

UK backs Impact Investment Taskforce as road to pandemic recovery

- New industry-led Taskforce to increase private investment in aid of global recovery from the pandemic.
- Focus will be on finding investment solutions that have environmental or societal benefits, as well as generating financial gains.

A new, industry-led Impact Taskforce that will harness private finance at scale to ensure a sustainable recovery from covid, has received Government backing.

The Taskforce will be headed up by experts in impact investment, an approach where investors make financial decisions that have a positive impact on the environment or society – like investing in companies that produce affordable solar panels – as well as improving the bottom line.

Set to develop recommendations that will be made to Foreign and Development Ministers and the financial sector globally, the Taskforce will explore:

- Standards for measuring the social or environmental impact of financial investments simply, transparently and in a globally consistent way, making it easier for all investors to invest based on impact as well as financial return;
- Financial products that best mobilise investment, while also having a positive environmental and/or social impact. These include financial tools or instruments that can raise capital to tackle climate change, improve education, deliver better healthcare or labour markets creating equal opportunities for women.

The Taskforce will coordinate efforts in countries belonging to the G7, G20 and those attending this year's COP26 in Glasgow. The group is expected to first meet next month, with a dedicated working group of representatives from G7 countries, guest countries and emerging economies, bringing unique perspectives from impact investors and businesses at both global and local levels.

James Duddridge, Foreign, Commonwealth and Development Office Minister:

The UK is once again shining a spotlight on the power of finance to drive not only growth in our economies, but also positive impact on our society and the environment. Having seeded the impact investing agenda in our last G7 presidency, we are delighted that the Taskforce will now draw on the experience and know-how of what has become a global impact finance market.

Nick, Hurd, Chair of the Impact Taskforce:

The state of our world requires a change in mindset from governments and the market. It will not be enough for private capital to do less harm. We need to mobilise trillions of dollars into investments that combine return with positive social or environmental impact. The Impact Task Force will show how that can be done.

Cliff Prior, CEO of the Global Steering Group for Impact Investment (GSG):

We are delighted to have been supported by the UK government to lead the secretariat of the Impact Taskforce. Robust reporting standards and innovative investment structures are absolutely central to the development of an impact ecosystem that benefits people and the planet. The creation of the Taskforce will highlight the power of impact investing during the UK's G7 presidency, as countries around the world seek solutions for fair and just recoveries from the COVID-19 crisis.

Sarah Gordon, CEO of the Impact Investing Institute:

Impact investment has the potential to contribute to solutions to some of the biggest challenges we face as a country, and a planet – whether that is a just recovery from the pandemic or addressing the climate crisis. To harness private capital at scale for public good, we need structures that meet investors' requirements and deploy capital where it is needed, improving access to decent jobs, education and healthcare, and investing in a just transition to a net-zero world.