EUROPEAN VENTURE PHILANTHROPY ASSOCIATION

# The State of Venture Philanthropy and Social Investment (VP/SI) in Europe

## The EVPA Survey 2015/2016

**European Venture Philanthropy Association**

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# The State of Venture Philanthropy and Social Investment (VP/SI) in Europe

## The EVPA Survey 2015/2016

EVPA is grateful to **Fondazione CRT** and **Noaber Foundation** for the support of its Knowledge Centre

EVPA is grateful to **BMW Foundation** for its structural support

Priscilla Boiardi, Alessia Gianoncelli

## TABLE OF CONTENTS

## Acknowledgements

EVPA would like to express its gratitude to the 108 organisations that responded to the survey, investing time and effort in providing the data. The names of these organisations are listed in Annex 3.

We would also like to thank Elena Vittone and Margherita Winter, whose precious contribution in collecting and analysing the data was essential to the production of this report.

# Executive Summary

## EXECUTIVE SUMMARY

This is the report[1] of EVPA's fifth annual survey of European Venture Philanthropy and Social Investment ("VP/SI"). The purpose of the report is to provide independent industry statistics to raise awareness about European VP/SI and attract additional resources to the sector.

Since 2011, EVPA acts as the main repository of data on the VP/SI industry in Europe. From 2014 onwards, we conduct the industry survey on a bi-annual basis as this enables us to detect more significant trends in the VP/SI sector. The presence of longitudinal data allows us to analyse interesting evolutions. The financial data provided was for the fiscal year (FY) ending in 2015, unless otherwise specified.

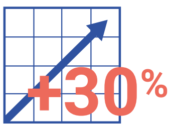
### Definition of Venture Philanthropy

Venture philanthropy works to build stronger investee organisations with a societal[2] purpose (Social Purpose Organisations, SPOs) by providing them with both financial and non-financial support in order to increase their societal impact. The venture philanthropy approach includes the use of the **entire spectrum of financing instruments** (grants, equity, debt, etc.), and pays particular attention to the **ultimate objective of achieving societal impact.** VP is a high engagement and long-term approach to generating societal impact through three core practices: tailored financing, organisational support and impact measurement and management.

### Survey Scope

The EVPA survey aimed to capture the activity of Venture Philanthropy Organisations (VPOs) based in Europe, according to the definition above, although their investment activity may take place in other continents. The survey was undertaken between March and June 2016, and includes responses from 108 VP/SI organisations. We do not claim to have captured the entire VP/SI industry in Europe; however we believe the sample to be highly representative.

## Overview of the VP/SI sector



**VP/SI financial support since the beginning**

The European VP/SI sector continues to grow. Support for societal purpose organisations through the VP/SI method, continues to increase with **over *€6.5 billion invested*** since inception by the respondents of the EVPA survey, a 30% increase compared to FY 2013. The average amount invested per VPO has experienced a 2% decrease from FY 2013 to FY 2015, moving from €7.9 million in FY 2013, to €7.8 million in FY 2015.

1 Please note that the four previous industry surveys are available for download at: http://evpa.eu.com/knowledge-centre/research-and-tools

2 EVPA intentionally uses the word societal because the impact may be social, environmental, medical or cultural.

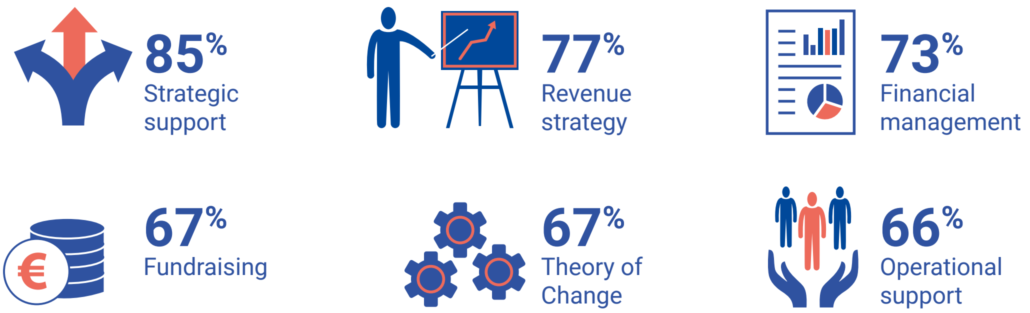
## EXECUTIVE SUMMARY

VPOs support their investees not just financially, but also with a ***variety of non-financial support, ranging from strategic support and revenue strategy to financial management.***

**% of VPOs offering different types of non-financial support**

n=108

multiple choice

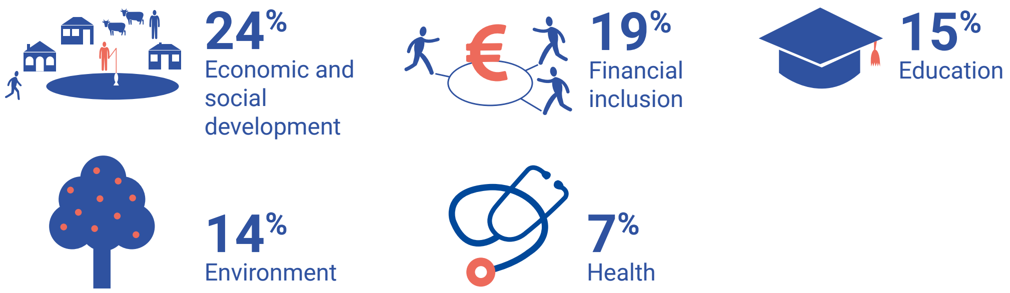



VP/SI organisations support a wide range of sectors and beneficiaries. In FY 2015, ***economic and social development topped the sectors*** (receiving 24% of funding), ahead of financial inclusion (19%), education (15%), environment (14%) and health (7%). Altogether, the top 5 sectors made up for 79% of the total spend in FY 2015. Interestingly, the resources allocated to research sharply decreased from FY 2013 to FY 2015, falling from 13% in FY 2013 and FY 2012, to a negligible percentage this year.

**Top five sectors – € spent in FY 2015**

n=77

% of total spend

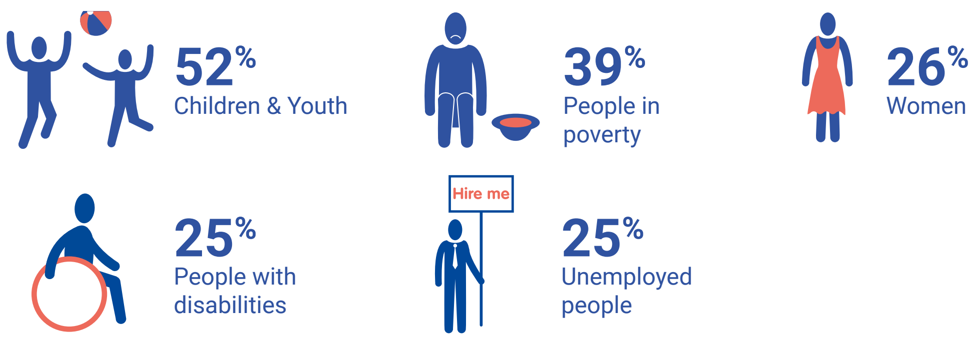



***Children and youth remain the main beneficiaries of VP/SI investments,*** with 52% of European VPOs targeting this group, which is a decrease of 10 percentage points compared to FY 2013. People suffering from poverty (39%) are still the second most supported group, while women (26%) remain an important group of support, followed by people with disabilities (25%) and unemployed people (25%).

**Top five beneficiary groups targeted**

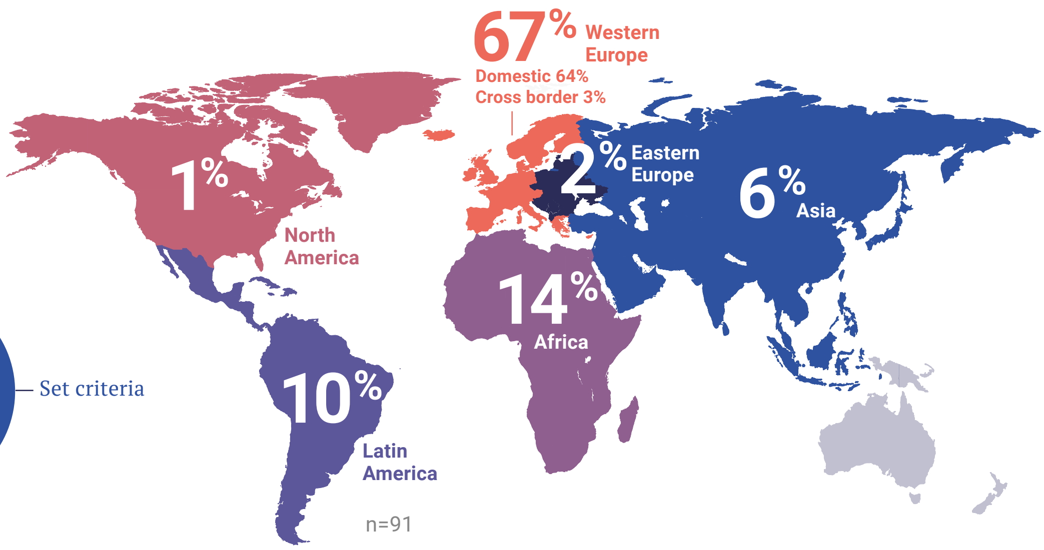
n=108

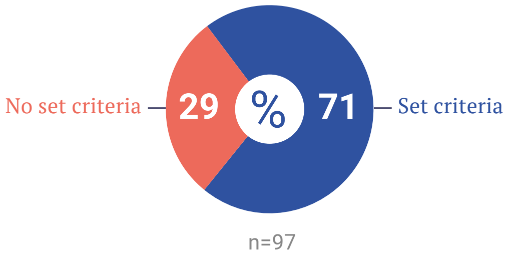
multiple choice



***The bulk of funding is increasingly directed towards Western Europe.*** Africa is the second target region, attracting 14% of the funding, with an increase of three percentage points compared to FY 2013. This year Latin America attracted 10% of funding, an interesting surge compared to the 3% registered for FY 2013. The market for VP/SI in Eastern Europe still remains limited, with the region attracting only 2% of total funding, as in FY 2013.

**Geographic focus of VPOs by € spend**



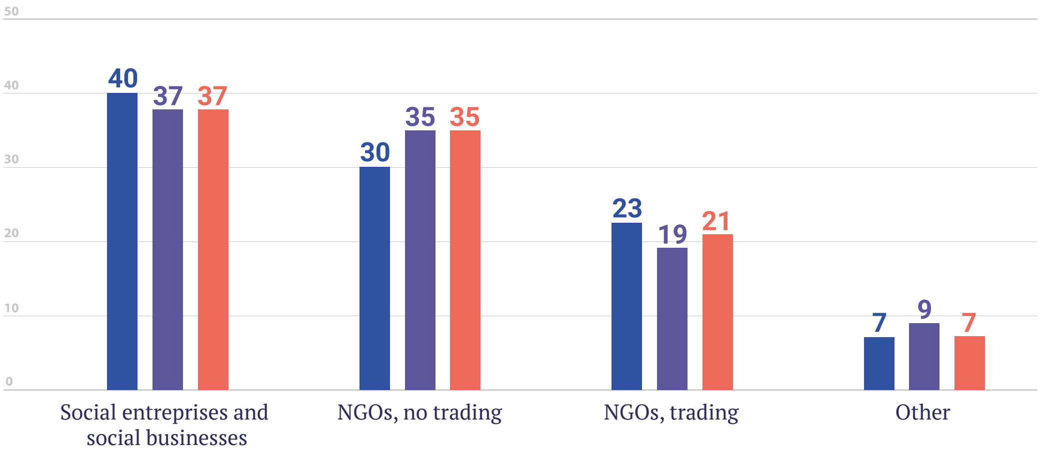




European VPOs continue to invest across a spectrum of organisational types. ***Social enterprises and non-profits without trading revenues*** are the key targets of VP/SI investment, receiving 37% and 35% of total spend respectively.

**Type of investee by VP/SI € spend in FYs 2012–2015**

2015 n=97
2013 n=82
2012 n=64

numbers in %

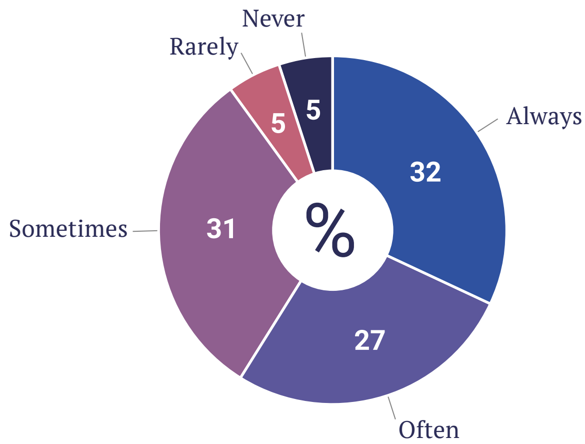



***Tailored financing is a reality, with the majority of VPOs adapting their financing model to the needs of the investee.*** The majority of VPOs (59%) do adapt their financing model to meet the needs of their investees either always (in 32% of the cases, as in FY 2013) or often (in 27% of the cases). A smaller share of VPOs only adapts the financing model in some cases (31%) or rarely (5%), and only 5% reported never adapting the financing model to the needs of the investees.

## EXECUTIVE SUMMARY

**% of VPOs adapting their financing model to the needs of their investees**

n=108




## Key trends

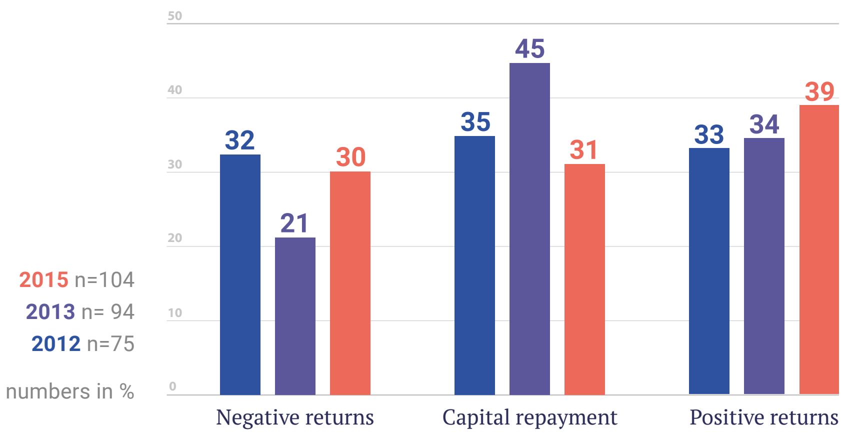
The 2016 EVPA survey uncovers new patterns and interesting trends in the European venture philanthropy and social investment sector.

***1. Social return is still the main priority for European VPOs, but an increasing number of VPOs expect positive financial returns from their investments.***

**Investment priorities**


n=108

**Return expectations in FYs 2012–2015**



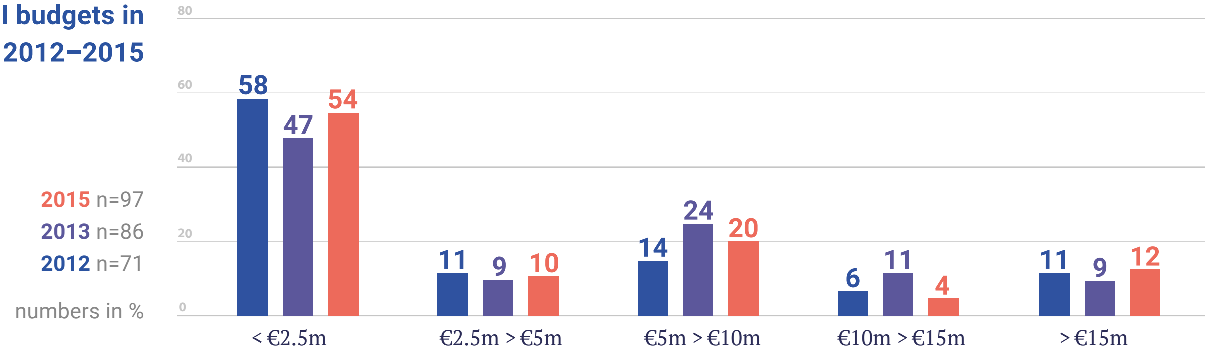

In fact, if in 2014 recycling capital was considered important by VPOs, in 2016 we see a polarisation of positive vs. negative return expectations, coupled with a sharp decrease in the share of VPOs looking for capital repayment. This is an interesting result, which is in contrast to the results of the previous survey.

***2. The majority of European venture philanthropy organisations still have annual budgets lower than €2.5m.***

In the last fiscal year, the average amount allocated to VP/SI activities was €9.8m (a 2% increase compared to the previous survey) although the median was only €2m (a 33% decrease compared to FY 2013). The sharp decrease in the median between FY 2013 and FY 2015 highlights a rise in the number of small VPOs starting to position themselves in the European VP/SI ecosystem.

A comparison of the budgets allocated to VP/SI in the past three years shows that the share of organisations allocating less than €2.5m to VP/SI increased, after a substantial decrease was registered between FY 2012 and FY 2013. At the same time, the share of organisations allocating between € 5m and € 15m decreased by eleven percentage points, even if this still represents one quarter of the VPOs that responded to the survey. These trends are completely opposite to the ones of the previous survey, in which the share of organisations allocating small budgets to VP/SI had experienced a sharp decrease, while the range €5m–€15m gained in significance. This result reinforces our belief that **there are a number of new, small VPOs entering the market.** It is also interesting to note that the percentage of organisations with large budgets (> €15 million) increased, from 9% in FY 2013 to 12% in FY 2015 (with two thirds of them having a budget of more than € 20 m), and that most of them are **foundations, clearly still an important actor in the VP/SI space.**

**Size of VP/SI budgets in FYs 2012–2015**

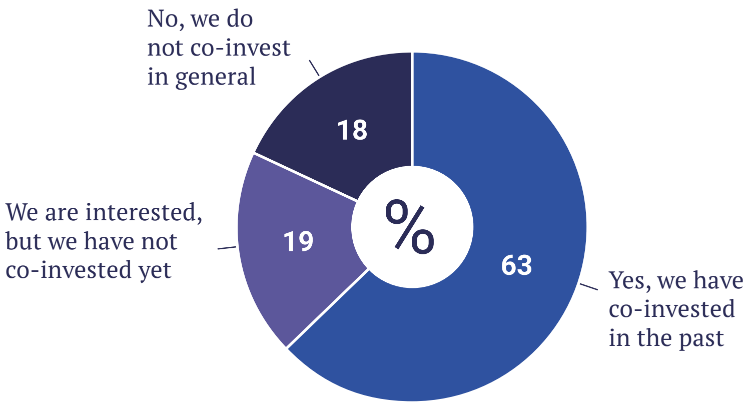


## EXECUTIVE SUMMARY

***3. An increasing number of organisations co-invest, and do so increasingly and primarily with their peers, i.e. with other VP/SI organisations and societal impact first investors.***

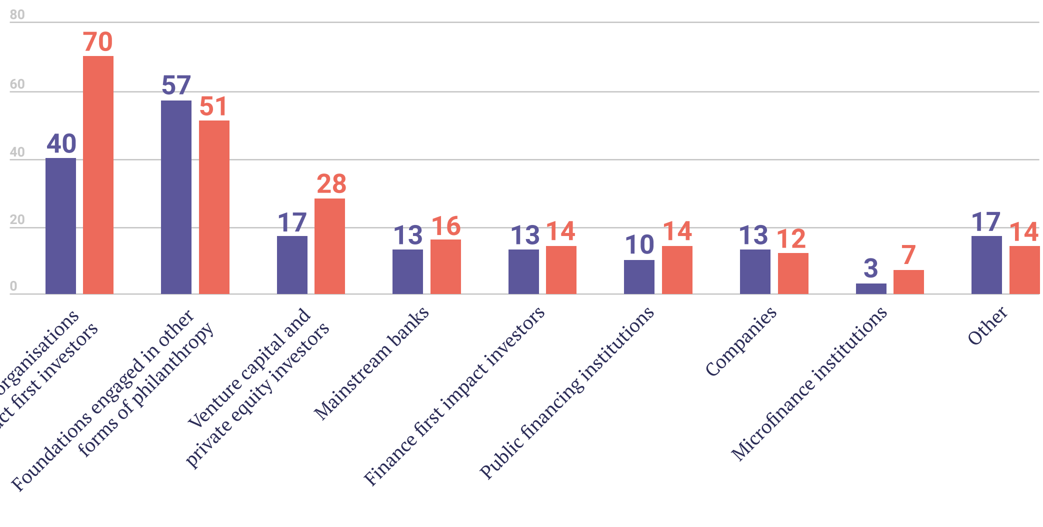
This trend is particularly evident if we compare the responses of EVPA members: 70% declare having co-invested with other VPOs, which is a striking increase of 30 percentage points in the two year period. This trend points to increasing cooperation, trust and transparency in the VP/SI sector, and shows that pooling resources and sharing risk are increasingly important for VP/SI organisations.

**% of VPOs having co-invested**
n=102




**Types of co-investors**
*EVPA members*
*FYs 2013 and 2015*

2015 n=43
**2013** n=30
numbers in %
multiple choice

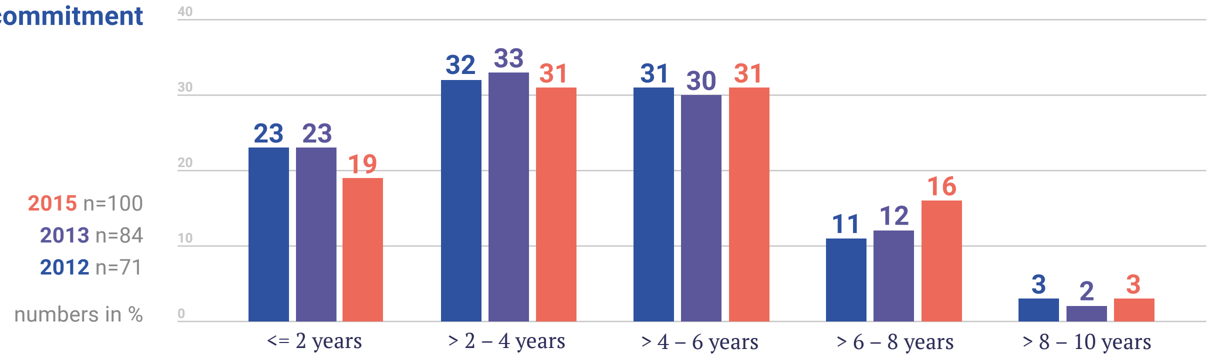


## Developments in the implementation of the venture philanthropy approach

***VPOs are increasingly moving towards best practice in using the VP/SI approach, as indicated by two interesting trends.***

1. First, **VPOs are increasing the duration of their commitment to the SPOs they support**. The majority of VPOs are committing to support investees for a period of between two and six years. VP/SI is increasingly moving towards long-term engagement, with the share of VPOs investing for less than two years decreasing by four percentage points, and while the share of VPOs investing for a period between six and eight years increasing by four percentage points.

**Duration of commitment**




2. Second, VPOs **increasingly understand how to manage impact, by measuring** at the level of outcomes, instead of trying to measure impact. Compared to 2014, there has been a decrease in the percentage of VPOs trying to measure impact (which requires an assessment of attribution): 66% of the organisations that replied to this survey question in 2016, reported using impact measures, which is a four-percentage points decrease compared to 2014. This decrease can be explained by two factors. VPOs are increasingly becoming aware of the difficulty of measuring impact. In addition, VPOs are realising that it is enough to measure outcomes, as recommended by EVPA's reports "A Practical Guide to Measuring and Managing Impact"[3] and "Impact Measurement in Practice – In-depth Case Studies".[4]

3 **Hehenberger, L., Harling, A.,** and **Scholten, P.,** (2015), *"A Practical Guide to Measuring and Managing Impact – Second Edition"*, EVPA.

4 **Boiardi, P., Hehenberger, L.,** and **Gianoncelli, A.,** (2016), *"Impact Measurement in Practice – In-depth Case Studies"*, EVPA.

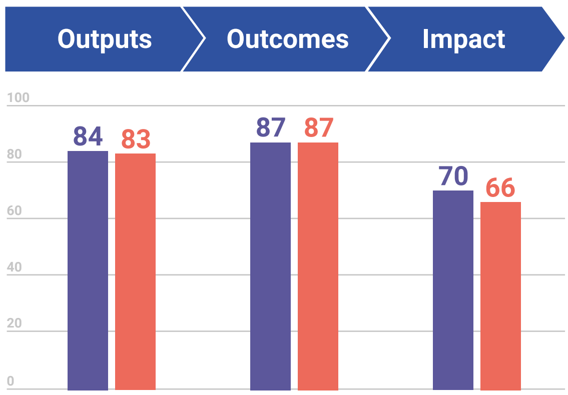
## EXECUTIVE SUMMARY

**Objectives of social impact measurement by % of respondents**

2015 n=95
2013 n=91

multiple choice

numbers in %



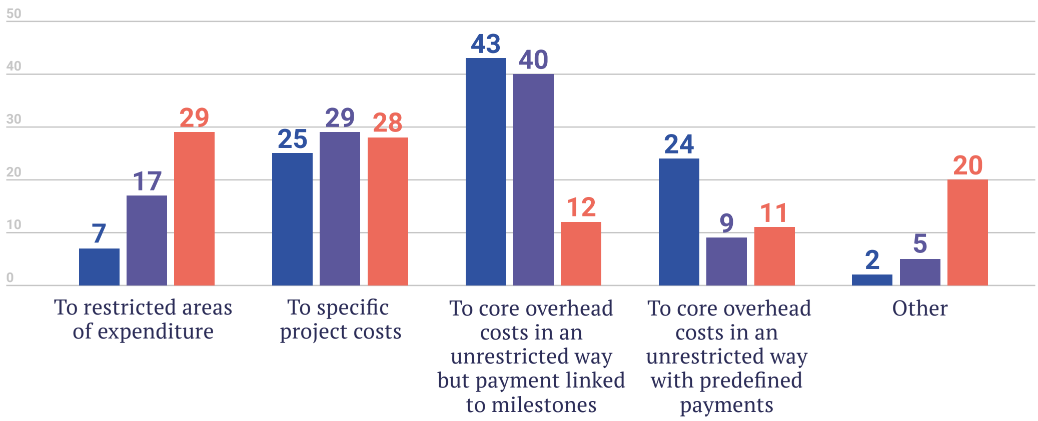

***However, there are also some areas where more research and guidance are needed.***

1. Since VP/SI aims to build stronger SPOs, it would be logical to believe that much of the funding was going to support SPOs' core costs, but in fact, only 23% of the entire amount spent was allocated to core costs in FY 2015 (26 percentage points less than in FY 2013). We see a remarkable increase in the percentage of funds going to **restricted areas of expenditure,** from 17% in FY 2013 to 29% in FY 2015. This is a puzzling result that must be analysed further. However, one reason for this could be that, similar to grant makers, VPOs also find it difficult to let go of the control of the funding to give their investees the freedom to independently choose where funding should be allocated, as highlighted in a recent report by the Centre for Effective Philanthropy.[5] Another interesting result is that this year we have a large percentage allocated in "other" and the overall perception (taking into account the explanations of the respondents) was that it was difficult for some practitioners to divide the total spend in these categories. Hence we can conclude that more guidance is needed in the sector to move VPOs towards best practice.

**Respondents' "portfolio" of allocation of funds in FYs 2012-2015**

2015 n=97
2013 n=83
2012 n=63

numbers in %




5 **Boyadzhiev, M.,** (2016), *"Supporting a Foundation's Move towards Unrestricted Support"*, The Center of Effective Philanthropy, 16 February 2016. Available at: http://effectivephilanthropy.org/supporting-a-foundations-move-towards-unrestricted-support/

2. Another practice that is difficult to embed is linked to **the valuation of the non-financial support** provided. This year in the survey, we included a new question about the non-financial support provided by VPOs. Respondents were asked to monetise the cost of the non-financial support provided to their investees applying the monetisation method illustrated in Step 1 of EVPA report "A Practical Guide to Adding Value through Non-financial Support".[6] As this method aims for a more precise and less undervalued estimation of non-financial support, we would have expected the total monetised value reported using our methodology, to be higher than the one reported in the last survey (the cash amount actually spent). However, this was not the case. Hence, we can conclude that VPOs still find it difficult to adopt the monetisation method proposed by the group of experts that worked with EVPA to calculate the real monetised value of the non-financial support provided. We need to analyse more in-depth the reasons why VPOs still find it difficult to monetise the value of non-financial support using the EVPA methodology, and - if necessary - provide our members with further guidance.

EVPA is committed to continuing the research and promotion of best practice in the key components of the VP/SI model, and reiterates the importance of a collaborative approach to developing the sector. We would be delighted to hear any additional thoughts or comments from readers, regarding the trends identified in the survey and/or their views on what is driving these trends. Any comments or suggestions can be sent to Priscilla Boiardi (pboiardi@evpa.eu.com) or to Alessia Gianoncelli (agianoncelli@evpa.eu.com).

6 **Boiardi, P.,** and **Hehenberger, L.,** (2015), "*A Practical Guide to Adding Value through Non-financial Support*", EVPA.

# Introduction

# INTRODUCTION

This is the fifth report[7] on European Venture Philanthropy and Social Investment (VP/SI), published by the European Venture Philanthropy Association. The purpose of the report is to provide independent industry statistics and raise awareness on a sector that is evolving rapidly in order to attract further resources to the sector. The ambition for the EVPA Survey report is to become the key point of reference on European venture philanthropy and social investment.

The report is based on a comprehensive survey conducted by EVPA's Knowledge Centre that captured key statistics on 108 European venture philanthropy and social investment organisations (VPOs).

The report is structured into five sections, each of them illustrating the different results emerged from the survey:

**Part 1 – Who are the VP/SI organisations?**
**How are they positioned in the investment landscape?**

a. Demographics of VP/SI organisations
b. VP/SI positioning in the investment landscape

**Part 2 – Resources of European VP/SI**

a. Financial resources
b. Human capital

**Part 3 – The VP/SI Investment Strategy**

a. Investment priorities
b. VP/SI investment focus
c. Type of SPOs supported
d. Financing instruments
e. Co-investment

**Part 4 – Highlights from the VP/SI Investment Process**

a. Deal flow, investment appraisal, investment decision
b. Investment management
c. Exit

**Part 5 – Social (Impact) Investment Funds**

7 Please note that the four previous industry surveys are available for download at: http://evpa.eu.com/knowledgecentre/research-and-tools

## INTRODUCTION

The presence of longitudinal data enables us to draw attention to the surprising findings which lead to questions about the nature of VP/SI in Europe that, as a sector, we should look into further. We aim that these questions spur a debate that will help VP/SI practitioners think harder about their practices and how they can work more effectively.

### What is Venture Philanthropy?

VP is a high engagement and long term approach to generating societal impact through three core practices:

- **Tailored financing:** Using a range of financing mechanisms (including grants, debt, equity hybrid financing) tailored to the needs of the organisations supported.
- **Organisational support:** Added value support services that VPOs offer to investees (SPOs), to strengthen the SPO's organisational resilience and financial sustainability by developing skills or improving structures and processes.
- **Impact measurement and management:** Measuring and managing the process of creating social impact in order to maximise and optimise it.

**The three core practices of VP/SI**

## INTRODUCTION

The next five sections present the results of the analysis of the survey data. The survey was completed by 108 investors and grant makers based in Europe, using the venture philanthropy approach. The analysis in each graph refers to the responses from the VPOs that answered the relevant questions. In some specific cases, certain outlying responses were not included in the analysis to ensure that the results provided an accurate representation of the industry as a whole. The financial data provided was for the fiscal year (FY) ending in 2015, unless otherwise specified.

PART 1

# Who are the VP/SI organisations?
# How are they positioned in the investment landscape?

**PART 1**
**WHO ARE THE VP/SI ORGANISATIONS?**

## 1a. Demographics of VP/SI organisations

### Country of origin

***The UK, the Netherlands and Germany are the top countries in terms of VPO headquarters.*** In line with the EVPA's latest survey, most of the respondents were based in Western Europe. The top three respondent countries were the United Kingdom (17%), the Netherlands (13%) and Germany (10%). However, this year the sample is quite representative of the geographical spread of VP/SI activities in Europe. The total number of countries represented increased from 18 to 21, and included seven respondents from Eastern Europe, with Bosnia, Bulgaria, Croatia and Poland being represented for the first time. The survey aimed to capture the activity of organisations based in Europe, even though their investment activity might be taking place in other continents. The cloud below shows the distribution by country of origin of the survey's respondents.

**Respondents by country**

2016 n=108

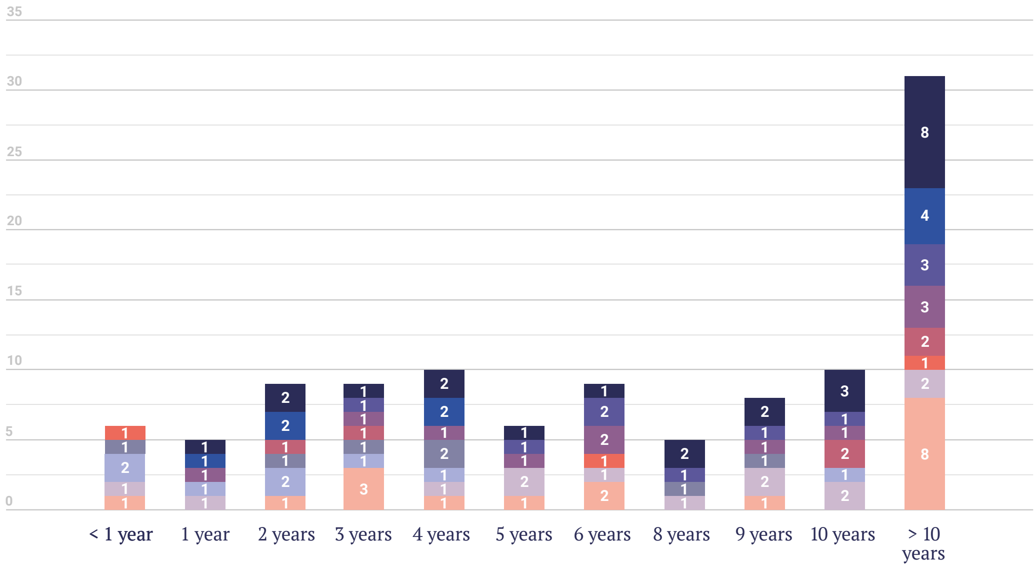

### Years of VP/SI activity

The survey asked respondents to specify the year they started their VP/SI activity. In some cases, this question was difficult to answer, considering the many ways that an organisation can begin engaging in VP/SI, e.g. by using just a few of the key characteristics or applying the full model. **The average age of the VPOs surveyed in 2016 is 8.7 years**. Although the VP/SI movement is considered to be approximately a decade old in Europe, some respondents claim to have been doing VP/SI for longer than that, which is why 38% of the respondents report being active in the sector for over ten years.

## PART 1
## WHO ARE THE VP/SI ORGANISATIONS?

**Years of VP/SI activity by country/region**

n=108

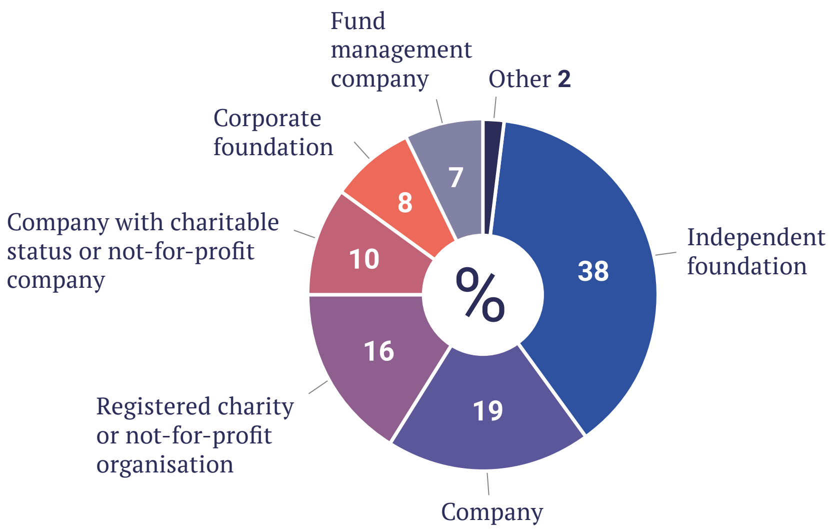



### Organisational structure

***Non-profit structures still dominate the organisational set up.*** In line with the results of previous surveys, a majority (72%) of the European VPOs are structured as non-profits such as foundations (either independent, 38% or linked to a corporation, 8%), charities (16%) or companies with a charitable status (10%), although each country has its own terms and variations of these forms. Other forms are companies (19%) or funds (7%). This year's survey collected specific data on investment funds considering that 30% of the sample reported to manage such funds (with an increase of two percentage points compared to the previous survey), as further analysed in Part 5 of this report.

**Organisational structure**

n=108

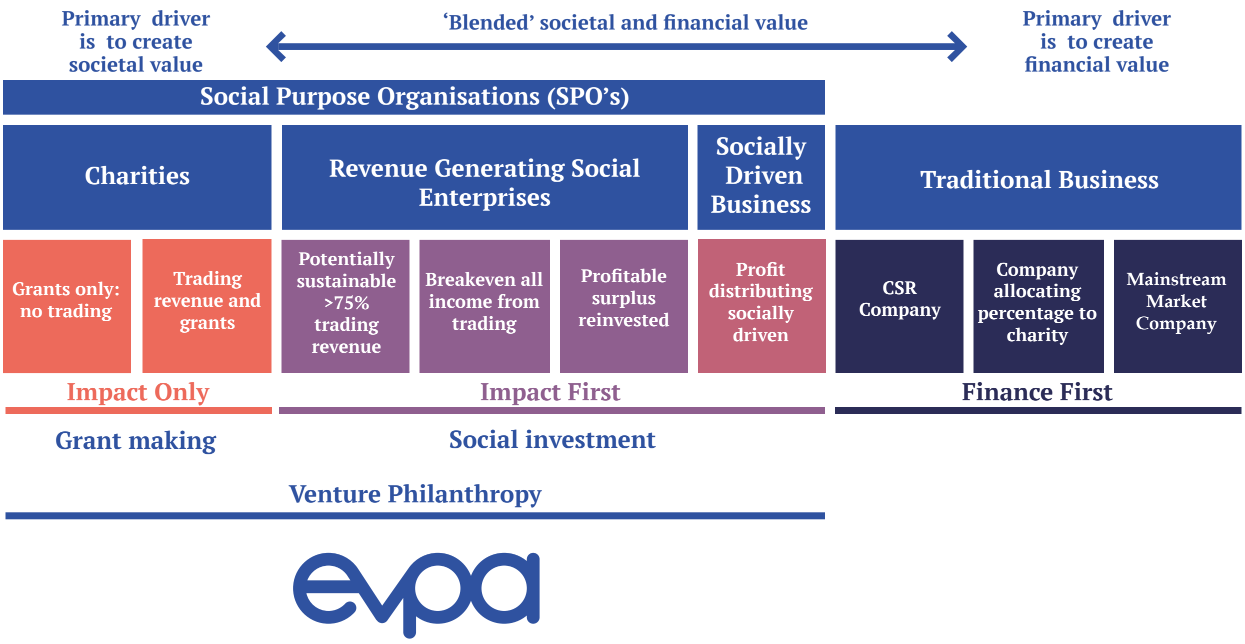


## 1b. VP/SI positioning in the investment landscape

### Investment priorities

The VP/SI approach includes the use of the **entire spectrum of financing instruments** (grants, equity, debt, etc.), and pays particular attention to the **ultimate objective of achieving societal impact.** The spectrum[8] below presents the whole range of strategies venture philanthropists and social investors can apply to achieve societal change. *Impact only strategies* expect a **societal return and a negative financial return**. *Impact first strategies* aim to achieve a **societal return**, but may also generate a **financial return**. VP/SI covers these first two types of strategies. *Finance first strategies*, where the financial return is maximised and the societal impact is secondary, are not included in EVPA's definition of venture philanthropy and social investment. The relatively newer term "impact investment" tends to include both impact-first and finance-first strategies, although the term is also used to describe a wide range of investment strategies.

### The EVPA Spectrum




For the purpose of this survey, we identify **three main priority groups**: organisations that want to obtain only a societal return (Group 1), organisations that look for a societal return and accept a financial return (Group 2) and organisation that place societal and financial return on the same level (Group 3).

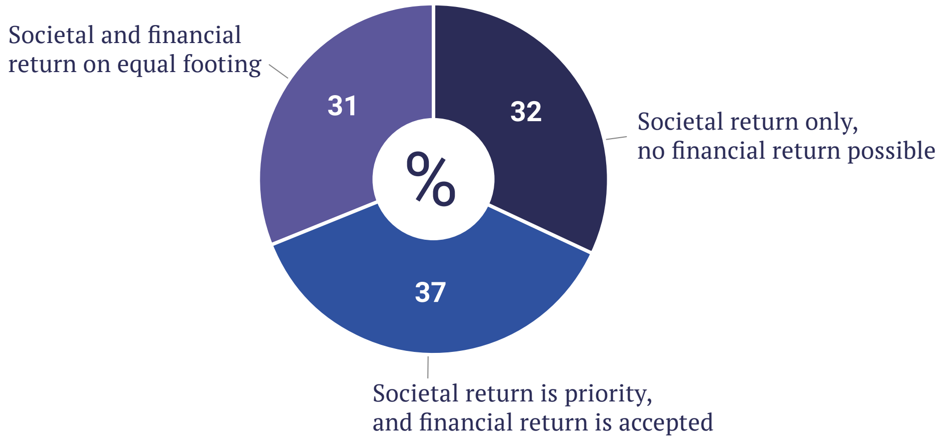
8 Adapted from John Kingston, CAF Venturesome, by Pieter Oostlander, Shaerpa and EVPA.

## PART 1
## WHO ARE THE VP/SI ORGANISATIONS?

***Societal return remains the main purpose.*** Analysing the sample of organisations that replied to this year's survey, we see that respondents are well distributed among the three priorities, with the second group (organisations that consider societal return a priority but accept a financial return) being slightly bigger than the other two (37%). If we sum up the respondents that consider social return a priority over financial return (hence Groups 1 and 2), we can see that for 69% of VPOs societal return is still the main aim.

**Investment priorities**

n=108

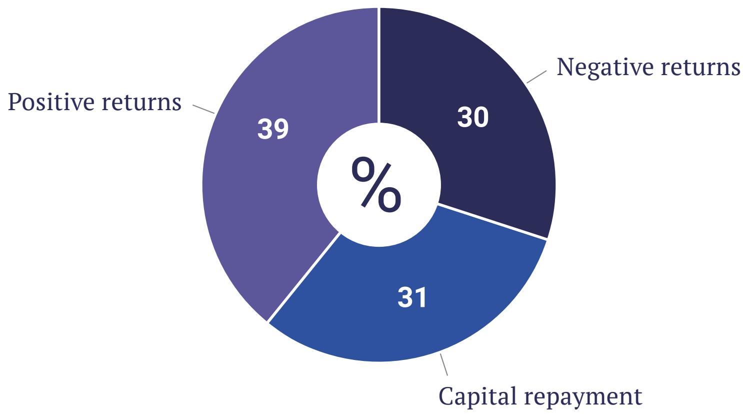



### Expected returns

To get a complete picture of the priorities of European VPOs, we shall look into their financial return expectations. About 39% of the respondents to this year's survey expect positive financial returns. This is a result that points to an increased interest in impact investing, a practice focussing on both social impact and positive financial returns. However, the majority of VPOs (61%) still do not consider the option of having more than the capital repayment, with one third of the total sample accepting only negative returns, in line with the consideration made above concerning the centrality of societal return.

**Expected returns**

n=104

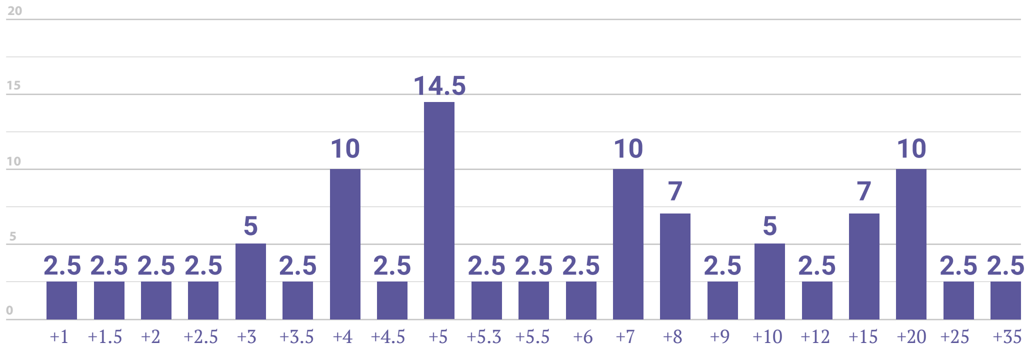


For those VPOs that expect a positive return from their investments (39% of the total), the percentage return expected varies from 1% to 35%. However, half of the expected returns are in the range of 3% and 7%. By comparing these results with the ones from the last survey, it is possible to see that VPOs are seeking for increasingly higher returns: in FY 2013 the median of the positive expected returns was 5%, while in FY 2015 it is 6%, highlighting an increase in the positive expectations.

**Details of the positive return expectations of VPO respondents**[9]

n=41

numbers in %




9 Due to the fact that numbers were rounded up, the total sum is 101%.

PART 2

# Resources of European VP/SI

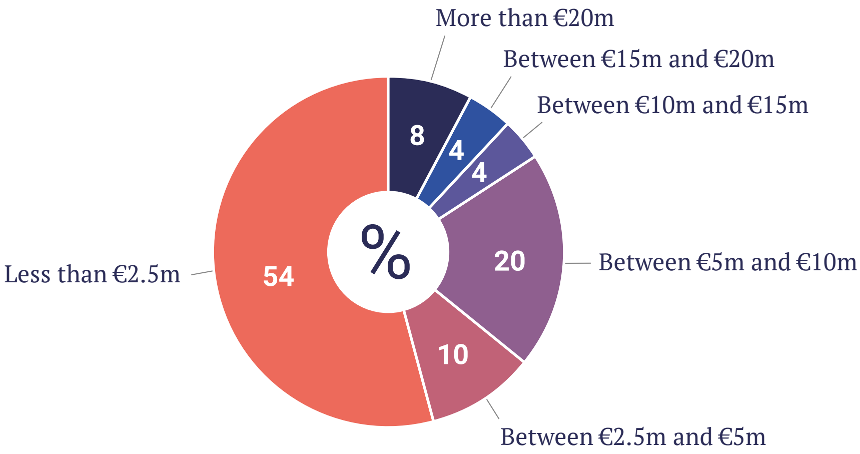
## 2a. Financial resources

### Budgets[10] of European VPOs

***The majority of European venture philanthropy organisations still have annual budgets lower than €2.5m.*** In the last fiscal year, the average amount allocated to VP/SI activities was €9.8m (a 2% increase compared to the previous survey), although the median was only €2m (a 33% decrease compared to FY 2013). The sharp decrease in the median between FY 2013 and FY 2015, highlights a rise in the number of small VPOs starting to position themselves in the European VP/SI ecosystem.

**Size of VP/SI budgets**

n=97




A comparison of the budgets allocated to VP/SI in the past three years shows that the share of organisations that allocate less than €2.5m to VP/SI activities increased, after a substantial decrease registered between FY 2012 and FY 2013. At the same time, the share of organisations allocating between €5m and €15m decreased by 11 percentage points, even if it still represents one fourth of the VPOs that responded to the survey. These trends completely opposite to the ones of the previous survey, in which the share of organisations allocating small budgets to VP/SI had experienced a sharp decrease, while the range €5m–€15m had gained significance. This result shows that there are a number of new, small VPOs entering the market.

It is also interesting to note that the percentage of organisations with the largest budgets increased, from 9% in FY 2013 to 12% in FY 2015 (with two thirds of them having a budget of more than €20 m), and that most of them are foundations, clearly still an important actor in the VP/SI space.

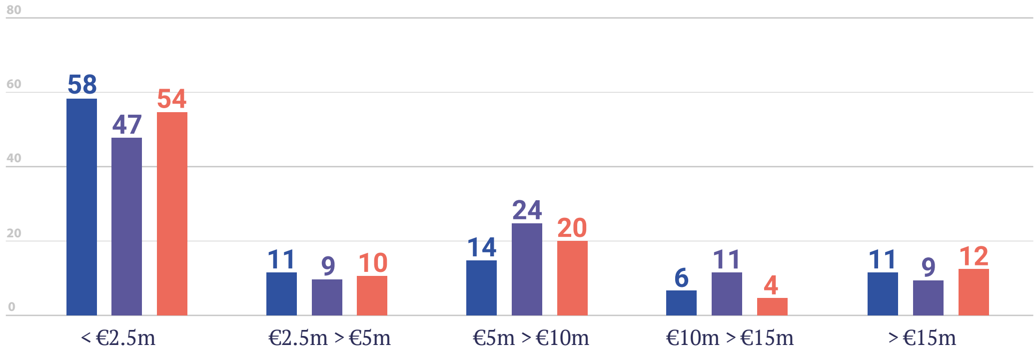
10 With "budget" we refer to the investments made using the VP/SI approach, plus the fixed cost associated with using the VP/SI approach (including staff costs).

## PART 2
## RESOURCES OF EUROPEAN VP/SI

**Size of VP/SI budgets in FYs 2012–2015**

2015 n=97
2013 n=86
2012 n=71

numbers in %



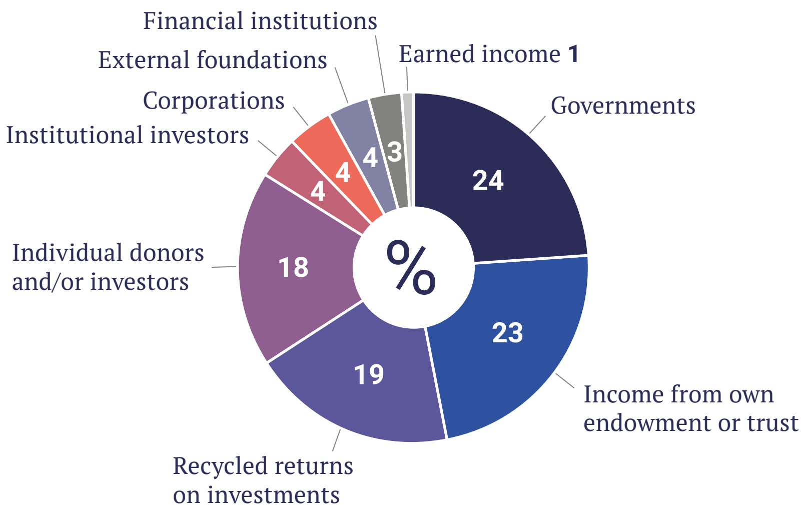

### Sources of VPOs total funding

***Governments and own endowment and trust are the main sources of VP/SI funding,*** representing, alone, almost half of the total resources made available to VPOs. In FY 2015, governments represented 24% of the total funding available, an increase of 13 percentage points compared to FY 2013. The category "own endowment and trust" went from representing 10% of the total funding available to 23%, an increase of 13 percentage points over the two-year period.

The third most important source of funding for VPOs is recycled returns on investment, representing 19% of the total amount. This result is quite interesting, because in 2014 we found that VPOs were increasingly recycling capital to become financially self-sustainable. Hence, the capital recycled in 2014 became a source of funding in 2016. Individual donors are not the most important source of funding anymore, although they still represent the same share of the total funding (18% in FY 2015 and 19% in FY 2013). Interestingly, the importance of PE/VC and hedge funds as a source of funding has been steadily decreasing from 17% in FY 2011 to 7% in FY 2012, to 2% in FY 2013, and finally to a negligible percentage this year.

**Distribution of total funding made available to VPOs by source**

n=97



## 2b. Human capital

***A large pool of professionals works in VP/SI.*** Venture philanthropy combines financing with non-financial support, implying that a key resource is human capital. However, comparing the results of this year with the previous ones, we can see a decrease in the average number of people investing their time and competences within the VP/SI sector, declining from an average of 43 FTE per VPO in FY 2013, to an average per VPO of 26 FTE in FY 2015. This result could be driven by the new, small VPOs that are entering the market, with small budgets and relying on just a few people.

The most relevant human resources category is paid employees, followed by pro-bono supporters, reinforcing the trend towards engaging **more paid employees and pro-bono supporters** and less unskilled volunteers, as already highlighted in the previous survey. Pro-bono supporters are able to provide more targeted and higher level support to investees as opposed to volunteers that help out in a more general way. Therefore, this seems to indicate that VPOs are further building their teams' capacity, and tapping into external expertise to support their investees in a more professional way.

**Human Resources by count (average per VPO)**

n=107


The figure below compares the results for the sub-sample of VPOs who responded to this question in both 2014 and 2016. Looking at the results, we can see that the average number of pro-bono contributors per VPO has been increasing steadily, going from 13 in FY 2013 to 16 in FY 2015, while the average number of unpaid volunteers per VPO decreased on average from 4 to 1, indicating the increasing professionalisation of the VP/SI sector.

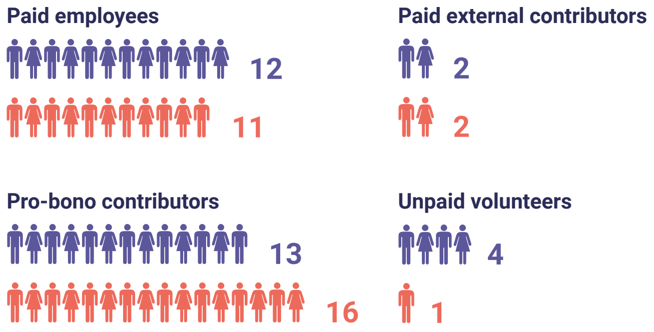
**Human Resources by count (average per VPO)**

*Subsample of respondents to EVPA Industry Surveys 2014 and 2016*

n=56

2015

2013



PART 3

# The VP/SI Investment Strategy

## 3a. Investment priorities

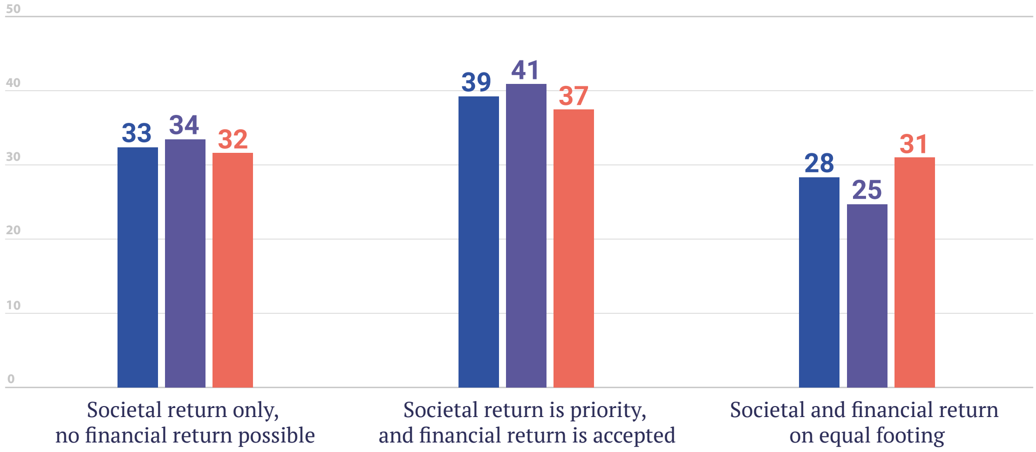
### Priorities

As shown in Part 1, VPOs that have *societal return as priority but also accept a financial return* still represent the largest category in 2016, (37% of total respondents). The share of VPOs requiring a *societal return only* decreased by two percentage points, from 34% in FY 2013 to 32% in FY 2015, whereas VPOs that put *societal and financial return on equal footing* increased in numbers, from 25% in FY 2013 to 31% in FY 2015.

**Balance between social and financial return priorities in FYs 2012–2015**

**2015** n=108
**2013** n=95
**2012** n=75

numbers in %

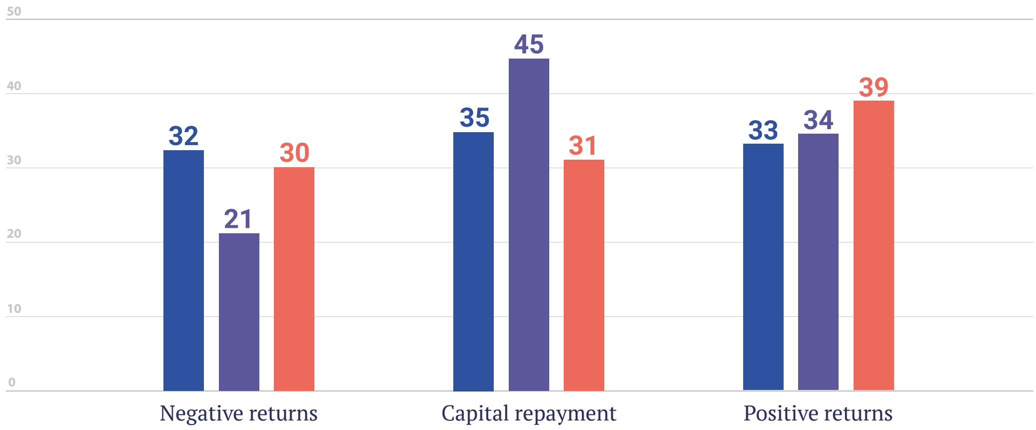



### Expected returns

When asked about financial return expectations, the majority of the VPOs that responded to the survey (39%) indicated they expect positive returns, a five percentage points increase compared to FY 2013. VPOs expecting negative returns represent 30% of the total, an increase of nine percentage points with respect to FY 2013. The surge in the share of organisations seeking either negative or positive returns was accompanied by a sharp decrease in the share of VPOs expecting capital repayment, decreasing by fourteen percentage points from FY 2013 and now representing 31% of the total. The significant relevance of recycling capital, highlighted in the latest survey, has been replaced by a polarisation towards either donating money or expecting positive financial return. This result could be linked to the **signs of an economic recovery,** and the consequent tendency of a number of VPOs to expect a financial gain along with the societal impact. On the other side, capital repayment gave way to negative returns, pointing once again to the importance of foundations in the VP/SI space.

## PART 3
## THE VP/SI INVESTMENT STRATEGY

**Return expectations in FYs 2012-2015**




A deeper analysis, combining priorities and expected returns, shows that a large percentage of the organisations that look *only for a societal return* seek *negative returns* (58% of respondents).

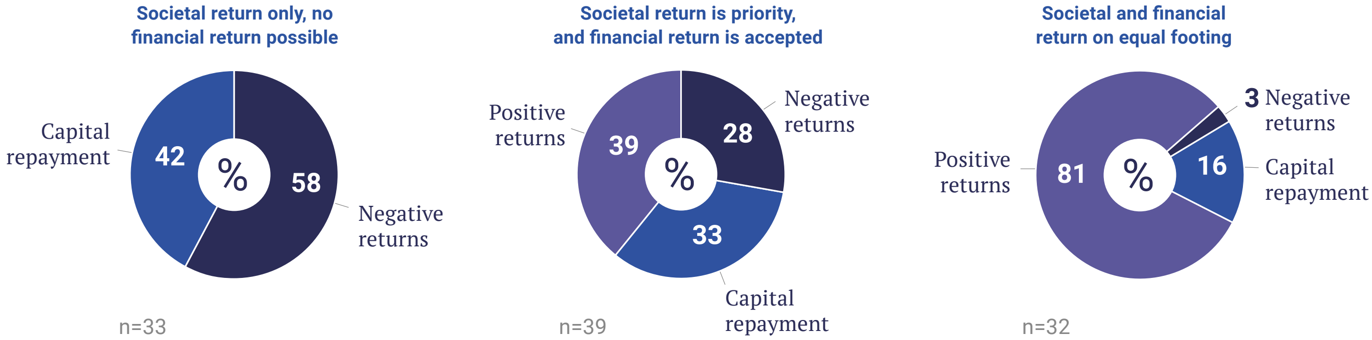
Then, among VPOs that consider *societal return a priority but accept a financial return*, the three categories of expected returns are quite equally distributed, with a slightly larger share seeking positive returns (39%). This trend shows that **VPOs are finding it increasingly important to generate positive returns**, even when they are not putting societal and financial return on equal footing.

As we would have expected, the large majority of those *VPOs that consider societal and financial return as equally important* seek *positive returns* (81% of the total respondents of Group 3), whereas only one out of six pursues capital repayment. A negligible percentage of VPOs that consider social and financial return to be equally important, declared negative expected returns.

The pattern is consistent with the view that, although societal return remains the primary objective, positive financial returns are becoming increasingly important for a number of VPOs, which shows a potential change in VP/SI's strategies.

**VPOs' investment priorities by return expectations**

n total = 104

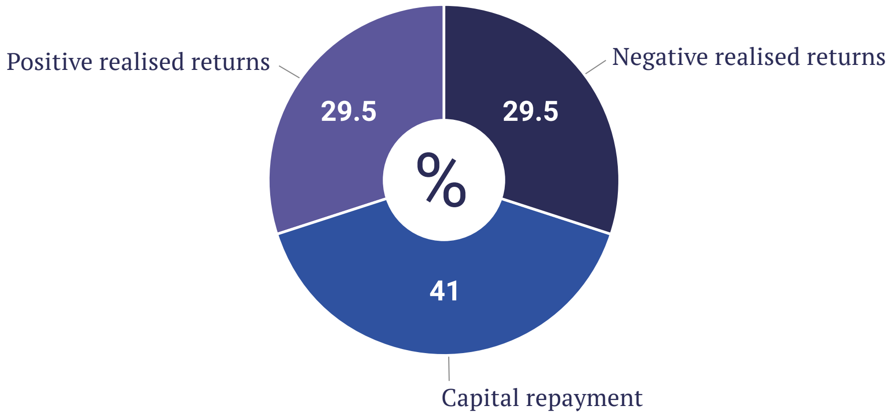


### Realised returns

Parallel to the analysis of the priorities and the expected returns, it is useful to also see the financial returns that VP/SI organisations realised in FY 2015. A total of 34 respondents exited investments in 2015, and therefore, could indicate the realised return. The largest part of the sample (41%) declared to have received a capital repayment, whereas the same percentage of respondents (29.5%) had either negative or positive returns.

**Realised returns**

n=34




It is also interesting to look at whether the returns VPOs realised in FY 2015 were in line with their expectations. In the figure below, we combined the VPOs expected and realised returns in each priority group.

Starting with VPOs *not accepting financial returns*, we see that almost 80% received capital repayment, even though only 56% of them had declared expecting it.

Conversely, the expectations concerning positive returns of VP/SI organisations, for which *societal return is priority but also accept financial return,* have not been met: 47% expected to realise a financial gain but only 27% obtained it, whereas the remaining part had instead received a capital repayment.

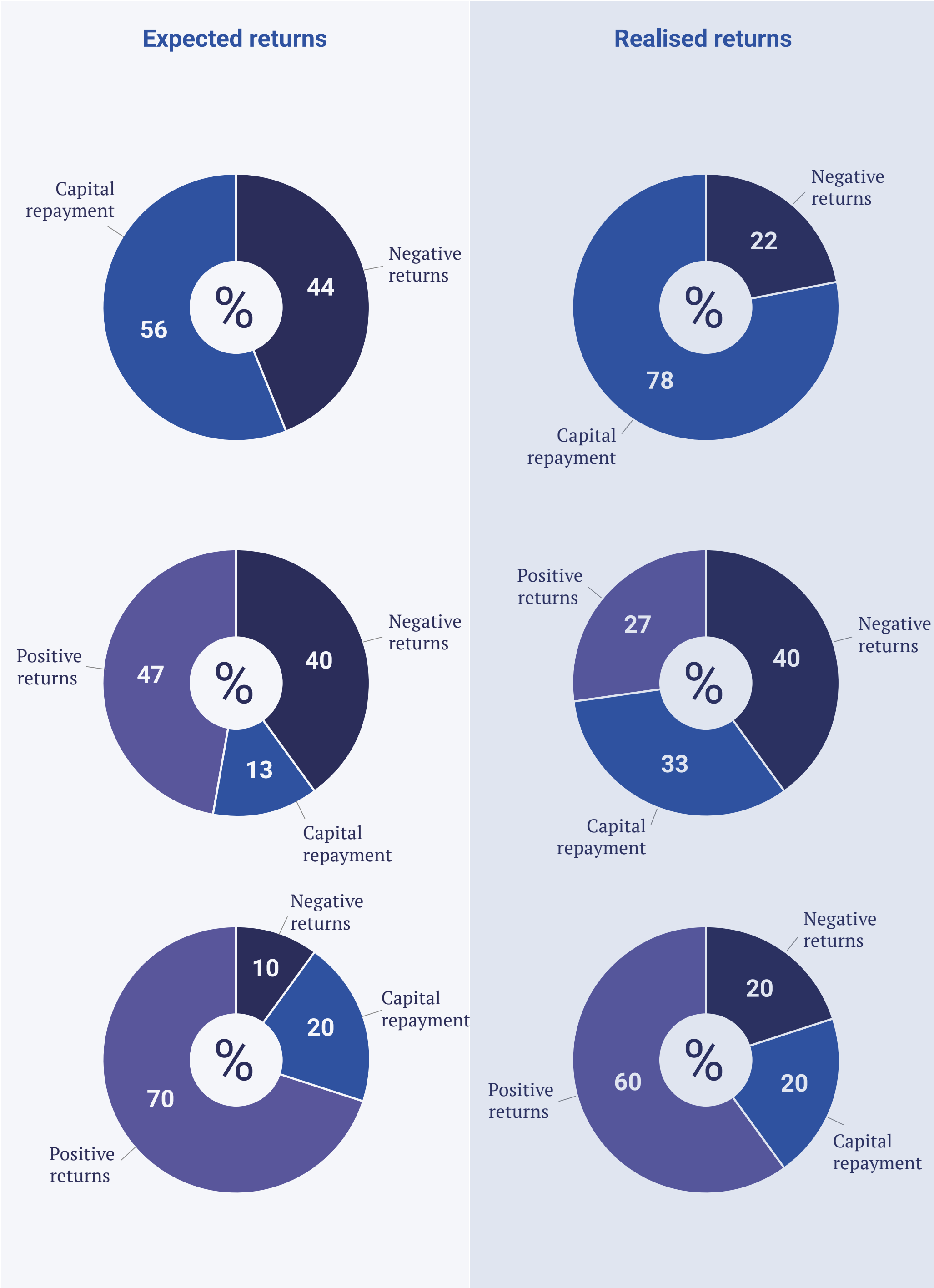
VPOs that consider *societal and financial return equally important,* experienced a similar situation, with 70% expecting a positive financial return but only 60% realising it. At the same time, negative returns increased for this group, while the percentage of organisations receiving a capital repayment remained stable.

The conclusion that can be drawn is that, even though VPOs are moving towards positive expectations concerning returns, in reality, the majority of them are still realising negative returns or capital repayment.

## PART 3
## THE VP/SI INVESTMENT STRATEGY

**VPOs' investment priorities by expected and realised returns**

total n=34



PART 3
THE VP/SI INVESTMENT STRATEGY

## 3b. VP/SI investment focus

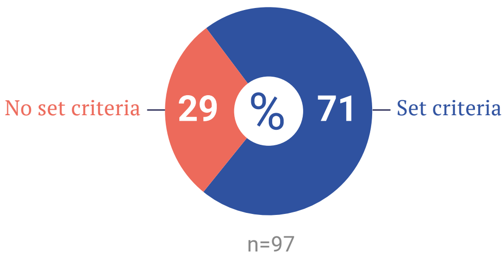
### Geographies targeted

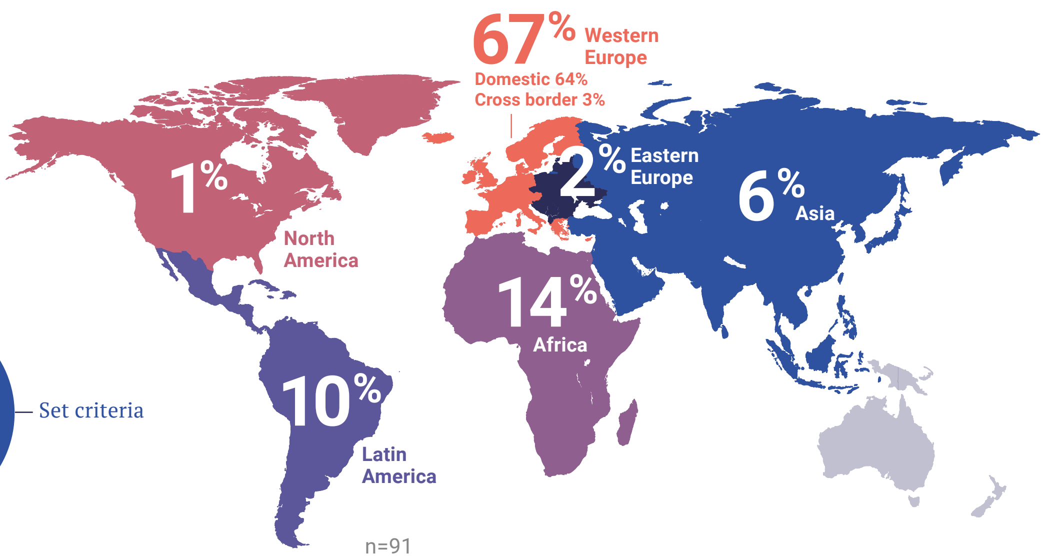
***Western Europe remains the main target region, followed by Africa.*** The survey asked organisations to divide the amount invested among the seven macro-regions of the world: Western Europe, Eastern Europe, Africa, Asia, Australia and Oceania, North America and Latin America. Additionally, this year's respondents could indicate whether the amount that was granted or invested was allocated without using any particular geographical criteria.

As a result, for the first time this year, 29% of the resources were allocated without using any specific geographical criteria. Then considering the remaining 71%, in line with the last survey's results, European VPOs are increasingly focusing their activities in Western Europe, which received 67% of the total resources invested, amounting to a two percentage points increase compared to FY 2013. Cross-border investment decreased compared to FY 2013, representing only 3% of the total investment made by VPOs in FY 2015 (vs. 9% in FY 2013). Further analysis is needed to understand this trend in more depth.

Africa is the second target region, receiving 14% of funding, (plus three percentage points compared to FY 2013). Latin America and Asia follow, with 10% and 6% of funding, respectively. In FY 2015, Eastern Europe and North America attracted only 2% and 1% of funding, respectively. A clarification is necessary regarding the zero allocated funding in Australia and Oceania, as the result may be misleading. In fact, it does not mean that these two regions have not received any funding. Due to the fact that one of the options that respondents could choose was "not set criteria", it is possible that part of the amount invested or granted with no particular geographical criteria was directed to this region.

**Geographic focus of VPOs by € spend**



## PART 3
## THE VP/SI INVESTMENT STRATEGY

### Social sector focus

We asked VPOs which social sector(s) they invested in, based on the social sector classification that follows the International Classification of Non-profit Organisations (ICNO)[11], first introduced by Salamon and Anheier in 1992, which has since become a standard in research of the non-profit sector. The classification system is as follows:

#### The International Classification of Non-profit Organisations

| |
|---|
| 1. Culture and Recreation (culture, arts, sports, other recreation and social clubs) |
| 2. Education (primary, secondary, higher, other) |
| 3. Research |
| 4. Health (hospitals, rehabilitation, nursing homes, mental health/crisis intervention) |
| 5. Social services (emergency, relief, income support/maintenance) |
| 6. Environment (organic, cleantech, animal protection) |
| 7. Development and Housing (economic, social, community development, fair trade, ethical clothing, employment and training) |
| 8. Law, Advocacy and Politics (civic/advocacy organisation, law/legal services, political orgs) |
| 9. Philanthropic intermediaries and Voluntarism promotion |
| 10. International (intercultural understanding/development and welfare abroad/providing relief during emergencies) |
| 11. Religion |
| 12. Business and Professional associations, Unions |
| 13. Other |
| 14. No focus |

Respondents were asked to indicate the value of the investments made in the last fiscal year in one or more social sectors from the list above, or to specify other social sectors if not included in the list. Alternatively, respondents could report not having any sector focus: approximately 19% of the resources were allocated without following any specific social sector criteria.

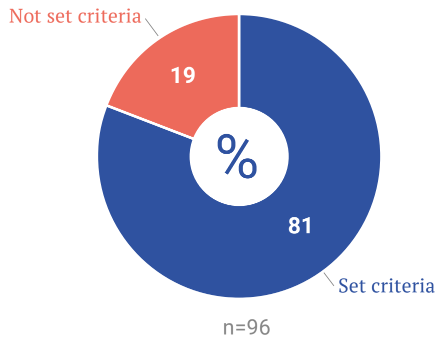
Economic and social development tops the classification of recipient sectors, receiving 24% of total investment, followed by financial inclusion (19%), which experienced an impressive increase of 14 percentage points since FY 2013. Education (15%), environment(14%) and health (7%) make up the top five recipient sectors. Interestingly, the resources allocated to research sharply decreased from FY 2013 to FY 2015, falling from 13% in FY 2013 and FY 2012, to a negligible percentage this year. Due to the fact that one of the options that respondents could choose was "not set criteria", it is possible that part of the amount invested or granted with no particular sector focus was directed to research. The following chart compares the results of FY 2015 with FY 2013 and FY 2012.

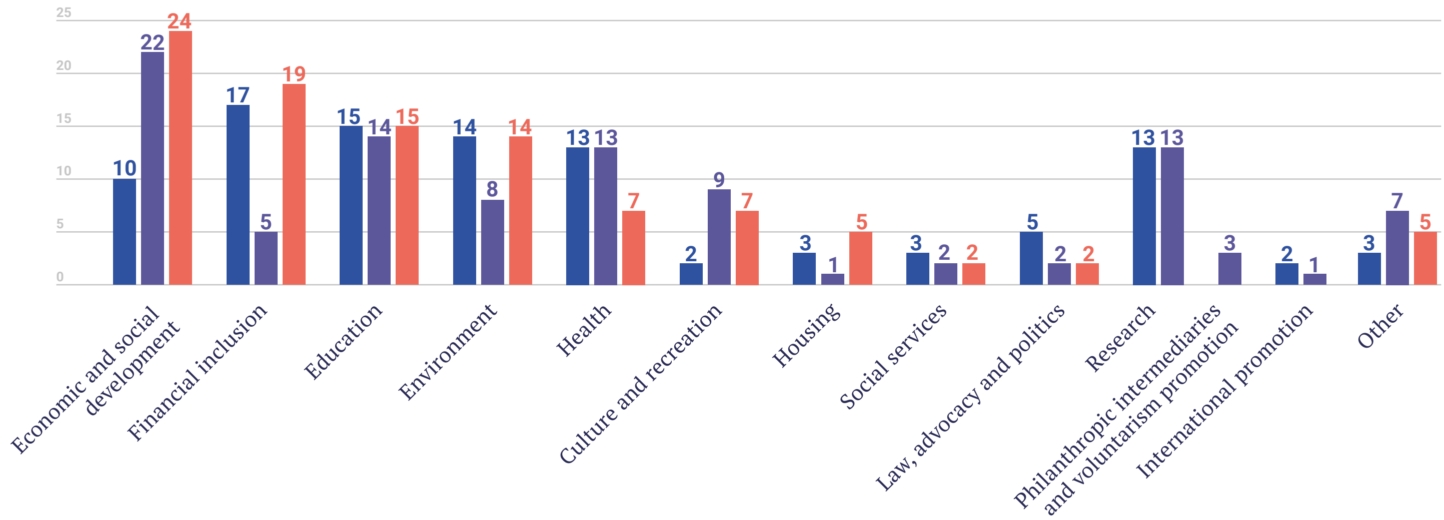
11 **Salamon, L. M.,** and **Anheier, H. K.,** (1992). "*In Search of the Nonprofit Sector. II: The problem of Classification*". Voluntas, 3(3), 267–309.

**VPOs target sectors by € spend in FYs 2012–2015**

2015 n=77
2013 n=90
2012 n=61

numbers in %




## Final beneficiaries – target groups

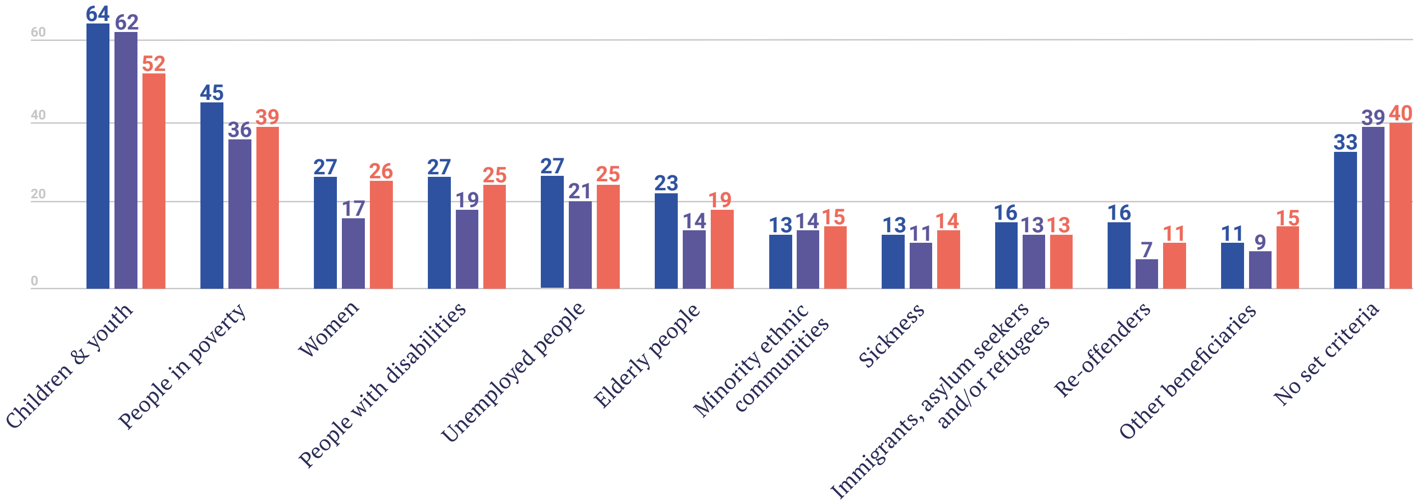
***Children and youth are main beneficiaries of VP/SI investments.*** The survey also asked whether VPOs targeted any particular type of final beneficiaries of the investee SPOs. These categories are non-exclusive, meaning that the same SPO may be targeting immigrant women, or disabled youth. So, this survey question allowed respondents to provide multiple answers. Not all VPOs have set criteria with respect to the group of beneficiaries to target: 40% of the organisations surveyed declared not to target specific beneficiaries' groups. For those organisations that have set criteria, the survey found that, in line with previous years, the largest percentage of European VPOs target children and youth as the ultimate beneficiaries of their investees' activity (52%). People suffering from poverty (39%) are still the second most supported group, and women (26%) have become an increasingly important group of support, followed by people with disabilities and unemployed people (both 25%), elderly people (19%), and minority ethnic communities (15%).

## PART 3
## THE VP/SI INVESTMENT STRATEGY

**Ultimate target groups (final beneficiaries) of SPOs in FYs 2012-2015**

**2015** n=108
**2013** n=95
**2012** n=75

multiple choice
numbers in %




## 3c. Type of SPOs supported

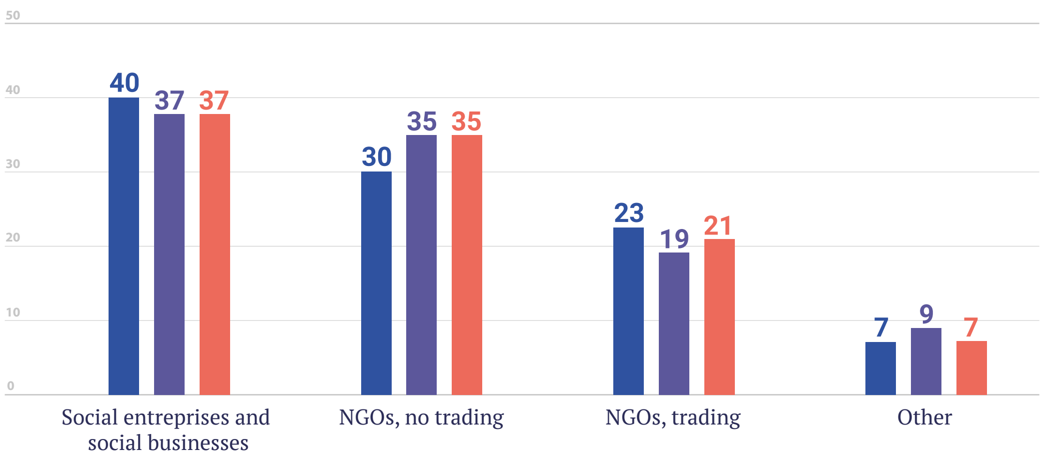
### Investees' organisational setup

***Social enterprises and NGOs are the key target of European VPOs.*** European VPOs continue to invest across a spectrum of organisational types. Social enterprises/social businesses and non-profits without trading revenues are the key targets of VP/SI investment, receiving 37% and 35% of total spend respectively, a result that is in line with what was found in the 2014 survey.

**Type of investee by VP/SI € spend in FYs 2012–2015**

**2015** n=97
**2013** n=82
**2012** n=64

numbers in %



Looking at the link between the VPOs' priorities and the type of investees supported, we see that the VPOs' social vs. financial return priorities are indicative of the types of organisations supported. VPOs that expect a *social return only* invest largely in non-profit organisations without trade revenues (83%). On the contrary, VPOs that *prioritise a societal return and accept a financial return* invest primarily in social enterprises and social businesses (46%), followed by non-profits without trading activities (30%), and non-profits with trading activities (24%). VP/SI organisations that *put societal and financial return on equal footing*, invest mostly in social enterprises and social businesses (52%) and in non-profits with trading activities (31%), with only 1% of their resources allocated to NGOs without trading activities.

**VPOs' investment priorities by type of investee**

n=97


### Investees' maturity at time of investment

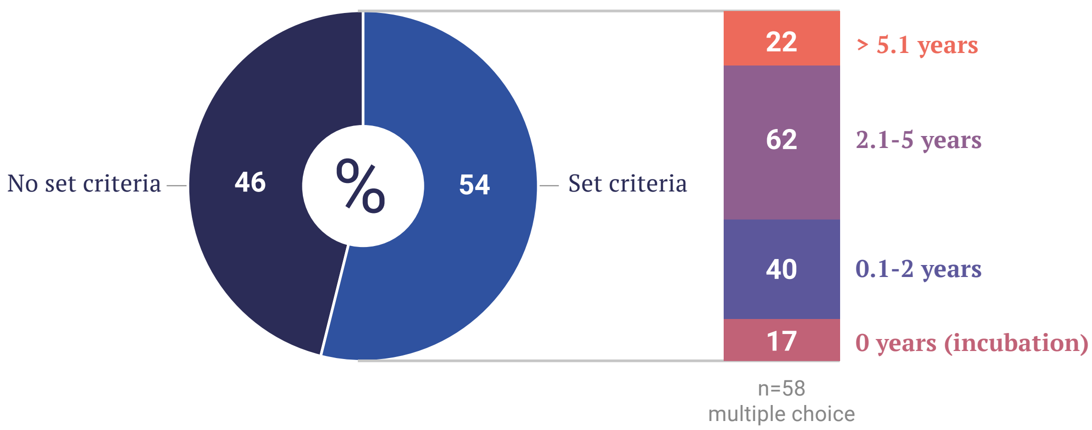
***As the European VP market matures, VPOs increasingly invest in organisations with a proven track record.*** The most common age of investee organisations is 2.1–5 years (62% of respondents). Some VPOs also target early-stage organisations with an age of 0.1-2 years (40%), others take the risk of incubating start-ups (17%), and about one VPO out of five invests in more mature organisations that are more than 5 years old.

The decrease of percentage numbers across all stages, compared to FY 2013 (incubation, from 27% to 17%; 0.1–2 years from 61% to 40%; 2.1–5 years from 80% to 62%; more mature stage, from 29% to 22%) points to an interesting trend: VPOs are focussing more and more on a precise maturity stage of the SPOs they invest in, instead of spreading resources across different maturity stages.

PART 3
THE VP/SI INVESTMENT STRATEGY

**Investee's maturity at time of investment**

n=108



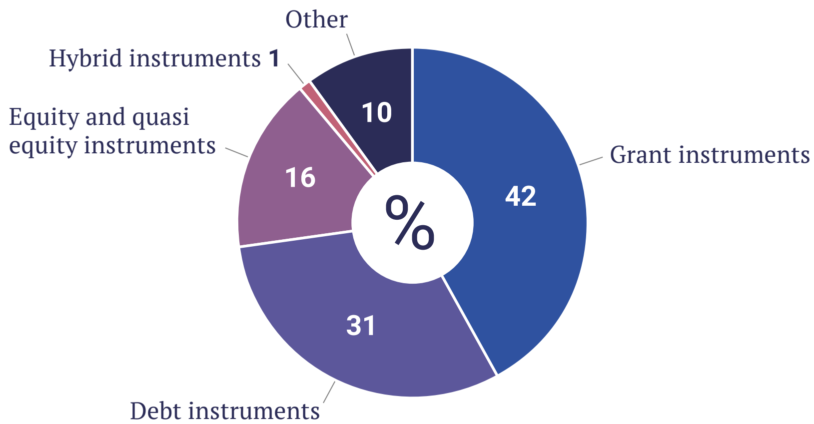

## 3d. Financing instruments

### Financing tools used

***Grants remain the primary financing instruments in terms of € spend*** (42%), followed by debt (31%), equity and quasi-equity (16%), and hybrid instruments (1%).[12] About 10% of the total VP/SI spend is allocated through "other instruments", which means that VPOs are not using only the standard categories of financing instruments. In order to better understand which financing instruments VPOs use and why, EVPA will conduct further research in 2017.

**Financing instruments used by VPOs by € spend**

n=97



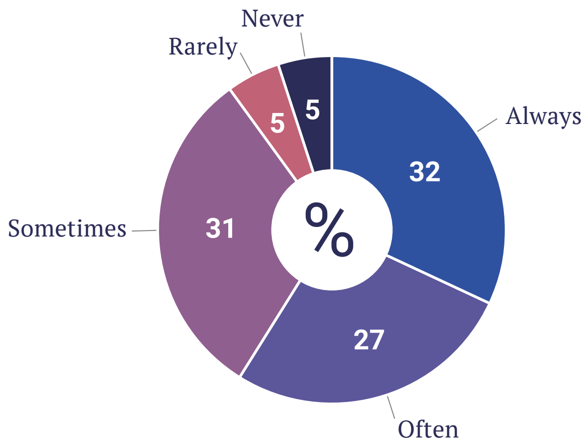

12 In 2016, in line with the feedback received on past surveys, we decided to simplify the categorisation of financing instruments, to make this question easier for VPOs to respond to. We now use four broad categories: grants (including grants and fellowships), debt (including loans, forgivable loans, senior loans, subordinated loans, unsecured loans with interest, at or below market rates, matching conditional deferred loans), equity and quasi-equity (including equity, convertible grants, convertible loans, mezzanine finance) and hybrid instruments (including revenue share agreements, recoverable grants, etc.). As a result, comparisons with past years are not possible.

### Tailored financing

***Tailored financing is a reality, with the majority of VPOs (59%) adapting their financing model to meet the needs of the investee.*** VPOs that always adapt the financing model constitute 32% of the sample, while 27% do it often. A smaller share of VPOs only adapt the financing model sometimes (31%) or rarely (5%), and only 5% reported never adapting the financing model to the needs of the investees.

**VPOs adapting their financing model to the needs of their investees**

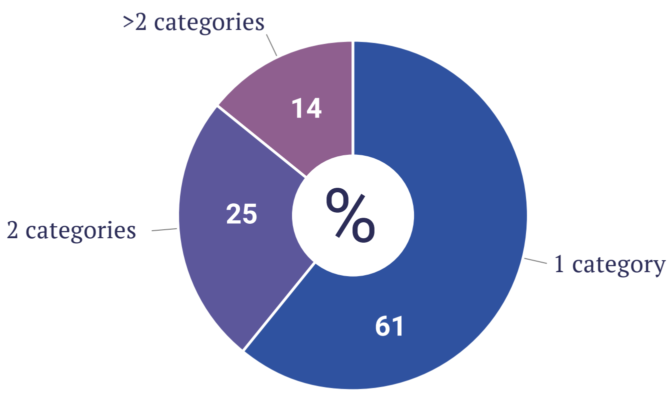
n=108




Although the majority of VPOs still use only one category of financing instruments, more than one third of the respondents use at least two different categories of financing instruments, reinforcing the idea that tailored-financing is a practice that VP/SI organisations are incorporating into their strategy.

**Categories of financing instruments used by VPOs**

n=97



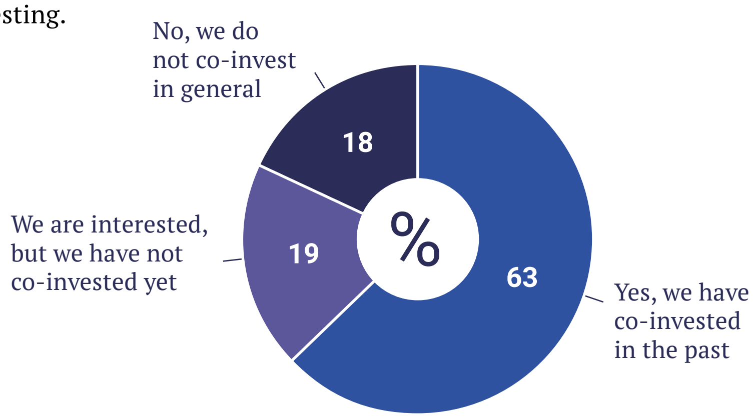
PART 3
THE VP/SI INVESTMENT STRATEGY

## 3e. Co-investment

***Co-investment is a key component of European VPOs' investment strategy***. About 63% of respondents have co-invested in the past and 19% said they are interested in doing so, even if they have not co-invested yet. Only 18% of the respondents expressed no interest in co-investing.

**Co-investment**

n=102



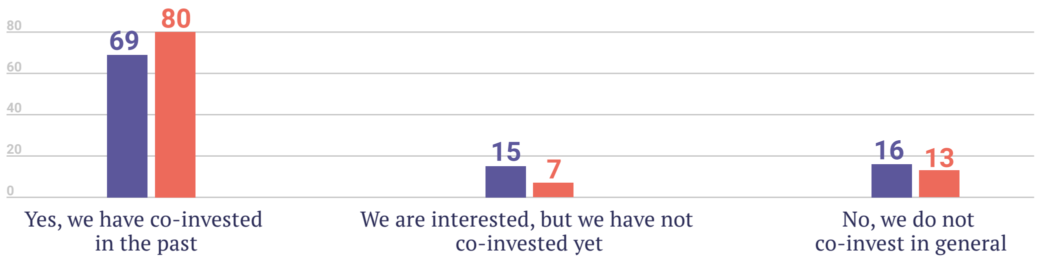

Analysing the *subsample of the respondents who replied to this question, both in 2014 and 2016,* relevant results can be seen: the share of organisations that co-invested in FY 2015 increased compared to FY 2013 (from 69% to 80%), and the share of organisations interested decreased from 15% to 7%. Therefore, it is evident that the organisations that expressed interest in co-investing in the past ended up engaging in it. Also interesting to notice is that the percentage of VPOs who do not co-invest and are not interested in doing it decreased by three percentage points, from 16% in FY 2013 to 13% in FY 2015.

**Co-investment –** *Subsample of respondents to EVPA Industry Surveys 2014 and 2016*

2015
2013

n=55

numbers in %



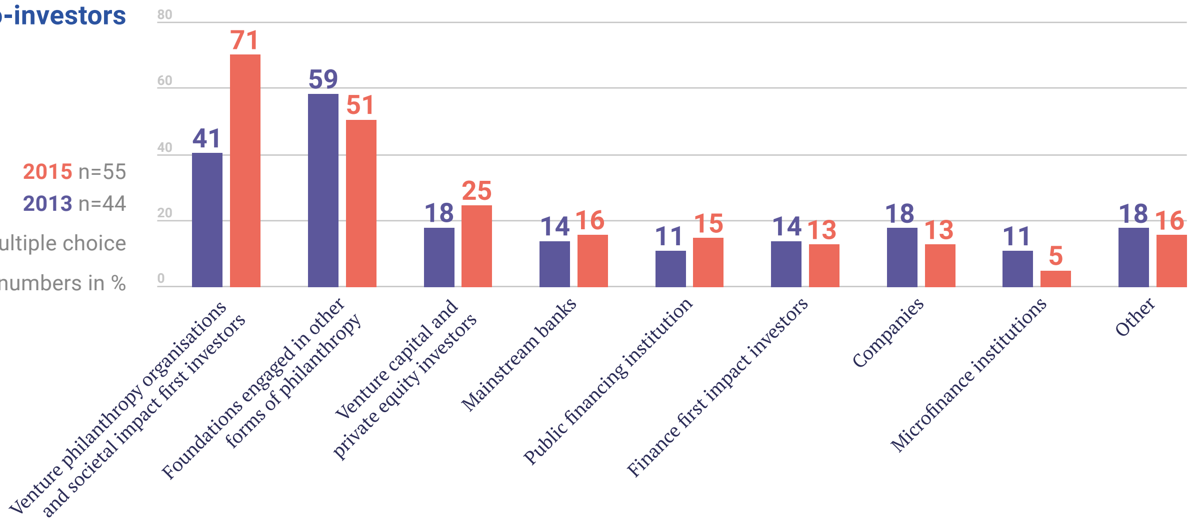

Considering the respondents who replied that they co-invested in the past (63% of the total sample), 86% co-invested in the last fiscal year. Two thirds of them co-invested in more than half of their new investments, including 18 VPOs that had co-investors in all their new investments in FY 2015.

Looking at the type of co-investors, this year the largest percentage is represented by venture philanthropy organisations and societal impact first investors (71%), with an increase of 30 percentage points compared to FY 2013. This impressive surge could point towards a greater cooperation within the VP/SI sector, making practitioners willing to co-invest with their peers.

Half of respondents that have co-invested have done so with foundations (51%), while 25% have co-invested with venture capital/private equity investors. About 16% of the respondents report having co-invested with mainstream banks, 15% with public financing institutions, 13% with both finance first impact investors and companies, and 5% with microfinance institutions.

**Types of co-investors**

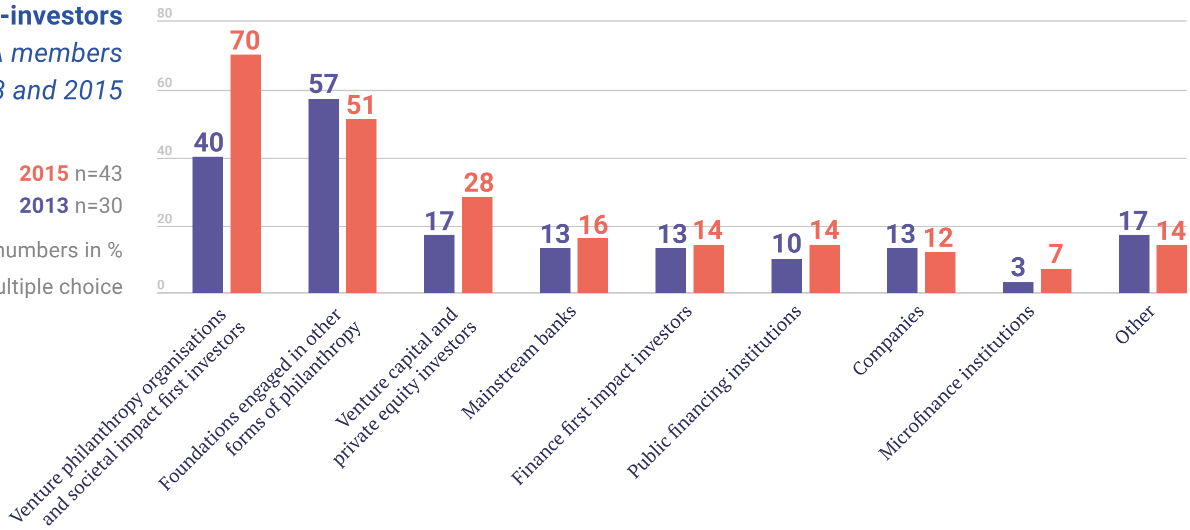
**2015** n=55
**2013** n=44
multiple choice
numbers in %




The self-awareness in the VP/SI sector mentioned above is confirmed by replicating the analysis of data reported by EVPA members, as shown in the graph below.

**Types of co-investors**
*EVPA members*
*FYs 2013 and 2015*

**2015** n=43
**2013** n=30
numbers in %
multiple choice




Interestingly, the trend is even more apparent if we look at the *subsample of EVPA members that replied to this question both in 2014 and 2016* (18 organisations): 78% of VPOs reported investing with other VP/SI organisations and impact investors in FY 2015, an increase of 45 percentage points compared to FY 2013. Further research is needed to assess whether EVPA was instrumental to create these connections among members.

PART 4

# Highlights from the VP/SI Investment Process

PART 4
HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

## 4a. Deal flow, investment appraisal and investment decision

***VPOs improved their selection process.*** VPOs screened **7,520** potential investment opportunities in FY 2015.

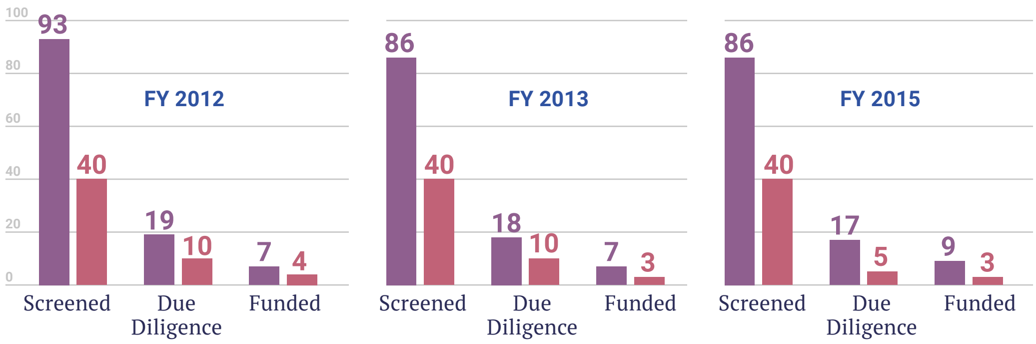
On average, VPOs performed due diligence on 20% of the screened organisations and selected 53% of the organisations that had gone through due diligence. The share of organisations that were funded after passing due diligence has increased since last year, a result that may indicate an increase in the quality of the deal screening process in the VP/SI sector.

On **average**, each VPO screened 86 organisations in 2015, did further due diligence on 17 of them and selected 9 investees.

**Average and median number of SPOs screened, under due diligence and funded per VPO in FYs 2012-2015**

Average
Median

2015 n=87
2013 n=77
2012 n=69




## 4b. Investment management

### Total investment made in VP/SI

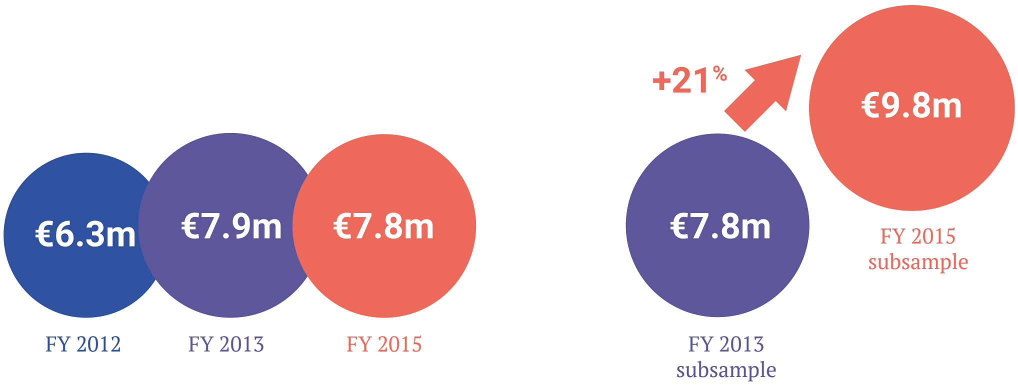
***VP/SI organisations have invested over €6.5 billion in financial support since they began their operations*** (the average age of VP/SI activity being 8.7 years). Comparing average investment for the *subsample of organisations that replied to this question, both in 2014 and 2016* (n=50), we see that the average annual financial spend per VPO increases by 21% in FY 2015 as compared to FY 2013, going from €7.8 million in FY 2013 to €9.8 million in FY 2015. If we look at the average financial investment of the *complete sample* of 2016, we see a decrease of 2% in average financial support per VPO, from €7.9 million to €7.8 million. This result is driven by the fact that there is an increasing number of new small players entering the VP/SI market in Europe.

## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

**Average financial support provided by VPOs to investees in FYs 2012–2015**

2015 n=97
2013 n=86
2012 n=66

2015 subsample n=50
2013 subsample n=50



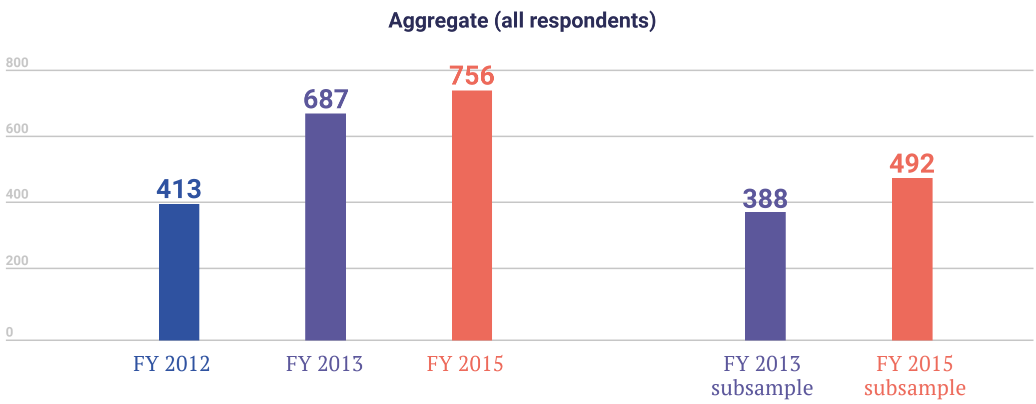

Despite these average numbers, there is still a significant concentration in the amounts available for funding SPOs, with the top five VPOs accounting for 58% of all VP/SI investment that occurred in FY 2015 (an increase of three percentage points compared to FY 2013).

The yearly financial spend of European VP/SI organisations, using a VP/SI approach according to EVPA's definition, with investments ranging from grants to equity, was €756 million in FY 2015, for the 97 respondents that answered this question, a 10% increase compared to the annual spend of €687 million in FY 2013 for 86 respondents, raising up to a 27% increase if we consider only the *subsample of the organisations that replied both in 2014 and 2016* (50 respondents).

**Aggregate annual spend (€) on VP/SI in FYs 2012–2015**

2015 n=97
2013 n=86
2012 n=66

2015 subsample n=50
2013 subsample n=50



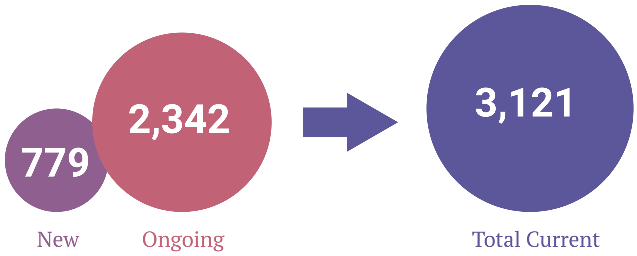

### Number of investees

***VPOs are supporting 3,121 SPOs in FY 2015***. In FY 2015, a total of 87 respondents made new investments in 714 organisations and in 65 individuals, which, summed to the 2,342 ongoing investments (2,195 organisations plus 147 individuals), brought the total number of investees in portfolios to a total of 3,121.

## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

**Numbers of investees (organisations or individuals) VPOs have supported through the VP/SI approach**

n=87

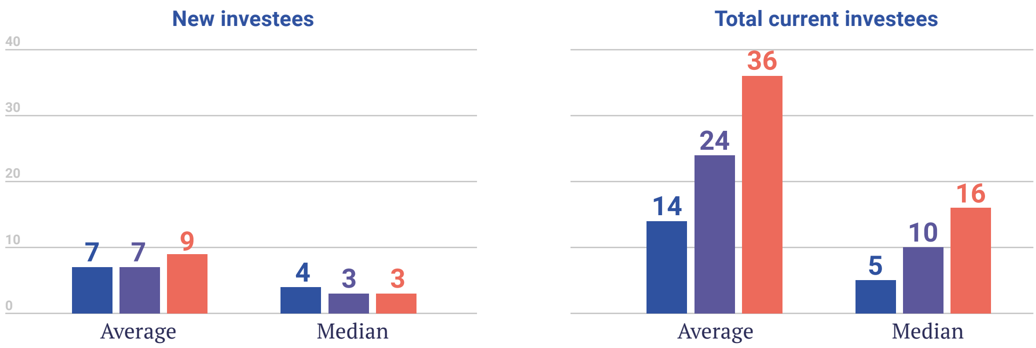



For fiscal year 2015, the average number of total investees in the portfolio of a VPO was 36, a 50% increase compared to FY 2013, and the median number was 16. The average number of new investees added to the portfolio in FY 2015 was 9 and the median was 3.

These results could be driven by the presence in the sample of a large number of foundations, and the economies of scale that can be generated by investing through bigger social (impact) investment funds (see Part 5 for more detail). However, these are just hypotheses and further research is needed to better understand this result.

**Median and average investees per VPO in FYs 2012-2015**

2015 n=87
2013 n=78
2012 n=72




### Duration of investment

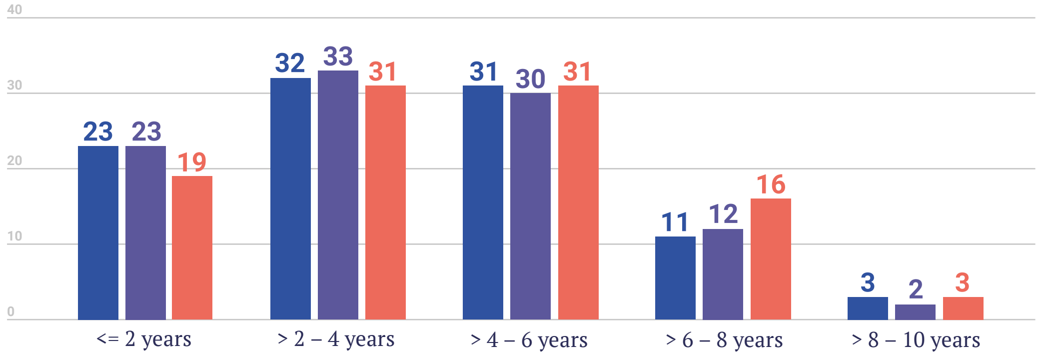
***Most VPOs commit for a period of between 2 and 6 years.*** Although the majority of VPOs follows a multi-year investment approach, about 62% commit to supporting investees for between 2 and 6 years, a result that is in line with the findings of the previous survey. From 2014 to 2016, the share of VPOs supporting SPOs less than 2 years decreased by four percentage points (from 23% in FY 2013 to 19% in FY 2015), whereas the share of VPOs that support organisations between 6 and 8 years increased from 12% in FY 2013 to 16% in FY 2015). On average, a small but increasing percentage (3%) supported SPOs more than 8 years. This rising tendency to long-term investment shows a trend towards more patient capitals.

## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

**Duration of commitment in FYs 2012–2015**

**2015** n=100
**2013** n=84
**2012** n=71

numbers in %




### Capacity Building

Since VP/SI aims to build stronger SPOs, it would be logical that much of the funding goes to support SPOs' core costs. However, only 23% of the total funding was allocated to SPOs' core costs in FY 2015 (26 percentage points less than in FY 2013). In particular, we see a sharp decrease in the percentage of funds directed to cover core overhead costs with payments linked to milestones, which drop from 40% in FY 2013 to 12% in FY 2015. Additionally, data shows a remarkable increase in the percentage of funds going to restricted areas of expenditure, from 17% in FY 2013 to 29% in FY 2015. This is a puzzling result which must be analysed further.

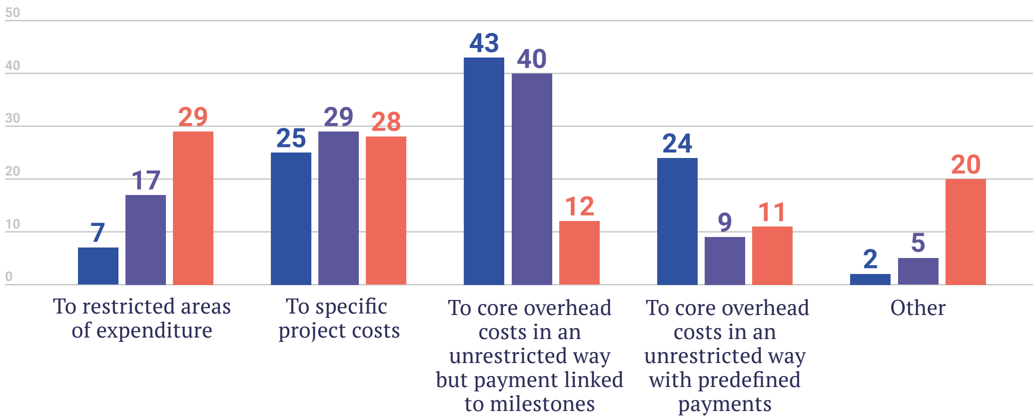
There is a clear need for social sector funders to receive more guidance on how to provide support that is not attached to specific projects. As argued in a recent article published by the Centre for Effective Philanthropy[13], grant makers still find it difficult to provide SPOs with unrestricted funding. The article recommends ways through which VPOs can work better with their investees to move more towards relationships based on trust that do not require funds to be linked too tightly to specific projects and areas of expenditure.

Another interesting result is that this year we have a large percentage allocated in "other" and the overall perception (taking into account the explanations of the respondents) was that it was difficult for some practitioners to divide the total spend in these categories.

**Respondents' "portfolio" of funds allocation in FYs 2012-2015**

**2015** n=97
**2013** n=83
**2012** n=63

numbers in %




13 http://effectivephilanthropy.org/supporting-a-foundations-move-towards-unrestricted-support/

### High-engagement and non-financial support

***High-engagement is a key characteristic of venture philanthropy and social investment.*** Non-financial support is one of the key components of the high-engagement VP/SI model. VPOs support their investees not just financially, but also through a wide range of tailored non-financial activities.

We asked VPOs to tell us which types of non-financial support they would provide to their investees. The survey categories were based on EVPA report "A Practical Guide to Adding Value through Non-financial Support".[14]

All the options listed in the questionnaire were chosen by at least 61% of the respondents (multiple choices were possible). The services provided by most VPOs include strategic support[15] (85%), revenue strategy[16] (77%) followed by financial management[17] (73%). Then, 67% of the sample indicated to offer non-financial support in the areas of fundraising[18] and impact measurement, supporting investees in developing their own Theory of Change, impact strategy, evaluation framework and performance measures.

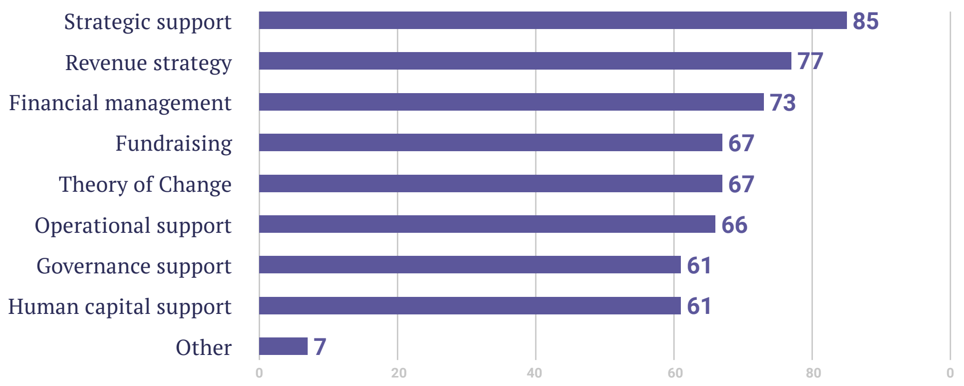
The chart below lists the percentages of surveyed VPOs that provide the range of non-financial services.

**Non-financial support activities provided**

n=108

multiple choice

numbers in %




14 **Boiardi, P.**, and **Hehenberger, L.**, (2015), "*A Practical Guide to Adding Value through Non-financial Support*", EVPA.

15 I.e.: strategy consulting, general management advice, strategic planning, support to develop new products and services, support to develop new business systems or procedures, advice on management of change.

16 I.e.: business planning and/or business model development.

17 I.e.: sound financial management capabilities and financial management tools, develop financial systems, financial management advice, financial planning/accounting, support to establish new financial system.

18 I.e.: assistance in securing funding from other sources, use VPO's reputation to help grantees secure funding from other sources, practical support with fundraising, fundraising advice or strategy, assistance in securing follow-on funding.

## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

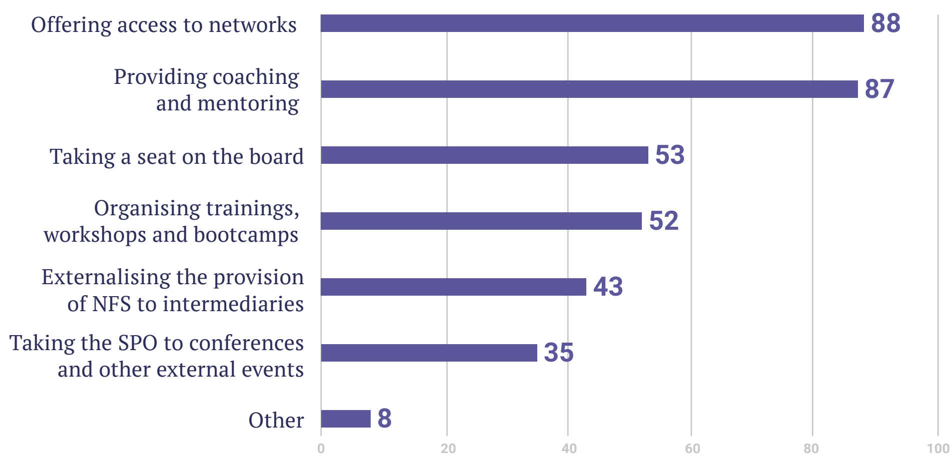
Respondents were then asked about how they deliver non-financial support. A large majority of the VPOs surveyed indicated that they provide NFS by giving SPOs access to networks and through one-on-one coaching and mentoring (88% and 87% of the sample respectively). Half of the respondents also said that they provide NFS by taking a seat on the SPO's board and by organising trainings, workshops and boot camps (53% and 52% of the sample respectively).

**Ways in which VPOs delivering non-financial support**

n=107

multiple choice

numbers in %



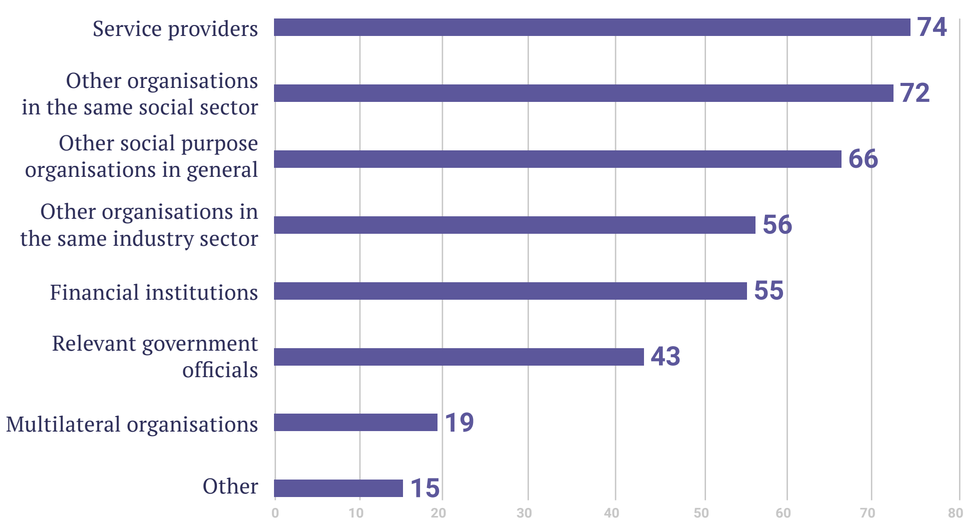

Given the importance assigned to delivering non-financial support through access to networks, we asked respondents for more details on the type of networking support provided. Service providers were the most common type of networking support provided (74% of the sample), followed closely by organisations in the same social sector (72% of the VPOs surveyed). Other social purpose organisations, organisations in the same industry sector and financial institutions were also important connections provided by VPOs, with access provided in 66%, 56% and 55% of cases respectively.

**Type of networking support provided**

n=94

multiple choice

numbers in %

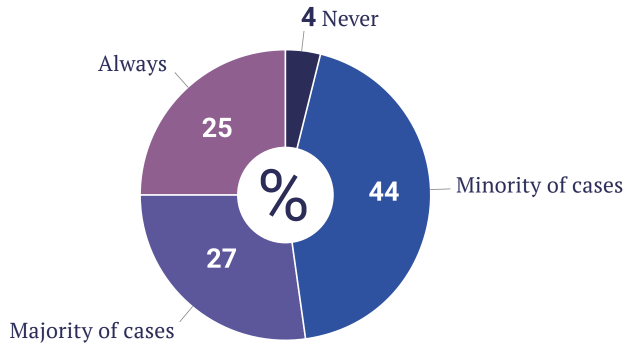


## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

Regarding the third most commonly used way to provide non-financial support, a notable percentage of VP/SI organisations take board seats with their investees to support the SPO from within, similar to the approach in venture capital. A total of 25% of the VPOs surveyed always take a seat on the board of its investees and 27% of the sample is part of the SPO's board in the majority of cases. However, 44% of respondents takes a board seat only in a minority of cases, while a negligible 4% of the VP/SI organisations replied that they have never taken a board seat. Comparing the responses of 2016 with the ones we collected in 2014, we can see that the share of VPOs taking a board seat in a minority of cases or never decreased sharply, from 84% in FY 2013 to 48% in FY 2015, whereas the percentage of the VPOs taking a board seat in a majority of cases, or always, doubled (from 26% in FY 2013 to 52% in FY 2015). This evolution points to the increasing importance VPOs place on being part of the board of their investees to support them in the management of the organisation.

**% of investees where the VPO takes a board seat**

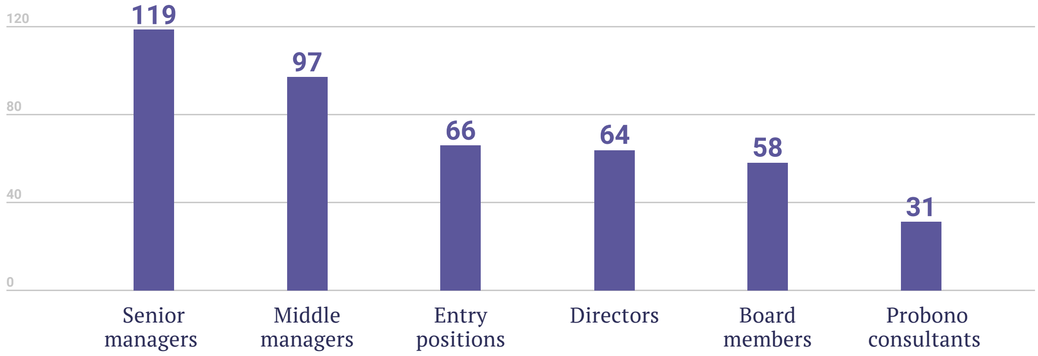
n=55




VP/SI organisations were asked to indicate the average number of days each human resource category invested in delivering non-financial support. We can see that the VPO's team is highly engaged in delivering non-financial support, with senior managers investing an average of 119 days per year, followed by middle managers (97 days/year) and team members at an entry level (66 days/year). VPOs also involve probono consultants in delivering non-financial support to their investees, receiving on average 31 days a year of free support.

**Average number of days allocated to non-financial support delivery**

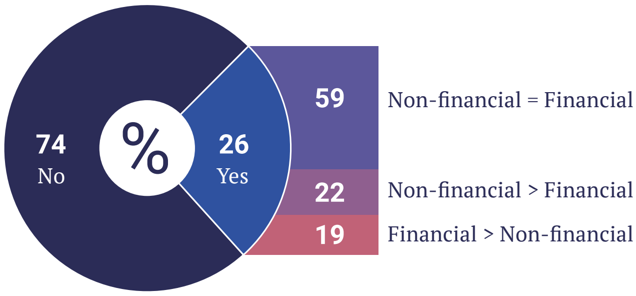
n=68



## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

As in previous years, in this survey we did not have direct access to the investee organisations, but we asked VP/SI organisations whether they measure the perceived value to their investees of the non-financial services provided. A total of 26% of VPOs measures this important data (an increase of five percentage points compared to FY 2013). Out of those 27 VPOs, 59% reported that their investees perceive the non-financial services to be as valuable as financial support and 22% thought that non-financial support was more important than financial support, while 19% considered financial support more valuable than the non-financial support for their SPOs.

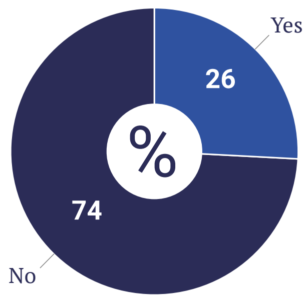
**Do VPOs measure perceived value of non-financial support – and in that case, how do investees value non-financial vs. financial support?**




In EVPA's guide on non-financial support[19], one of the recommendations for VPOs is to assess the value of the non-financial support more thoroughly through independent evaluations. This practice still needs to be adopted by the large majority of the VP/SI organisations that responded to our survey, because only one quarter of the sample can rely on an independent third-party to measure the investees' perceived value of non-financial support. This result is most probably driven by the fact that VPOs still find it too costly to hire an external evaluator.

**Measurement of investees' perceived value of the non-financial services through an independent third-party**

n=27




***Non-financial support is still difficult to quantify for the vast majority of VPOs.*** This year in the survey, we included a new question about the non-financial support provided by VPOs. Respondents were asked to monetise the cost of the non-financial support provided to their investees by applying the monetisation method illustrated in Step 1 of EVPA's report "A Practical Guide to Adding Value through Non-financial Support".[20] The objective was to provide VPOs with a more precise estimation of the real total cost of delivering the non-

19 **Boiardi, P.,** and **Hehenberger, L.,** (2015), *"A Practical Guide to Adding Value through Non-financial Support"*, EVPA.
20 Idem.

financial support provided, including the calculation of the real monetary value of all the services that partners offer pro-bono (hence for free), but that can be quantified by looking at their market value.

As this method aims for a more precise and less undervalued estimation of non-financial support, we would have expected the total monetised value reported using our methodology to be higher than the one reported in the last survey, which represented only the amount actually spent by VPOs. However, according the survey results, the total amount spent on delivering non-financial support in FY 2015 by 68 VPOs was €14.8 million, while the total sum reported in FY 2013 by 62 organisations was €48 million.

Considering the *subsample of VPOs that replied to the survey in both 2014 and 2016,* we can see that one third of the respondents that provided a figure for the total spend in non-financial support delivery for FY 2013 did not indicate any amount for FY 2015. To analyse this trend in further detail, we looked at the data provided by the VP/SI organisations that had answered the question about the cost of non-financial support in both years (23 organisations). The total sum indicated this year was slightly lower than the one indicated by the same organisations without using the monetisation method in 2014 (€5.5 million in FY 2015 vs. €6.4 million in FY 2013). Additionally, 57% of this sample indicated a lower amount spent on delivering non-financial support in FY 2015 compared to FY 2013.

Given the analysis above, we can conclude that the numbers provided are not reliable figures, because VPOs still find it difficult to adopt the monetisation method proposed by the group of experts that worked with EVPA.

We need to analyse more in-depth the reasons why VPOs still find it difficult to monetise the value of non-financial support using the EVPA methodology, and – if necessary – provide our members with further guidance. VPOs need to practise the method in order to quantify the cost of delivering non-financial support in a more realistic way, including in the total amount: the costs related to their employees, pro-bono and low-bono supporters and the consultants. EVPA can facilitate the sharing of best practices to help a larger percentage of VPOs embed the innovative monetisation system in their daily practice.

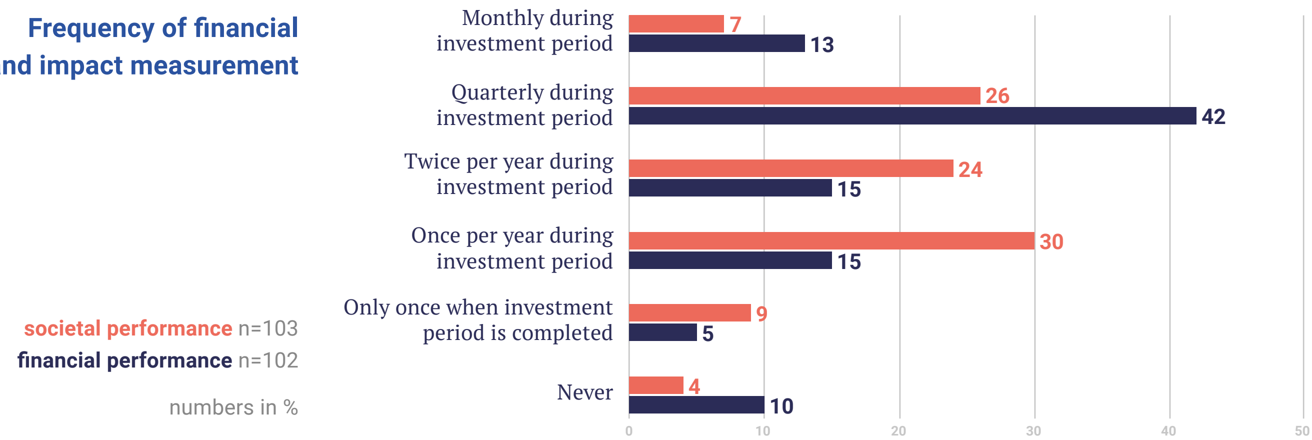
### Impact measurement

***Measuring and managing social impact is becoming a consolidated practice for VPOs.*** An integral part of the VP/SI approach is measuring and managing societal impact. In line with the latest survey, 96% of the respondents measures social impact, whereas 90% of the VPOs declared measuring financial performance.

However in general, societal impact measurement still occurs less frequently than financial performance measurement. The largest majority of VPOs measures financial performance on a quarterly basis (42%), whereas most VPOs are likely to measure societal impact only once per year during the investment period.

## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

### Frequency of financial and impact measurement




In its guide to impact measurement[21], EVPA defines a 5-step process of impact measurement, as outlined in the figure below. Different tools and methodologies are suitable for different parts of the process, depending on the requirements and resources of the individual VPO.

### EVPA's five steps of social impact measurement[22]


In the majority of cases, the objectives of the impact measurement system are based on outcomes (87%). Output measures (such as "number of people reached") follow closely at 83%. Compared with 2014, there has been a decrease in the percentage of VPOs that try measuring impact (which requires an assessment of attribution): 66% of the organisations that replied to this survey question in 2016 reported using impact measures, which is a four percentage points decrease compared to 2014. This decrease can be explained by two factors.

21 **Hehenberger, L., Harling, A.,** and **Scholten, P.,** (2015), *"A Practical Guide to Measuring and Managing Impact – Second Edition"*, EVPA.

22 Idem.

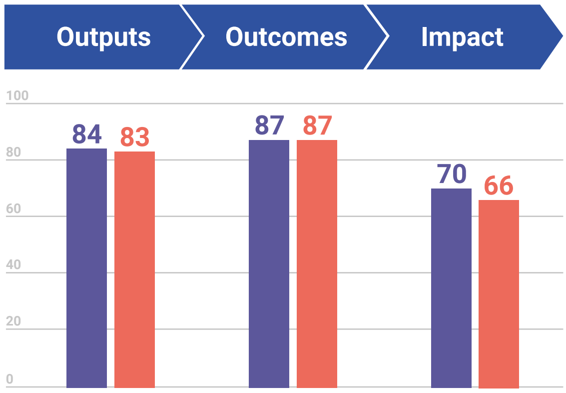
On one side, VPOs are increasingly more aware of the difficulty of measuring impact. Additionally, VPOs are realising that it is enough to measure outcomes, as recommended by EVPA in the report "A Practical Guide to Measuring and Managing Impact"[23], and as shown in the "Impact Measurement in Practice – In-depth Case Studies" published by EVPA.[24]

**Objectives of social impact measurement by % of respondents**

2015 n=95
2013 n=91

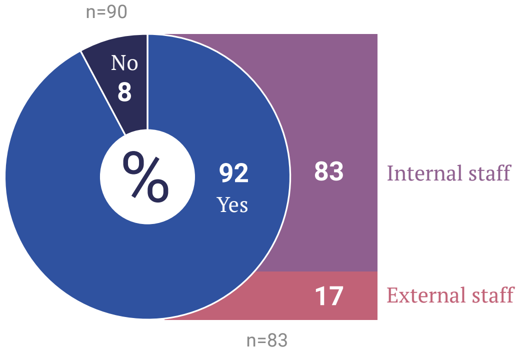
multiple choice

numbers in %




When asked whether they have a person responsible for impact measurement, 92% of the respondents replied positively. Out of this percentage, a large majority indicated having an internal staff member taking care of impact measurement (83%), whereas 17% outsourced the practice to external staff.

**VPOs having a person responsible for impact measurement**



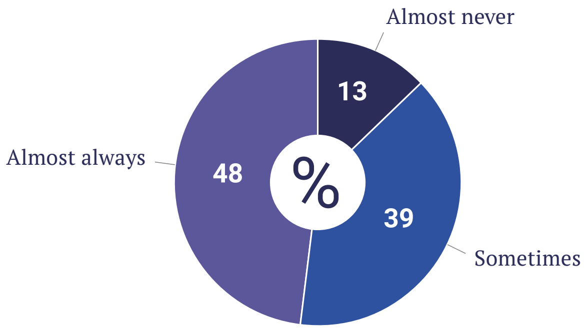

Regarding the consequences of the impact measurement system, the survey found that the social performance of the investee almost always conditions the unlocking of new funds for 48% of the respondents. The share of VPOs that link the unlocking of new funds to the performance of the SPO at least sometimes increased by four percentage points, reaching 39% of the total. Only 13% of the respondents almost never link performance and funding, a decrease of two percentage points compared to the 15% of FY 2013.

23 Idem.
24 **Boiardi, P., Hehenberger, L.,** and **Gianoncelli, A.,** (2016), "*Impact Measurement in Practice. In-depth Case Studies*", EVPA.

## PART 4
## HIGHLIGHTS FROM THE VP/SI INVESTMENT PROCESS

**Does social performance condition the unlocking of new funds?**

n=90




## 4c. Exits

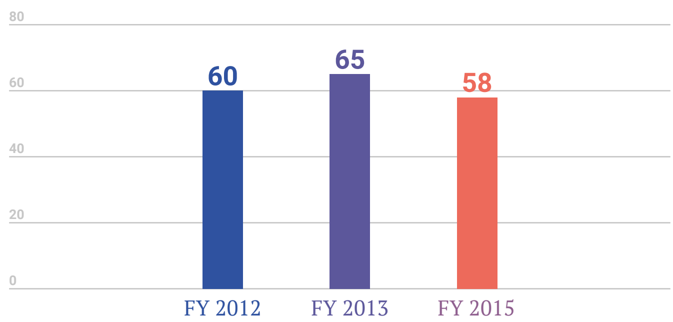
In VP/SI, "an exit strategy is the action plan to determine when the VPO can no longer add value to the investee, and to end the relationship in such a way that the social impact is either maintained or amplified, or that the potential loss of social impact is minimised".[25] The "exit" is the end of the relationship between the VPO and an investee organisation, either after a pre-defined time, when the VPO can no longer add value or when the investment objectives have been achieved.

With ten years of practice behind us, European VPOs are starting to build a consistent track record on exit. This year, 58% of the survey's respondents report having exited at least one investment during the VP/SI activity, with 36% of the total that exited in FY 2015 and 22% before.

**% of VPOs that have experienced exit during the VP/SI activity**

**2015** n=101
**2013** n=95
**2012** n=75

numbers in %



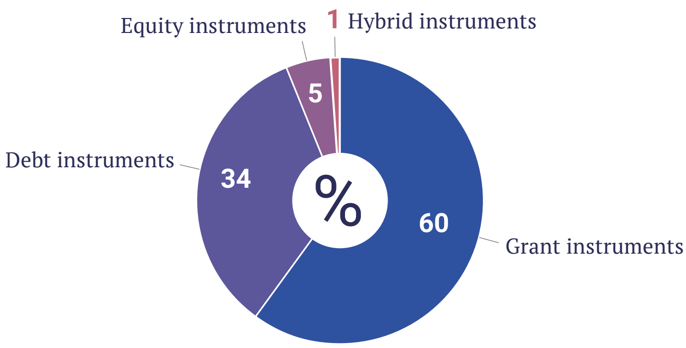

Since the beginning of their operations, the VPOs surveyed have exited **3,490** investees (n=56), 53% more than the total investments exited by the VPOs that answered this question in 2014 (n=53).

Out of the 3,490 exits, **384** happened in FY 2015. Most of the investments exited were grants (60%) and loans (34%). Equity investments represented only 5% of the total exited investments, which could indicate that it is more difficult to exit from equity investments in the VP/SI sector, and that equity is more "patient".

25 **Boiardi, P.** and **Hehenberger, L.**, (2014). *"A Practical Guide to Planning and Executing an Impactful Exit"*. EVPA.

**Exited investments by type of financing instrument in FY 2015**

n=35
representing 384 exits



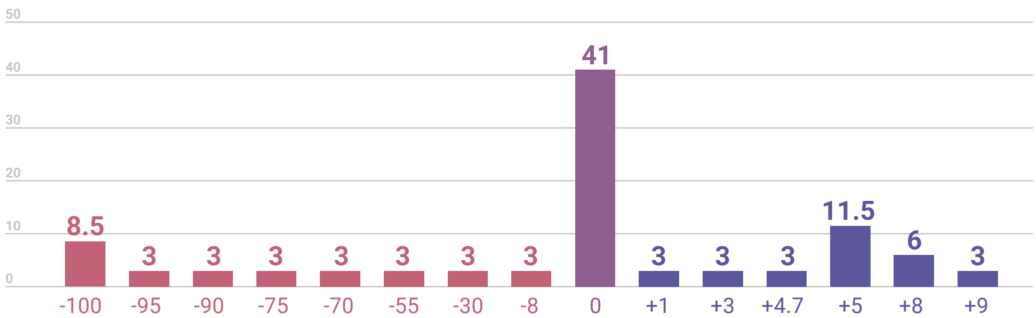

Given the importance of having an exit strategy for organisations that practice venture philanthropy and social investment, EVPA has recently published a report on exit strategies[26] that aims to help VPOs and SPOs manage their exit strategy process. An exit requires careful planning and support, notably by building both the organisational and financial resilience/sustainability of the investee organisation. EVPA's practical guide to planning and executing an impactful exit provides guidelines for practitioners on how to successfully exit an SPO.

The survey then asked the respondents what average return they realised if they exited one or more investments in FY 2015. Of the 34 respondents to this question, 41% received full capital repayment and 29.5% no capital repayment at all. The financial returns of the 29.5% that realised positive financial returns in FY 2015 range from 1% to 9%.

**Distribution of average realised returns**

n=34

numbers in %




26 Idem.

## PART 5

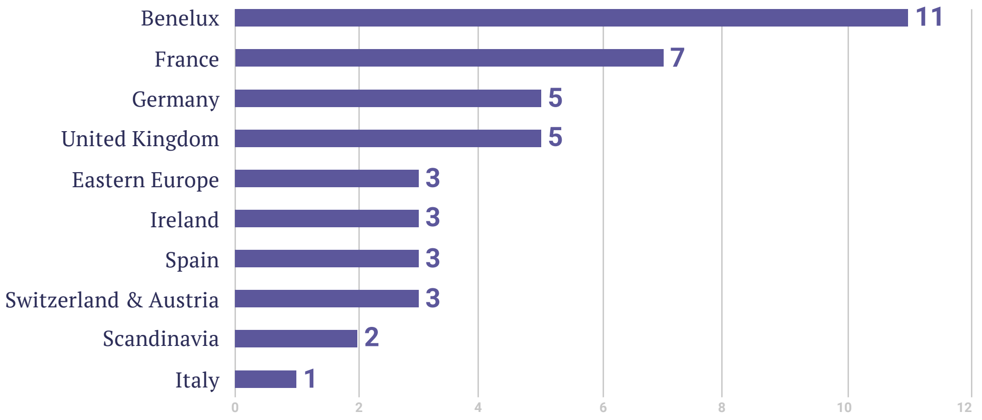
# Social (Impact) Investment Funds

Investment funds are becoming an increasingly important part of the venture philanthropy landscape, making up 30% of respondents in this year's survey, i.e. 32 VPOs representing 43 funds. The 2016 industry survey included some specific questions for those organisations with investment funds, in order to better understand the dynamics of this sub-group.

The largest number of investment funds is found in Benelux, followed by France and the UK.

**Geographical location of social (impact) investment funds**

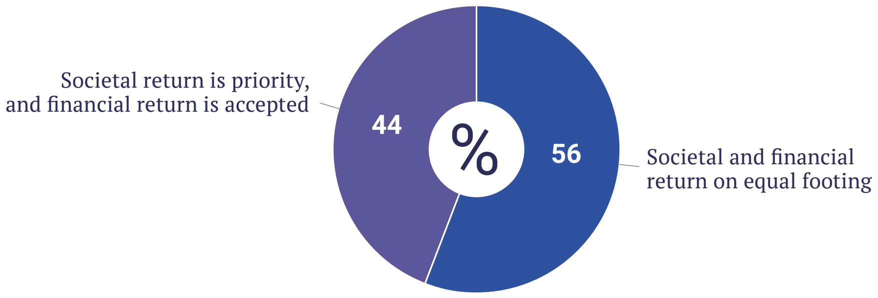
n=32
representing 43 funds




When asked about the return priorities, the respondents indicated that 56% of the funds they manage have *societal and financial return on equal footing*, while 44% of the total fund managed have *societal return as a priority but accept a financial return*.

**Return priority of social (impact) investment funds**

n=32
representing 43 funds

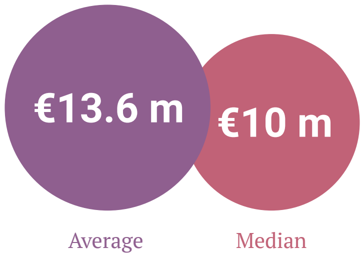



Our research into the size of these investment funds yielded an average size of €13.6 million for FY 2015, comparable to the average size in FY 2013 (€13.8 m). The median for FY 2015 was €10 million, a 33% increase compared to FY 2013. This result suggests that although there are a few larger funds and the majority are much smaller, there is a tendency towards convergence in fund size.

## PART 5
## SOCIAL (IMPACT) INVESTMENT FUNDS

**Average and median size of social (impact) investment funds**

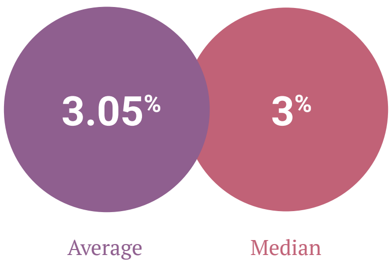
n=32
representing 43 funds




Management fees are a specific topic for investment funds and there is some debate as to whether VP/SI investment fund management fees are or should be higher or lower (in percentage terms), than the equivalent funds in the venture capital or private equity industry, given that VP/SI investment funds are generally of a smaller size, and the investees require significant attention from VP/SI fund managers. Of the 24 organisations that provided evidence of their management fees, we see a wide range of fee levels. However, in general these management fees are not significantly higher than those seen in the venture capital or private equity world. The average management fee charged in FY 2015 was 3.05%, 15% less than in FY 2013 (when it reached 3.61%), while the median was 3.00% as in FY 2013.

**Average and median management fees (for those funds that charge fees)**

n=24
representing 31 funds

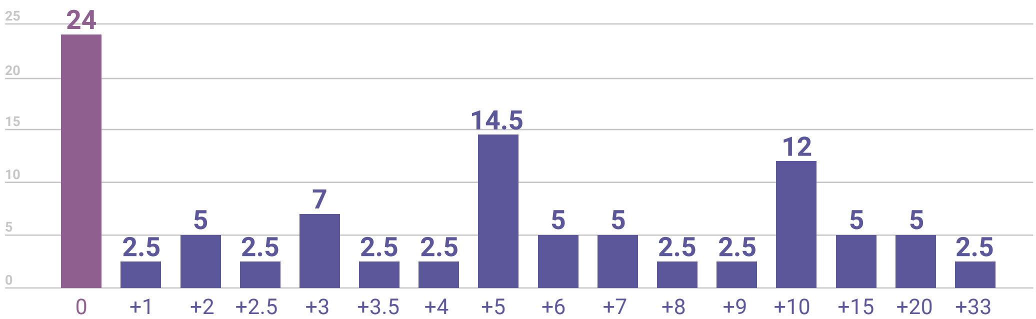



When asked about the expected gross return on the investment funds, VPOs reported that they expect a positive financial return from 76% of their investment funds. The range of positive returns varies, from a minimum of 1% to a maximum of 33%. A total of 10 funds are expected to generate only expected capital repayment (24% of the sample, with a decrease of 14 percentage points compared to FY 2013).

**Expected gross return on social (impact) investment funds**

n=31
representing 41 funds

numbers in %



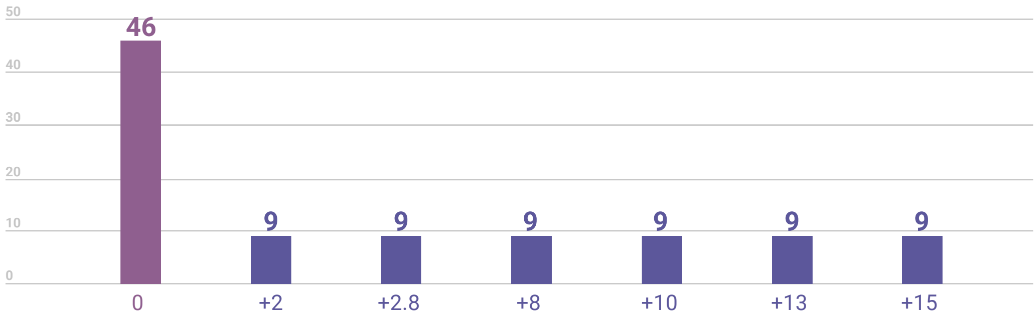
The survey then asked the respondents about the realised gross annual return of the investment funds. Of the 11 funds represented by 9 respondents to this question, 46% received full capital repayment, 54% generated a positive return between 2% and 15%, and no funds registered a loss.

We cannot draw far-reaching conclusions about this result, given the small sample of those respondents that realised a positive return in FY 2015, however it does seem to generally reflect the diverse return expectations of VPOs.

**Realised gross on social (impact) investment funds**

n=9
representing 11 funds

numbers in %



# Conclusion

## CONCLUSION

The 2016 EVPA survey confirms many of the findings of the 2014 survey, but also raises some interesting questions about the evolution of the VP/SI sector in Europe. Since 2011, EVPA acts as the main repository of data on the VP/SI industry in Europe. From 2014 onwards, we conduct the industry survey on a bi-annual basis as this enables us to detect more significant trends in the VP/SI sector. Thus, the presence of longitudinal data allows us to analyse interesting evolutions, and confirms that the VP sector in Europe is evolving rapidly.

The UK, the Netherlands and Germany are the top countries in terms of VPO headquarters. The average age of the VPOs surveyed is 8.7 years and non-profit structures still dominate the organisational set up.

**VP/SI organisations have invested over €6.5 billion in financial support since they began their operations**. If we look at the average financial investment of the complete sample of organisations that replied in 2016, we see a decrease of 2% in average financial support per VPO, from €7.9 million to €7.8 million. However, considering only the *subsample of organisations that replied to this question both in 2014 and 2016* (n=50), we can see an increase by 21% in the average annual financial spend per VPO. This result could signify that a **large number of new small players are entering the VP/SI market in Europe**.

The entrance of a number of new, small players is confirmed by the fact that the majority of European venture philanthropy organisations still have **annual budgets lower than €2.5m.** However, the share of VPOs with **the large budgets (more than €20 m) rose** by three percentage points compared to FY 2013. This rise is also coupled with the fact that, considering the amount invested, the top five VPOs, which are mostly structured as foundations, account for 58% of all VP/SI investment that occurred in FY 2015 (an increase of three percentage points compared to FY 2013). These results could point to the fact that **foundations are still very important players in the VP/SI space**.

**Social return is still the main priority for European VPOs**, but an increasing number of VPOs expect positive financial returns from their investments. In fact, 69% of VPOs still *prioritise societal over financial return.* However, when looking at the expectations, the majority of VP/SI organisations reported seeking positive returns. On a three-year view, the number of VPOs looking for *capital repayment* massively decreased by fourteen percentage points, giving way to an increase in the share of VP/SI organisations seeking either negative or positive returns. The polarisation towards either donating money or expecting positive returns could signify that, on one side **foundations** are – as highlighted above – engaged in VP/SI and, on the other side, that there are **signs of an economic recovery** that encourage VPOs to expect positive returns.

**VP/SI organisations continued to invest locally**, with 67% of the total resources allocated in FY 2015, with specific geographical investment criteria, going towards Western Europe. Africa is the second target region, receiving 14% of funding, (plus three percentage points

## CONCLUSION

compared to FY 2013). Latin America and Asia follow with 10% and 6% of funding, respectively. In FY 2015, Eastern Europe and North America attracted only 2% and 1% of funding, respectively.

VPOs support a wide range of sectors and beneficiaries, with **economic and social development topping the sectors,** ahead of financial inclusion, education, environment and health. **Children and youth remain the main beneficiaries of VP/SI investments**, followed by people in poverty, women, people with disabilities and unemployed people.

European VPOs continue to invest across a spectrum of organisational types. In line with the results of the latest EVPA survey, **social enterprises** and **non-profits without trading revenues** are the key targets of VP/SI investment, receiving 37% and 35% of total spend respectively.

When looking at the **investment process,** on average, VPOs performed due diligence on 20% of the screened organisations and selected 53% of the organisations that had gone through due diligence. Comparing the results with FY 2013, we can see a larger percentage of investees being funded after due diligence which could signify a better deal screening process in the VP/SI sector.

The VP/SI approach encloses diverse components and VPOs are increasingly moving **towards best practice in using the VP/SI approach**, as shown by the following interesting trends.

**Tailored financing is a key VP/SI component** that practitioners are implementing in their strategy. Although grants remain the primary financing instruments in terms of total spend, the majority of VPOs surveyed adapt their financing model to meet the needs of the investees.

Another key **component of European VPOs' investment strategy is co-investment**. Three organisations out of five have co-invested in the past, and one out of five is interested to doing so, even if it has not co-invested yet. Considering the respondents who replied that they had co-invested in the past, 86% did so in the last fiscal year, mostly with their peers (venture philanthropy organisations and societal impact first investors – an increase of 30 percentage points compared to FY 2013), which shows greater collaboration in the VP/SI sector.

**Measuring and managing social impact is becoming a consolidated practice for VPOs.** In line with the latest survey, 96% of respondents measures social impact but with an increased awareness compared to FY 2013. Since less VPOs declared measuring the impact itself (which requires an assessment of attribution), it seems that two recommendations pointed out in the EVPA reports on impact measurement[27] were actually taken into account by practitioners.

27 **Hehenberger, L., Harling, A.,** and **Scholten, P.,** (2015), "*A Practical Guide to Measuring and Managing Impact – Second Edition*", EVPA and **Boiardi, P., Hehenberger, L.,** and **Gianoncelli, A.,** (2016), "*Impact Measurement in Practice. In-depth Case Studies*", EVPA.

## CONCLUSION

VPOs might have realised that, on one hand, to measure impact is quite difficult, and on the other hand, that it is enough to measure outcomes.

**VPOs are increasing the duration of their commitment for the SPOs they support**. Most VPOs commit for a period of between 2 and 6 years. Additionally, the share of VPOs investing for less than two years decreased by four percentage points, and this coupled with a small but increasing percentage (3%) supporting SPOs for more than 8 years on average, could indicate a trend towards more patient capitals.

Even though the trends highlighted above show how VP/SI organisations are improving, **some key practices are still difficult to embed into daily practice**.

Since VP/SI aims to build stronger SPOs, it would be logical to assume that much of the funding goes to support the SPOs' core costs, but only 23% of the entire amount spent was actually allocated to those costs in FY 2015. Additionally, we see a remarkable increase in the percentage of funds going to **restricted areas of expenditure**. This is a puzzling result that must be analysed further. As highlighted in a recent report by the Centre for Effective Philanthropy[28], one of the reasons behind it could be that, similar to grant makers, VPOs also find it difficult to let go of the control of the funding and give their investees the freedom to independently choose which areas the funding should be allocated. More guidance is needed in the VP/SI sector to move VPOs towards best practice.

VPOs still find it difficult to precisely **value the non-financial support** provided to their investees. When asked to monetise the cost of the non-financial support provided, applying the monetisation method illustrated by EVPA[29], only a few organisations managed to provide precise figures, and many respondents failed to use the methodology proposed. Therefore, we can conclude that VPOs still find it difficult to adopt the monetisation method proposed by the group of experts that worked with EVPA, and to calculate the real monetised value of the non-financial support provided. We need to analyse more in-depth the reasons why VPOs still find it difficult to monetise the value of non-financial support using the EVPA methodology, and – if necessary – provide our members with further guidance.

EVPA is committed to continuing the research and promotion of best practice in the key components of the VP/SI model and reiterates the importance of a collaborative approach to developing the sector. We would be delighted to hear any additional thoughts or comments from readers, regarding the trends identified in the survey and/or their views on what is driving these trends. Any comments or suggestions can be sent to Priscilla Boiardi (pboiardi@evpa.eu.com) or to Alessia Gianoncelli (agianoncelli@evpa.eu.com).

28 **Boyadzhiev, M.,** (2016), *"Supporting a Foundation's Move towards Unrestricted Support"*, The Center of Effective Philanthropy, 16 February 2016. Available at: http://effectivephilanthropy.org/supporting-a-foundations-move-towards-unrestricted-support/

29 See Step 1 in: **Boiardi, P.,** and **Hehenberger, L.,** (2015), *"A Practical Guide to Adding Value through Non-financial Support"*, EVPA.

# Annexes

## Annex 1 – Survey scope and methodology

EVPA acts as the main repository of data on the VP/SI industry in Europe. The survey is the pre-eminent study of European Venture Philanthropy and Social Investment. Now in its fifth year, the survey is a point of reference in Europe and beyond. Its purpose is to provide independent industry statistics, understand trends and raise awareness about VP/SI, in order to attract additional resources to the sector. It is also an important tool for explaining VP/SI to an external audience, including policy makers.

The survey aims to capture the activity of **VPOs based in Europe**, although **their investment activity may take place in other continents**. The survey targets EVPA's full members, organisations whose primary activity is venture philanthropy, and EVPA's associate members active in high engagement grant making and social investment as part of their philanthropy or investment activity. For example, some foundations included in the survey have a separate VP or social investment "fund". In these cases, we asked the respondents to only answer the questions in terms of that VP/SI fund. The survey was also sent to non-EVPA members that fulfilled the criteria of being based in Europe and conducting VP/SI activities with either of the following return priorities: having a *societal return only, prioritising a societal return but accepting a financial return,* or putting *societal and financial return on an equal footing.*

This survey was elaborated by EVPA's Knowledge Centre. The questions aimed to gain an overview of the demographics of the VP/SI industry and cover the main practices of VP/SI organisations, in order to gain insight into their daily activities. The questions cover the key characteristics of VP/SI. Since the survey was first launched in 2011, the questionnaire evolved, in line with the evolution of the industry. Many of the questions from the first survey were repeated, while others were modified based on feedback, some were eliminated and a few new questions were added. Therefore, it was possible to talk about changes from year to year in some cases, but not in others. Furthermore, as the industry grows the number of VPOs that responded to the survey changes, so when trend data is reported the sample is not completely consistent from year to year. However, it is important to note that the trends identified persisted even when we repeated the analysis only for the sample of VPOs that repeated the survey, i.e. the trends were not due to the addition of new, different types of VPOs. Lastly, from 2014 onwards, we conduct the industry survey on a bi-annual basis as this enables us to detect more significant trends in the VP/SI sector.

The survey itself was set up in the Qualtrics® tool so that the responses could be made directly online and collected by EVPA.

ANNEXES

## Annex 2 – Respondents statistics

The survey was first sent in March 2016 and closed in June of the same year. Follow-up phone calls and emails were conducted between April and June in order to reach the final response rate of 64%. Of the 108 completed surveys, 56 respondents also completed last year's survey and 52 were new respondents. A total of 24 respondents completed all five of the surveys (in 2011, 2012, 2013, 2014 and 2016).

In the table below, the statistics from the last three surveys are presented:

| Statistics on surveys collected | 2016 | 2014 | 2013 |
|---|---|---|---|
| EVPA members surveyed (full members and members with VP/SI activity) | 119 | 89 | 71 |
| EVPA members completed surveys | 75 | 72 | 55 |
| *EVPA member response rate* | *63%* | *81%* | *77%* |
| Total surveys sent (including non-EVPA members) | 168 | 140 | 134 |
| **Total completed surveys** | **108** | **95** | **75** |
| *Total response rate* | 64% | 68% | 56% |

There was a 20% increase in the total number of VPOs reached out to, which shows a better mapping of the VP/SI sector compared to the previous edition of the survey. Also, the number of total respondents increased by 14%. The response rate is 64%, slightly lower than the one in 2014.

We do not claim to have captured the entire VP/SI industry in Europe, but we believe the sample to be highly representative.

# Annex 3 – List of respondents

| | |
|---|---|
| Access Foundation | *United Kingdom* |
| ADA | *Luxemburg* |
| Adessium Foundation | *Netherlands* |
| Alfanar Arab Venture Philanthropy Foundation | *United Kingdom* |
| AlphaOmega Foundation | *France* |
| Alter Equity | *France* |
| ANANDA VENTURES – Social Venture Fund | *Germany* |
| Argidius Foundation | *Switzerland* |
| Artha Initiative (associated with Rianta Philanthropy Ltd) | *Switzerland* |
| Ashoka Germany | *Germany* |
| Auridis gGmbH | *Germany* |
| Banque Degroof Petercam | *Belgium* |
| Bertelsmann Stiftung | *Germany* |
| Big Issue Invest | *United Kingdom* |
| Big Society Capital | *United Kingdom* |
| BMW Stiftung Herbert Quandt | *Germany* |
| BNP Paribas Wealth Management | *France* |
| BonVenture Management GmbH | *Germany* |
| British Asian Trust | *United Kingdom* |
| C&A Foundation | *Switzerland* |
| CAF Venturesome | *United Kingdom* |
| Calala Women’s Fund | *Spain* |
| Cera | *Belgium* |
| Citizen Capital | *France* |
| Compagnia di San Paolo | *Italy* |
| Cooperative for Ethical Financing (CEF) | *Croatia* |
| Cordaid Investments Management B.V. | *Netherlands* |
| Creas | *Spain* |
| CRT Foundation | *Italy* |
| Demeter Foundation | *France* |
| Den Sociale Kapitalfond | *Denmark* |
| DIVA Ventures | *Denmark* |
| Eberhard von Kuenheim Stiftung | *Germany* |
| Ennovent Investment GmbH | *Austria* |
| ERSTE Stiftung | *Austria* |

## ANNEXES

| | |
|---|---|
| Esmée Fairbairn Foundation | *United Kingdom* |
| FADEV | *France* |
| Ferd Social Entrepreneurs | *Norway* |
| Fondation Bernheim | *Belgium* |
| Fondation Immochan | *France* |
| Fondazione Giovanni ed Annamaria Cottino | *Italy* |
| Fondazione Paideia | *Italy* |
| Fonds 1818 | *Netherlands* |
| Genio | *Ireland* |
| GoldenDeer | *Germany* |
| good.bee | *Austria* |
| Grameen Crédit Agricole Microfinance Foundation | *Luxemburg* |
| Ignite Social Enterprise | *United Kingdom* |
| IKARE Ltd. | *United Kingdom* |
| Ikea Foundation | *Netherlands* |
| Impact Finance | *Switzerland* |
| Incluvest BV | *Netherlands* |
| Innoves Foundation (Fundación Innovación de la Economía Social) | *Spain* |
| Investir & + | *France* |
| Investisseurs & Partenaires (I&P) | *France* |
| Jacobs Foundation | *Switzerland* |
| Jazi Foundation | *Netherlands* |
| Kampani | *Belgium* |
| Karuna Foundation | *Netherlands* |
| King Baudouin Foundation | *Belgium* |
| La Bolsa Social | *Spain* |
| La Caixa Foundation | *Spain* |
| Leksell Social Ventures | *Sweden* |
| LGT Impact Ventures | *Switzerland* |
| Martin und Gerda Essl Sozialpreis gemeinnützige Privat-stiftung | *Austria* |
| Media Development Investment Fund (MDIF) | *Czech Republic* |
| Montpelier Foundation | *United Kingdom* |
| Mozaik Foundation | *Bosnia and Herzegovina* |
| NESsT | *Hungary* |
| Nesta Investment Management (NIM) | *United Kingdom* |
| Noaber Foundation | *Netherlands* |

| | |
|---|---|
| Oltre Venture | *Italy* |
| Opes Impact Fund | *Italy* |
| Oxfam Intermón | *Spain* |
| Partnership for Change | *Norway* |
| Permira Advisers LLP | *United Kingdom* |
| PhiTrust | *France* |
| Polish Youth and Children Foundation | *Poland* |
| Quadia | *Switzerland* |
| Rank Foundation | *United Kingdom* |
| Robert Bosch Stiftung GmbH | *Germany* |
| Shaerpa | *Belgium* |
| SharedImpact | *United Kingdom* |
| Ship2B Foundation | *Spain* |
| Siemens Stiftung | *Germany* |
| Smart Kolektiv | *Serbia* |
| Social Business Trust | *United Kingdom* |
| Social Entrepreneurs Ireland | *Ireland* |
| Social Entrepreneurship initiative & Foundation (seif) | *Switzerland* |
| Social Impact Ventures NL | *Netherlands* |
| Social Innovation Fund Ireland | *Ireland* |
| Start Foundation | *Netherlands* |
| Stichting De Verre Bergen | *Netherlands* |
| Stichting DOEN | *Netherlands* |
| Stichting Spark | *Netherlands* |
| Stowarzyszenie CREP | *Poland* |
| Sumerian partners | *United Kingdom* |
| TD Veen | *Norway* |
| The Social Investment Business | *United Kingdom* |
| Turing Foundation | *Netherlands* |
| UnLtd | *United Kingdom* |
| Valores Foundation | *Poland* |
| Vivergi Social Impact Fund | *Spain* |
| Voxtra | *Norway* |
| Vredeseilanden/VECO | *Belgium* |
| Workshop for Civic Initiatives Foundation | *Bulgaria* |
| World Vision International | *Switzerland* |
| Yunus Social Business | *Germany* |

**ANNEXES**

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**The European Venture Philanthropy Association (EVPA)**

Established in 2004, EVPA works to enable venture philanthropists and social investors to maximise societal impact through increased resources, collaboration and expertise.

EVPA's membership covers the full range of venture philanthropy and social investment activities and includes venture philanthropy funds, social investors, grant-making foundations, impact investing funds, private equity firms and professional service firms, philanthropy advisors, banks and business schools. EVPA members work together across sectors in order to promote and shape the future of venture philanthropy and social investment in Europe and beyond. Currently, the association has 209 members from 32 countries, mainly based in Europe, but also outside Europe showing the sector is rapidly evolving across borders.

EVPA is committed to support its members in their work by providing networking opportunities and facilitating learning. Furthermore, we aim to strengthen our role as a thought leader in order to build a deeper understanding of the sector, promote the appropriate use of venture philanthropy and social investment and inspire guidelines and regulations.

http://www.evpa.eu.com

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Fondazione CRT

noaber foundation

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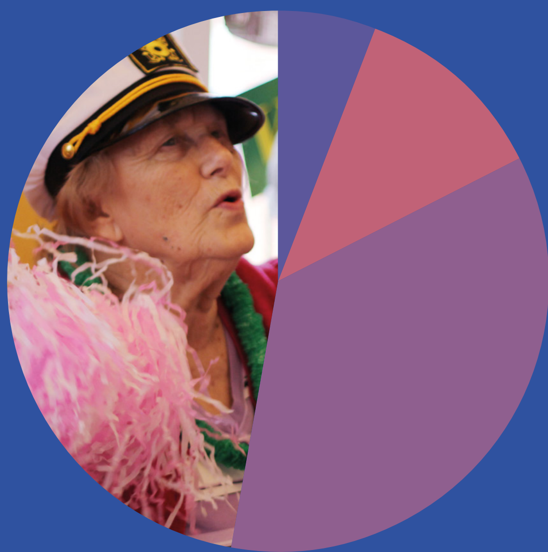
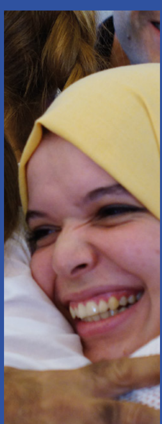
Herbert Quandt





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