

# Luis Gallo

General Director, Banco de Inversión Social, Colombia



**Colombia has no tradition of strategic philanthropy. It is a country exhausted by 40 years of internal conflict. Four million people are internally displaced and 37 per cent live in poverty. The development of a local culture of philanthropy is crucial to the reconstruction of the country.**

One of the most successful investment bankers in the country, Luis Gallo has a long history of working to foster a dynamic and sustainable non-profit sector in Colombia, making his investment bank Estrategias Corporativas a leader in bringing together other top-rank

companies and founding Compartamos con Colombia to build the capacity of high-impact non-profits.

Luis could be considered a serial entrepreneur in the field of philanthropy. He helped to create

Conexión Colombia and Give2Colombia, which link members of the Colombian diaspora with their home country. He supported the establishment of Corporación Inversor, the first impact investment fund in Colombia, with a target size of US\$20 million. And, perhaps most significant of all, he has been deeply involved in Filantropía Transformadora (Transforming Philanthropy), whose aim is to create a community of strategic philanthropists and ultimately to increase the volume of effective social investments in Colombia.

Finally, in 2011 Luis established the Banca de Inversión Social (BIS), or Social Investment Bank, as a non-profit organization whose mission is to grow the impact investing field in Colombia. BIS helps traditional donors who are venturing into impact investing for the first time, supports impact investors in identifying and scaling up opportunities, works with companies that would like to grow their inclusive business strategies, and supports social enterprises to scale up and receive impact investing resources. BIS focuses on large, 'transformative' opportunities, such as providing affordable housing and developing sustainable associative agribusiness to provide a livelihood to rural families.

I began my career as an investment banker with J P Morgan in New York City. I wanted to be successful so that by the age of 35 I could start giving half my time to my profession and half to giving back. I believed there was an opportunity to transfer knowledge from the private sector to the social sector. When I got married in 1997, every Monday morning the priest who married us would call at 6 am and say, 'so, what have you done for the poor?' That was a handy reminder!

I started Compartamos con Colombia, a consortium of professional service firms, to provide non-profit organizations with integrated pro bono services. Its premise was that we would provide the social sector clients with the same, if not better, service as business clients. That would be the benchmark.

I think my biggest achievement has been to influence people, to help serve as a role model for many other successful

Colombians who are now involved in very significant ways in both the social and the public sectors. But no matter how much effort we've put in, the impact is not transformational nationally. We are still very concentrated on the triangle between Bogotá, Medellín and Cali.

How do you take that NGO presence from that privileged triangle to the rest of the country? My answer is to apply more aggressive and significant business practices to trying to solve social problems. If you compare business with the social sector, there is a huge gap. Multi-million-dollar companies cover the globe. In the social sector, you have thousands and thousands of small NGOs, with very good people, very passionate, but the impact they generate is limited.

That's why we created the Social Investment Bank. It applies investment banking techniques to carrying out the agency function between the non-profit

sector and those with resources. It's really joining resources with opportunities. Often it's not even a problem of money, it's a problem of getting the right people to connect. The greatest difficulty is proving in a convincing way that this approach of trying to apply business models to help scale social projects works.

I think we have the basics of a well-developed philanthropy sector in Colombia – we have involved families, successful and long-lasting NGOs, companies that are getting more involved in CSR. And tremendous wealth has been created in Colombia in the last ten years. Three things are lacking: we need a culture of giving that is less influenced by traditional structures like the church; we need people to get involved in philanthropy in the same way they do in business; and we need the tax code to be changed to encourage philanthropy.