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PRACTICE PAPER

How think tanks can help build the impact investing ecosystem

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FEBRUARY 2024

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About this paper

This practice paper is inspired by the learnings of a two-year project carried out in partnership with the Global Steering Group for Impact Investment (GSG), a global action tank dedicated to accelerating the impact investment market globally.

The paper shares reflections and lessons from a collaborative venture between four GSG-affiliated National Advisory Boards (NABs) and local think tank partners within their respective country contexts. It explores these insights specifically from the perspective of the think tank partner, to complement publications from GSG that focus on the project's lessons for NABs and other industry actors.

We hope this paper will be of interest to the think tank and research community and raise awareness about the emerging opportunities presented by the impact investing sector for engagement and research.

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OTT is a global consultancy and platform for change. We support and strengthen the work of research organisations, foundations, governments and others in support of better-informed decision making.

Our consultancy work focuses on developing tailored solutions to specific challenges. Through services spanning research, learning facilitation, strategy and evaluation, we partner with organisations to drive evidence-informed change.

On Think Tanks is a leading global source of information, support and community for people working in, with and funding think tanks. We create a space to connect, learn and exchange knowledge, ideas and resources.

Recommended citation:

Gillespie, S., LaFrance, J., and Andersen, K. (2024). *How think tanks can help build the impact investing ecosystem*. OTT.

Available at www.onthinktanks.org

Acknowledgements

Sophie Gillespie would like to thank Julie LaFrance, for her expert knowledge and guidance throughout the entire process, from brief to final edits; Kirsten Andersen, for providing comprehensive background information, as well as valuable insights on early drafts; Gila Norich and Kyungmin Park from GSG, for their helpful comments and feedback on a draft of this paper; Louise Ball from OTT, for her input, feedback, and general support; and Paul Gillespie, for his excellent typesetting.

The OTT project team would like to thank Kirsten Andersen, co-learning lead, for all her enthusiasm and insights on this learning journey; Gila and Kyungmin from GSG, for their active engagement throughout the project; and all the think tanks and NABs who invested so much energy into these collaborations and into sharing their reflections and lessons. We are also grateful to Sophie Gillespie, for her ability to take many lessons and write them in a concise and accessible way for the global think tank community, and to Louise Ball for communications insight and support. And finally, a sincere thanks to Carolina Robino from IDRC, for supporting this project to raise the voice of local researchers from the Global South - and believing in the value they bring to the impact investing field.

1. Introduction

This practice paper is inspired by the learnings of a two-year project carried out in partnership with the Global Steering Group for Impact Investment (GSG), a global action tank dedicated to accelerating the impact investment market globally. The project focuses on four GSG-affiliated National Advisory Boards (NABs) that have formed partnerships with local think tanks. Together, these NAB-think tank partnerships are working to generate a context-specific evidence base, designed to grow the impact investing ecosystem in their respective countries.

Funded by IDRC and Global Affairs Canada (GAC), the project also involves OTT and the consultancy firm IMPACTO in a learning partner capacity. OTT and IMPACTO's roles centre on the project's meta-learning dimension, which explores the value and success of these NABs-think tank partnerships. This allows the NABs and their research partners to explore and build their partnerships in real time, in parallel to their research project.

Drawing on learnings from the project, the GSG has developed a guidance note collating the project's meta-learning output on good practice for NAB-think tank collaborations. The guidance note documents a number of learnings, insights, and reflections for NABs on the processes of selecting a local research partner, building capacity and trust, identifying a research agenda, and implementing a sustainable NAB-think tank collaboration.

In this practice paper, we explore these insights and lessons from the perspective of a think tank partner. We consider what has been learned about NAB-think tank collaborations on two levels:

- 1) The level of the individual, discrete research project, commissioned by a NAB to answer a specific research question and carried out collaboratively with the researchers; and
- 2) The level of a broader, more strategic alliance that goes beyond the individual research project and encompasses additional local actors. The think tank partner leverages its strong local networks and convening powers to contribute to ongoing advocacy and knowledge translation efforts; this alliance helps NABs to establish credibility and thereby advances the ultimate aim to foster the growth of impact investing in their local country context.

We hope this paper will be of interest to the think tank and research community and bring awareness to organisations about the emerging opportunities presented by the impact investing sector for engagement and research.

1.1 Background

The GSG's affiliated network of National Advisory Boards (NABs) 'brings together experts in the fields of investment, public policy and social and environmental innovation ... to promote and facilitate the development of impact investment in the countries in which they operate'.

Yet the task of introducing and championing policy initiatives and systemic financial or social changes in their respective countries is not straightforward for NABs. Research carried out by OTT suggests that the impact investing industry faces challenges such as 'lack of government support, adequate policy and/or regulation'; a disconnect between impact investing priorities and 'actual country needs and priorities'; and 'limited knowledge and data about [the full range of] potentially attractive sectors [to invest in]'.

One practical way forward, which could help overcome some of these challenges, is for NABs to focus on incorporating a sound evidence base - both credible and context-specific - into their plans to grow and promote the sector. This is where local research partners, like think tanks, could play a role and add value.

OTT first explored the potential opportunities for think tanks in the impact investing sector in its 2021 concept note, followed by a proposed agenda for think tanks to contribute to the impact investing ecosystem specifically within emerging markets. This research led OTT, in partnership with IMPACTO, to propose a set of learning-driven pilot projects supporting think tanks in Africa and Latin America to collaborate with their respective local impact investing sectors.

This initiative ultimately became the IDRC-funded project that inspired this paper. The project seeks to address the challenges facing NABs by establishing partnerships between four specific NABs and research organisations that are, crucially, local to their respective country contexts.

The three NABs involved in the project who have already formed such partnerships (the fourth NAB taking part was still in the inception phase at the time of writing) each had their own needs and objectives in terms of what they wanted to work on and to achieve with their research partner, based on the circumstances and requirements within their individual country contexts¹. However, at a macro level, the NABs' purpose for engaging in research is to generate an evidence base that will bolster their campaigns to influence the decision-making and shift the behaviour of investors and/or policymakers.

Yet, the benefits of the NAB-think tank collaborations studied for this project went beyond the simple production of research output. The think tank partners were able to fulfil a number of roles for which NABs lacked existing capacity, and in doing so generated significant value for the impact investing sector in their countries. The next section explores

¹ The NABs involved in the project are Colombia, Nigeria, Ghana, and Peru. The first three are at various stages of collaboration with local research partners; the Peruvian NAB was still inception phase at the time of writing.

these contributions in more detail – as well as elucidating the benefits and opportunities for think tanks themselves. This combination of benefits and value-add makes a compelling case for think tank involvement in the impact investment research ecosystem.

The paper then proceeds to discuss practical insights into the process of building a partnership with a local NAB, giving examples of best practice for ensuring an impactful collaboration at project level and for the foundations of a broader, more strategic alliance. This is followed by two sections that present lessons synthesised from the learnings of the GSG project and viewed from a think tank perspective. The first set of lessons relate to the level of the individual research project and the second focus on think tanks' role as a longer-term ally. The final section briefly concludes the paper.

2. Think tanks and impact investing: Value and benefits

2.1. The value of think tanks to NABs and other market building organisations

Although the specific contributions of the think tanks featured in the GSG project are very much context-dependent, they can be distilled down to three broadly representative roles that think tanks are able to fulfil in the course of a partnership with their local NAB: technical capacity; knowledge translation and dissemination; and credibility/legitimacy and market building.

These contributions go far beyond the delivery of a single research paper, however essential the research question and however important the findings. Evidence from the IDRC-funded pilot projects demonstrates that the NAB-think tank partnerships have the potential to evolve beyond the initial research engagement and become a more strategic alliance for broader agenda-setting to inform and grow the impact investing ecosystem.

The following examination of the potential contributions of think tanks to an NAB partnership therefore hold a lens to each of these dimensions, discussing the roles that think tanks can fulfil within both a straightforward research relationship and as a longer-term ally.

i. Technical capacity

NABs comprise representatives from multiple different ecosystem pillars: supply, demand, intermediation, policy, and more. Some NABs also have representatives from the research sector. However, not all NABs have their own researchers – and this is therefore an area where think tanks can automatically add value – applying their technical capacity for rigorous research to help generate an evidence base that serves the context-specific needs of the NAB and supports the overall objective of advancing the local impact investment sector.

For example, the [Ghanaian NAB in the GSG project](#) wanted to research and develop a methodology for generating accurate performance data on impact investments and to conduct research into why investment has historically been constrained in the local context. Although the NAB themselves lacked the necessary methodological competencies to carry out credible research, the technical assistance of their local research partner, Emperiks, was able to address this gap.

At a broader level, think tank researchers can also build on their existing data and analysis to provide a foundation for the NAB's most pressing research needs and beyond. Policy briefs and papers are particularly important technical outputs for the wider advocacy imperative, allowing think tanks to target policymakers and frame an issue in the context of a local policy problem, alongside a proposed solution.

ii. Knowledge translation and dissemination

Another crucial burden faced by the impact investing sector is the task of bridging the gap between research and practice. Think tanks can support this process by mobilising their local networks and knowledge and creating engagement and convening opportunities that facilitate effective knowledge translation and dissemination.

An essential foundation for the impactful communication of evidence is to identify and target the right audience from the outset. For NABs, the audience may be either public-sector policymakers or private-sector stakeholders, and when it comes to reaching and influencing these audiences, different targets call for different strategies. Think tanks excel at developing targeted communication strategies – particularly when working within their own political context – and can add value to NABs by working with them to help identify profile their audience. Furthermore, think tanks’ ability to produce context-specific messaging and guide the NAB in aligning recommendations with local priorities, ensures that their dissemination strategy will be both targeted and tailored.

Like their counterparts in Ghana, the [Nigerian NAB](#) featured in this project had aims to generate data that would bolster its messaging – in particular, they intended to issue a set of evidence-informed recommendations to investors and policymakers. But they had an additional interest and particular concern in making sure that any academic knowledge they generated could be translated into real-world change – that is, that their research insights would directly contribute to the actioning of their recommendations and to increased commitments from policymakers and investment actors. This is a challenge that their local think tank partner, the Nigerian Economic Summit Group (NESG), was well placed to address, thanks to their strong competencies in knowledge dissemination, tried-and-tested communication strategies, and well-established network of key policy actors who trusted their understanding of the local context.

Knowledge translation and dissemination is an extremely important area in which think tanks can contribute to NABs’ broader strategies as a key ally. For instance, the NESG is also supporting its NAB partner by hosting a public debate on the research findings at the 2023 NESG Summit. Similarly, in the [Colombian](#) pilot project, the think tank Fedesarrollo participated in the academic agenda of an Impact Investment Summit hosted by its NAB partner in November 2023. This is an invaluable opportunity to foster a face-to-face conversation with the public sector and aptly demonstrates how think tanks can contribute towards knowledge translation on a broader level.

iii. Credibility/legitimacy and market building

Building the market for impact investing within their local ecosystem is a key objective for the NABs, and central to achieving this are the twin aims of awareness raising and stakeholder engagement. To succeed in this domain, market builders often seek to establish themselves to their audience as an expert authority – the right people to listen to, to trust, to engage with. This can be a challenge in an unfamiliar landscape.

Local think tanks are able to help by lending credibility and legitimacy to the NABs with whom they partner. They can do this in two main ways. Firstly, the very existence of the evidence base that the think tank's researchers produce for the NAB lends significant weight and legitimacy to their policy recommendations, which can then accurately be referred to as 'evidence-led'. This increases the likelihood that policymakers will engage and take the recommendations seriously, even if the subject matter is unfamiliar to them.

Secondly, the think tank's own reputation as an established and trusted local expert confers status on the NAB partner; the think tank's credibility transferring to the NAB by virtue of their public association. This helps legitimise the NAB's messaging in the eyes of its local audience. It can also help at a broader level, to boost the profile of the entire project within the right circles and bring awareness of impact investing to the think tank's existing audiences.²

As well as using data to inform its policy recommendations, the Nigerian NAB mentioned above also hoped to bolster its standing and reputation among both private- and public-sector stakeholders. It was able to achieve this on two fronts, with the data generated by the NAB-think tank partnership's research supporting the credibility of its recommendations, *and* the involvement of the trusted local partner signalling an implied endorsement of the NAB's integrity and competency. This is a solid example of how the partnership between the NAB and a local think tank transcended the usefulness of its technical research findings and served as a broader strategic alliance that includes other actors within the local context.

The Colombian NAB had a slightly different agenda in mind for its partnership with a local think tank, Fedesarrollo. They were interested in mapping the existing policy landscape and identifying gaps where training, technical capacity-building, or awareness raising are required. Yet from the outset they were not solely focussed on the technical requirements of a research partner to carry out this work; rather, they were aware of the need to find a strategic ally – an organisation with prestige, which could open doors for them to access government actors.

Fedesarrollo was amply able to fulfil this requirement, being extremely familiar and well-connected with the relevant sector and the political landscape in Colombia, and proved its worth as a broader strategic ally by providing its NAB partner with access to multiple new and important audiences. In particular, Fedesarrollo found that its presence during key stakeholder meetings was important in bringing credibility to the partnership, thanks to its expertise and positive local reputation.

² In a sensemaking and learning session in September 2023, a representative of the Colombian NAB commented that although research organisations are well known for their expertise, it was Fedesarrollo's network and credibility that were of the most importance to the alliance.

2.2. Benefits and opportunities for think tanks

The value that think tanks can bring to NABs are vast – but the collaborations are certainly not without benefits for think tanks themselves. And, although think tanks will undoubtedly find value in the research projects they undertake in collaboration with their local NAB, it is at the level of the broader strategic alliance that the most significant benefits for think tanks can be found.

For example, partnering with their local NAB positions the impact investing sector as a new audience that can be leveraged across the think tank's wider agenda. In addition, collaborating with the impact investment sector provides think tanks with a valuable opportunity to contribute to positive change in their own local context – from influencing policy decisions, to driving increased market activity, to advancing systemic social change.

Think tanks may also go on to find other fruitful avenues for their own research agenda that emerge from their work with their local NAB. For example, although impact investing as a topic was completely new to both the NESG and Fedesarrollo, since their involvement with their respective NABs they have both found new opportunities to pursue within the sector: the NESG is meeting with the Nigerian Minister of Economic Planning to discuss possible impact investing initiatives, while Fedesarrollo is now engaged with the Colombian Social Impact Bonds programme, investigating the role of private investors in pay-for-performance models.

Indeed, the fact that these think tanks are able to explore such possibilities in impact investing demonstrates a further benefit of partnering with NABs: the access it provides to capacity-building opportunities for think tanks to learn about the impact-investing sector. This is invaluable for strengthening the think tank's own credibility and reputation for competency and is especially propitious for the training of the next generation of researchers. Crucially, the NABs who took part in the pilot projects recognise the importance of educating their research partners on the practices and standards applied by various stakeholders in the field. They understand that building think tanks' capacity to interact successfully among impact investing practitioners – in order to conduct interviews, for example – is a long-term investment in a strategic alliance that will generate abiding returns.

Finally, for the Global South, local collaborations of this type contribute to the aim of 'decolonisation', not only of impact investing practices but also within research methodologies. Southern researchers are often better placed than foreign consulting firms to identify and influence sustainable opportunities for the impact investment sector in their own countries; in addition, by being open and available to collaborating with their local NAB, think tanks in the South can contribute to a bigger picture in which Southern voices are more directly represented within the global research landscape.

3. Building and maintaining a collaboration with a local NAB

This section discusses practical insights into the process of building a partnership with a local NAB and examples of best practice to ensure an impactful and sustainable collaboration.

3.1. The right think tank for the job?

In their guidance note for NAB–think tank collaborations, the GSG provides helpful information for NABs to guide their selection of a suitable local research partner – taking into account that in some places there may be a multitude of organisations for the NAB to choose from.

For think tanks seeking to tap into the impact investing ecosystem, it is hard to think of a better way than to look into approaching their local GSG NAB (see [here](#) for a list of countries with an active NAB).

The NAB will almost certainly conduct their own due diligence to assess the organisation as a potential partner; however, before a think tank even approaches an NAB with a partnership proposal, there are some basic questions that they should ask themselves about their suitability for this type of collaboration.³

Important questions to ask are:

- Does your organisation have thematic and methodological experience that is relevant to the proposed partnership? Expertise in market studies is very helpful, as is experience carrying out in-depth stakeholder interviews.
- Does your organisation have a strong communication function and a familiarity with market-building and knowledge-translation strategies?
- Does your organisation have a credible presence within your local policy landscape and are you willing and able to leverage your network to advance the aims of the NAB?
- Do your organisation’s values, mission, vision, and objectives align with or complement those of the NAB?
- Is your organisation sufficiently flexible to work in the middle ground between your own suggestions and what the NAB thinks will work/complement their existing resources?
- Is your organisation willing to co-design the research methodology, including the communication/dissemination strategy?

³ These questions have been adapted from advice designed to help NABs select a think tank partner, presented in GSG’s guidance note for NAB–think tank collaboration. They are therefore broadly aligned with what NABs might be looking for in a think tank partner.

- Is your organisation broadly familiar with the key definitions and use cases of impact investing? If not, the NAB will be required to devote a large amount of time and resources to bringing your team up to speed.
- Does your organisation have any familiarity with the local impact investing ecosystem, including its actors, stakeholders, and the policy landscape?

Before embarking on a long-term engagement with an NAB, think tanks should consider working with them on a smaller, more limited research project. This can be used to test the relationship for technical suitability and general compatibility/rapport.

3.2. Implementing a successful collaboration

Once the NAB and research partner have agreed upon a partnership, how do they ensure that it is collaborative and successful? This section explores some practical insights into how think tanks can get the best out of a collaboration with their local NAB, to ensure a long-lasting, mutually beneficial relationship that brings value to both partners and positive change to their shared local context.⁴

While the insights shared in this section are primarily of relevance at the level of the research project, getting these things right will create a solid foundation for a longer-term partnership and the right environment for the initial research venture to evolve into a broader strategic alliance.

1) Before the partnership begins - familiarisation and orientation

The think tank can set the partnership up for success by setting aside some time and resources to familiarise themselves with the NAB and the parameters of the partnership before the first official project meeting.

At a minimum, researchers should acquaint themselves with the NAB's core focus and mission. However, think tanks will also benefit from taking some time to orientate themselves within the partnership, by considering the following key questions:

- What is the level of experience and maturity of the NAB - when was it set up? Is it in a planning/inception phase, or fully operational? Who is on the board and what are their backgrounds?
- Does the NAB appear to have a clear purpose in collaborating with the think tank? Is it clear [to the think tank research team] what the NAB seeks to achieve? If not, can we help them to clarify their purpose and reach an objective?
- Is the NAB clear on its priorities or do these need to be identified with the help of the think tank partner?

⁴ The insights in this section have been adapted from advice designed to help NABs build trust with their research partner, presented in GSG's guidance note for NAB-think tank collaboration.

- Does the NAB already have a clear strategy that the think tank's research will help to implement, or is the research going to help inform a strategy that has not yet been defined?

The insights that the research team gain from this exercise should then inform a preliminary orientation/scoping session with the NAB partner, the end goal of which is joint agreement on the parameters of the collaboration, including its purpose and objectives, priorities, and roles and responsibilities. This is also a good opportunity to map any key knowledge/capacity gaps, which should then feed into a knowledge transfer session, described in the next step.

2) Dedicate time/resources to knowledge transfer and alignment on key terms/definitions

A NAB–think tank partnership is made up, on one side, of impact investment industry practitioners, and on the other of academics grounded in applied research methods. A successful partnership will balance the rigour of the research process with the practical realities of the impact investing market.

The think tank will bring a wealth of research and communication skills to the partnership. However, most think tanks will have gaps in their knowledge about impact investing and its ecosystem. The research team and the NAB should work together to facilitate the smooth transfer of knowledge on impact investing topics, starting with mapping the think tank's existing knowledge and identifying gaps as part of the preliminary orientation session described in the previous step.

Just as important as balancing knowledge of the impact investing ecosystem is to ensure alignment between the two partners on key terms and definitions. This can take place alongside the knowledge transfer activities, but time must be taken to clearly document agreed definitions, terminology and taxonomy as and when they arise. These reference documents must then be stored where they can easily be accessed by either partner at any time.

NAB–think tank partnerships can maximise the benefits of knowledge sharing by taking this one step further and creating a shared resource library. This can be as simple as a shared folder in a dropbox or other online workspace containing information and guidance on impact investing. NABs can also share invitations to relevant webinars or events, and facilitate connections with key actors in the impact investing ecosystem.

3) Ensure priorities are aligned

In the GSG project, OTT and fellow learning partner IMPACTO held sessions with each NAB–think tank partnership to lead them through a series of prioritisation exercises designed to help them select their research topic.

Undertaking a similar joint exercise to identify and align priorities is key to the success of this type of partnership. When the partners do not fulfil this step thoroughly at the outset

of the collaboration, they risk not asking the right research question – which determines the course of the entire project and is crucial to its success.

Working together on the prioritisation process gives both partners a sense of their shared challenges and common ground from which to pursue their collaborative work. It also ensures that the research question is grounded in the NAB's strategy and the broader challenges and opportunities in the local market; in short, it ensures that the project is strategically informed and designed from the outset.

4) Co-design the research project

Learnings from the project showed that partnerships were stronger, and the overall venture more successful, in instances where the partners co-designed the research.

The co-design should extend to the goals and objectives, the methodology, agreed outputs, timelines/scheduling, budget, roles and resourcing, audience identification and dissemination strategy, internal communication schedule, and anything else involved in the planning of the research project.

When both partners have an equal sense of shared ownership over the research, it enhances their commitment and engagement, which in turn contributes to the continuity and sustainability of the project. The think tank partner is more likely to continue to platform the research even after the project's completion and the NAB will be empowered to promote the evidence in its own capacity after the formal collaboration has ended.

5) Consider joint participation in stakeholder interviews/meetings

The think tank that partnered with the Colombian NAB in the GSG project found particular value in attending interviews and meetings with different stakeholders. On the one hand, its participation in meetings with impact investment practitioners allowed the think tank to build its presence and audience within the sector and to keep abreast of contextual developments relevant to the research topics. On the other hand, the think tank team was able to add value to the NAB's meetings with government actors, due to its ability to explain and frame the impact investment approach using terms and concepts that were familiar and relatable to the audience.

6) Co-produce written products

A successful partnership will comprise a project team with diverse skill sets to ensure that the research is well-articulated for both impact investing and policy audiences. This is particularly important in the production of written outputs.

It is essential that written evidence is communicated in a manner that is appropriate to the target audience – in terms of both familiar language and relatable concepts. This can be achieved by co-authoring written research products with an industry expert from the NAB. When addressing industry players, expert input can ensure that the data is translated into

understandable and actionable insights. When the audience is policymakers who may be unfamiliar with the sector, the think tank's expertise in translating jargon and technical knowledge into plain and accessible language comes into play.

7) Prioritise intra-partner communication

Clear and regular channels of communication are essential to a successful collaboration. This principle of open and honest communication should be embedded across every stage of the partnership and in all the activities described above.

Regular scheduled meetings help bring the teams together on a personal level and encourage understanding of each other's contribution and value-add. Feedback loops, ongoing dialogue, and mutual participation throughout all project phases are central factors in a successful partnership.

4. Lessons learned: Project level

This section presents a set of lessons synthesised from the GSG's guidance note for NAB-think tank partnerships on undertaking a successful collaborative research project.

While the aforementioned guidance note is aimed primarily at NABs as an audience, the lessons below have been adapted through a think tank lens, to hopefully be of use to researchers considering a partnership with impact investing actors.

1) **Prioritisation: Know your 'why'**. Understanding the central research question and the desired outcome is essential to the success of the project. Think tanks should conduct a prioritisation exercise with their NAB partner prior to choosing a research topic, to ensure time and energy spent on research are optimal.

2) **Think tanks should be cognisant of the stage of maturity of their NAB partner**. The prioritisation exercise facilitated by OTT and IMPACTO revealed that NABs at different stages of maturity will require different levels and modes of support in helping to identify a research topic and designing the project.

3) **Composition of the research team matters**. When building the project team, think tanks should include industry experts (i.e., from the NAB) to ensure that as well as being of high-quality methodologically, the research is well-articulated for both the impact investing and policy audiences.

4) **Build-in feedback loops**. It is important to create feedback loops among the NAB, the research team, and other relevant actors. For example, think tanks could host workshops where stakeholders within the broader ecosystem are presented with early findings and asked for feedback.

5) **Representation of diverse voices**. This is one of the key value-adds that think tanks bring to a partnership with their local NAB; to maximise this advantage, think tanks must leverage its network extensively and comprehensively to convene the most varied range of stakeholders.

6) **Market mapping exercises**. Market maps are helpful for a think tank to familiarise itself with the sector in the early stages of an impact investing partnership, but can also be useful when presented to a government audience as part of the project communication strategy.

The idea of a market map is to define and account for the various players in the market and to explain the relationships and links among them. This can help simplify the roles of the multiple actors in impact investing and reassure governments that it is not necessary for them to form contractual relationships with every player.

In Ghana and Colombia, the NAB–think tank project teams also conducted interviews with regulators and fund representatives to capture the parties’ perceptions of each other. This generated valuable qualitative data to complement the market maps.

7) Mapping the policy landscape. Think tanks will also find it helpful to map the existing policy landscape before issuing a new set of recommendations to government stakeholders. This can also be extended to a review of the existing research relevant to the NAB’s priorities; both outputs should help inform the NAB as they define their own research objectives.

One idea is to use this mapping/literature review as a mini-project or consultation upfront, to test the partnership prior to committing to a longer-term programme of collaboration.

8) Be prepared to test and adapt messaging. It is useful to test how messaging is perceived by local audiences, both government and private actors. Misconceptions about impact investing can then be corrected using the right messaging, adapted to the local audience.

9) Influence public discourse. A key challenge for NAB–think tank partnerships is to change the public narrative towards impact investing as being in line with the public good. Think tanks can mobilise their engaging and convening skills to educate key audiences on the value of impact investing and how it contributes to better social policies.

5. Towards a broader strategic alliance: Some additional lessons

In exploring the findings from the pilot projects, it emerged that, in some cases, the NAB–think tank relationship had evolved beyond this initial research engagement and transformed into a broader, more strategic alliance. Think tank partners were contributing to the mission of growing the impact investing ecosystem in their countries in ways that went far beyond the execution of a discrete research project and transcended the boundaries of the partnership to encompass other key actors within the local context.⁵

This section presents a set of lessons derived from these findings – primarily through sensemaking and learning sessions carried out with representatives of the four NABs – and this time focusing on the opportunity for think tanks to become a key strategic ally in the wider impact investing mission.

As with the previous section’s project-level lessons, these learnings were generated through consultation with NAB representatives; however, we have adapted them to hopefully be of interest and use from a think tank perspective.

1) The local nature of the partnership is key. With a growing number of NABs situated in emerging markets and developing economies, having locally produced information is essential for quality research, access to information, coalition building and market development. Think tanks seeking to enter the impact investing ecosystem should therefore look for partnerships within their own locality. Their knowledge and understanding of their context, as well as their reputation and the relationships they hold among local policy actors and stakeholders, are absolutely central to the value that think tanks can bring to the impact investing market – especially at the level of a wider allyship.

2) Help navigate the challenge of changing political administrations. NABs are vulnerable to shifting political landscapes. Think tanks can help by leveraging their expertise in the local policy sector and considering strategies to mitigate and minimise this challenge.

3) Nuance communications to the appropriate context and audience. By leveraging their deep local background to tailor messaging, think tanks can facilitate the communication of research findings in an accessible manner to diverse audiences. Alongside the provision of actionable recommendations that deeply resonate with key actors, this will help enrich the interpretations and conclusions drawn – and thereby inform decisions in policy or practice that lead to concrete actions.

⁵ In responding to a set of learning questions about its partnership with Fedesarrollo, a representative of the Colombian NAB reported that: ‘At this point, this think tank has evolved from being our [research] provider to becoming one of our most significant allies.’

4) **Gather different perspectives and interests.** Think tanks can use their convening powers to foster dialogue and then provide analysis on these viewpoints – particularly among regulatory and institutional stakeholders. This can also catalyse the inclusion of diverse actors who are external to the NAB-think tank partnership into a broader alliance towards setting an impact investing agenda in the national ecosystem.

5) **Engage in public dialogue and debate.** Think tanks that have longstanding experience in their area of focus can strategically guide NABs to engage in evidence-based public dialogue and debate, as a vehicle for elevating awareness of impact investing and gaining public buy-in as leverage for policy change.

6) **Ensure goals are in alignment.** The broad alignment of goals is at the core of a long-term alliance.

7) **Mine local networks and existing knowledge.** Think tanks must ‘dig deep’ into their in-country networks, identifying the most promising and relevant stakeholders from both public and private sectors, to connect with their impact investing partners. Similarly, they should leverage and share any existing data and analysis on economic, policy and social issues.

8) **Bridge knowledge and practice.** Acting as intermediary in the knowledge transfer process, think tanks can match NABs’ deep industry expertise with their own local information and unique insights and thereby help span the gap between theory and praxis. Think tanks can provide policy briefs and papers that contribute to the essential advocacy effort on behalf of the impact investing ecosystem.

6. Conclusion

There is a nascent, emerging space for NAB–think tank collaborations, which presents promising avenues for advancing impact investing ecosystems. The impact investing sector needs to step up its efforts in terms of evidence-informed decision-making, and think tanks are exceptionally well placed to support this – not only with their technical capacity to generate robust, rigorous evidence, but with their wider skills in communication, convening, and stakeholder engagement.

Findings from the GSG pilot project have demonstrated that as well as providing robust, rigorous evidence in answer to pressing research questions, think tanks can also evolve into key strategic allies to the impact investing sector and contribute to long-term, sustainable outcomes consisting of concrete, real-world social change.

Think tanks with an interest in making impact investing part of their research agenda would be well advised to start by tracking the adoption of new impact investing policies or organisations within their own country context. An examination of this landscape will provide valuable insights into the relevance and potential impact of engaging in a collaboration with an industry partner – including, but not limited to, a local NAB.

The first part of this practice paper made the case for think tanks to consider the opportunities presented by the impact investing sector and offered prompts for assessing their suitability for this type of partnership. It is hoped that think tanks who do proceed to align their efforts with local impact investing actors will find this paper useful in guiding their approach; that they are able to make use of its practical insights into the mechanics of a local industry–think tank collaboration in the sector, and to benefit from the overall lessons learned by partnerships already on this journey.

The think tanks that step up to this emerging opportunity are poised to contribute significantly to the growth of impact investing markets and ultimately to the societal and economic wellbeing of their local context. In addition, they will benefit from new audiences, expanded competencies and knowledge to pass onto the next generation of researchers, and the chance to raise their profile and – for Southern think tanks in particular – to advance the contribution of Southern voices within the wider research ecosystem.



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