



Assessing the Development Impacts of Private Sector Impact Investments

Co-hosts



In Partnership with The Campbell Collaboration

This concept note presents the rationale and proposed organization of a final closing event for the joint EIB-GDN program which assesses the socio-economic impacts of private sector investments in Africa and the Caribbean. The event would be held online, given current conditions and predictions, in December 2020. It will gather researchers, evaluators, policy-makers, representatives of DFIs and relevant International Organizations, as well as the private sector. The event will also host the launch of the book currently being prepared with results and lessons learned from the joint EIB-GDN program on innovative development finance.

Background & Objectives

The Global Development Network (GDN) has partnered with the European Investment Bank (EIB) to study the impact of EIB's investments in African, Caribbean and Pacific (ACP) countries¹. The purpose of the program is twofold:

- to provide qualified young researchers interested in the evaluation of development finance and private sector development a practical opportunity to hone their impact assessment skills, by working on real-world projects funded by one of the world's leading financial institutions, under the guidance of top international experts in evaluation and impact assessment.
- to allow the EIB to assess the broader socio-economic impacts of their private sector portfolio in developing countries, to feed the results into their Results Measurement Framework+, and to capitalize on the learning and adjust future operations as needed to maximize their development outcomes.

¹ The Impact Financing Envelope (IFE) was launched by the European Investment Bank in 2014 under its Investment Facility (IF) program in Africa, Caribbean and Pacific (ACP) program. The IF endowment was €5,158 million, and €500 million for the IFE, which includes private sector investments.

The program has included three rounds of competitively selected fellows and 15 deep-dives/development impact evaluations carried out on a range of selected programs in Africa, from microfinance and technology access to agriculture. Completed studies will be published and a book summarizing key lessons from the program will be available by the end of 2020. Sharing these with the broader development community at the proposed closing event would: maximize their reach and value; allow for a broader discussion on key questions around innovative development finance, especially measuring impact of private sector investments with other relevant partners and actors; and enhance the visibility of this pioneering program, which can inspire others to internalize the risk and blend research capacity building, evaluations and operations objectives.

In short, GDN proposes to capitalize on its experience and convening power and that of the EIB and the other partners to host a timely, truly inclusive evidence-based debate on defining and measuring impact, particularly in the context of private sector investments. At the same time, this will allow for deeper connections between Research, Evaluations and Operations units in DFIs and IFIs, all of whom will be invited to participate and join in the debate. Finally, it will provide promising researchers from developing countries an opportunity to showcase their work in an international virtual forum and benefit from networking and exchange with world-renowned academics, development funders and policy-makers. The purpose is thus dual: highlight innovative, high quality, original and topical research and evaluation approaches that can feed into policy decisions and IFIs programs and operations; and, provide a global perspective and facilitate learning on impact investments, especially surrounding definitions and measurement issues.

Target Audience

Researchers, evaluators, policy-makers, development funders including social impact investors, representatives of international organizations, development practitioners and private sector representatives. Priority will be given to African participants given the regional focus of the EIB-GDN program.

This event will target around 200 participants, from across institutions and countries. The private sector, in particular, is often absent from such debates and gatherings and in that sense, this conference aims to be different and bridge that gap in participation and the corresponding wealth of experience that can be shared.

Organizations that have particular relevant insights to share on the selected theme will be invited to join and contribute speakers, including:

- The Campbell Collaboration² as partners in co-organizing the event, along with GDN and the EIB
- International Initiative for Impact Evaluations (3ie)
- International Finance Corporation (IFC)
- Global Affairs Canada – Innovative Finance for Development program

² <https://campbellcollaboration.org/>

- Global Impact Investing Network (GIIN)
- African Evaluation Association (AfrEA)
- African Economic Research Consortium
- Association of European Development Finance Institutions (EDFI)
- Agence française de développement (AFD)
- DFID's Impact Program
- Organization for Economic Cooperation and Development (OECD) Social Impact Investment (SII) Initiative
- Acumen.org
- The World Bank's Strategic Impact Evaluation Fund (SIEF) and Development Impact Evaluation (DIME) in the Research Group
- SDG Transformations Forum (in particular the Transforming Evaluations stream)
- All multilateral development banks (including the Chinese and the Islamic)

Given the proposed partnership with the EIB, the Campbell Collaboration and others, we expect European and African policy-makers, IFI representatives, top academics and opinion leaders to contribute and shape the debate together with their counterparts from around the world.

Thematic Content

To achieve the above overarching objectives and building on the insights of the three years of the joint EIB-GDN program and the lessons learned thereof, this event will tackle the following overarching questions:

1. **Defining the development impact of private sector investments.** *What has been learned about key issues such as financial sustainability, development results sustainability and potential trade-offs?*
2. **How to measure impact.** *What are the emerging lessons of existing attempts at measuring the results of private sector impact investing in developing countries? What is the division of labour between financiers, intermediaries, companies and evaluators? How do different methodologies adopt and adapt scientific rigour in the realities of the private sector investment context? Are there ways to improve the utility and applicability of impact studies? Key challenges?*
3. **Insights and Lessons Learnt from a Program Measuring the Development Impact of Private Sector Investments in Africa and the Caribbean:** *How were development impacts assessed— concrete examples from the deep dives under the GDN/EIB Development Finance program. What were the major challenges in conducting these studies? What is the value different stakeholders can bring to enhance impact assessments in the countries of implementation? This can include researchers from developing countries, the private sector, fund managers, local policymakers etc. How can*

they best be mobilized to carry this work forward and to use the results and insights optimally?

4. **Managing for Impact.** How can all stakeholders involved manage private sector investment portfolios to maximize their contributions to development impacts? How does impact measurement help to select, design and implement private sector investments for maximum impact? *Are there lessons to share on how to balance potentially divergent objectives among funding entities, asset managers, intermediaries, implementing firm managers, workers, local communities, governments of host country, evaluators etc? How does the accountability chain work?*
5. **Using and managing knowledge about impact.** How is evidence and knowledge about impact shared and used in Development Finance Institutions (DFIs), Multilateral Development Banks (MDBs) and philanthropic organizations? How does evidence of impact inform the evaluation function in these institutions? How does understanding of impact link back to strategy, operations and programs? Are the kinds of deep dives (DDs) conducted by local researchers to assess development impacts of private sector investments useful inputs for evaluations?

Structure & Organization

- **Duration & Timing:** online moderated sessions of 60-90min over 3 days (December 2-4)
- Given the travel limitations that are likely to persist or re-occur throughout 2020, which prevent the organization of a conference in person, an online format will be adopted instead, through a platform such as Webex, Zoom or Hopin.
 - Apart from the main sessions, there may be a virtual Expo and networking 'spaces'. Most importantly, the audience can ask questions online live and also join in informal networking during designated "coffee breaks" in the schedule.
- **Sessions**
- 4 thematic sessions and 2 with presentations and discussion of selected deep-dives from the project
 - The thematic sessions will address the above overarching questions in depth. Some may be directly organized by the conference partners or other organizations on invitation. In some cases they may be shaped as or turn into 'controversies' with the panelists sharing opposing views on the chosen topic, followed by debate
- To avoid screen fatigue, sessions will be restricted to 60-75 min and the daily schedule to 150 min at the most.
- GDN and EIB staff will monitor the online Q&A and feed the most popular questions to the session moderators
 - Polls may also be used both to interact with the audience and to get feedback on the sessions and the event overall.