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Cindy Wooden

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Rome — July 10, 2018

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The gap between philanthropic donations and what governments in developing countries can spend on projects to improve the lives of their people is the place where impact investing can make all the difference, said speakers at a Vatican conference.

Regular access to clean water is a challenge for some 2.1 billion people around the world, and Catholic Relief Services, the U.S. bishops' overseas relief and development agency, has launched an impact investment project designed to help local communities improve their water and sanitation service.

At the third Vatican Conference on Impacting Investing July 10, CRS officially launched Azure, a "blended financial facility" -- using both investment capital and grants -- to bring regularly flowing pipes of clean water to people in rural areas of El Salvador.

"People in developing countries are able and willing to pay for reliable water services," Paul Hicks, director of water and land restoration for CRS, told the Vatican conference. But loans and grants are needed to dig the wells, create reservoirs, buy

storage tanks and lay miles of pipes.

That's where impact investing comes in, Hicks said.

Azure Source Capital is a project of CRS and the Inter-American Development Bank's Multilateral Investment Fund and is managed by Total Impact Capital, an impact investing firm located in Bethesda, Maryland. Azure Technical Services is the operational arm of the project and works with local companies to provide hydraulic engineering, project management and business and financial expertise to local water service providers.

"What Azure is doing is harnessing the power of the marketplace to empower local communities to take control of their own clean water future. Mobilization of these private sector resources is an innovative element in this type of development project," Carmina Moreno, the Inter-American Development Bank's representative in El Salvador, said in a statement.

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Sean Callahan, president and CEO of CRS, said that from bringing fresh water to people's faucets in El Salvador to building hospitals in Kenya or to helping farmers in Madagascar process and reap greater profits from the vanilla beans they grow, impact investments already are making a difference in the lives of the poor and are setting up businesses that are financially sustainable.

Some investors, he said, "do good and make money. Others do good and get their money back." Still other impact investments require a longer-term commitment and a greater risk.

Oblate Father Seamus Finn, chair of the U.S.-based Interfaith Center on Corporate Responsibility, told Catholic News Service that "socially responsible investing" is an umbrella category covering an approach to investing that excludes certain practices and products -- such as abortifacients or weapons -- and participating in stockholder meetings. Impact investing is more specifically aimed at investing to promote a social goal or good.

"Impact investment is investment in values," Cardinal Peter Turkson, prefect of the Dicastery for Promoting Integral Human Development, told the conference. "Why

should someone be interested in impact investing? First of all, because you save humanity" by helping people live better, more dignified lives.

Like any investment, impact investing involves risk, the cardinal acknowledged. But "you need to undergird the fear of risk with what we call love. Love in the true sense. ... Who loves without taking risks?"