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ALLIANCES IN ACTION

IMPACT REPORTING AND INVESTING STANDARDS (IRIS) ALLIANCE

DEVELOPMENT CHALLENGE

Every year, government aid organizations and philanthropies tackle some of the planet's most deeply entrenched challenges, including climate change, agricultural productivity, shelter, and health, among others, with hundreds of billions of dollars of resources. The improvements to our planet and to the quality of life in many communities and countries are significant. But, achieving social and environmental change at scale simply requires more money than philanthropy and public resources can provide.

BUSINESS CHALLENGE

Nearly all private capital—tens of trillions of dollars worldwide—is tied up in investments seeking only to maximize financial returns. A new industry—impact investing—comprised of investors seeking to generate financial return in addition to social and environmental value, is coming forward. However, this new industry faces two considerable challenges. First, there are inconsistencies in basic terminology. This limits investors' ability to share knowledge and co-invest, and in turn perpetuates inefficiency and fragmentation. Second, an absence of basic market infrastructure, like standards for measuring and benchmarking performance, constrains impact and capital flow.

APPROACH

A new not-for-profit organization called the Global Impact Investing Network (GIIN) was created to address systemic barriers to effective impact investing. A core initiative of GIIN is the development of the Impact Reporting and Investment Standards (IRIS), a common language and framework for measuring social and environmental performance of impact investments. IRIS brings transparency and credibility to the sector while providing a foundation for additional industry infrastructure like performance benchmarks, investment databases, and rating systems that serve to further stimulate investment into impact enterprises and funds. In addition to building core infrastructure like IRIS, the GIIN also supports an Investors' Council of leading impact investors, and broadly promotes exemplary impact investments, industry progress, and best practices to attract more private investment capital to this sector.



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RESULTS

- Version 1.0 of the IRIS taxonomy piloted by six organizations with their portfolios.
- First release of the IRIS Data Aggregator, a technology platform that compiles data and provides benchmarks and other reporting.
- More than 100 people have participated in webinar trainings on IRIS development and adoption.
- IRIS 2.0 is scheduled for release in the first quarter of 2010 and IRIS adoption programs are planned for later in the year

FAST FACTS

START: 2009 END: On-going

PARTNER CONTRIBUTIONS:

\$3,250,000

November 2009