



Impact Finance
Belgium

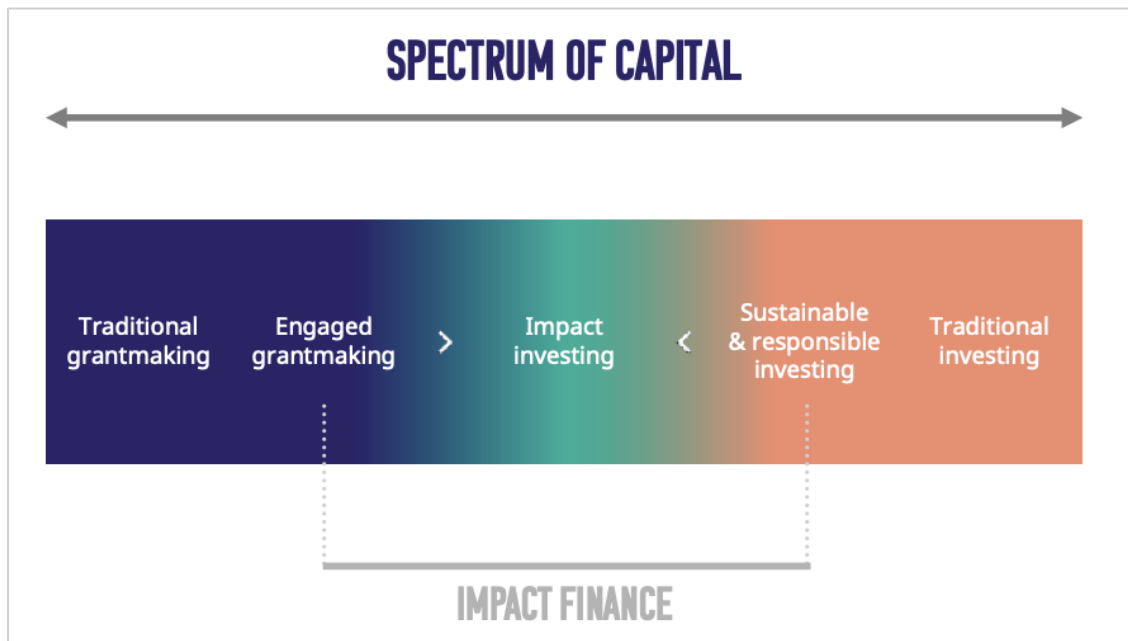
Charter IFB (Impact Finance Belgium)

Our Vision

With rapidly increasing environmental and social challenges, the financial sector has a pivotal role and responsibility to play in both the economy and society. Finance can and should be a Force for Good. A means to an end rather than an end in itself.

This means that financiers, in addition to their financial targets, explicitly define and deliver net positive environmental and/or social impact. This must be done in collaboration with other stakeholders such as businesses, social purpose organizations, citizens and governments.

In order to successfully address these societal challenges, we need a wide range of investors, capital providers and funders to join, from engaged grant-makers to Sustainable investors and lenders, and from private players to public actors.



We understand this is a journey that should go beyond intentions and should be tackled with a clear sense of urgency. Generating and demonstrating positive, measurable societal and environmental impact is crucial.



Whilst the solutions must be sustainable, the financial returns can and will vary, depending on the nature of the challenge and stage in the investment lifecycle. This ranges from accepting negative returns through capital preservation to competitive market, risk-adjusted returns¹.

The collaboration of multiple actors, combining different types of investment, capital and funding, integrating impact as an equal part in the risk-return balance, will contribute to driving and scaling sustainable solutions.

Over time, Impact financing can grow from an asset class, delivering on the criteria and objectives mentioned above into a lens to be applied across the whole portfolio of asset managers and asset owners. This impact lens is incredibly powerful in terms of the volume of capital it can unlock, but it is even more powerful in terms of the shift in thinking it represents, because our vision is that impact becomes part of all investing and lending.

Why Belgium

In Belgium we already have successful examples including pioneers and a few well-functioning networks, addressing parts of the impact investment and finance eco-system, investing in Belgium and abroad. At the same time, there is ample room to enhance the awareness, the understanding and the sense of urgency amongst all investors, capital providers and funders in the Belgian landscape, be it institutional or public investors, private individuals and retail savers or traditional philanthropic organizations. In parallel, Belgian policy makers have to close gaps and actively support the enabling environment, especially in the regulatory framework.

If we want to further contribute to the well-being of people and planet, as highlighted in the United Nation's SDGs, we must accelerate the growth and improve the effectiveness of the impact finance market in Belgium. This challenge requires a concerted effort and strong voice. Neighboring countries, such as France and the UK show that this is possible and effective.

Our Mission

IFB is an independent and not-for-profit organization.

Our mission is to mobilize more, and more effective impact-driven investment, capital and funding to seed and accelerate solutions addressing the needs of people and planet, also where it matters most.

- **More impact-driven investment, capital and funding** means, we want
 - o to grow the private equity (PE) space beyond venture capital into growth equity and buy out funds.

¹ On the spectrum of investments ranging from no-return to risk-adjusted return, this initiative considers impact financing to be at least compliant with the conditions of Article 9 of the SFDR and addressing the double materiality.



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- to extend impact finance beyond PE and private debt into market-based financing instruments such as for example bonds
- to incorporate financing by public institutions in areas such as for example, infrastructure
- **More effective** means we want to improve the impact effectiveness of each euro invested. Impact transparency, underpinned by disclosure regulation and accounting for impact as well as impact management is hereby crucial.
- **Also, where it matters most** means, we will also address important societal challenges hard to solve, but in need of funding and less straightforward to invest. This will often require bold and innovative approaches.

We aim to do this through different actions:

- **We enable the eco-system:** through advocacy with Belgian policy makers, public actors and regulatory bodies. And through the creation of transparency, initiation of applied research and facilitation of access to knowledge and experience.
- **We inspire the community:** through raising of awareness and entering into communication with investors, capital providers and funders on their impact journey.
- **We connect members and stakeholders:** through linking peers and sharing best practices while creating access across silo's and to the broad impact space overall.
- **We catalyze impact practitioners:** through the exploration of novel (financial) instruments along the spectrum and pioneering programs that can boost the impact space.
- Where useful, we will collaborate with other countries in the **wider European context**.

We believe in co-operation. As a **trusted convener and partner** to financiers across the spectrum of capital, we highly value collaboration with all current and future actors and stakeholders in the impact eco-system. Examples include all interested financiers, inclusive businesses, service providers, public bodies, academics, social purpose organizations and relevant networks.

About this document

This document is the January 2024 version of our Mission and Vision statement.

In order to further develop the scope of impact finance and investment without compromising its integrity, it will be necessary to share a common understanding and working definition. The refinement of the 'Theory of Change' of IFB, explaining and linking the impact objectives, deliverables and strategies, should also help to clarify, together with the discussions with our members who are invited to sign this document.

This document is a living document and it can change over time.
The above inputs will feed next updates.