New Report Explores How Sovereign Wealth Funds Integrate Social Impact

Survey-based report is the first systematic look at how social impact is defined, measured, and monitored across the $13 trillion SWF sector

Press Release

NEW YORK, N.Y.— The Jain Family Institute (JFI), in partnership with the International Forum of Sovereign Wealth Funds (IFSWF), has published a new report, *The State of SWF Social Impact Integration: Trends and Opportunities*, based on survey responses from 21 sovereign wealth funds worldwide.

The report builds on insights first shared at the May 2025 workshop, “Measuring and Monitoring Social Impact: Best Practices for Sovereign Wealth Funds,” co-hosted by JFI and IFSWF in New York City, and offers a comprehensive analysis of how sovereign funds are incorporating social impact into their mandates, measurement practices, and investment strategies.

The survey, designed by JFI Research Manager Roberta Costa and Fellow Ege Aksu, was distributed to all IFSWF members. As sovereign funds with a development mandate multiply and the impact investing sector matures, the survey finds that SWFs have largely moved beyond the question of whether social impact matters, and toward practical questions of how best to define, evaluate, and implement it. While approaches remain diverse, a shared sense of urgency and growing experimentation point to significant momentum across the field.

Key findings include:

- **Many funds have, or are creating, impact methodologies.** Most development funds report they already use a defined methodology, while a majority of savings funds report that they are planning to develop one, signaling high interest across the board in integrating social impact into investment processes.

- **Mandates shape priorities and practices.** Development funds tend to align social priorities with national policy goals and use broader, multidimensional metrics, while savings funds often prioritize infrastructure, clean energy, and environmental goals, and are less likely to assess social outcomes systematically.

- **Measurement is evolving, but still uneven.** Most funds use both quantitative and qualitative approaches, but definitions, indicators, and attribution practices vary widely. While a degree of framework fragmentation persists, Early signs of convergence are visible, particularly around the UN Sustainable Development Goals and selected industry frameworks, but gaps in comparability remain.

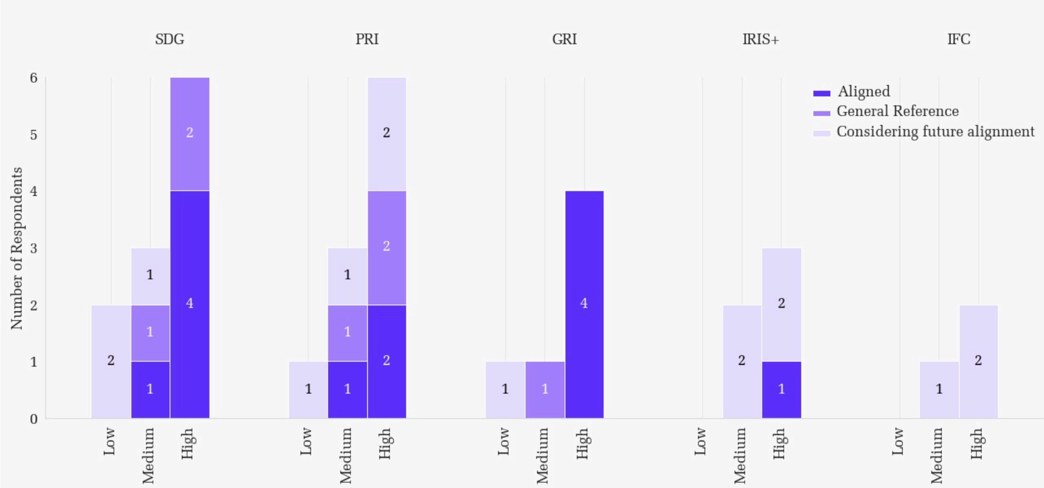
- **Data limitations present both a challenge and an opportunity.** Internal or investee-provided data remains the primary source for most funds, with limited integration of public or third-party sources. Expanding access to high-quality, standardized data could enhance credibility and facilitate peer benchmarking.

- **Barriers reflect different stages of integration.** Sovereign wealth funds in the early stages of measuring and monitoring their social impact cite a lack of clear methodologies and difficulty aligning social goals with investment objectives. More advanced funds report second-order challenges like improving data quality, embedding evaluation in workflows, and scaling impact practices.

- **Financial additionality is on the radar, but underdeveloped.** While many funds acknowledge the concept, few have adopted systematic approaches for measuring the unique catalytic role of sovereign investments. This presents a major opportunity for shared learning and methodological innovation.

To help contextualize fund practices, the report introduces a new Social Impact Integration Index that aggregates and normalizes responses across strategic orientation, measurement frameworks, implementation practices, and aspirations. The Index is designed to support benchmarking and peer learning. Notably, it identifies "medium-integration" funds — those which have begun to evaluate social impact and are actively exploring strategies to deepen this integration — as a particularly high-leverage group for capacity building and collaboration, as well as a window onto future trends in the space. With targeted support, shared tools, and peer learning, these funds could quickly move toward deeper integration of social outcomes, and play a catalytic role in shifting norms across the broader sovereign investor community.

Figure 23. Framework Alignment by Social Impact Integration Index Score



The report includes numerous graphs visualizing its findings, including the figure above, which shows alignment with five popular frameworks, with respondents classified by Social Impact Integration score. This figure points to the continued centrality of the Sustainable Development Goals and Principles for Responsible Investment, as well as the rising relevance of the Global Impact Investing Network's IRIS+ framework, among high- and medium-integration funds.

The report also draws on discussions at the May 2025 convening, held under the Chatham House Rule, where SWF leaders and experts explored challenges such as data credibility, methodological alignment, and the balance between local relevance and global comparability.

Both the convening and survey underscore that a key challenge is the disconnect between conventional investment logic and the frameworks used in development finance. Aligning capital with social goals often requires a translation layer, both in language and in expectations. Sovereign investors are well positioned to bridge this gap by fostering collaboration between private capital and development finance institutions. Emerging initiatives around South–South cooperation, especially in infrastructure and climate finance, illustrate the potential for sovereign actors to support new investment vehicles that balance return expectations with public purpose.

Reflecting on the report, Victoria Barbary, Director of Strategy and Communications at IFSWF stated, “Sovereign wealth funds are increasingly recognising that long-term value creation must go hand in hand with social impact. This report highlights the growing sophistication and commitment across the sector to not only measure impact, but to embed it into investment strategy — ensuring sovereign capital contributes meaningfully to inclusive and sustainable development.”

“Across the sector, there is growing momentum to ensure that sovereign capital is aligned not only with long-term risk-adjusted returns, but also with measurable social outcomes,” said Paul Katz, Senior Vice President at the Jain Family Institute and co-author of the report. “This report offers a snapshot of where the sector stands, and a roadmap for where it can go, and we are eager to repeat it annually.”

The State of SWF Social Impact Integration: Trends and Opportunities is available for download here.

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About the International Forum of Sovereign Wealth Funds
The International Forum of Sovereign Wealth Funds (IFSWF) is a global network of sovereign wealth funds established in 2009 to enhance collaboration, promote a deeper understanding of sovereign wealth fund activity, and raise the industry standard for best practice and governance.

About the Jain Family Institute
The Jain Family Institute (JFI) is a 501(c)(3) nonprofit applied research organization founded in 2014 by Bobby Jain. JFI applies the instruments and frameworks of finance to issues of global policy concern. Working to understand and coordinate international channels of public and private capital, the institute applies data, modeling, and simulation tools to the most pressing challenges of our time.

Press contact: communications@jainfamilyinstitute.org