

WILLIAM HEATH: FINAL DAY SUMMING UP, WED 01 NOV 2017

Dear Friends,

Our task is not done.

I was engaged nine months ago to use my perspective as social entrepreneur to support ARC and Martin in the build up to Zug and planning for beyond. My brief has now evolved. In speaking now, I'm shifting, with Martin's consent, to supporting our shared intention as we move forward.

**Where have we got to?**

Before ARC started planning Zug, the position was that investment managers among the faithful could say what we were against. The investment management sector had made real progress on ESG. And the UN had come up with SDGs which we can all support – the US\$7 trillion challenge – but which everyone accepts we're yet not doing enough to make reality.

Zug has brought these groups together and achieved its core mission with that process which culminated in our procession yesterday with the faiths saying "what are we for".

We have gained some powerful friends and supporters in doing so.

We've launched our Guidelines. We can start to map those positive commitments, our collective experience of impact investment and active engagement to each other and to the SDGs.

But our response to – as Cardinal Turkson put it yesterday – the cry of the poor, to the cry of creation, has not really begun. What will that response be? What will it look like, and how do we do it?

What is the state of our work?

This Zug event was planned by ARC with the help of a Steering Group. ARC also convened, with the support of WWF, a "post Zug planning" meeting.

We've considered the post-Zug path. But it would be disrespectful to this process to have come prepared with the post-Zug prescription: wrong and likely to fail. So we did not do that.

Over these two days we've shared with each other something of what we think we need to take the work forward. I will list some points raised collected from our discussion yesterday. But they're not necessarily complete or coherent. They're an input but not a complete set of ingredients for a successful strategy. And none of us should be in any doubt that we need a strategy: one that's informed and aware, taking into account (as Sun Tsu taught us) knowledge of the landscape, climate, our own policy and leadership. We need more work in every area of this.

From what we have already, we can say it will be multi faith. Not that every action will involve all faiths. But the vision we have embraces all faiths, and the framework we need will be inclusive to all faiths. The vision we have is global and inclusive; it is more than single faiths doing projects for themselves, valuable as that is and long may it continue.

We can also state with certainty that whatever framework evolves from this will be financially self-sustaining. This is another lesson from our friend Cardinal Turkson. When he took over his diocese he ensured it was financially sustainable, no longer dependant on donations.

Whatever we do next has to be financially viable. Businesslike.

This means it will not be the ARC model of shipping Martin round the world to charm and plead for donations. ARC and others have a huge amount to offer whatever happens next but as I said yesterday and, as Martin has repeatedly said to all of us, it will not be ARC that leads this. As I've from the day we first discussed this, to me this needs an entrepreneur.

### Summary of yesterday

When I look through the synthesis of what we discussed yesterday

- The complete consensus is: Yes, we want something. Meaningful follow up
- Don't be timid: be drastic. Be ambitious; global in vision and impact
- Is it urgent? Well, yes.

What we want is a **functioning and effective network of like-minded faith investors willing to work together.**

If we want that thing – that *functioning and effective network of like-minded faith investors willing to work together* – there are certain challenges, also: sobering lessons to learn from previous similar attempts. We've tried to say what we want but there are certain inconsistencies, lack of specificity and lack of clarity.

### What do we want?

The aim might be:

- *To draw together as many faith groups as possible to act in a more co-ordinated and effective way to achieve shared aims consistent with the UN SDG 2030 aims. The scope of faith groups includes smaller organisations within the faiths and the individual faithful*
- This is all faiths working together to address real issues
- Based on common values, at the same time respecting the differences that have been
- This does not mean going into investment management
- This does not mean establishing a shared fund

But there are warnings and hazards. We have lessons to learn from similar previous attempts which failed.

Also: it's easy to say yes to what it's easy and uncontroversial to commit to. But that may not be enough to address the scale and urgency of the problem.

### What do we need done?

#### The wish list sounds like this:

- Form policies and views that are actionable, that support investment structures, that allow us to be better clients
- When we say do not form a fund, there is valuable in doing the work that goes towards forming a fund, but stopping short of forming the fund.
- "All in one service" - centre for communication
- Tailored market intelligence and advice
- Totally differentiated services relevant to S-M-L
- A signposting service – the smaller players have identified that there is information available but they don't know where to find them. So a service - where to find stuff so we/others don't reinvent
- Larger players are always seeking more effective engagement through more scale; how to make their immense expertise resources and services available to wide range of likeminded smaller players in some sort of scalable way

#### There was a lot around the impact database/market information.

- listings of projects
- listings of funders
- matching service that puts those two things together
- (note other platforms/services available)
- more broadly – far more to be done to scope out the landscape of what is there already

On **impact**, there may be a leadership opportunity – because supply of cash is huge and there is huge demand in terms of potential projects, but there are not enough projects going through the pipeline.

- I hear the righteous booming voice of Bishop Walter Thomas of New Psalmist Baptist Church - "not enough projects going through??? We can provide PLENTY"
- That's a particular strength of locally based faith groups. The faiths could locate and put forward projects, but they could do it more, and better and faster, for example, project definitions with sufficient standard & clarity

#### Education & engagement

- Education and engagement is vital. Cardinal Turkson spelt out this is a key priority. Everyone agrees this is important. Not everyone yet accepts that it will pay dividends to spend money on it

- This was described as “the elephant in the room” in my group; we quickly agreed the elephant in question is Ganesh, the problem-solver. Multi-faith gatherings move in mysterious ways.
- What could be provided is a template cost-justification for faiths to spend resources on education and engagement work

#### **The wish list goes on:**

- Pointers to faith-based law and audit for due diligence
- Standards for FCI (faith-consistent investing)

#### **It is not**

- a common investment vehicle
- people do not want to commit to a specific shared brokerage service

#### **How?**

- Work with what works
  - map what’s out there
  - facilitate don’t do
  - advise don’t execute
- Strong branding and marketing: There was a lot of talk about branding and marketing. We would want to control the future of the branding around FCI to avoid ‘greenwashing’
  - strength of the brand “faith”
  - and faith-consistent investing
  - build trust & credibility;
  - assess risk;
  - reduce friction

#### **Where?**

- global vision and service
- non-western specific geography
- avoid implied Judeao-Christian bias
- accessible (which in turn suggests translation services)

#### **What have we got going for us**

- supportive friends in places of real power
- a network and etiquette of how we work together which we enjoy
- brand and language
- pressing problem-solve

**What concrete steps are our key priorities for next 6-9 months.**

As we consider the various needs articulated, the obstacles holding back FCI (faith-consistent investing) on a far larger and more effective scale, what solutions are there already if only we knew?

Unless we build that picture into an effective strategic transition, this has been a delightful couple of days, but not one which adds up to a meaningful and effective response to the challenges we face.

### **What happens in the next four months?**

Today is 1 Nov. We propose that by **31 March 2018**, we have clear strategic proposal for what happens next. This means:

- aim
- a viable business plan
- business model that works
- this would include indicative commitments from core founding clients
- leadership

Propose

Basis of the steering group str gr + PZSC to have a larger strategic steering group building on the people here

enhanced

CT

Building on some of our friends in powerful positions, such as Elliott Harris, some of the substantial foundations who are interested in this process. We will draw on them for expertise, we will ask for secondments.

### **What do we do now?**

Continue our work in a spirit of worshipful prayer. "Love draws us..."

Continue to celebrate our new friendships

I suggest we take our work forward in four or five groups:

- those whose heart lies with the projects needing investment
- professional investment service providers
- sophisticated investors: those who engage actively at scale with large corporations and turn round the supertankers
- volunteer trustees: stewards of precious funds on which vital work depends

You'll note I'm avoiding using the terms 'big' and 'small' there; Mike and I have solemn agreement we don't use words like 'big' and 'small'.

Volunteers please:

- **Projects working group:** those whose heart lies with the projects needing investment: closest to the needs and to the people who can make a difference. We heard yesterday the only way to ensure ethical investment is to stay close to how the money is spent. You are the first to hear the cry of the poor, the cry of the planet. What do you most need from a future framework? What value can you contribute to it?  
**Led by Yassin Garba Maisikeli, Qadiriyyah Sufi Movement, Nigeria**
- **Professional investment service providers** – you've been fantastic participants spoken so well; you've been in violent agreement; we embrace you dressed like Lady Gaga in a robe of red-meat capitalism; you've behaved wonderfully and you've been great company. Now – can you agree what you would need? We've had some hints – early engagement, better structured proposals. What do you need from the faiths to make this market go from a trickle to a flood? Are there services you would be happy to invest in, consistent with our capabilities and aims? Please be ambitious in your thinking.  
**Led by Amy Clarke, CEO, Tribe Impact Capital**
- **Sophisticated investors:** you big beasts. You've contributed so much of your wisdom and experience to this process. Some of you have said you don't have the manpower or mandate to make your experience and resources available to smaller organisations and the individual faithful; can we help make that easier? You want more impact and more clout so as active investors, working with ethical secular investors you can turn round more supertankers. What can a combined multi-faith approach do to support that? What else can it offer you? What would you value enough to invest in? Please gather, consider and tell us. You're the foundation stone of this.  
**Led by Rev. Séamus Finn, chair of the Interfaith Center for Corporate Responsibility**
- **Volunteer trustees: stewards of precious funds** on which vital work depends. What would make your lives easier? How can we appeal to the many more like you around the world. When the spirit of this meeting informs and supports what people like you everywhere then surely we can change and heal this world.  
**Led by Brian Pilkington, Pilkington Foundation**
- **Process group.** Some people who don't fit into any of these groups may be more concerned with the process of how we go forward. I am happy to lead that group.  
**Led by William Heath, Senior advisor to ARC**

Written submissions will go to the new expanded Steering group which we schedule to present its strategic plan in March 2018.