



Shifting Impact Investing Perspectives: A Skoll World Forum Report

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Introduction

Can a systems-change lens shift what we invest in and how we measure? To try and answer that question, Rockefeller Philanthropy Advisors (RPA) presented two events at the 2024 Skoll World Forum in Oxford, England, to spotlight the emergent field of impact investing through a systems lens and explore emerging practices, questions, and tensions. The first event, on April 9, was a closed session for those who are already thinking about or applying a systems lens to impact investing and impact measurement and management (IMM). This session featured remarks by Latanya Mapp, RPA President and CEO; Alejandro Alvarez von Gustedt, RPA vice president, Europe; and Karim Harji, program director, impact measurement at the Saïd Business School in Oxford.

The second of these presentations was an open session at the Marmalade festival on the margins of the Skoll World Forum for those who are interested in learning more about this growing area from real-world examples of initiatives that are already applying systems change to their work. In addition to remarks by Mapp, Alvarez von Gustedt, and Harji, the latter session also featured RPA vice president Heather Grady; Emilie Gooddall of Fidelity International; and Dominic Hofstetter, executive director of the TransCap Initiative.

The Shifting Systems Initiative

Both presentations at this year's Skoll World Forum were a continuation of RPA's Shifting System Initiative, which the organization launched in 2016. Since its founding eight years ago, the initiative has encouraged funders to place longer-term, more adaptive resources with grantee partners to scale their solutions and impact and enable sustained, positive systems change. Over time, its steering group has included the Skoll Foundation, Ford Foundation, Porticus, Chandler Foundation, Draper Richards Kaplan Foundation, and Jasmine Social Investments.

The Shifting Systems Initiative's mission has remained consistent over its lifetime: to examine when, how, and why certain solutions achieve system-level shifts, and to share the lessons and recommendations from those successes.

As it grows and enters phase five of its development, the Shifting Systems Initiative seeks to shift philanthropic and impact investing mindsets and practice in support of transformational systems change. Additionally, the initiative seeks to catalyze a paradigm shift in how people conceive of systems change for impact investing by moving away from an exclusively deal-by-deal framework and toward a systems view of investments, such as interconnected investment portfolios working through multiple levers to catalyze systems change).



Skoll World Forum events

There's growing interest in using a systems-change approach in impact investments while also exploring new approaches to measuring social impact that go beyond typical output metrics. In RPA's dual presentations at the 2024 Skoll World Forum, it aimed to dive deeper into these trends and how they intersect.

During the first event, Mapp provided opening remarks and framed the forthcoming discussion, noting how critical it is for funders, investors, and partners to work "upstream" to tackle society's systemic ailments. Alvarez von Gustedt continued the framing and sought to showcase RPA as an international leader in convening critical stakeholders in this field. Other speakers spoke about the interconnectivity of the components needed to scale this level of systems change, particularly regarding impact investing.

While geared toward different audiences in different stages of their impact investing journey, both events focused on IMM through a systems lens, exploring different dimensions, values, and challenges of impact investing. Generally, impact investing dispels the binary notion that an organization can either solve a social problem or create sound financial returns for its investors but not both. Impact investing, rather, suggests philanthropy can and should do both. All investments have impact—both positive and negative. Impact investments are made with the intention to generate positive, measurable social, and environmental impact alongside a financial return.

IMM attempts to identify the effects (both positive and negative) investments have on people and the planet and devises solutions to mitigate the negative and amplify the positive in alignment with said investor's goals. As several of the speakers noted, it's important to use multiple tools to evaluate one issue because there are many types of measurement and impact measurement has become more complex. With that complexity, there is also a building tension between more standardized approaches to measurement and ventures, and demand for more customized measurements that fit the needs of the communities the sector seeks to serve.

Organizations and individuals should adopt this dual approach because it results in positive returns for both the investor and the planet as a whole, rather than one at the expense of the other. As one of the speakers said, capacity for impact investments is crucial to scaling solutions. One of the ways to do this is through using an organization's endowment for impact investing as an agent of change. This speaker estimated 95% of an endowment can be used for transformational change. However, with these investments, it's essential to create vibrant feedback loops from their portfolios to learn and inform where the capital flows for greatest impact return on investment. This allows for continued scaling and, thus, continued impact.

As this field continues to grow from a niche concept to a mainstream strategy, the speakers noted that, of course, some challenges and tensions have emerged. Mainly, is this strategy



transformational enough, fast enough? Is the concept too abstract for some? Most importantly, if changes do, indeed, occur at the systems level, how will we know and will we have developed measurement systems that can quantify them? Additionally, systems change work is often harder to measure because it takes a long time to see meaningful results. Funding these large-scale systems change interventions and evaluative activities require a transformative mode of thinking not only around timeframes but also about accountability mechanisms and effective measurement capabilities.

As we explore future areas of impact investing and where actors have the biggest potential for transformative change, we should evaluate what we invest in, our impact goals and ambitions, the type of capital deployed, how risk is assessed and how investors and investees interact with one another. Moreover, speakers said, we must adapt our relationship to measurement, including our expectations on returns and time horizons, what we're actually measuring and who decides that all-important criteria, and the accountability for change(s) among other factors.

Key takeaways and call to action

To effectively create change, foundations need the right ambition, the right intent, and the right vehicles. There is an imperative for using a systems lens in this work because there's an enormous opportunity cost of failure. Impact investing is a novel yet growing area of philanthropic practice that has increasing promise in fulfilling this ambition, intent, and appropriate vehicle. Additionally, embracing this tactic allows for a win-win outcome: increased financial returns for the investor and creating solutions for a troubled planet. While there are still many questions in this budding field, including around how to measure the effects, which accountability measures are appropriate, and, generally, is this tactic working fast enough to achieve transformational change in the time we need it to? These questions can help guide us to immediate calls to action to continue this journey. These calls to action include:

- Funders must share stories about what makes it possible for them to commit to transformational systems change.
- We must further develop the language of systems change and concepts that resonate across borders.
- We must transition funders from merely an *awareness* of systems change to *action*.
- Funders must begin enacting equity-centered systems change practices and mindsets. Speak with the impacted communities and what works for them. The transfer of power is essential.
- Philanthropy must direct more funding toward processes and outcomes that cultivate the conditions for shifting systems (e.g., movement building, narrative change).
- For immediate, large impact, funders should consider investing early in locally rooted social enterprises.



Conclusion

In the ocean of global capital, philanthropy is but a drop. But the way the sector deploys its resources can have an outsized impact.

As we look to the future of systems change, we must embrace impact investing as a key component of this journey. As Latanya Mapp mentioned in her opening remarks, we cannot hope to achieve the United Nations' Sustainable Development Goals without using this crucial tool as part of our arsenal of change.

We invite you to contribute to this journey, watch this space for updates and remain engaged. For more information on impact investing and the Shifting Systems Initiative, we've included below several helpful resources RPA has previously created.

[Impact Investing Handbook: An Implementation Guide for Practitioners](#)

[Reimagined Philanthropy, Volume II](#)

[Shifting Systems Initiative homepage](#)