

The National Conversation on Investing in the Global Goals – Fact Sheet

What is impact investing?

- **Every investment has an impact, positive or negative.**
- **Impact can be generated in different ways and by different actors** – from acting to avoid harm (e.g. by reducing plastics), to benefiting stakeholders and directly contributing to solve the world's challenges (e.g. by actively developing solutions that tackle malnutrition and climate change)
- **Impact investments intend to generate positive, measurable social, and environmental impact alongside a financial return**, according to the Global Impact Investors Network's (GIIN) definition.
- **Impact investing is growing at pace** – already a \$228bn industry according to the GIIN, over half of these assets are being invested in emerging markets.
- **Impact investing is not a niche area** for a certain type of investor with certain return expectations. Investing for impact is an important part of business and investors' core operations.

What is the National Conversation?

- The national conversation aims to **find out more about the public's views on investing in ethical, responsible, and impactful ways**. This includes investing in companies that make positive change in the world, for example, by lowering the cost of medicines or by investing in renewable energy. This also includes avoiding investing in companies that do harm, for example, companies that have weak policies against child labour or modern slavery.
- **The financial industry is already offering products** that aim to both create good financial performance and to do good in the world. Some products are only suitable for sophisticated investors, but there are opportunities for everyone to invest in products that help beat poverty and meet the Global Goals.
- We want to know more about what types of impact people want to see, what information they want to know to make decisions, and what kind of investment opportunities they want to have.
- For this we will (1) run a survey of the public on interest in investing in the Global Goals (2) conduct public outreach including focus groups and (3) and continue to support technology-driven solutions that enable investment.
- The results of the conversation will be published in the autumn.

Why is it important?

- **People in the UK are amongst the world's most philanthropic and care about reducing poverty**. In 2017, 60 per cent of the UK adult population donated to charity, amounting to £10.3 billion. Every month, 13 million people in the UK volunteer. Last year in the UK nearly two in three people gave to charity, and the sales of ethical goods and services was valued at £81.3bn. One in every £8 donated to charity is for helping overseas.

- **Peoples' investment values are changing.** Big Society Capital research shows that almost half of employees want their pensions invested in organisations that reflect their social and environmental views, with greater potential to reallocate their investments to doing good while making a return. The opportunities to invest are changing too. We want to help reflect what people want so that these opportunities can match their interests.
- **But there is limited opportunity for people to invest alongside their values and it can be confusing to find the right opportunities.** A 2015 study by Ethex concluded there is significant unmet demand in society for 'positive investment'.

What are the Global Goals? What is the link between the Goals and investment?

- **The 17 Sustainable Development Goals refer to a set of targets to end poverty and make the world a better place.**
- **The Global Goals were adopted by 193 UN member states** attending the United Nations Sustainable Development Summit in New York in 2015, as part of the UN Agenda 2030 for Sustainable Development.
- **They outline issues facing both developed and developing countries** and include 169 targets, across a wide range of issues like poverty, inequality, climate change, and access to health and education.
- **Financing is a key aspect of delivering the Goals.** There is a \$2.5 trillion annual investment gap to deliver the Goals and end poverty in the developing world.

How big is the opportunity to do good with investment?

- **The City of London manages over £8 trillion worth of assets** but little is invested in poorer countries. But emerging economies could offer untapped potential to UK, and could help build the infrastructure and jobs that will drive the global economy and make all of us wealthier and safer. For example, redirecting an additional 1% of the assets in the City to Africa equates to \$110bn. By contrast, global aid flows to Africa last year were \$50bn.
- Globally, **financial assets in private hands represent more than \$190 trillion**, these need to be part of the solution. The combination of international sources of finance and local resources is critical.
- **Key developing country markets have approximately \$2 trillion (in local currency) in local pension funds alone — estimated to reach \$17 trillion by 2050 —** most of which is invested in cash and local government bonds. Some of this capital can be invested in sustainable development.
- The Business and Sustainable Development Commission estimates delivering **the Global Goals will create \$12trn of investable assets, and potentially 380m jobs.**
- Further, the Global Commission on the Economy and Climate estimates that bold action on climate change could yield a direct economic gain of US\$26 trillion, generate over 65 million new low-carbon jobs in 2030, as well as avoid over 700,000 premature deaths from air pollution through to 2030 compared with business-as-usual.

What is DFID doing in this space?

- **DFID's mission is to end extreme poverty** and build a safer, healthier and more prosperous world. Inclusive economic growth, investment and trade all have a critical role to play in overcoming poverty and ending aid dependency. Learn more about the economic development strategy [here](#).

- **Our ambition is to create an unprecedented increase in the number and quality of jobs** in poor countries, enable businesses and people to prosper, and support a strong global economy. This is a pressing need - over the next decade a billion more young people will enter the job market, mainly in Asia and Sub-Saharan Africa.
- **In 2017, the UK announced a new capital increase to CDC, the UK's Development Finance Institution, with an average of up to £703m per year from 2017 to 2021 to support the creation of jobs in Sub Saharan Africa and Asia.** Companies backed by CDC in Africa and South Asia directly employ almost three quarters of a million people. Over the past three years, they generated \$10bn in taxes for national governments and CDC mobilised over \$3bn of private capital alongside its own transactions.
- **We work with businesses** drive up working standards in global supply chains and prevent modern slavery and child labour. We are working with the City of London to make London the global hub for impact investment and development finance.
- **We are making it easier to measure impact** by driving forward standardisation in impact measurement working with organisations like [the GIIN](#) and [Impact Management Project](#).

What is the rest of government doing?

- **Across government we are working to get the environment right** to support businesses to perform well and to make a difference in communities here in the UK and around the world.
- **Prime Minister Theresa May set up an industry taskforce on impact investment led by Elizabeth Corley**, Vice Chair of Allianz Global Investors, in 2016. Read the Taskforce's [report](#) and the Government's response to the report [here](#), which outlines a number of areas that government is working in.
- **Government is also considering how to accelerate green finance** and former Lord Mayor of London Roger Gifford has led a Green Finance Taskforce. Read the report [here](#).

How can people get involved?

- Learn more about how pensions and different savings products work, and how you can invest, on the Money Advice Service [website](#).
- Independent financial advisors and other financial advisory services can help you learn more about various ways to make a difference with your investments both in the UK and around the world.