



Impact Principles Secretariat transition from IFC to the GIIN

? WHAT IS HAPPENING?

In Q3 2022, the IFC proposed to the signatories of the Impact Principles to transfer hosting of the Impact Principles Secretariat to the Global Impact Investing Network (the GIIN). In September, the signatories to the Impact Principles voted in favor of IFC's proposal to transfer ownership to the GIIN. The Impact Principles will continue to be managed by an independent Secretariat responsible to the signatories, as laid out in the Governing Provisions. The full legal transfer of the Secretariat to the GIIN is expected to be completed in the fourth quarter of 2022.

? WHY DID THE IFC DECIDE TO DO THIS?

The move represents a natural evolution for the Impact Principles. The impetus for the Impact Principles was the GIIN's March 2018 "Roadmap for the Future of Impact Investing" which called to "strengthen the identity of impact investing by establishing clear principles and standards for practice." Since their launch in 2019, the Impact Principles have become the market standard for impact investors, deepening rigor and driving credibility in the market. Beginning with 58 founding signatories, the number has nearly tripled to 163, spanning 38 countries and representing \$470 billion in impact assets. IFC is honored to have hosted the Secretariat since the launch of the Impact Principles in 2019.

IFC has played a leading role in incubating and then transferring a number of tools for fostering impact-driven investment, including emerging-market stock indexes and standards for green bonds. Having achieved our goal of playing a similar role with the Impact Principles, we look forward to continuing to support the growth of impact investing through our own impact investments, as well as our ongoing thought leadership and analytical work in this field.

? WHY IS HOSTING BEING TRANSFERRED TO THE GIIN?

The Global Impact Investing Network is dedicated to increasing the scale and effectiveness of impact investing. The GIIN has expertise and experience in impact measurement and management and is home to industry data standards, methodology, benchmarks and guidance needed to take impact practices to the next level of growth and integrity. By convening impact investors to facilitate knowledge exchange, highlighting innovative investment approaches, building the evidence base for the industry, and producing valuable tools and resources, the GIIN seeks to accelerate the industry's development through focused leadership and collective action.



IS THE IFC STILL COMMITTED TO IMPACT INVESTING AND THE IMPACT PRINCIPLES?

Yes. IFC remains fully committed to impact investing and the Impact Principles. We will continue to make our own impact investments while contributing thought leadership and analytical work in this field. We will also continue to be an active, enthusiastic advocate for the Impact Principles and member of the Advisory Board. In collaboration with the GIIN and other partners, we intend to use our convening power to host events that raise the profile of the industry, most notably hosting an Impact Investing anniversary conference during World Bank Group Spring Meetings 2023. A critical mass of investors is committed to making investments that deliver returns while having positive economic, social and environmental impact. We are confident that impact investing will continue to flourish in the years ahead.



HOW WILL THIS AFFECT THE SERVICES PROVIDED TO SIGNATORIES?

The same services will be provided to signatories once hosting of the Secretariat transfers to the new host, the GIIN, in Q4 of 2022. IFC will work closely with the GIIN to enable a smooth transition. The current Head of Secretariat, Diane Damskey, will continue her role to ensure a smooth transition.



WILL IFC'S BRAND CONTINUE TO BE ASSOCIATED WITH THE IMPACT PRINCIPLES?

The Impact Principles are managed by an independent Secretariat responsible to the signatories. Even while IFC has hosted the secretariat, the Secretariat operated at arm's length, including operating its own website. To enable a smooth transition, it makes sense to transfer any associated branding from IFC to the new host, such as the trademark logo. IFC remains fully committed to impact investing and will remain an enthusiastic advocate for the Impact Principles.



WHAT EFFECT WILL THIS HAVE ON SIGNATORY FEES?

Signatory fees are not expected to change due to the transfer. As stated in the Governing Provisions, the Secretariat will provide to the Advisory Board and annual budget after which it will be determined if there would be a proposed change in fees.



WILL THE ROLE OF THE ADVISORY BOARD REMAIN THE SAME?

The Advisory Board will continue to advise the Secretariat on the implementation and evolution of the Impact Principles. To ensure greater continuity of the Advisory Board members, the proposed Governing Provisions set up the procedure for creating a staggered board, so that only half of the members would exit every two years, with each member serving a single four-year term. Given that 80% of the current Advisory Board would roll off in June 2023, the amended Governing Provisions propose to extend the term of the current Advisory Board for another year and then in 2024, half of them will remain for an additional two years, with the remaining seats to be filled for a four-year term.