for their research partner; they needed an organisation with past experience advising the government. Partnering with Fedesarrollo, a venerable Colombian think tank with extensive connections in the public sector, significantly bolstered the NP's credibility and influence vis-a-vis policy-makers, at a critical moment coinciding with the set up of a new administration.

3) Helps expand local support and capacity for impact investing among diverse constituencies

Involving local research institutes helps to create local allies and widen coalitions of support among other organisations that can bolster the NP's efforts by adopting key messages

and positions. Working with local research partners fosters a sense of ownership and commitment among local actors most affected by the research outcomes.

4) Creates a foundation for action-oriented market recommendations

According to OTT's recent report on knowledge translation (KT) in emerging markets and developing economies (EMDE), KT should be integral to every phase of research: from setting research agendas to disseminating the research results and using evidence.² To ensure effective research translation and dissemination, researchers should

not only identify their primary audience and delivery methods for their research but should also understand how to navigate policy adoption challenges.

Local research institutes are well-positioned to take the lead in this process. They can leverage their broad networks and local channels, and organise stakeholder workshops, roundtable discussions, public debates, and events. This approach empowers NPs to craft messages specific to their context while aligning recommendations directly with local priorities. By tailoring their dissemination strategy in this manner, NPs can ensure that their messages reach the right audiences (See Part 2 - 3. Late Implementation Phase for more details.)

Recap: Research Plays a Crucial Role in National Partners' Goals and Activities



• **Policy/regulatory reform:** NPs can drive policy changes by engaging with policymakers throughout both the research process and its dissemination.



• **Impact advisory and advocacy:** NPs can influence stakeholders and change investor behaviour by promoting a broader understanding of impact investing.



• **Create new investment instruments:** NPs can innovate and collaborate in the development of new investment instruments tailored to the unique needs of their regions.



• **Establish databases and platforms:** NPs can establish an impact investing resources library or platform through collaboration with the research sector.

² By OTT, KT is defined as "intentional interventions involving dialogue between a range of relevant actors to encourage or support the use of research-based evidence to inform behaviours." Available at: <https://onthinktanks.org/articles/reimagining-knowledge-translation-in-the-global-south-implications-for-practitioners-and-funders/>

Part 2: Putting Research Collaborations into Action

Putting research collaborations into action can be best thought of in phases, with different areas to focus on during the research planning, implementation, late implementation and post-implementation phases. This section provides practical guidelines for each of these phases, offering insights into how to effectively navigate partnership building and coordination at each stage of a research collaboration.

1. Planning Phase: Initiating the Research Collaboration



1) What research should the National Partner undertake?

The field of impact investing is broad and covers many topics, themes, and approaches. With so much breadth it can often be confusing to know where to start. NPs or other market builders specifically may look to embark on research projects at different stages of their evolution and for different uses. Some NPs who are at the start of their journey may wish to commission preliminary mapping or landscape studies to inform their own strategies and present initial market data to external stakeholders. Other NPs may wish to build the evidence base to advance a specific campaign or begin a dialogue with specific stakeholders.

At various stages in the NP's development, and depending on the maturity of the local impact investing market, the NP may opt to undertake new research for various purposes. These purposes may include:

For Early-Stage NPs:

Conducting a landscape study: This involves researching and analysing the current state of the impact investing market, and identifying key players, trends, opportunities, and challenges. This helps the NP understand the environment in which it operates and strategize accordingly.

Performing market sizing analysis: This entails estimating the size and potential growth of the impact investing market. It provides valuable insights into the market's capacity and potential, guiding the NP's investment and operational decisions.

For NPs at All Stages:

Influencing policy changes: Research can be used to advocate for policy reforms that support and enhance the impact investing ecosystem. This might involve producing evidence-based reports or white papers that demonstrate the benefits of certain policy changes.

Shaping investor practices: By researching and disseminating best practices, the NP can influence how investors approach impact investing. This could involve creating guidelines, case studies, or frameworks that promote responsible and effective investment strategies.

Building consensus and representing a wide array of voices: Research can help in gathering and synthesizing diverse perspectives from various stakeholders, including investors, beneficiaries, and policymakers. This fosters a collaborative approach and ensures that the NP's initiatives are inclusive and representative of the broader community.

The Importance of a Project Coordinator Function



Before embarking on a strategic collaboration with a research partner, it is important for the NP to do some preliminary work defining a set of thematic objectives or priorities and putting a core secretariat team in place, including a project manager who would be a key liaison and coordinator for the project, capable of supporting the NP members and research providers. A lack of key priorities and team resources could delay the project from taking off and running smoothly.

To help NPs tackle these and other questions, the project began with a prioritisation exercise led by OTT to support them in selecting their research topic. The goal of the prioritisation exercise was to ground research projects in NP strategies and the broader challenges and opportunities in the respective local markets ensuring that research projects would be strategically informed and designed.

During the prioritisation exercise, NPs were advised to undertake background research to ensure they would be undertaking research that would be context-specific in support of the ecosystem development. This is done by considering the root cause of a challenge or opportunity, rather than looking at more visible but less important symptoms of a problem. This level of analysis involves engaging in strategic reflection, asking the right questions and gathering data that will yield useful results. NPs may also decide to consult with potential future users or consumers of the research to help them better grasp what type of data is missing and what would be useful to have.

The prioritisation exercise involved the following questions for reflection.

Questions for reflection:

1. What is the challenge we want to address through research?
2. What is the root cause of this challenge?
 - a. Tracing challenges back to these root causes can help to focus research to address deeper and common sources of challenges.
 - b. *Beyond a Research Agenda for Think Tanks and Impact Investing (2021)*, a report published by On Think Tanks and Impacto Consulting provides examples and can guide your NP in an exercise to identify the root causes and challenges you face, which should guide your research project development.
3. What information related to this challenge exists? What data is missing?
4. What will we use this information for? Who else will use the information? In other words, what does success look like in this project?
5. What is your central research question?

Case Study - Ghana NP

In thinking about their research topic, Ghana NP thought about the users of the research (local pension funds) and made sure to consult them during the research design phase, especially to test the project's central research question. Realising that users of the data would hail from the industry led them to approach the Ghana Venture Capital and Private Equity Association to join as a member of the research team.

By devoting some time to answering the above questions, NPs can identify how research can help them define and achieve their goals and priorities.

2) What factors should National Partners consider when selecting a research partner?

How do NPs know what to look for in a research partner when a need arises to commission new research? Finding the right research partner is important and can lead to lasting collaborations and repeat projects in the future.


When asked about how they went about selecting new partners and reflecting on what factors have been most successful, the NPs offered the following suggestions. Each factor is briefly explained and a set of additional questions for reflection are added, providing additional questions to identify and think through when thinking about the purpose of a research study.

(1) **Reputation:** If possible, choose a well-known local partner with a positive and well-regarded reputation; seek to work with the best research centres, according to your research focus, whether it's economic policy, or otherwise. This can add an extra layer of credibility to your research findings, ensuring they lead to the desired outcome.

Questions for reflection:

1. Will working with this research partner boost the credibility of the research?
2. Will it help open doors vis-à-vis the stakeholders you are looking to influence - whether policymakers or private sector actors?

Case Study - Colombia & Nigeria NP

 **Colombia NP** - Fedesarrollo is one of the most respected local think tanks, known regionally for its experience in researching and monitoring the Colombian socio-economic context for over 50 years. The organization is held in high regard by policymakers, and its high-quality studies have assisted several economic and political decision-makers. For that reason, the NP chose Fedesarrollo as a strategic partner who would be instrumental in illustrating the underlying context for impact investment and identifying potential opportunities for joint work with the public sector.

 **Nigeria NP** - NESG stands out as a renowned and esteemed think tank focused on political and economic matters, boasting nearly 30 years of expertise in advocating for policies, participating in public debates, and conducting economic research. The organisation has played a pivotal role in shaping various policies and spearheading numerous economic and political reforms through its facilitation of constructive interactions between the public and private sectors.

(2) **Experience / Expertise:** NPs should feel empowered to work with a research institute that adds complementarity to the topic they are looking to address. For example, a research institute with a proven track record in studying similar industry challenges or a deep understanding of the specific regulatory landscape can bring valuable insights and enhance the overall research outcome.

Questions for reflection:

1. What kind of organisational thematic experience will this research institute be able to contribute to the study?
2. Does the research partner have experience with the intended audience for this research? E.g., policymakers, financial institutions etc.

(3) **Methodological approach:** The research partner should be highly skilled in the research methods needed for the type of study the NP wishes to undertake. These skills are important because they ensure the collection of reliable and valid data, leading to robust findings and informed decision-making.

Questions for reflection:

1. What specific methodological experience does the research partner possess? Are they able to explain in layman's terms the value of their approach to the type of research you are looking to undertake?
2. Does the research partner have experience conducting market studies (if relevant)?
3. Does the research partner have experience carrying out in-depth stakeholder interviews? More specifically, what experience, if any, does the research have related to carrying out stakeholder interviews with vulnerable groups, including women, etc.?

(4) **Values / Culture:** Understand the motivation of the research partner and select a research partner/local think tank that is aligned with your goals and objectives. This helps to signal credibility and quality among new audiences; seek research partners who demonstrate flexibility and a willingness to learn; find a middle ground of ideas between researchers and the NP; and seek to co-create the research methodology as much as possible. When designing new projects, flexibility and an openness to collaboration are critical and will help create the conditions for a sustainable and lasting partnership. This is important because it ensures that the research process is guided by shared values and fosters a collaborative environment, ultimately leading to more impactful research outcomes.

Questions for reflection:

1. How amenable is the research institute to co-designing the research?
2. How flexible and willing would they be to change course based on feedback garnered from feedback loops built into the project design?

(5) **Familiarity with impact investing:** The research partner should be familiar with the key definitions and cases of impact investing. Otherwise, the NP will be required to devote a high amount of time and resources to bringing the research partner up to speed.

However, impact investing is still a new field of research in many countries, especially in emerging markets. Beyond consultancy firms, there may not be many local research organisations. In these cases, NPs can play an even more critical role in sharing access to information and perspectives from local actors from varied domains including policy, regulatory, investment, entrepreneurial, and civil society. In such circumstances, it may be useful for NPs to devote time and effort to putting together a knowledge base or research library to help the research partner build these capacities. With closer collaboration, the NP can benefit from richer and more informed collaborations further down the line.

Questions for reflection:

1. How familiar is the research institute with the field of impact investing?
2. What are some of the foundational resources from the field of impact investing that the researcher should know? Is it possible to build the financial and human resources required for the project to enable a successful transfer of knowledge?
3. What specific knowledge gaps related to the research topic does the potential research partner possess? Can the NP or GSG Impact help in providing access information, contacts, etc.? Will the research partner benefit from having access to a kit of resource materials?
4. Does the NP have the time/ resources in place to prepare the research library? If not, can this be supported through grant support (as relevant)?

(6) **Past experience working with the research partner:**

A research partner with past experience working with the NP helps to make the process of collaboration smoother. They are already familiar with the NP's goals, preferences, and working styles, which can minimise potential risks and reduce the learning curve associated with a new research partnership.

If the NP does decide to work with a new research partner it is a good idea to seek to commission a small


or limited piece of research to a partner to test the relationship between the researcher and NP before a long engagement. This is useful because it allows both parties to assess compatibility, communication styles, and the quality of work before committing to a more extensive collaboration.

However, while NPs expressed appreciation for the benefits of working with partners with whom they have experience, it is worth noting that working with the same partner may cause market builders to miss opportunities to enlarge the field and bring in additional partners and research institutes. NPs are encouraged to assess these tradeoffs before moving forward.

Questions for reflection:

1. If you have already worked with this institution in the past, how would you rate the overall performance of the research partner in past collaborations?
2. How effective was the communication and collaboration with the research partner during past projects?
3. Based on past experiences, do you see the potential for a long-term and sustained partnership with the research partner?
4. Would collaborating with the research partner with whom you've already worked before be more beneficial for the NP than expanding the network through a new partner?

Case Study - Ghana NP

 **The Ghana NP** previously worked with its research team to undertake a broader impact investment market mapping study. In the current project, the partner came in already familiar with the NP's core focus and mission. They brought an understanding of the views the NP was expecting with regard to gathering information that would reflect the ecosystem perspective. "On a practical level, having clear and periodic communication once the research consortium was assembled, helped to bring the two teams even closer together and understand each one's unique value-add."


3) Transferring knowledge

As mentioned above, impact investing is still a new field of research in most emerging markets (OTT, 2021b). Hence, NPs often find themselves dedicating significant time and resources to transferring knowledge by sharing resource materials and aligning the terms to have a shared concept and definition of impact investing.

NP can facilitate the transfer of knowledge related to impact investing by offering access and resources, including access to relevant studies and documents through a shared folder, invitations to relevant webinars and talks, and access to key contacts in the impact investing ecosystem.

The shared knowledge is particularly crucial when NPs and research partners engage with government or private sector stakeholders, especially when these entities represent the primary audience for the research. It ensures that all parties speak a common language and have a shared grasp of the subject matter.


Case Study - Colombia NP


 **The Colombia NP** emphasized collaborating closely with Fedesarrollo to advance one shared concept/ definition of impact investing. The NP represents a business approach to the research topic, and the government has a public policy approach. Both partners engage in the task of adapting the language of the recommendations to fit both the business community and the government. It was helpful to have both the NP and research team at the table for discussions with government officials to break down the jargon and clarify what impact investing is and isn't.

4) The importance of co-designing the research project

Early alignment on research topics and desired outcomes is crucial for a successful research partnership. By establishing a shared vision from the outset, the NP and its local research partner can ensure that their efforts are directed towards a shared goal. This alignment extends to the research dissemination and engagement phases, ensuring that the project's impact is maximized, and its findings reach the target audience.

Case Study - Ghana & Nigeria NP

 **Ghana NP** jointly developed the methodology, outcomes, timelines, and budget with its research partners, increasing the sense of shared ownership of the research. The research partner is committed to using the research to further engage government stakeholders and the private sector about the research findings, which ensures the continuity and sustainability of the project even after the project's completion.

 **Nigeria NP** held a brainstorming session between the NP secretariat, the NP consultant, and NESG in the early stages of the project. The NP emphasised the importance of aligning the research contents and desired outcomes at the early stage, as well as later on, at the dissemination and engagement phase. This ensured that all members were fully aligned to the project goals, from start to finish.

2. Implementation Phase: Building a Sustainable Partnership



1) Having a dedicated individual who leads the project within the National Partner

In terms of project management, a dedicated project owner within the NP is vital for effective coordination,

communication, and knowledge sharing with the research partner, funder, and the GSG Impact. It ensures that collaborative projects run smoothly and that the valuable insights gained are efficiently integrated into the organisation's knowledge base.

2) Including industry experts to accompany the research team, either as an external advisory group, task force or as a member of the research team

The inclusion of industry experts within research teams can significantly enhance the collaboration between research and practice. Their presence ensures that research outcomes align closely with the needs and expectations of the industry, providing valuable real-world perspectives. This collaborative approach not only bridges the gap between theory and practice but also facilitates effective communication, making research findings more relevant and actionable.


Case Study - Ghana Research Industry Collaborative (GRIC) & Multi-sectoral Research Team

 Based on lessons learned from a [previous study](#) about the need to bridge silos between industry and research, **Ghana NP** set up the Ghana Research Industry Collaborative (GRIC) in December 2021. With a total of 25 members including the Ghana NP's research team³, the GRIC conducts virtual meetings looking at research trends, industry and policy standards, and opportunities to foster stronger research-industry collaboration. It serves as a key resource for all of Ghana's continuing research needs in impact investing.

³ The GRIC members in the academia include the University of Cape Coast (UCC), University of Ghana Business School (UGBS), KNUST Business School, Ashesi University, University of Professional Studies, UG Noguchi Medical Research Centre, University of Professional Studies (UPSA) and the Ghana Academy of Arts & Sciences. The members from the private sectors include the Ghana Securities Industry Association, GVCA, Private Enterprise Federation, as well as business entrepreneurs. Applied research institutions such as the Council of Scientific and Industrial Research (CSIR) are also represented.

Aligned with this idea, the NP opted to assemble a research team comprised of researchers from think tanks familiar with the NP and knowledgeable about the local impact investment ecosystem, as well as representatives from the PE/VC industry, which is the target audience of the research findings. Forming a research team comprised of researchers and industry practitioners has become a new model that Ghana NP will continue to pursue going forward.

Case Study - Colombia NP's Task Force for Impact Investing

 **Colombia NP** created a task force recognising the difficulty in its new working relationship with the research entity. At the start, it was challenging for the NP, an impact investment practitioner-based organisation, to manage a project with a think tank grounded in applied research methods.

In order to balance the rigour of the research with the practical nature of impact investing, the NP established a research task force to facilitate the transfer of knowledge on impact investing topics and ensure more effective communication with Fedesarrollo through periodic meetings.


Comprising 20 members, with over 50% representing the NP, alongside participants from UNDP, BCorp, and a representative from the new government, the task force was conceived as a means to engage NP members directly in the project.

3) Setting up clear and regular communication channels between parties


Establishing and maintaining consistent communication channels is critical for a successful collaboration. It involves having regular check-ins with knowledge partners and feedback loops to get everyone on the same page on overarching objectives and keep each other updated on the progress.

This commitment to transparent communication should be a part of every phase of the research partnership. Open and continuous communications will help address issues more effectively and foster personal connections between partners.

Case Study - Colombia & Nigeria NP

 The **Colombia NP** has continued working jointly with its research partner, Fedesarrollo. This joint work included both the execution of interviews and meetings with different stakeholders and an ongoing conversation about the findings. Participating in the interviews allowed Fedesarrollo to follow evolutions in the proposed research topic. Fedesarrollo mentioned that the project benefitted from ongoing feedback loops with the NP in several instances:

(1) during the collection of information on impact investment; (2) with regards to an understanding of the market actors and their needs; (3) access to impact investment practitioners; and (4) in conversations with the government to explain and frame the impact investment approach.

 Constant communication and openness were key in building trust between **Nigeria NP** and NESG. Initially, the duration of feedback to the research team was a cause for concern, which led to an agreement for a 10 working-day response time. A monthly meeting was set up to track progress and share insights, learnings, challenges etc. These meetings were also helpful in addressing potential challenges and giving timely feedback. The NESG team actively engaged in these meetings, consistently involving the appropriate individuals at each gathering.


3. Late Implementation Phase: Validating and Disseminating Research Findings




1) Peer review and validation of preliminary findings

To ensure the rigour and reliability of research outcomes, the NP can choose experts in the field who can objectively assess the research findings from academic institutions or industry stakeholders. The research team can incorporate the feedback and revise the preliminary findings accordingly, making necessary adjustments to improve the quality and accuracy of the research.

proved valuable in getting input and comments from different stakeholders with varying ideas.

 **Colombia NP's** Task Force comprised of 20 industry stakeholders is responsible for validating the research process and in doing so, maintaining a balance between the rigour of the research process and the reality or practical constraints of the ecosystem and the impact market. The policy recommendations produced by Fedesarrollo have been reviewed by the NP's research task force.

Case Study - Ghana & Colombia NP

 **Ghana NP** held a validation workshop with GRIC, the Ghana Venture Capital and Private Equity Association, and key stakeholders from the financial services industry to share research findings and get input into the key recommendations featured in the report. This

2) Knowledge translation: From research findings to actionable recommendations for industry

Addressing the knowledge gap between research and practice is a significant barrier to the growth of the impact investing sector. To bridge this gap, knowledge translation (KT), translating knowledge to recommendations, plays a vital role by leveraging evidence to inform decisions. Moreover, KT fosters collaboration among research, industry, and civil society, uniting diverse stakeholders to identify issues and develop solutions that enhance the entire ecosystem.

Case Study - Ghana NP

When **Ghana NP** selected their research partner, they assembled a multi-sector research team bringing together empirical research capabilities and industry experience and perspectives; so that they would be able to strike the right balance of data and actionable insights and make practical recommendations.

Hence, the Ghana Venture Capital and Private Equity Association, one of its research partners, led the KT process by hosting focused workshops and individual consultations. This approach enabled the data to be translated into actionable insights for industry players: existing and potential General Partners (GPs), Limited Partners (LPs), and other relevant stakeholders.

Knowledge dissemination is a bridge that connects research with the broader community, influencing policies, practices, and public awareness, through various channels such as publications, digital platforms, workshops, and public debate. In this project, the local research partners employed their own local channels and networks to disseminate research findings to various audiences and readily translate them into local languages.

Case Study - Nigeria NP

Nigeria NP selected NESG as a research collaborator to leverage their communication proficiency and extensive experience in public engagement. NESG organized a stakeholder validation workshop to assess recommendations, emphasizing gender and sustainability in key sectors. Utilising their online radio and podcast platform, NESG disseminated and deliberated on the findings. The project garnered attention at the 6th IIF Annual Convening on Impact Investing, with NESG actively contributing to the planning and participation in a panel session.

3) Knowledge dissemination: Introducing findings and recommendations to a wider audience

4. Post-Implementation Phase: Future Research Strategy

Collaboration with local research institutes has influenced the future research strategy of the NPs involved in this project, steering them toward more extensive and lasting partnerships with local think tanks and research institutions.

Ghana NP is focused on several research initiatives to enhance the Ghanaian impact investment landscape including:

- **Enterprise Support Organisation (ESO) market mapping and benchmarking research** to address the lack of critical data on the ESO sector, particularly gaps and costs;
- **Market sizing research** to estimate the size of the impact investing market in Ghana, particularly in climate and gender-related investments; and
- **Pension investments into alternative assets** to unlock pension assets for economic growth and impact.

Colombia NP is planning to create an updated version of its market sizing report, expanding the scope to include more investors and observe how the impact investment market in Colombia has evolved. They also intend to conduct an impact measurement study to showcase the impact generated by impact investments over the years.

Nigeria NP aims to use its demand-side mapping to inform the investment strategy of a new impact wholesaler. It also seeks to use the information presented in the study to bridge policy gaps in health, education, and agriculture in Nigeria. This initiative will involve the collaboration of three local partners to mainstream impact investing in these sectors. And setting up the Nigeria Impact Investing Research and Industry Collaborative (NIIRIC) to strengthen evidence-based research, data collection and knowledge products for the impact investing market.

While NPs may decide to work with different partners, they will be guided by the learnings and experiences acquired during this project.

Part 3: Lessons Learned & Reflections on Success

1. 10 Lessons Learned

NPs that participated in this project represent various degrees of market and organizational development; some had already done strategic work to identify the objectives and use cases of needed research. Others took part in a specially-planned prioritization exercise enabling them to reflect on their needs and objectives the first time. Regardless of NP's age and stage, the above guidelines support NP's strategic development and the use of research to support it.

Here, we suggest 10 key learnings connected to the preceding chapters - Part 1. National Partner-Local Researcher Partnerships: Value Proposition and Part 2. Putting Research Collaborations into Action's planning & implementation phases.

The Value Proposition of National Partner-Local Researcher Partnerships:

01 Commissioning research is a great way to gather and represent the varied voices of many stakeholders. Engaging with multiple research centres, and even consolidating research initiatives through the establishment of NP-hosted research collaboratives, will foster more comprehensive conversations on impact investing among stakeholders.

02 As a tool, research increases the likelihood that the government will engage with the NP and seriously take heed of its policy recommendations.

03 It is useful to map what exists in policy first before issuing a new set of recommendations to the government stakeholders, where engagement with policymakers during research is helpful.

Planning Phase

- Initiating the Research Collaboration:

04 Conduct a prioritisation exercise before choosing a research project and partner to ensure the time and energy spent on research are optimal. Know your 'why', the central research question and what you want from your research.

05 It is useful to test and adapt messaging to see how it is perceived by government and private actors. In Colombia, for example, there is a perception that financial returns in impact investing involve the privatisation of social and environmental investments. This can be corrected using the right messaging and evidence.

06 There is a need to build a project team so that research is high-quality in methodology and well-articulated for the impact investing and policy audiences they are targeting.

07 The importance of imbuing academic research with a practical component requires a delicate balance and integration of both aspects and other stakeholders from the industry.

Implementation Phase

- Building a Sustainable Partnership:

08 Be prepared to address the lack of awareness about impact investing among non-actors, including the research partners, which can result in initial resistance to accepting impact investing as a valid investment strategy. This barrier can be overcome by sharing impact investment knowledge/resources and attending the webinar.

09 Create feedback loops between NP and the research team throughout the length of the project– e.g., having the end user be part of the research team, and other relevant actors; and holding workshops with the broader ecosystem to present early findings for feedback.

10 The collaboration does not imply an exclusive partnership with a single local research partner but rather a structured and forward-looking relationship with local research networks. The collaboration experience can equip NP with the skills to navigate and optimise future partnerships more efficiently.

2. What Does Success Look Like?

During their learning journey, NPs were been asked to reflect on their definition of success. This question is revisited at each learning session and continues to reveal new learnings about how NPs understand success.

Success is:

Building the evidence base and contributing to market development (e.g. policy or regulatory change, investor engagement, the creation of new financial vehicles, etc.) by:

- Informing policymakers with clear research findings and recommendations
- Strengthening advocacy with stakeholders through performance data
- Using the research to influence timely policy-related discussions - e.g., limited partnership legislation in Ghana; and pension fund regulations in Nigeria
- Introducing new policies and laws that shape and enable the growth of the impact investment market
- Building capacity among local researchers:

A more structured collaboration with local think tanks in national contexts, for example, through the establishment of NP-hosted research collaboratives

- Empowering local researchers to become a valued source of research and evidence on the impact investing sector, and integrating impact investing into their local think tank/research institute's research agenda and lexicon
- Collaboration leads to learnings that can be shared with other researchers

Increased market activity/adoption:

- More capital is deployed to the ecosystem
- Impact investing becomes better understood by new audiences (public and traditional investors)

Strengthening NP's credibility and good standing:

- Improve NPs' credibility with government, investors, civil society organisations (CSOs), and policy actors

Enhancing data availability:

- Establish robust systems for continuous tracking and monitoring of long-term research outcomes

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