European Venture Philanthropy and Social Investment 2013/2014

The EVPA Survey

European Venture Philanthropy Association
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European Venture Philanthropy and Social Investment 2013/2014

The EVPA Survey

Executive Summary

This is the report[1] of EVPA's fourth annual survey of European Venture Philanthropy and Social Investment. The purpose of the report is to provide independent industry statistics to raise awareness about European Venture Philanthropy and Social Investment ("VP/SI") and to attract additional resources to the sector. It is also an important tool in explaining VP/SI to an external audience, including policy makers.

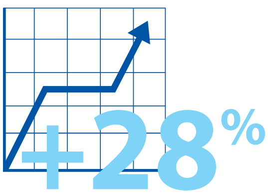
EVPA acts as the main repository of data on the VP/SI industry in Europe since 2011. The presence of four years of data allows us to analyse interesting trends and evolutions. The financial data provided was for the fiscal year ending in 2013, unless otherwise specified.

Definition of Venture Philanthropy

Venture philanthropy works to build stronger investee organisations with a societal[2] purpose (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.*** The key characteristics of venture philanthropy include high engagement support of few organisations, organisational capacity-building, tailored financing, non-financial support, involvement of networks, multi-year support and impact measurement.

Survey Scope and Methodology

The EVPA survey aimed to capture the activity of VPOs based in Europe, according to the definition above, although their investment activity may take place in other continents. The survey was undertaken between May and September 2014 and includes responses from 95 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. This year's survey provides an activity update and includes questions of how respondents run their VP/SI activity.



Overview of the VP/SI sector

The European VP/SI sector continues to grow. Support for societal purpose organisations through the VP/SI method, continues to increase with over ***€5b invested*** since inception and ***average financial support per VPO increasing by 28% to €8m*** from fiscal year (FY) 2012 to fiscal year 2013.

VPOs support their investees not just financially, but also with a ***variety of non-financial support, ranging from consulting services to coaching and access to networks.***

% of VPOs offering different types of non-financial support, multiple choice

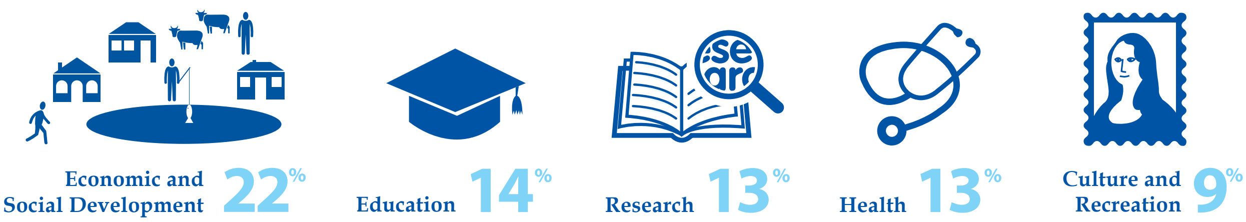
1. Please note that our three first industry surveys are available to download at: http://evpa.eu.com/publications/industry-surveys/

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

Executive Summary

Non-financial support makes up for only 6.5% of total spend on aggregate in FY 2013. This is likely because non-financial support is still difficult to quantify. The Knowledge Centre of EVPA will conduct further research into this topic, to shed further light on what kind of non-financial support VPOs provide to their investees, if and how they quantify it.

VP/SI organisations support a wide range of sectors and beneficiaries. In FY 2013, ***economic and social development topped the sectors (receiving 22% of funding)***, ahead of education (14%), research (13%), health (13%) and culture and recreation (9%). All together, the top 5 sectors made up for 71% of the total spend in FY 2013.

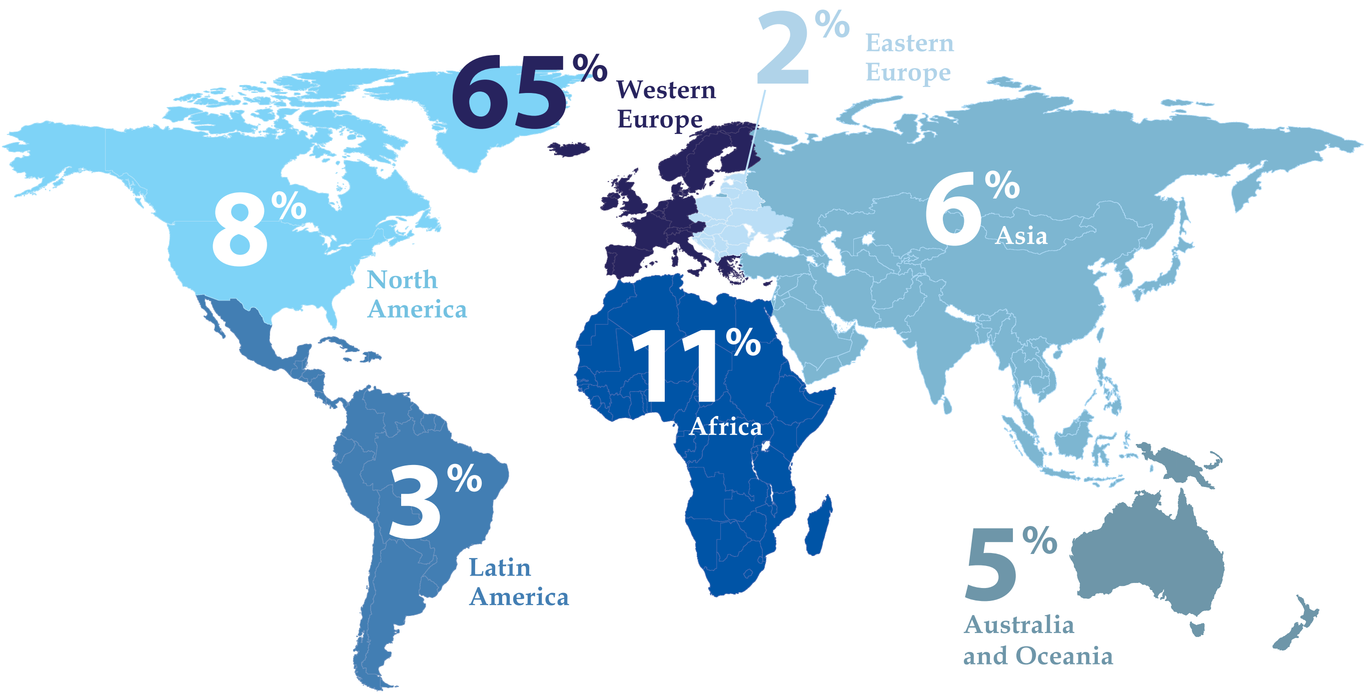


First five sectors – € spent in FY 2013 (% of total spend)

Children and youth remain the main beneficiaries of VP/SI investments, with 62% of European VPOs targeting this group. People suffering from poverty (36%) are still the second most supported group, and unemployed people (21%) remain an important group of support, followed by disabled (19%) and women (17%).

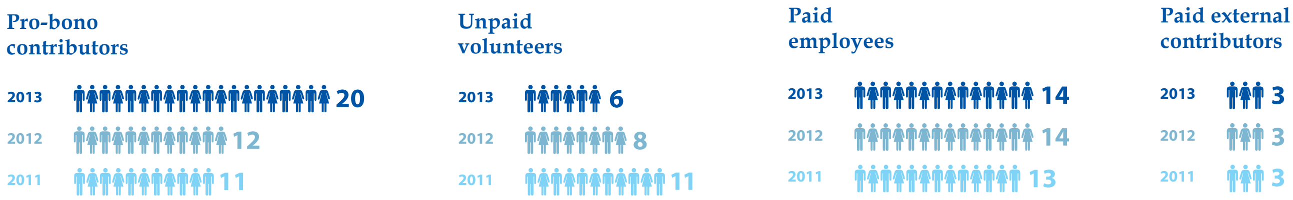
First five target groups, multiple choice

The ***bulk of funding is increasingly directed towards Western Europe.*** Among developing countries Africa is still the main region targeted, but we see a sharp decrease compared to FY 2012. This year Latin America and Eastern Europe attracted only 3% and 2% of total funding respectively.



There is a trend towards ***retaining paid employees and even more pro-bono supporters,*** and less unpaid volunteers[3], pointing toward a ***professionalisation of the support*** given by VPOs to their investees.

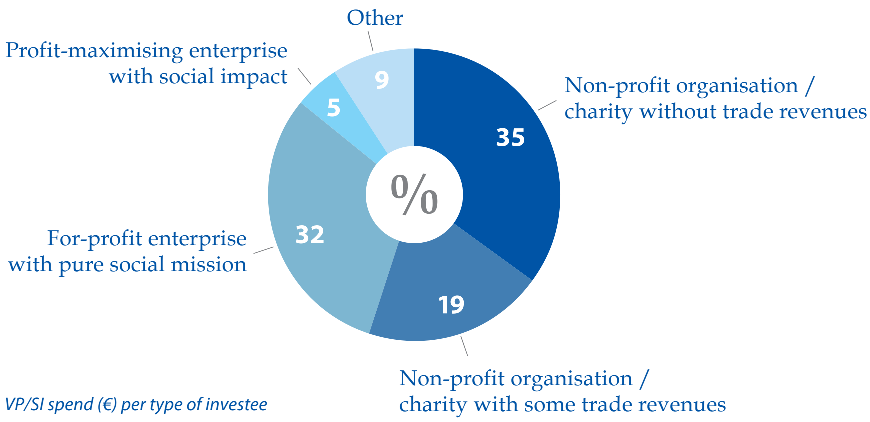
3. Pro-bono supporters provide more targeted and higher level support to investees as opposed to volunteers that help out in a more general way.



Human resources by count (average per VPO)

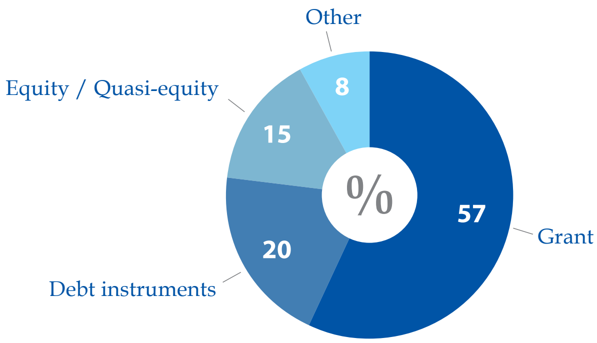
Executive Summary

European VPOs continue to invest across a spectrum of organisational types. ***Non-profits*** without trading revenues ***and social enterprises*** are the key targets of VP/SI investment receiving 35% and 32% of total spend respectively.



% of 2013 VP/SI spend (€) per type of investee

Tailored financing is a key practice, with grants, debt and equity used by over 50% of respondents. ***Grants remain the primary financing instrument*** in terms of € spend. More VPOs are using financing instruments other than grants with an ***increase in the use of guarantees and hybrid grants.***



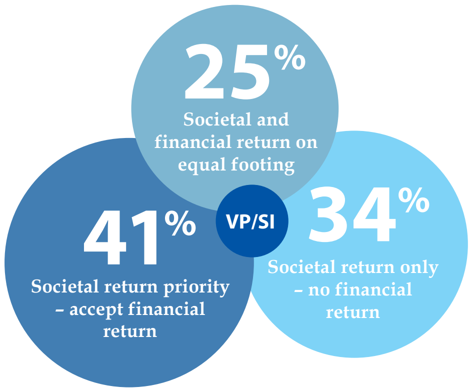
% of 2013 VP/SI spend (€) by financial instrument

Key Trends

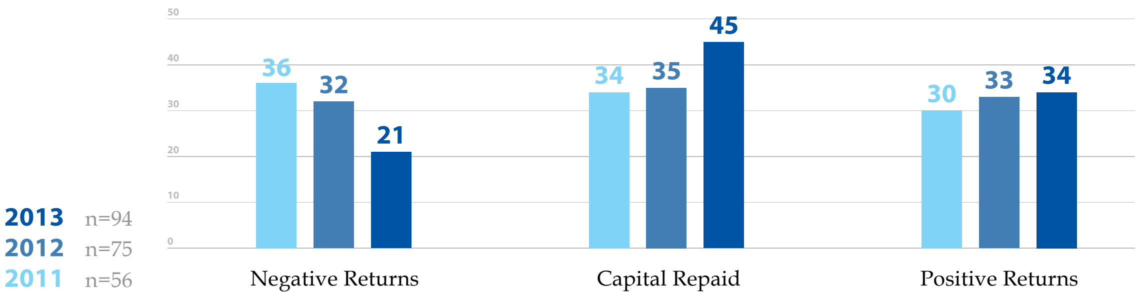
The 2014 EVPA survey confirms many of the findings of the 2013 survey, provides further evidence of the continued growth of venture philanthropy and social investment, and uncovers new patterns in the European venture philanthropy and social investment sector.

Societal return remains the ***primary objective*** of the majority of VPOs, but ***recycling capital*** is increasingly important. The survey targeted organisations prioritising societal return over financial return OR assigning an equal priority to financial and social return (i.e. excluding organisations that prioritised financial return). On a four-year view the number of VPOs where societal return is a priority but financial return is accepted is increasing and represents the largest category in 2014.

Summary of return priorities of VPO respondents



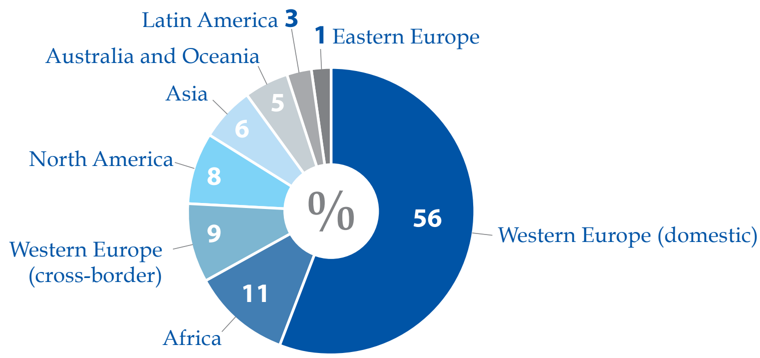
When asked about ***return expectations,*** responses were ***less evenly distributed*** than in the past years. The ***share of VPOs expecting capital to be repaid increased,*** while the share of VPOs expecting negative returns shrunk to 21%. This trend analysed together with the social vs. financial return objective indicates that ***it is increasingly important to recycle capital,*** even for those organisations that seek *primarily* a social return.



Summary of return expectations of VPO respondents, FYs 2011–2013

Executive Summary

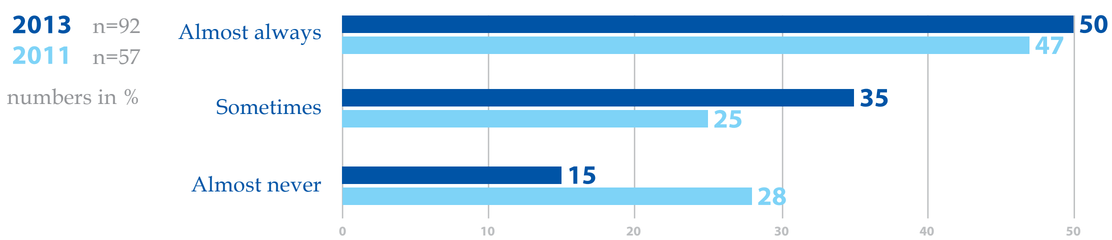
European VPOs invested either in their home country or internationally, in both developed and developing countries. ***More than half of the total funding is invested domestically,*** while the amount invested internationally is directed mostly to African countries and other European countries, with ***cross-border funding*** becoming increasingly important.



Geographical focus of VP/SI by € spend

An important trend in how VPOs work indicates a ***move towards best practice in using the VP/SI approach:*** an increased ***focus on social impact measurement.***

The practice of impact measurement is both more fully implemented and is being used to manage impact to a greater degree as compared to our latest data from the 2012 survey. Over 96% of respondents report to be measuring social impact, and there is a significant increase in the VPOs that use impact measurement to inform decisions about unlocking new funding. The ***five-step impact measurement process proposed by EVPA***[4] is being used by a vast majority of VP/SI organisations. These results indicate that European VPOs are increasingly integrating impact measurement into managing their investments towards greater impact.



% of VPOs that use impact measurement to unlock new funding (FY 2013 vs. FY 2011)

4. **Hehenberger, L; Harling, A., Scholten, P.,** (2013), "*A Practical Guide to Measuring and Managing Impact*", EVPA. http://evpa.eu.com/publication/a-practical-guide-to-measuring-and-managing-impact/

EVPA is committed to continue 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. On the trends identified in the survey and/or on any additional thoughts or comments we would be delighted to hear from readers as to their views on what is driving these trends. Any comments or suggestions can be sent to lhehenberger@evpa.eu.com.

Part 1:
Introduction

Purpose of the Report

This is the fourth report[5] 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 so as to attract further resources to the sector.

The report is based on a comprehensive survey conducted by EVPA's Knowledge Centre that captured key statistics on 95 European venture philanthropy and social investment organisations (VPOs). This is the fourth such survey that we have conducted and is in line with the ambition for the EVPA Survey report to become the key point of reference on European venture philanthropy and social investment. Next year, we will take a "break" in the survey to invest time and resources in building a stronger database and work to further improve the survey itself.

Differently from last year, and similarly to two years ago, this survey offers a complete picture of VP/SI industry in Europe including sections on impact measurement[6], social investment funds and an in-depth analysis of exit strategies.[7]

The report is structured as follows. It starts with a definition of VP/SI, its emergence, the role of EVPA and the methodology of the survey. It then presents the results of the survey, divided in six sections:

1. Demographics of VP/SI organisations
2. VP/SI positioning in the investment landscape
3. Resources of European VP/SI
4. VP/SI investment focus
5. Highlights from the VP/SI investment process
    a. Deal flow and investment appraisal
    b. Investment
    c. High engagement and non-financial support
    d. Impact measurement
    e. Exit
6. Social Investment funds

Finally, the report presents the key conclusions based on the results of the survey. The presence of four years of data allows us to draw attention to surprising findings that lead to questions about the nature of VP/SI in Europe that, as a sector, we should look into further.

We aim for these questions to spur a debate that helps VP/SI practitioners think harder about their practices and how they can work more effectively.

5. Please note that the three previous industry surveys are available for download at: http://evpa.eu.com/publications/industry-surveys/

6. Based on: **Hehenberger, L; Harling, A., Scholten, P.,** (2013), "*A Practical Guide to Measuring and Managing Impact*", EVPA. http://evpa.eu.com/publication/a-practical-guide-to-measuring-and-managing-impact/

7. Based on: **Boiardi, P.** and **Hehenberger, L.,** (2014), "*A practical guide to planning and executing an impactful exit*", EVPA.

Part 1: Introduction

What is Venture Philanthropy?

Venture philanthropy works to build stronger investee organisations with a societal purpose (SPOs) by providing them with both financial and non-financial support in order to increase their societal impact. EVPA purposely uses the word societal because the impact may be social, environmental, medical or cultural. 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.***

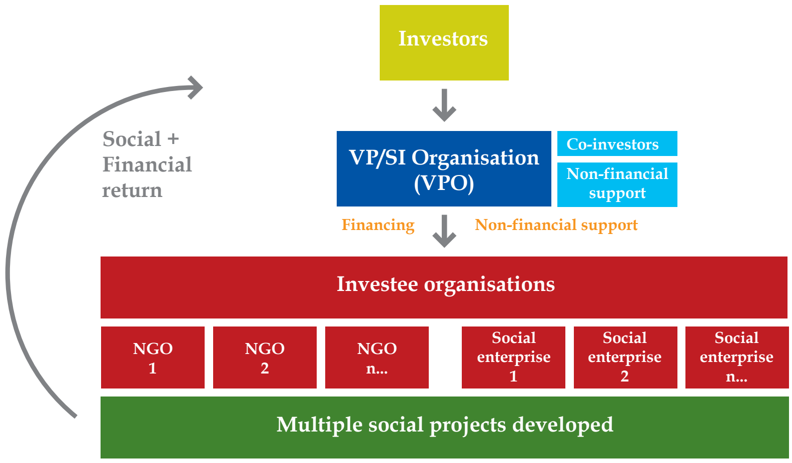
The ***key characteristics*** of venture philanthropy are as follows:

- **High engagement** – Hands-on relationships between SPO management and venture philanthropists.
- **Organisational capacity-building** – Building the operational capacity of portfolio organisations, by funding core operating costs rather than individual projects.
- **Tailored financing** – Using a range of financing mechanisms tailored to the needs of the supported organisation.
- **Non-financial support** – Providing value-added services such as strategic planning to strengthen management.
- **Involvement of networks** – Enabling access to networks that provide various and often complementing skill-sets and resources to the investees.
- **Multi-year support** – Supporting a limited number of organisations for 3–5 years, then exiting when organisations are financially or operationally sustainable.
- **Impact measurement** – Placing emphasis on good business planning, measurable outcomes[8], achievement of milestones and financial accountability and transparency.

The following diagram aims to clarify the role of venture philanthropy / social investment organisations in building stronger investee organisations with a societal purpose. The venture philanthropy / social investment organisation acts as a vehicle, channelling funding from investors and co-investors and providing non-financial support to various investee organisations. The non-financial support is provided by the VP/SI organisation itself, but also by external organisations and individuals. The investee organisations in turn develop multiple projects that may be focused on particular sectors such as healthcare, education, environment, culture, medical research, etc. The ultimate beneficiaries are usually groups in the society that are somehow disadvantaged, such as disabled, women, children, etc. The societal impact ultimately needs to be measured by assessing how the lives of the beneficiaries are improved thanks to the actions of the investee organisations, and, going one step further, assessing the contribution of the VPO to that improvement. The VPO generates social impact by building stronger investee organisations that can better help their target beneficiaries and achieve greater efficiency and scale with their operations. Investors in venture philanthropy / social investment are usually focused on the social return of their investment, rather than on the financial return.

8. EVPA's "*A Practical Guide to Measuring & Managing Impact*" provides more details on a best practice 5 step process for measuring outcomes. http://evpa.eu.com/publication/a-practical-guide-to-measuring-and-managing-impact/

Venture Philanthropy – building stronger investee organisations



Role of EVPA in industry evolution[9]

Established in 2004, EVPA aims to be the natural home as well as the highest value catalyst network of a growing number of European venture philanthropists and social investors (VPOs). 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 191 members from 24 countries, mainly based in Europe, but also outside Europe, in United Arab Emirates and Asia, showing the sector is rapidly evolving across borders.

Beyond being a mere "tool", venture philanthropy and social investment is emerging as a new industry, with an entire support system around it, including advisory service firms and business schools with programmes specialised in venture philanthropy and social investment. As venture philanthropy and social investment continues to grow, EVPA's industry-building role becomes increasingly important, thus also calling for the development of best practice, guidelines and market infrastructure.

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 fourth 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 so as to attract additional resources to the sector. It is also an important tool in explaining VP/SI to an external audience, including policy makers.

9. This section is based on EVPA's Code of Conduct: http://evpa.eu.com/wp-content/uploads/2011/11/EVPA-Code-of-Conduct_LR_111122.pdf

Part 1: Introduction

Since 2011, EVPA surveys its members on an annual basis about their VP/SI operations in order to:

- generate key statistics;
- publish a report to disseminate the work of VP/SI organisations;
- better target EVPA's services to members' needs.

Reliable data on European VP/SI useful for VP/SI practitioners to:

- improve their practices through benchmarking exercises;
- attract resources including funding and professionals;
- make their voices heard in government relations.

Survey scope and methodology

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

The survey aimed to capture the activity of ***VPOs based in Europe***, although ***their investment activity may take place in other continents.*** The survey was undertaken between ***May and September 2014*** and targeted EVPA's full members, organisations whose primary activity is venture philanthropy, and EVPA's associate members that are 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 those cases, we asked the respondents to answer the questions only 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. Using snowball sampling, we asked all respondents to provide examples of other VP/SI organisations outside of EVPA membership in order to capture as large a percentage as possible of the total VP/SI population in Europe.

The survey was first sent in May 2014 and closed in July of the same year. Follow-up phone calls and emails were conducted between July and September in order to reach the final response rate of 68%. Of the 95 completed surveys, 69 respondents also completed last year's survey and 26 were new respondents. A total of 30 respondents completed all the surveys (in 2011, 2012, 2013 and 2014).

In the table below, the statistics of the survey are presented:

Statistics on surveys collected	2014	2013	2012
EVPA members surveyed (full members and members with VP/SI activity)	89	71	74
EVPA members completed surveys	72	55	53
EVPA member response rate	**81%**	**77%**	**72%**
Total surveys sent (including non-EVPA members)	140	134	102
Total completed surveys	95	75	61
Total response rate	**68%**	**56%**	**60%**

The response rate was satisfactory for this type of study, although notably higher for EVPA members (81%) than for non-members (45%). We do not claim to have captured the entire VP/SI industry in Europe, but we believe the sample to be highly representative.

Part 2:
Presentation of Survey Results

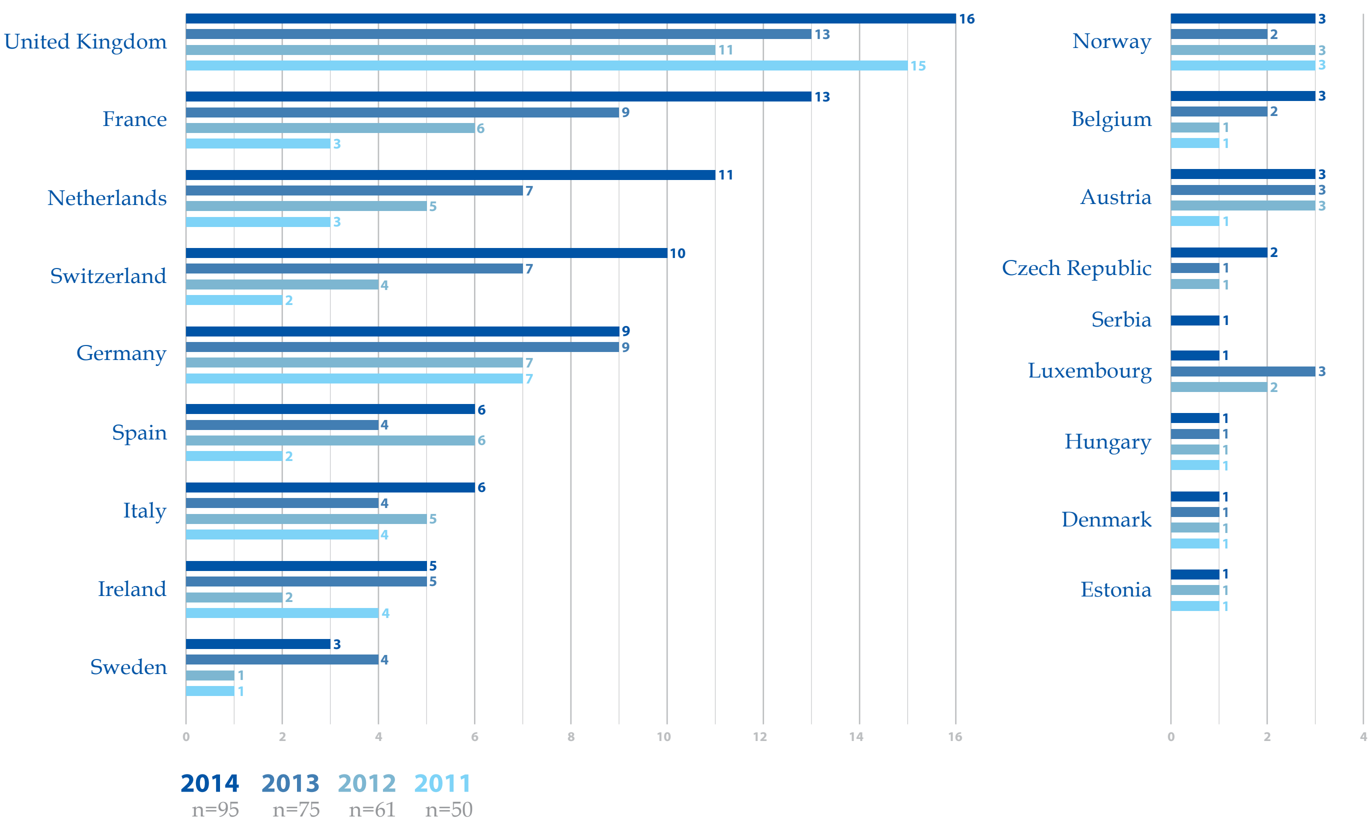
This part presents the results of the analysis of the survey data. The survey was completed by 95 investors and grant-makers based in Europe, using the venture philanthropy approach. The analysis in each graph refers to the responses from the VPOs that answered the relevant question. In some specific cases, certain outlying responses were not included in the analysis to ensure the results provided an accurate representation of the industry as a whole. Most of the financial data provided was for the fiscal year (FY) ending in 2013, unless otherwise specified.

1. Demographics of VP/SI organisations

Country of origin

The UK, France and The Netherlands are the top countries in terms of VPO headquarters. In line with last year's survey most of the respondents were based in Western Europe, the top 3 respondent countries being the United Kingdom (16%), France (13%) and The Netherlands (11%), and only four respondents from Eastern Europe, with Serbia being represented for the first time. The survey aimed to capture the activity of organisations based in Europe, although their investment activity may take place in other continents. The following graph shows the distribution by country of origin, comparing 2014, 2013, 2012 and 2011 respondents.

Respondents by country

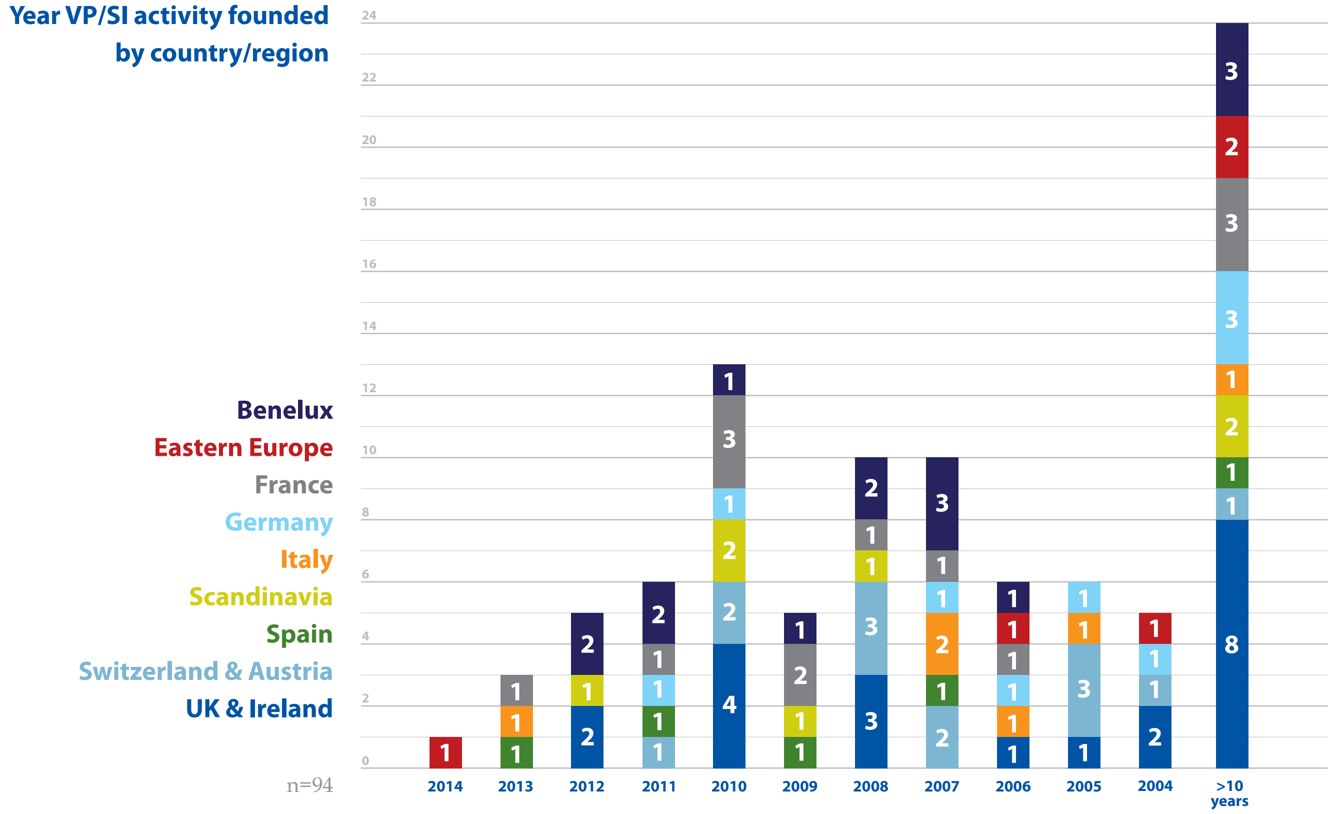


Part 2: Presentation of Survey Results

Years of VP/SI activity

The survey asked respondents to specify the number of years their VP/SI activity had been operating. This question was in some cases difficult to answer considering the many ways that an organisation can start engaging in VP/SI, using just a few of the key characteristics or applying the full model. The average age of the VPOs surveyed is 7.9 years, an increase from last year's average of 7.5 years. Although the VP/SI movement is considered about a decade old in Europe, some respondents claim to have been doing VP/SI for longer than that. We see a peak of VPOs being set up in 2007, 2008 and 2010.

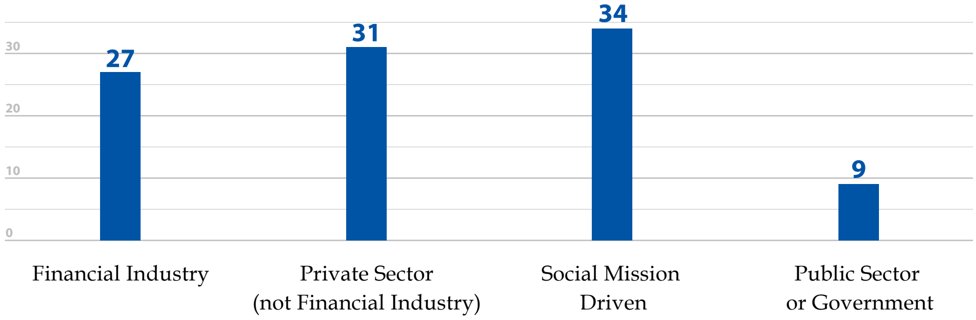
Year VP/SI activity founded by country/region



Professional background

VPO teams come from both the social and the private sector. The survey investigated the professional background of the team of the VPOs and found that on average 34% of the team has a background in the social sector (e.g. foundations, non for profit organisations, for profit or not for profit social enterprises, international development organisations, impact investing or VP, etc.). The private sector (including publicly traded companies, professional services such as lawyer, consulting etc.) follows closely, with on average 31% of the VP teams having gained experience in more traditional businesses. The financial sector (including private equity and venture capital, retail and investment banking, asset management and hedge funds) was also an important source of human resources for VPOs, with an average of 27% of team members having previous experience in the financial industry.

Professional background of VP/SI team

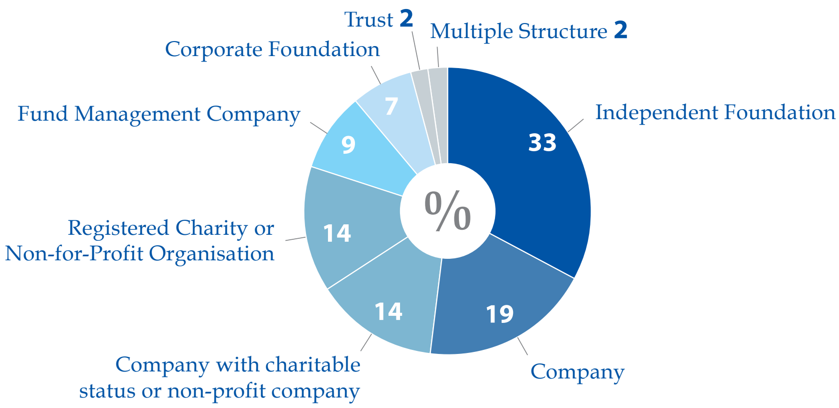


n=95
numbers in %

Organisation structure

Non-profit structures still dominate the organisational set up. In line with the results of previous surveys, a majority (70%) of the European VPOs are structured as non-profit such as foundations (either independent, 33% or linked to a corporation, 7%), charities (14%), companies with a charitable status (14%) or trusts (2%), although each country has its own terms and variations of these forms. Other forms are companies (19%), funds (9%), or multiple structures (2%). This year's survey collected specific data on social investment funds considering that 28% of the sample reported to manage such funds, as further analysed in section 6.

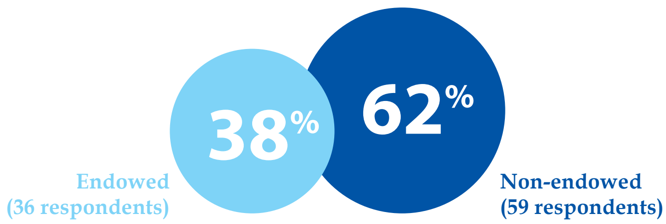
Organisation structure



n=95

Out of the 95 respondents, 38% had endowments that allow a fairly predictable funding budget from year to year. The rest are thus non-endowed entities that need to engage in continuous fundraising.

Endowment structure

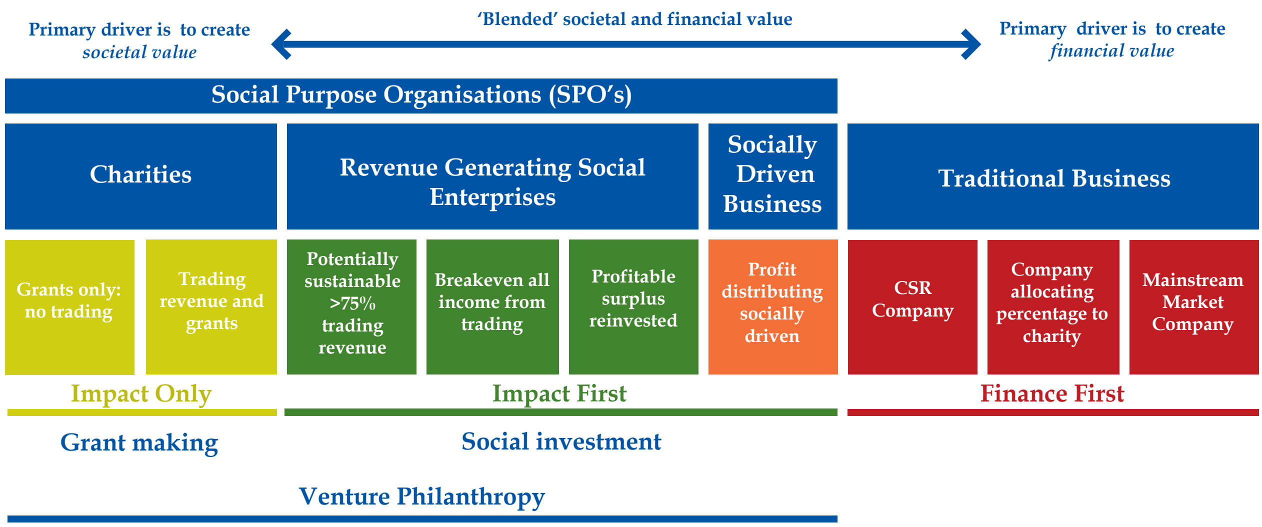


n=95

Part 2: Presentation of Survey Results

2. VP/SI positioning in the investment landscape

VP/SI is one tool in the social investment and philanthropy toolkit. It has emerged in Europe during the present decade as a high engagement approach to social investment and grant making across a range of investee organisations with a societal purpose (SPOs), from charities and non-profit organisations to socially driven businesses. The VP/SI approach includes the use of the ***entire spectrum of financing instruments*** (grants, equity, debt, etc.), but pays particular attention to the ***ultimate objective of achieving societal impact.*** In the spectrum[10] below, impact only strategies expect a ***societal return and negative financial return.*** Impact first strategies aim to achieve a ***societal return***, but may also generate a ***financial return***.

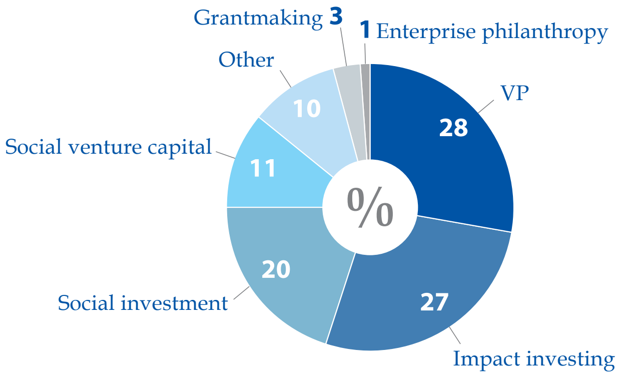


Finance first strategies, where the financial return is maximised and the societal impact is secondary, are not included in EVPA's definition of venture philanthropy and social investment. The relatively newer term "impact investment" tends to include both impact-first and finance-first strategies, although the term is used to describe a wide range of investment strategies.

The plethora of terms used to describe a VPO's activities was highlighted in our survey. The majority of respondents describe their activities as venture philanthropy (28%) and impact investing (27%). One fifth of the respondents describe its VP/SI activities as social investment and 11% social venture capital.

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

Terms used to describe VP/SI activities



n=92

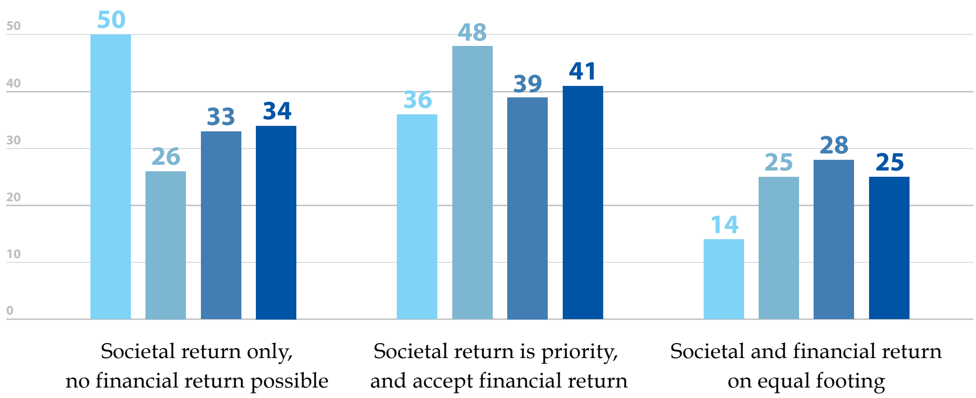
Societal return is the main purpose. The survey targeted organisations prioritising societal return over financial return OR assigning an equal priority to financial and social return (i.e. excluding organisations that prioritised financial return).

On a four-year view it looks as though VPOs where *societal return is a priority but financial return is accepted* is increasing (from 39% in FY 2012 to 41% in FY 2013) and represents the largest category in FY 2013. VPOs requiring a societal return only increased by one percentage point, from 33% in FY 2012 to 34% in FY 2013, whereas VPOs that put societal and financial on equal footing represent 25% of the total, 3 percentage points less than last year.

VPOs' Investment Priorities FYs 2010–2013

2013 n=95
2012 n=75
2011 n=61
2010 n=50

numbers in %



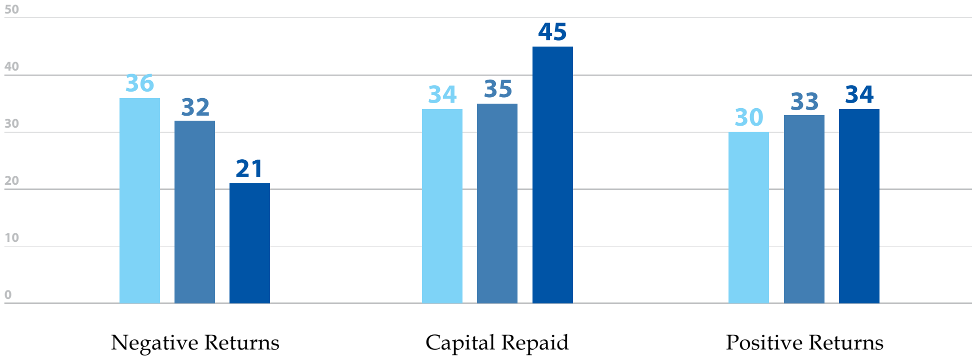
When asked about the financial return they expected from their venture philanthropy investments, 34% of the respondents indicated they expect positive returns and 45% indicated to be expecting capital to be repaid, up from 35% in FY 2012. The surge in the share of organisations expecting capital repayment was to the detriment of VPOs expecting a negative return, which experienced a decrease of eleven percentage points from FY 2012 to FY 2013, reaching 21%.

Part 2: Presentation of Survey Results

Return expectations of VPO respondents FYs 2011–2013

2013 n=94
2012 n=75
2011 n=56

numbers in %



With negative return expectations decreasing and the share of organisation not accepting any financial return increasing, it is useful to perform a more in-depth analysis to understand these two trends.

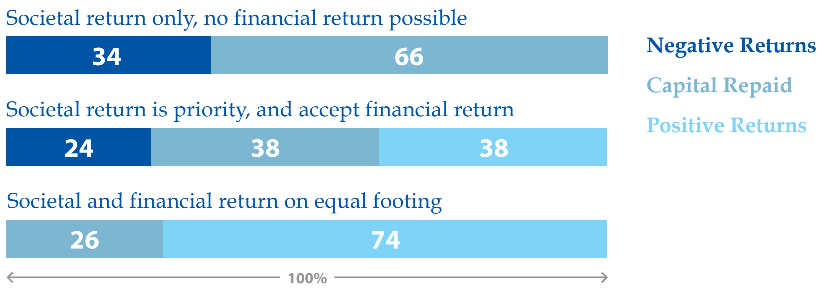
A deeper analysis shows that organisations that look only for a societal return and do not seek any financial return are increasingly seeking capital repayment (66% of respondents). Additionally, among VPOs that consider societal return a priority but accept a financial return, a larger share seeks either capital repayment or positive returns (76%) while only a small share foresees negative returns (24%). This trend shows that VPOs are finding it increasingly important to recycle capital, even when they do not seek a financial return.

The pattern is consistent with the view that although societal return remains the primary objective in a time of scarce resources, recycling capital is increasingly important, although this could also be an indication of changing strategies.

VPOs' investment priorities by return expectations

n=94

numbers in %

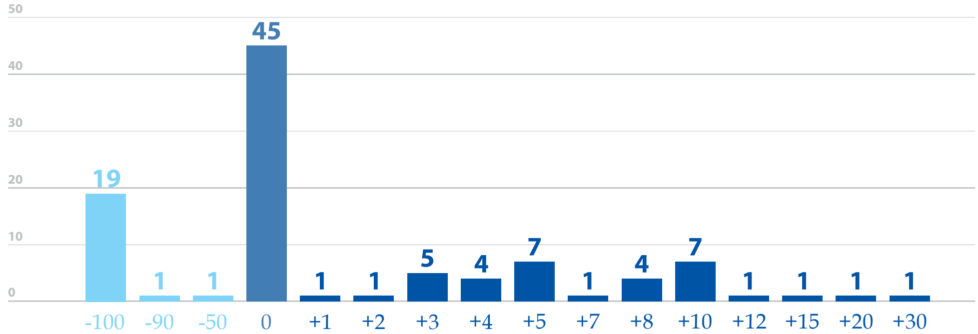


For those VPOs that expected a positive return from their investments (34%) the percentage return expected varied from 1% to 30%. However, the majority (53%) of the VPOs that expected a positive return expected a return per annum of 5% or less.

Details of return expectations of VPO respondents

n=94

numbers in %

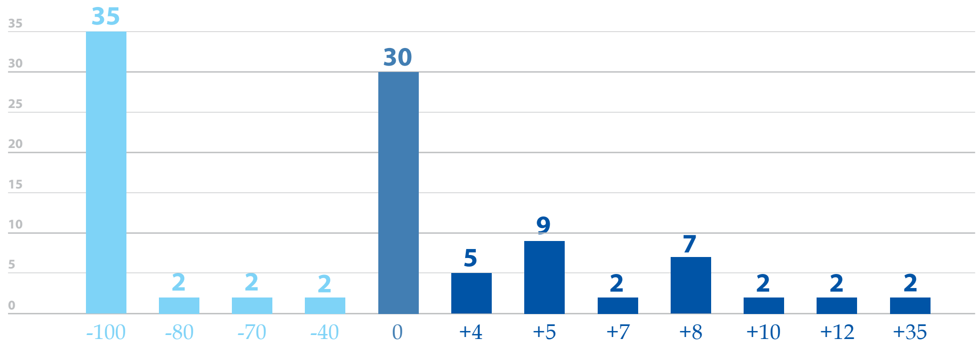


The survey then asked the respondents whether they had exited any of their investments in the last fiscal year and if so, with what average return. Of the 43 respondents to this question, 30% received full capital repayment and 41% no capital repayment at all. Of the 29% that had realised positive returns in FY 2013 we see a range from 4% to 35%. Given the small sample of those respondents that received a positive return in 2013 we cannot draw far-reaching conclusions about this result; however it does seem to reflect the diverse geographies and sectors where VP/SI is being applied.

Distribution of average realised returns

n=43

numbers in %

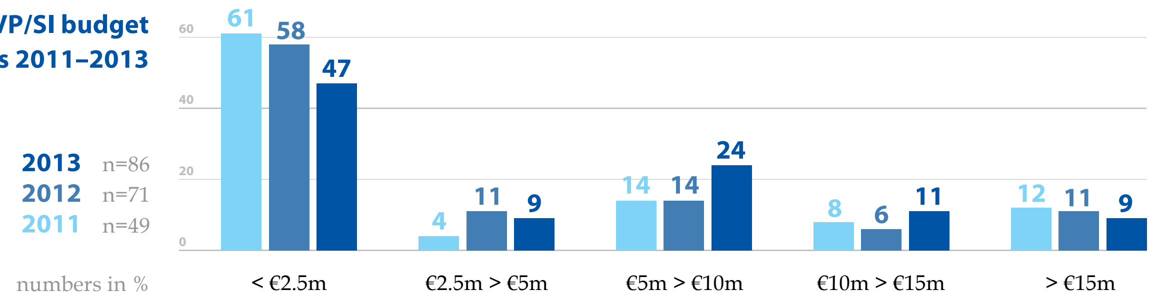


3. Resources of European VP/SI

Financial capital

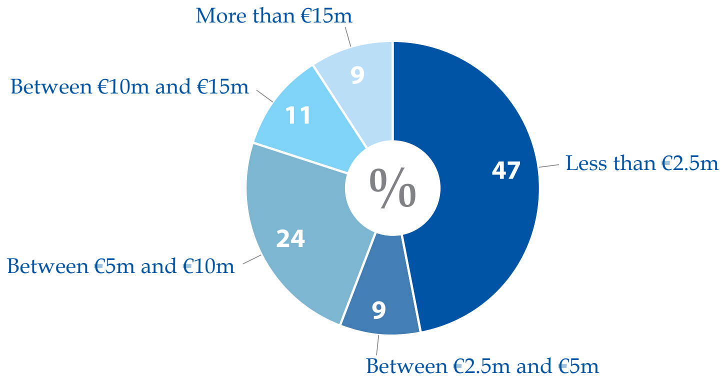
Budgets for VP/SI are increasing, but many European venture philanthropy organisations still have annual budgets lower than €2.5m. A comparison of the budgets[11] allocated to VP/SI in the past three years shows that the share of organisations that allocate less than €2.5m to VP/SI decreased sharply between FY 2011 and FY 2013, while the share of organisations allocating between €5m and €10m and those allocating between €10m and €15m increased, pointing to a continuous strengthening of the VP/SI movement in Europe.

Size of VP/SI budget FYs 2011–2013



However, in line with results from the last two years, the majority of organisations (47%) allocated less than €2.5m to VP/SI (as a total budget including investments and overhead expenses). In the last fiscal year, the average amount allocated was €9.6m (a 33% increase compared to last year) although the median was only €3m. Only a small percentage of respondents (9%) had a budget greater than €15m. The specific question asked was the amount budgeted to a VP/SI strategy in a fiscal year rather than the size of the endowment or fund, avoiding the problem that only a small percentage of endowments tends to be spent every year.

Size of VP/SI budget



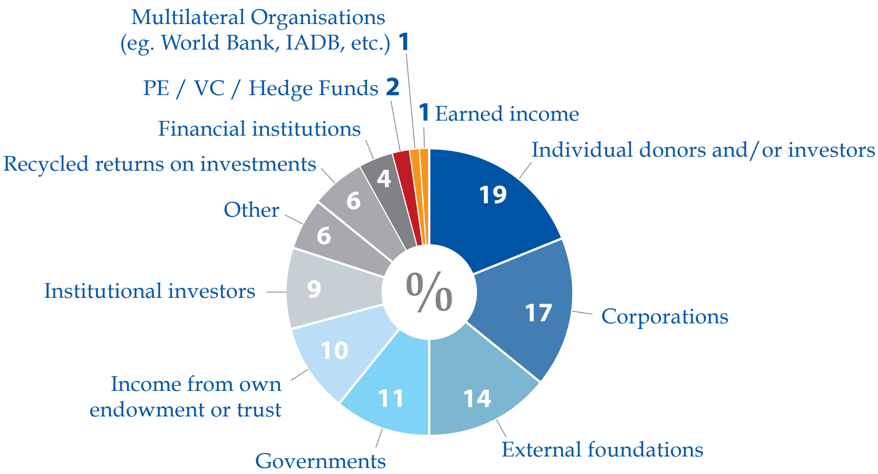
n=86

Individuals, corporations and external foundations represented the main sources of VP/SI funding. In FY 2013, individual donors, corporations and external foundations represented the main source of funding for VP/SI activities, with 19%, 17% and 14% of the total funding respectively. Despite remaining the most important source of funding, individuals

11. 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)

decreased in importance as a funding source, losing 14 percentage points from FY 2012 to FY 2013. Governments remained stable as the fourth most important source with 11% of total funding. Interestingly, institutional investors became a key funding source, with 9% of the total (an increase of 7 percentage points since last year). Funding from own endowments, recycled returns and earned income represents 17% of funding, up from 10% in FY 2012, showing that VPOs are increasingly self-financing their activities. The importance of PE/VC and hedge funds as a funding source continues to decrease, from 17% in FY 2011 to 7% in FY 2012 to 2% this year.

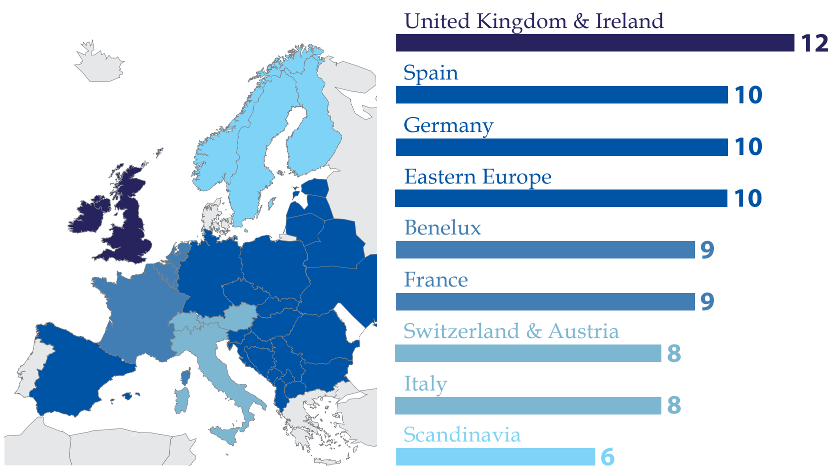
Distribution of total funding made available to VPOs by source



n=85

When looking at the diversity of different funding sources, we see some variation across countries. As shown in the graph below, the UK and Ireland have the greatest diversification of funding sources, with 12 different types, followed by Spain, Germany and Eastern Europe, each with 10.

Diversity in sources of funding by country / region



n=95

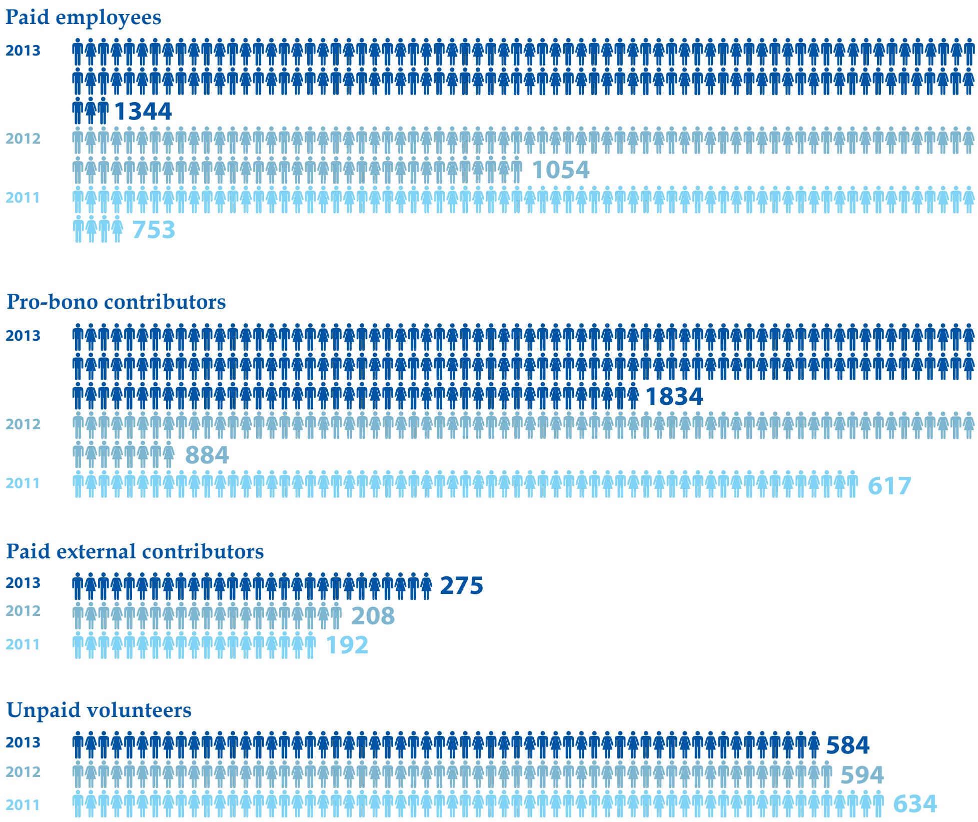
Part 2: Presentation of Survey Results

Human capital

A large pool of professionals work in VP/SI. Venture philanthropy combines financing with non-financial support, implying that a key resource is human capital. The survey found that the total number of paid employees increased to 1344 people, from the 1054 surveyed last year, and the average staff size was stable at 14 FTE per VPO.

VPOs continue to professionalise their support and count less on unpaid volunteers. Adding to the number of paid employees is an increasing pool of 1834 pro-bono contributors. VPOs increasingly hire consulting services and pro-bono support from various types of organisations in their networks to contribute non-financially to the VP/SI activities of the respondents. Since 2011 the average number of pro-bono supporters per VPO has been steadily increasing, reaching an average of 20 pro-bono contributors per VPO in FY 2013, two thirds more than the previous year. The pool of volunteers decreased to 584 people from 594 in last year's survey, going from 11 to 6 per organisation, on average. In conclusion, there seems to be a trend towards ***more paid employees and pro-bono supporters***, and less unpaid volunteers. 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. Thus, this seems to indicate that VPOs are further building the capacity of their teams and tapping into external expertise to support their investees in a more professional way.

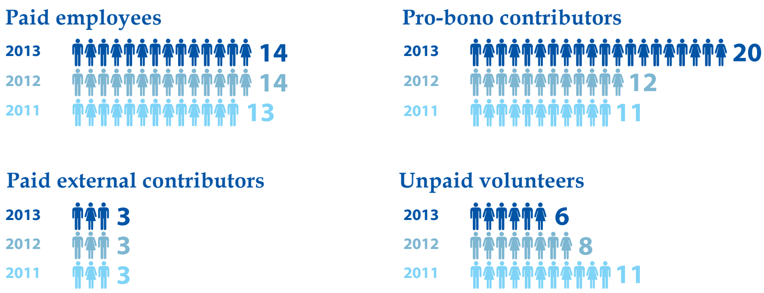
Human resources by count FYs 2011–2013



2013 n=94
2012 n=74
2011 n=57

Human resources by count (average per VPO) FYs 2011–2013

2013 n=94
2012 n=74
2011 n=57



Part 2: Presentation of Survey Results

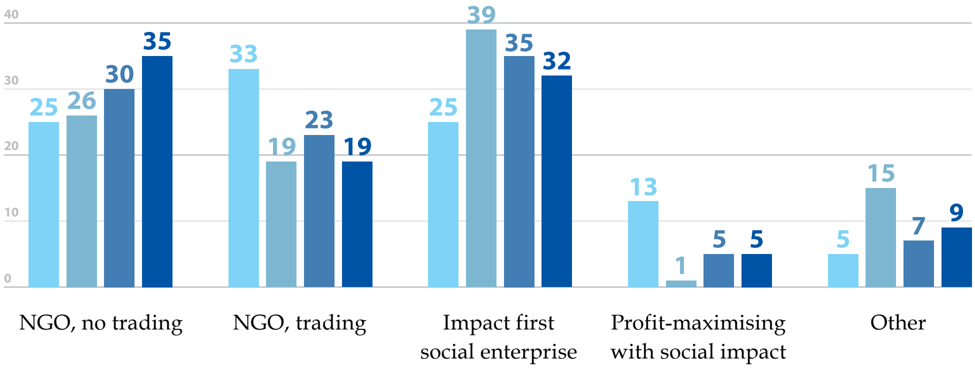
4. VP/SI investment focus

NGOs and social enterprises are the key target of European VPOs. European VPOs continue to invest across a spectrum of organisational types. Non-profits without trading revenues and social enterprises are the key targets of VP/SI investment receiving 35% and 32% of total spend respectively.

VP/SI Spend (€) by type of investee FYs 2011–2013

2013 n=82
2012 n=64
2011 n=51
2010 n=44

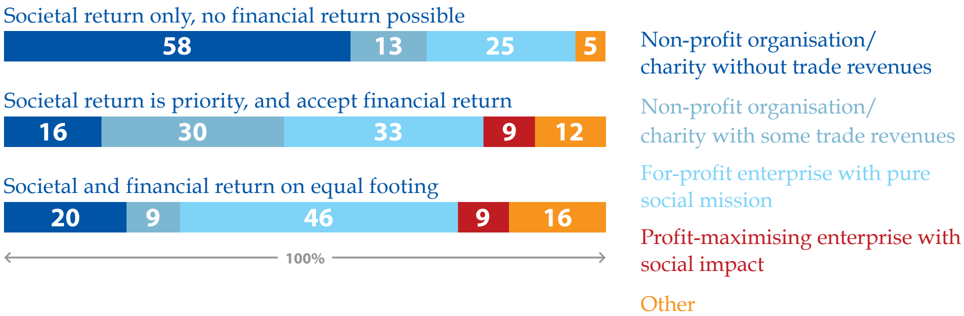
numbers in %



Looking at the link between the priorities of the VPO and the type of investees supported we see that VPOs' priorities of social vs. financial return are indicative of the types of organisations supported. VPOs that expect a social return only invest primarily in non-profit organisations without trade revenues. The ones that prioritise a societal return and accept a financial return invest in non-profits with and without trading activities and in for profit enterprises with a social mission, and the organisations that put societal and financial return on equal footing invest mostly in for-profit enterprises with a pure social mission. Therefore the increased support towards NGOs is driven by the increase in FY 2013 in the amount of organisations prioritising societal return over financial return to the detriment of organisations assigning an equal priority to financial and social return.

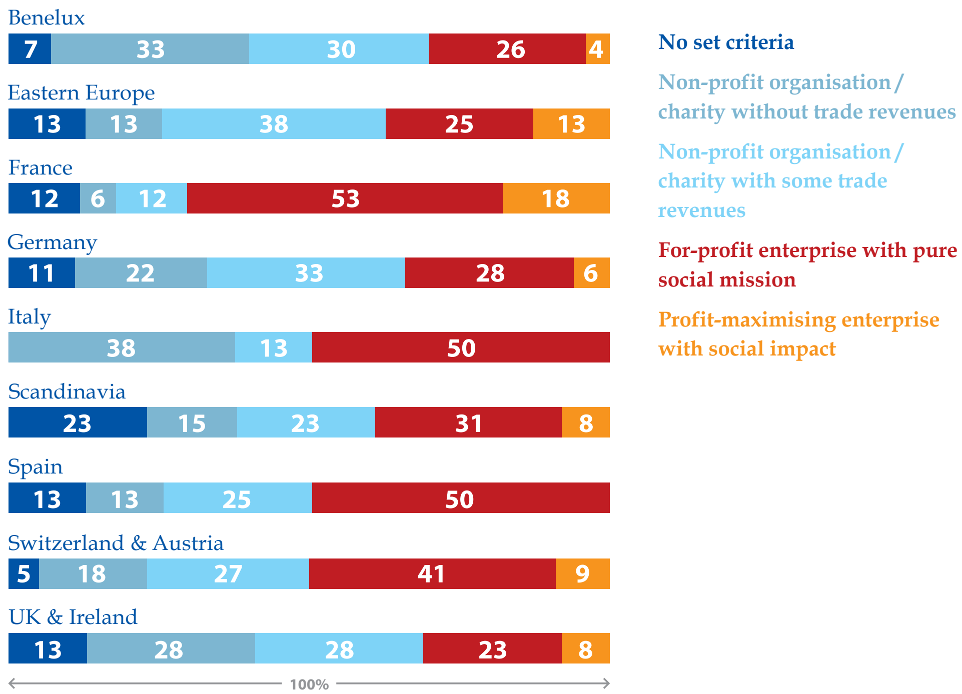
VPOs' investment priorities by type of investee

n=82
numbers in %



We can also check for regional differences by dividing our sample into the main regions. France, Italy and Spain focus on for-profit enterprises with pure social mission to a larger extent than the overall sample. Eastern Europe has an above average focus on non-profit organisations with trade revenues, whereas the UK and Ireland almost evenly divide their investment among non-profit with and without trade revenues and for-profit enterprises with pure social mission. France is the country that invests most in profit-maximising enterprises with social impact, followed by Eastern Europe and Switzerland and Austria. Scandinavia is the region most likely to have no set criteria for the type of investee supported. VPOs from Eastern Europe, a region where VP/SI is still in its infancy, support more NGOs, whereas UK and Germany, where the movement is more developed, show a more even spread of resources among NGOs and social enterprises.

Percentage of respondents supporting different types of investee per country / region



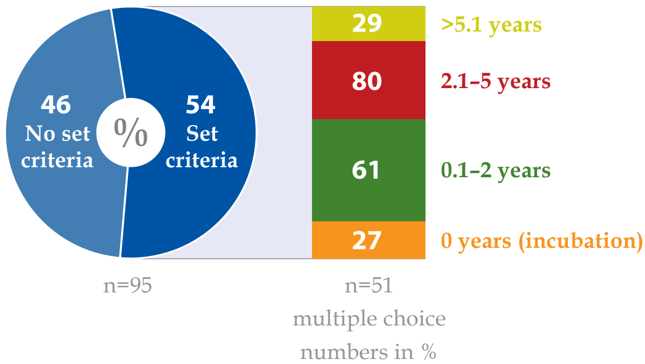
n=95

numbers in %

European VPOs take risks by investing in small organisations with little track record. In confirmation of last year's results, venture philanthropy generally targets organisations that are young, although 46% of organisations have no set criteria. The survey asked to those that do (54% of respondents), which age of organisation they invested in. The most common age of investee organisations is 2–5 years (80% of respondents). Some VPOs also target early-stage organisations with an age of 0–2 years (61%), others take the risk of incubating start-ups (27% of respondents), and about 29% of respondents invest in more mature organisations that are more than 5 years old.

Part 2: Presentation of Survey Results

In which phase do VPOs seek investees at the time of investment?



Social sector focus

We asked VPOs in which social sector(s) they invested, based on a social sector classification that follows the International Classification of Non-profit Organisations (ICNO)[12], first introduced by Salomon and Anheier in 1992, which has since become a standard in research on the non-profit sector. The classification system is as follows:

The International Classification of Non-profit Organisations

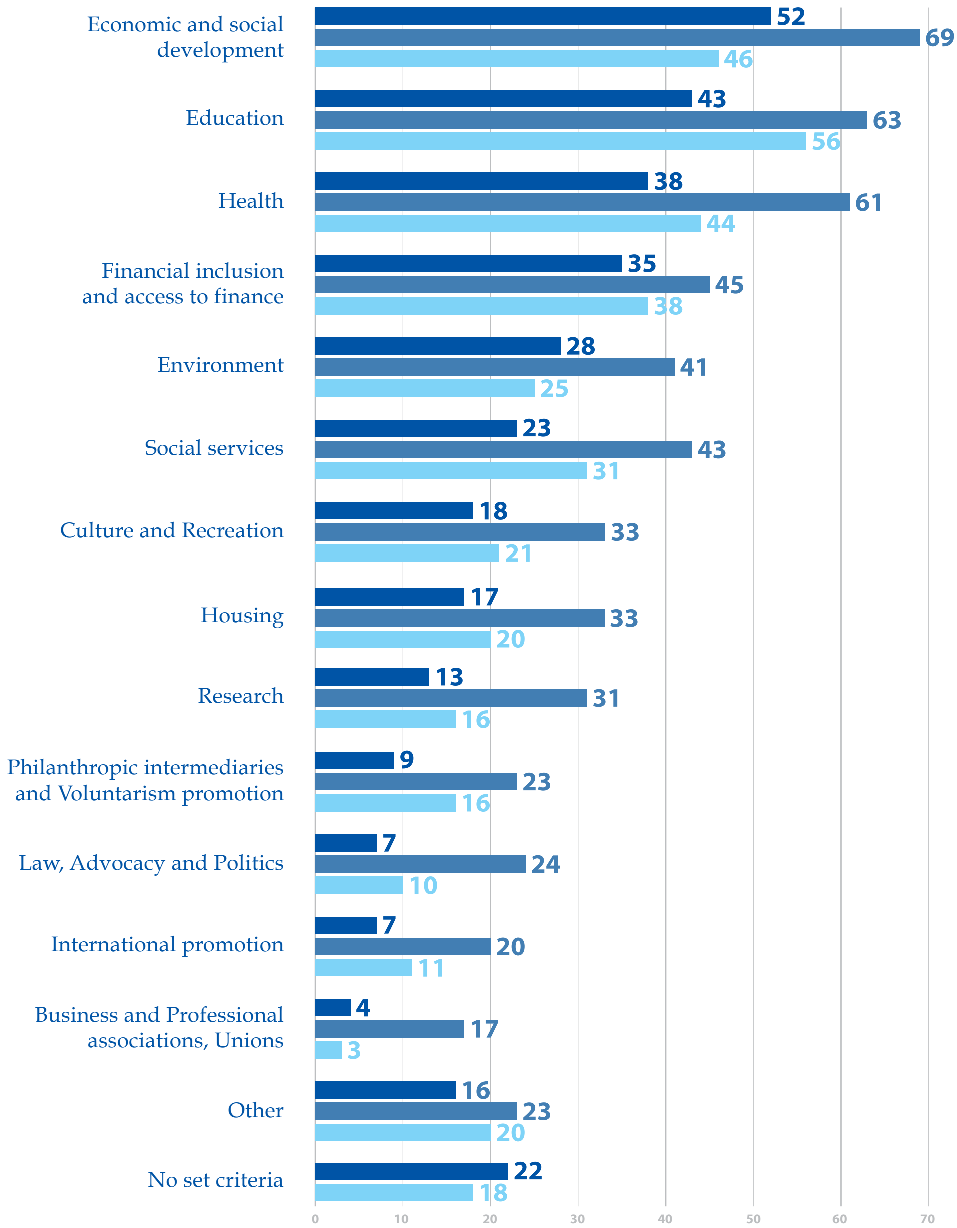
1.	Culture and Recreation (Culture, Arts, Sports, Other Recreation and Social Clubs)
2.	Education (Primary, Secondary, Higher, Other)
3.	Research
4.	Health (Hospitals, Rehabilitation, Nursing Homes, Mental Health/ Crisis Intervention)
5.	Social services (Emergency, Relief, Income Support/Maintenance)
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 whether they focused on one or more social sectors out of the list above, or to specify other social sectors if not included in the listing. Alternatively, respondents could report not having any sector focus. The following chart provides the percentage of respondents that invest in the listed social sectors, with a comparison to the results of FYs 2011 and 2012.

12. **Salamon, L. M.,** and **Anheier, H. K.,** (1992), *"In search of the nonprofit sector. II: The problem of classification"*, Voluntas, 3(3), 267–309.

In line with the past two years, given the importance of category 7 – “Development and Housing” to the VP/SI sector in Europe, this was divided into two categories: Economic & Social Development and Housing. “Financial Inclusion”, including microfinance, micro-insurance, and other types of access to finance, was also added as a separate category in our analysis, given the high number of respondents that indicated it as a separate category.

Investment sectors FYs 2011–2013



2013 n=90
2012 n=61
2011 n=49

multiple choice

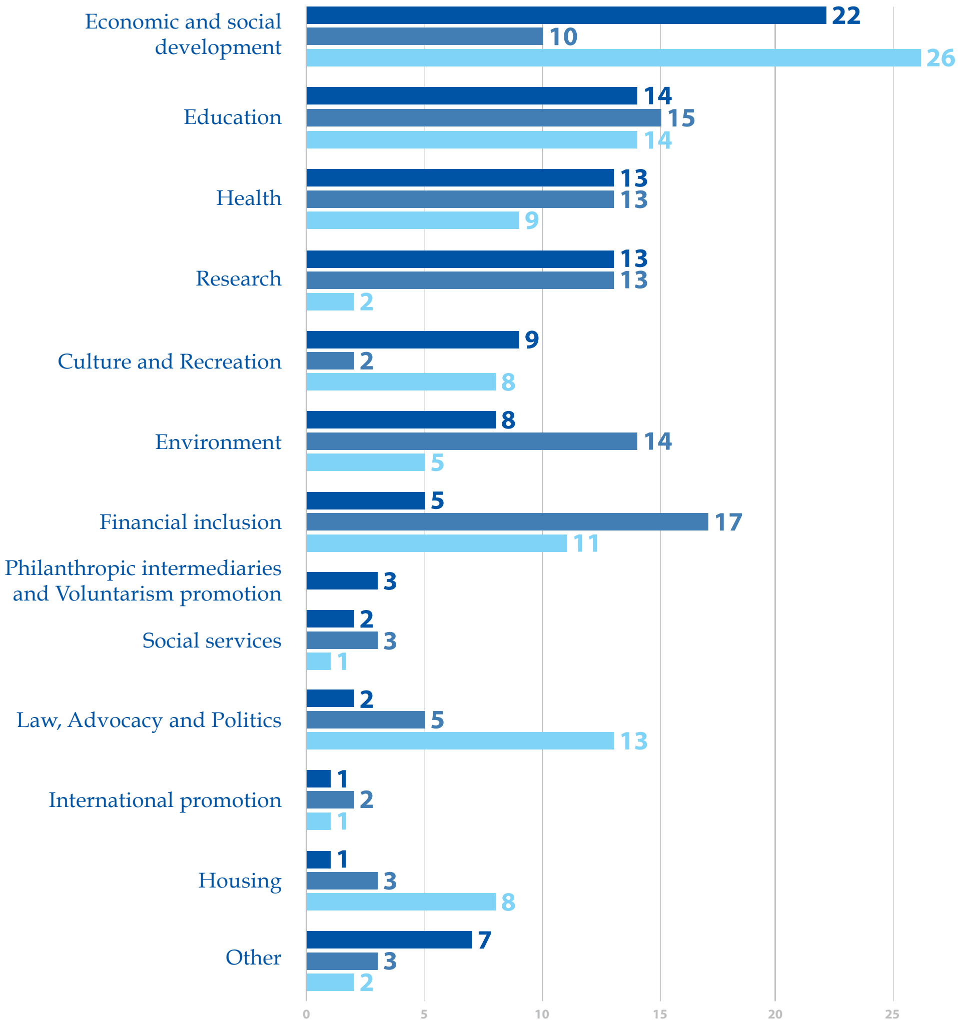
numbers in %

Part 2: Presentation of Survey Results

In FY 2013 like in FY 2012, economic and social development was the number one sector in terms of counts (mentioned by 52% of respondents), followed by education (43% of respondents) and health (38% of respondents). The question was multiple choice, so VPOs could choose more than one category. The decrease in the percentage of all categories compared to last year indicates an increased sector focus of VPOs.

We then asked respondents to indicate the value of the investments made in the last fiscal year dedicated to each social sector. The following chart takes the resulting percentages for FY 2013 and compares the results to FY 2012 and FY 2011. In terms of funding, economic and social development (22% of funding in FY 2013), education (14% of funding in FY 2013) and health (13% of funding in FY 2013) remain the top three sectors. Interestingly, the resources allocated to financial inclusion (5% of funding) and environment (8% of funding) sharply decreased from FY 2012 to FY 2013, whereas economic and social development and culture and recreation sharply increased (by 12 and 7 percentage points respectively).

% of VP/SI Spend by target sector FYs 2011–2013



2013 n=90
2012 n=61
2011 n=49

multiple choice

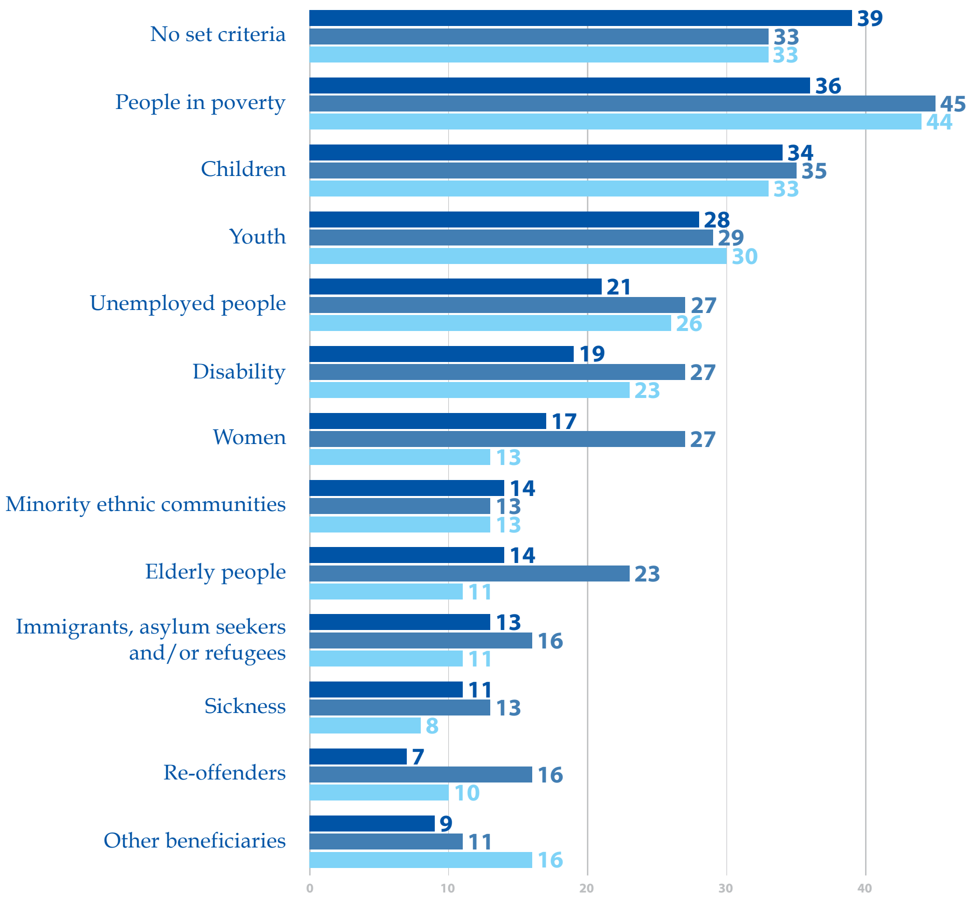
numbers in %

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 the survey question allowed respondents to provide multiple answers. Not all VPOs have set criteria with respect to the group of beneficiaries to target: 39% of the organisations surveyed declared not to target specific beneficiaries. For those organisations that have set criteria, the survey found that, in line with previous years, 62% of European VPOs target children and youth as the ultimate beneficiaries of their investees' activity. People suffering from poverty (36%) are still the second most supported group, and unemployed people (21%) remain an important group of support, followed by disabled (19%), women (17%), minority ethnic communities (14%) and elderly people (14%).

With decreasing percentage numbers across all beneficiaries, we must ask why. Could VPOs and SPOs be focussing their efforts more on a smaller number of target groups to channel more resources and reach economies of scale?

Ultimate target groups (final beneficiaries) of SPOs FYs 2011–2013



2013 n=95
2012 n=75
2011 n=61

multiple choice
numbers in %

Part 2: Presentation of Survey Results

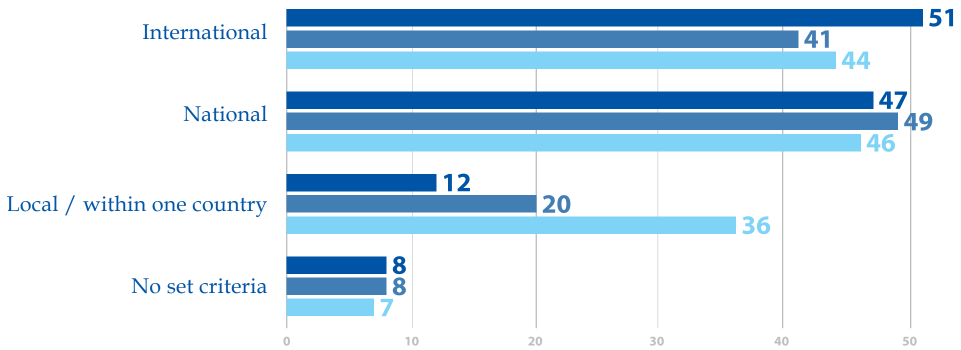
Geographies targeted

European VPOs tend to focus their activities either nationally – i.e. in their home countries (47%) – or internationally – i.e. outside their home countries (51%). The remainder is divided between a local focus within the VPOs' home countries (12%) or no set criteria (8%). Compared to last years, VPOs increasingly focus their activities internationally (51% in FY 2013 compared to 41% in FY 2012). It would be interesting to understand further this evolution.

General geographic focus of VP/SI organisations FYs 2011–2013

2013 n=95
2012 n=75
2011 n=61

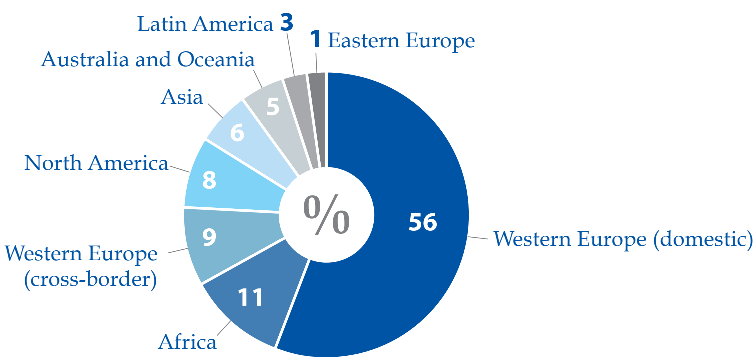
multiple choice
numbers in %



Cross-border funding increases. Taking a closer look at where European VPOs invest, we see an increase in cross-border funding. More than half of the total spend by European VPOs is invested domestically (57%), while the amount invested outside the European borders is directed mostly to African countries (11%) and other European countries (9%), through cross-border funding – virtually inexistent a few years ago.

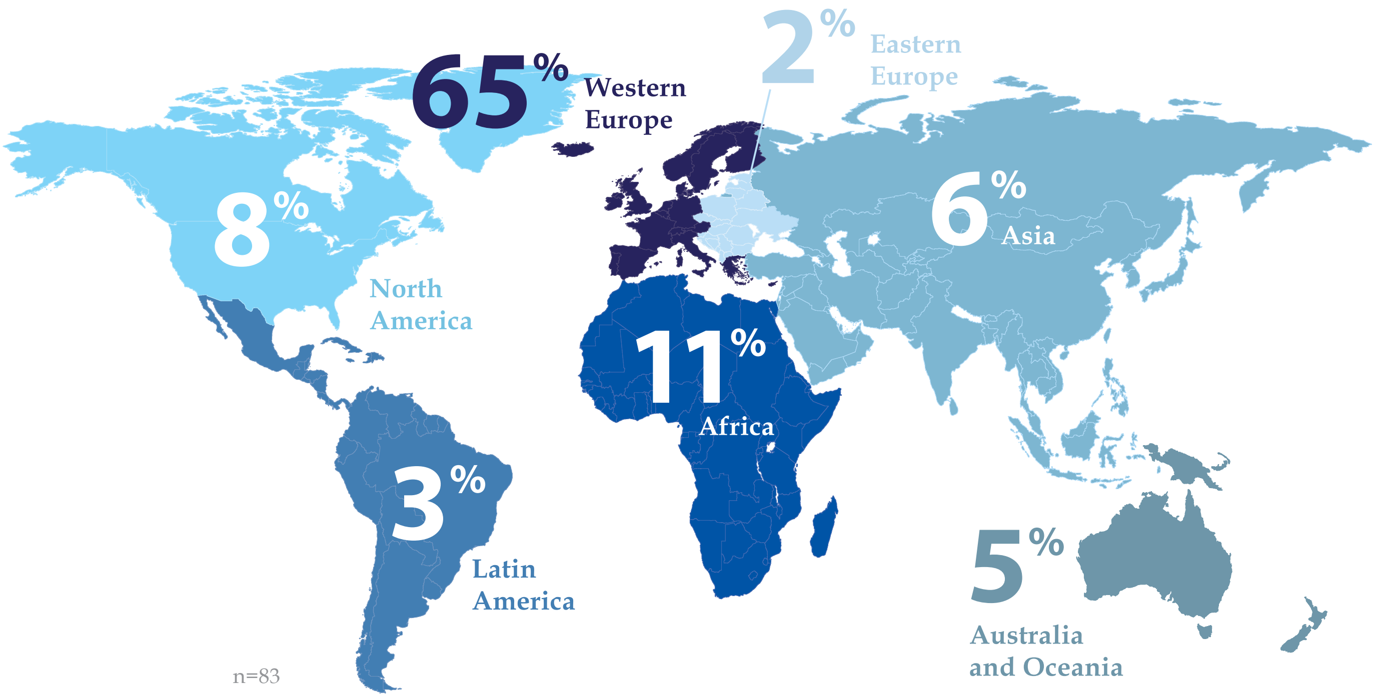
Geographical focus of VP/SI organisations by € spend

n=82



Western Europe followed by Africa remain the main target regions. In line with last year's results and with the increase in cross-border funding, European VPOs increasingly focus their activities in Western Europe (65% of funding in FY 2013, compared to 49% of funding in FY 2012). Among developing countries, Africa is still the main target region with 11% of funding, but we see a sharp decrease compared to FY 2012 (-15 percentage points). North America and Asia follow, with 8% and 6% of funding, respectively. This year Latin America and Eastern Europe attracted only 3% and 2% of funding, respectively.

Geographic focus of VPOs by € spend

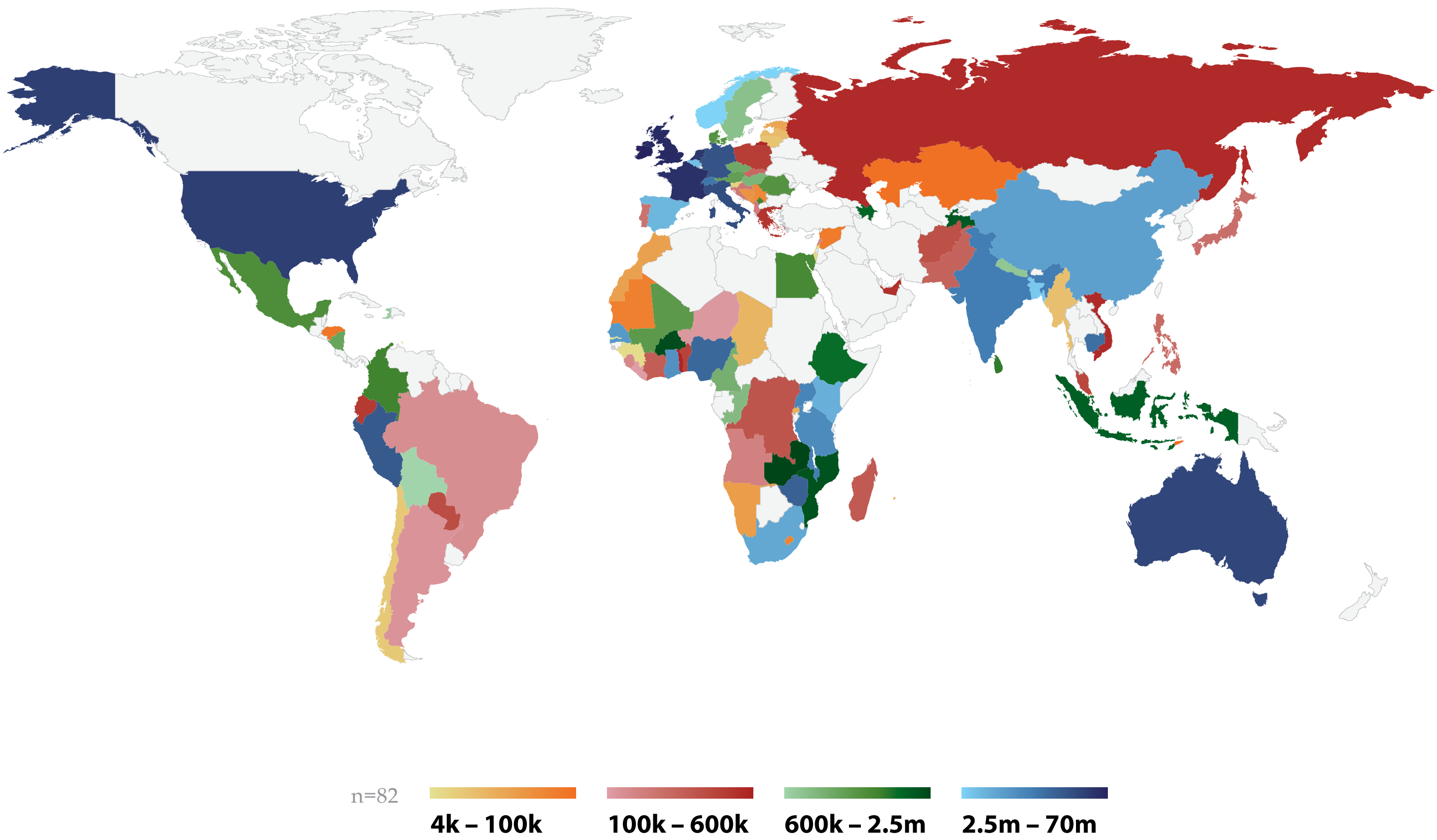


n=83

Part 2: Presentation of Survey Results

The chart below shows a more visual representation of the countries that receive most investment from European VPOs. Ireland and UK received the highest amount of investment (almost €69m and €65m respectively), followed by France (€53m). Given the propensity of European VPOs to invest in the country where they are domiciled and that the UK and France had the largest number of respondents for this survey, it is not surprising that these countries rank in the top 3. Also in the top 10 for receiving investments from European VP/SI organisations were the Netherlands (almost €51m), the US (€47m), Australia (€30m), Germany (€13m), Peru (€11m), Zimbabwe (€10m), and Nigeria (€9m).

Country focus of VPOs by € spend

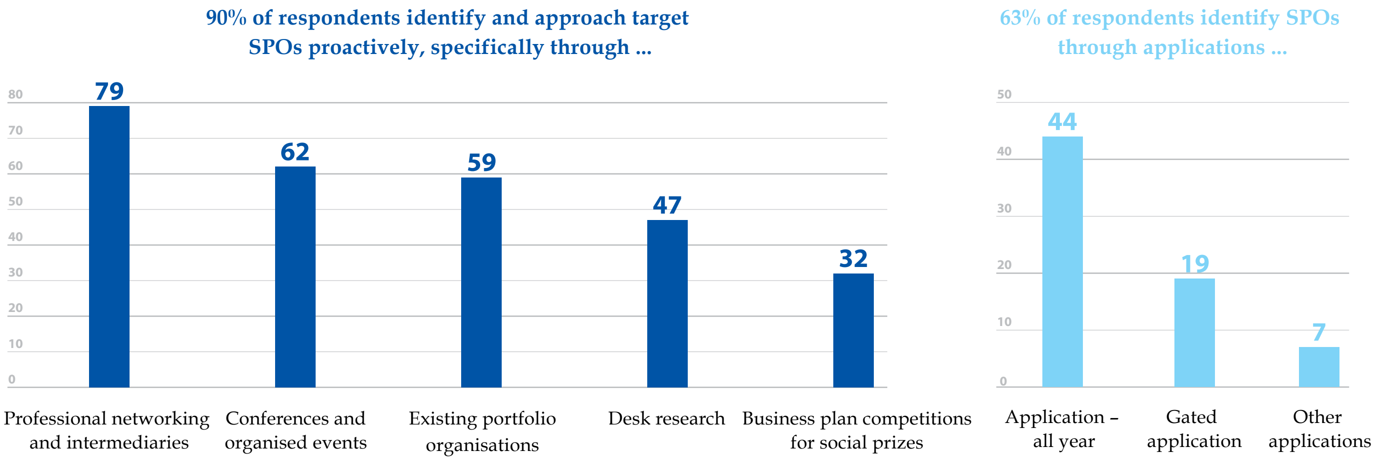


5. Highlights from the VP/SI Investment process

a. Deal flow and investment appraisal

Finding the right investee SPOs is a fundamental part of a VPO's activity. In line with survey results from FY 2011[13], 90% of VPOs are proactive in their search to identify and approach the SPOs to invest in, whereas 63% of the European VPOs that participated in the study accept open applications. The latter increased from the latest data we had from FY 2011 when the percentage of European VPOs that accepted open applications was 43%. The application process is normally used in less developed markets or when the VPO has not yet developed its own network of potential SPOs to invest in.

Investee identification activities



n=94, multiple choice, numbers in %

VPOs increasingly make contact through networking and intermediaries (79%, an increase of 9 percentage points compared to FY 2011), followed by conferences and organised events (62%, an increase of 14 percentage points compared to two years ago) and existing portfolio organisations (59%, an increase of 5 percentage points). The increase in VPOs' activities aiming at proactively identifying investees shows the sector has strengthened since 2011.

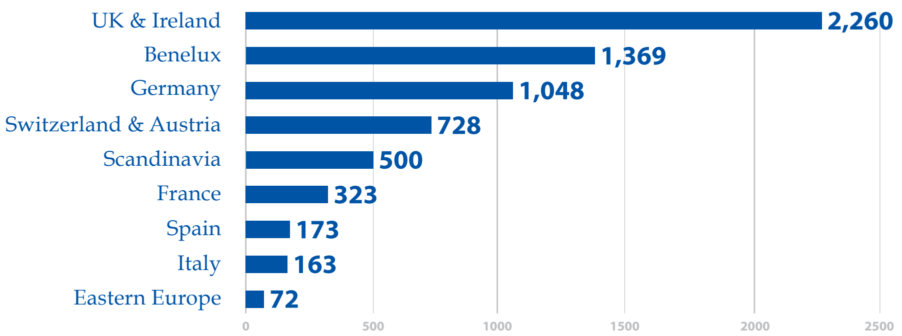
The VPOs screened **6,636** potential investment opportunities in FY 2013, regardless of method used to find them.

As shown in the chart below, there is a large variation between the regions that screened the most organisations, UK and Ireland with 2,260 screened in FY 2013, and the region that screened the least organisations, Eastern Europe, with 72 organisations screened.

13. No data for this question is available for FY 2012.

Part 2: Presentation of Survey Results

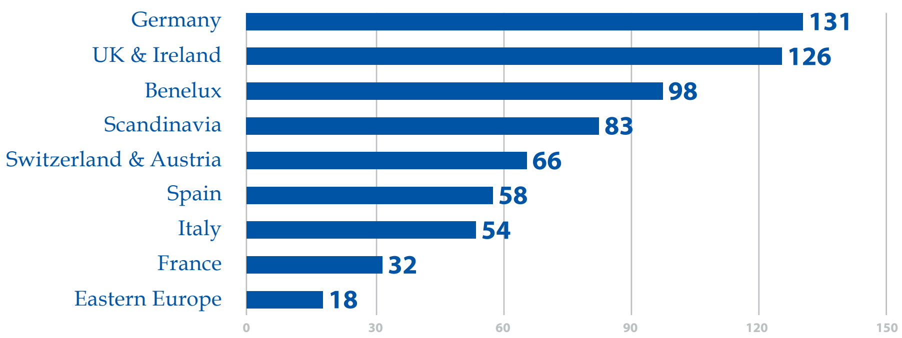
Target candidates screened by country / region



n=77

If we divide the number of screened SPOs in the region by the total of VPOs present in the region we see that on average German VPOs screened the most SPOs, with an average of 131 SPOs screened, followed by UK and Ireland (126 SPOs screened) and Benelux (98 SPOs screened). This may be a reflection of the maturity of the social entrepreneurship sector in each country.

Average number of target candidates screened by country / region



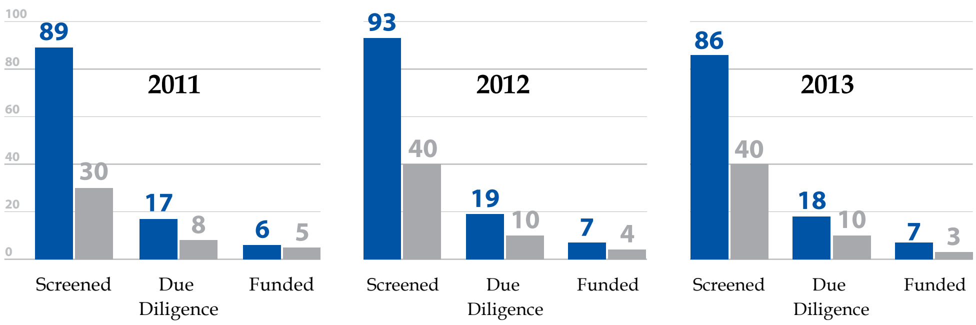
n=77

On average, the VPOs performed due diligence on 21% of the screened organisations and selected 39% of the organisations that had gone through due diligence. The share of organisations that passed due diligence increased since last year, a result that may indicate an increase in the quality of the deal flow in the VP/SI sector.

Average and median number of SPOs screened, under due diligence and funded per VPO FYs 2011–2013

Average
Median

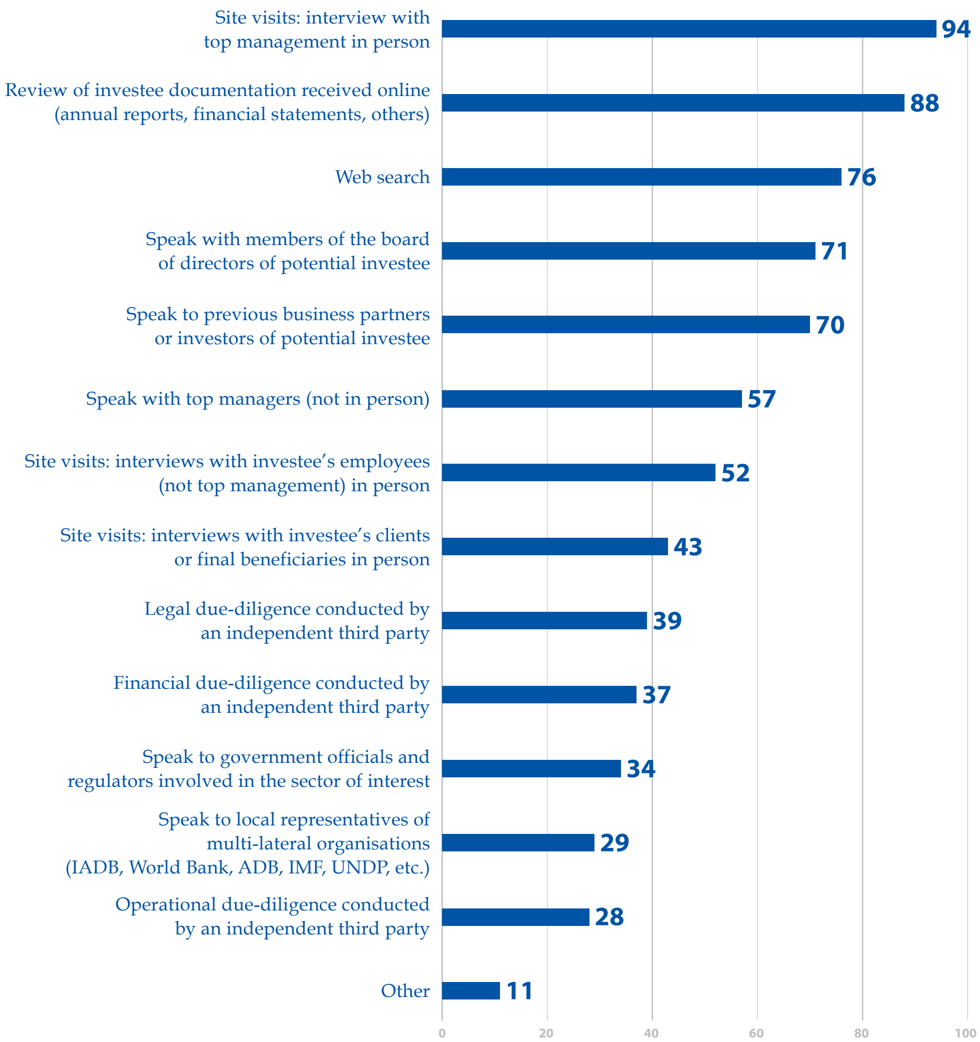
2013 n=77
2012 n=69
2011 n=56



On **average**, a VPO will screen 86 organisations in a year, do further due diligence on 18 of them and select 7 investees.

There is a large variation in the type of due diligence activities performed. VPOs are personally involved in due-diligence activities, with 94% of the respondents performing a site visit to interview top management in person. Performing general searches is done by the largest majority of the VPOs, with 88% of the survey respondents performing at least a review of the investee documentation received online and 76% of the respondents performing a general web search. Over 70% of the respondents meet with the key people in the SPO, speaking with the members of the board of directors and to previous business partners and investors of the SPO. Over almost half the respondents interviews the employees in person and reaches out to the top management of the SPO, without meeting in person.

Due Diligence Activities



n=93
multiple choice
numbers in %

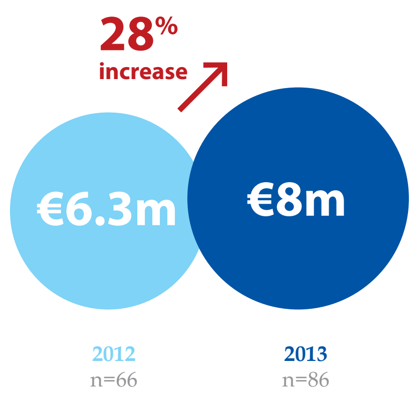
b. Investment

Total investment made in VP/SI

Average financial support increases by 28% in FY 2013 as compared to FY 2012. VP/SI organisations have invested over €5b in financial support since they began their operations (the average age of VP/SI activity being 7.9 years).

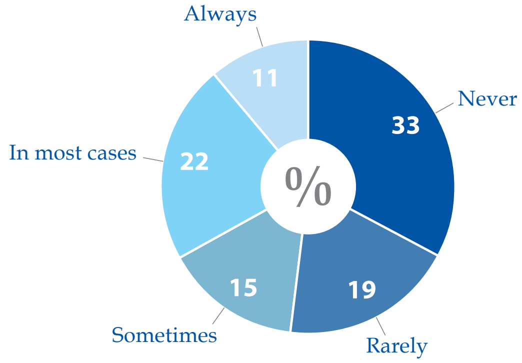
There was a 28% increase in the average annual financial spend per VPO from €6.3m in 2013 to €8m in FY 2013. Despite these average numbers there is still a significant concentration in the amounts available for funding SPOs, with the top five VPOs accounting for 55% of all VP/SI investment that occurred in 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 €687m in FY 2013 for the aggregate 86 respondents that answered this question, a 66% increase compared to the annual spend of €413m in FY 2012 for 66 respondents.

Average financial support provided by VPOs to investees FYs 2012 and 2013



Non-financial support still difficult to quantify. The non-financial spend is still difficult to quantify for the vast majority of VPOs. Only 11% of the respondents always measures non-financial support, compared to a majority (52%) that never or rarely measures it.

Proportion of VPOs who measure non-financial support



n=95

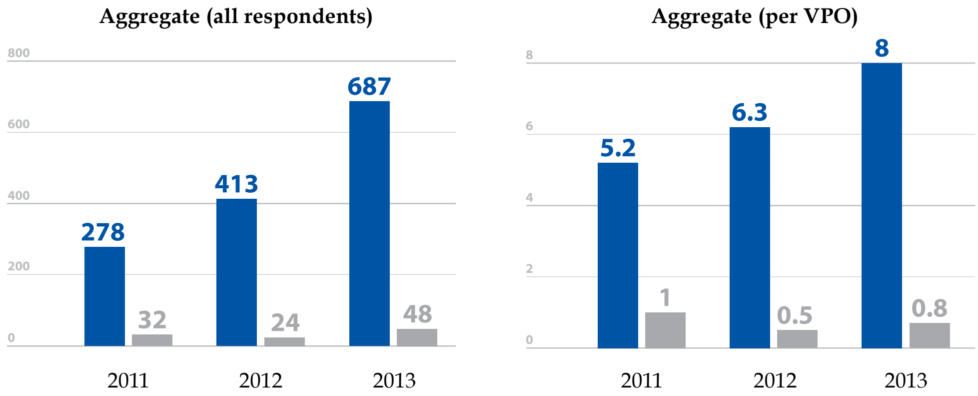
However, this year 65% of the respondents reported data on the total spend on non-financial support. In FY 2013 VP/SI organisations (62 respondents) reported spending €48m in non-financial support in FY 2013, compared to the €24m spent in FY 2012 by 47 respondents and €32m spent in FY 2011 by 31 respondents. In terms of resources spent per VPO, in FY 2013 there was a 60% increase compared to FY 2012, from €500k to €800k.

Aggregate annual spend (€) on VP/SI FYs 2011–2013

Financial
Non-financial

Financial support: 2013 n=86 2012 n=66 2011 n=54

Non-financial support: 2013 n=62 2012 n=47 2011 n=31



	Aggregate (all respondents)				Average (per VPO)			
	2010	2011	2012	2013	2010	2011	2012	2013
Financial Spend / Total Spend	83%	90%	95%	93.5%	77%	84%	93%	91%
Non-financial Spend / Total Spend	17%	10%	5%	6.5%	23%	16%	7%	9%

Given the high engagement nature of venture philanthropy and social investment, one would expect a much higher level of non-financial support. Further research should be carried out to understand what is behind this trend. Is non-financial support really so small or is it just that, for many, non-financial support is difficult to quantify? Preliminary evidence indicates that many VPOs do not quantify the value of the presence of pro bono experts and volunteers and that sometimes staff days may not be counted as expenditure. For this reason the Knowledge Centre of EVPA plans to conduct further research into this topic, to shed further light on what kind of non-financial support VPOs provide to their investees, how and if and how they quantify it.

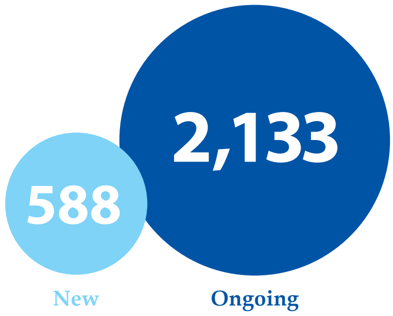
Part 2: Presentation of Survey Results

Number of investees

VPOs are supporting about 2,133 SPOs in FY 2013. In FY 2013, 80 respondents made new investments in 588 SPOs. The total number of investees held in portfolios was 2,133.

Numbers of investees VPOs have supported through the VP/SI approach

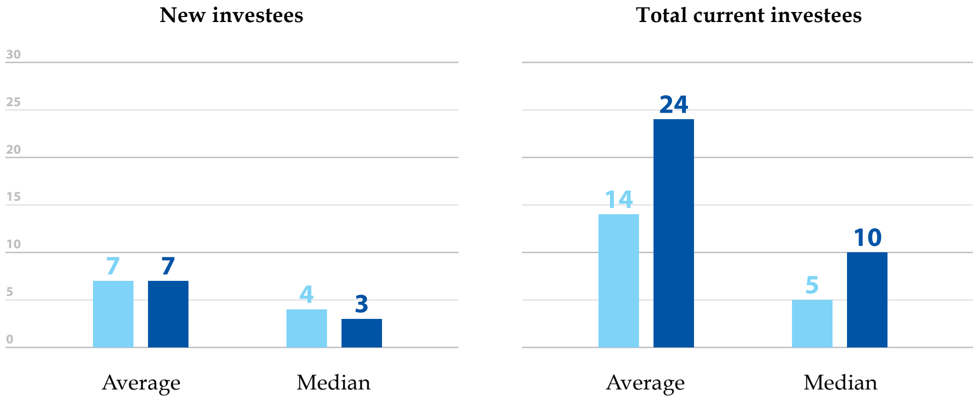
n=78



For fiscal year 2013, the average number of SPOs in the portfolio of a VPO was 24, a 71% increase compared to FY 2012, and the median number was 7. The average number of new investee organisations added to the portfolio in FY 2013 was 10 and the median was 3. These results could be driven by the increase in the size of VPOs' funds and the economies of scale that can be generated by investing through bigger funds. However, these are just hypotheses and further research is needed to better understand this result.

Median and average investees per VPO FYs 2012 and 2013

2013 n=78
2012 n=72



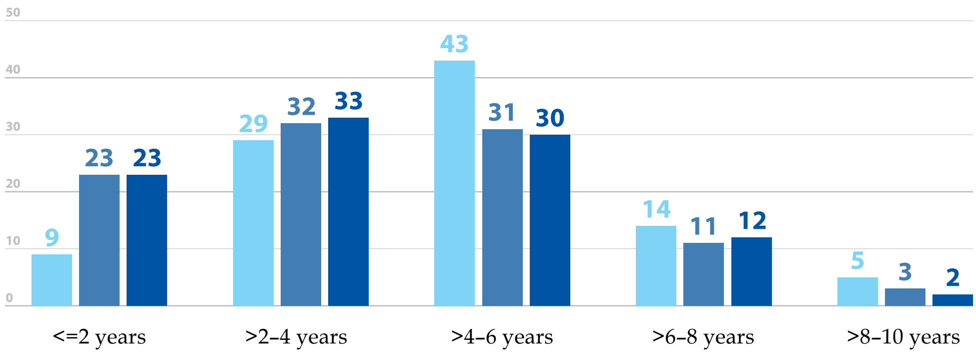
Duration of investment

Most VPOs commit for a period between 2 and 6 years. Although the majority of VPOs follow a multi-year investment approach, in line with last year's findings about 63% commit to support investees for between 2 and 6 years. VPOs that support organisations for less than 2 years represent 23% of the total and 14% of VPOs still continue to fund SPOs for more than 6 years.

Average commitment FYs 2011–2013

2013 n=84
2012 n=71
2011 n=42

numbers in %



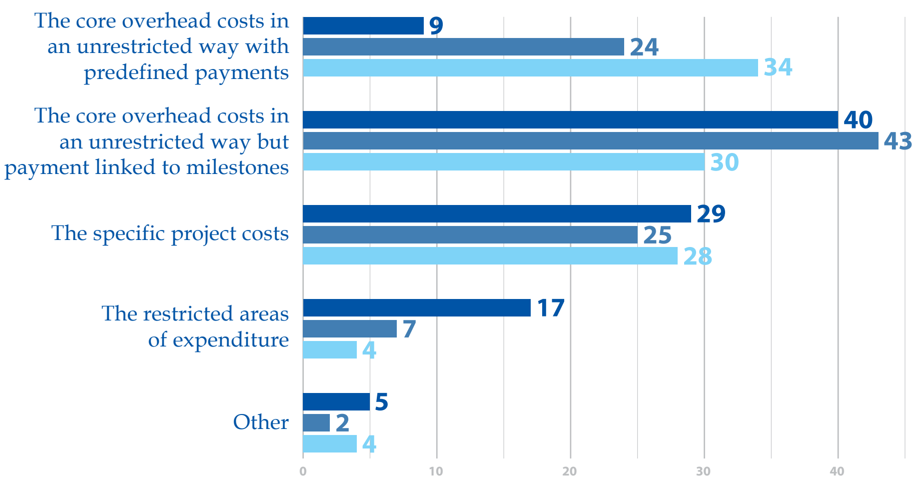
Capacity building

Since VP/SI aims to build stronger SPOs, it would be logical that much of the funding goes to support SPOs' core costs. Almost half of the funding is indeed allocated to cover core overhead costs. However, comparing to results for FY 2012 we see an increase in the percentage of funds directed to specific project costs, increasing from 25% in FY 2012 to 29% in FY 2013, and to a decrease in funding going to cover overhead costs, decreasing from 67% in FY 2012 to 49% in FY 2013. Funding going to restricted areas of expenditure also increased from 7 to 17% between FY 2012 and FY 2013. This is a puzzling result that must be analysed further.

Respondents' "portfolio" of allocation of funds FYs 2011–2013

2013 n=83
2012 n=63
2011 n=42

numbers in %



Financing tools used

Grants remain the primary financing instrument in terms of € spend, but VPOs use a range of financing instruments and are increasingly using guarantees and hybrid grants. In confirmation of the 2012 and the 2011 results, grants[14] remain the primary financing instrument used by European VPOs in terms of total funding, but the share of grants on total funding decreased by 7 percentage points compared to FY 2012 and represented 57% of the funding distributed to investees in FY 2013. Equity and quasi-equity[15] represent 15% of the total funding, a five percentage points' decrease from the 20% of FY 2012.

14. Grants are cash allocations that do not produce any repayment and a negative financial return.

15. Equity involves becoming a shareholder of the investee organisation, and quasi-equity or mezzanine finance is a provision of a high-risk loan, repayment of which depends on the financial success of the investee.

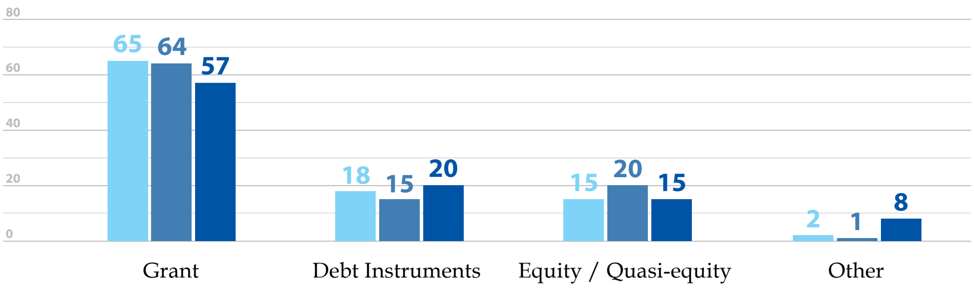
Part 2: Presentation of Survey Results

Debt instruments[16] see an increase from 15% in FY 2012 to 20% in FY 2013. Interestingly the category "other" (which includes hybrid grants, guarantees and other financing instruments) increased from 1% to 8%, as VPOs increasingly make use of more sophisticated financing schemes.

Financial Instrument Portfolio VP/SI Spend (€) FYs 2011–2013

2013 n=61
2012 n=63
2011 n=83

numbers in %



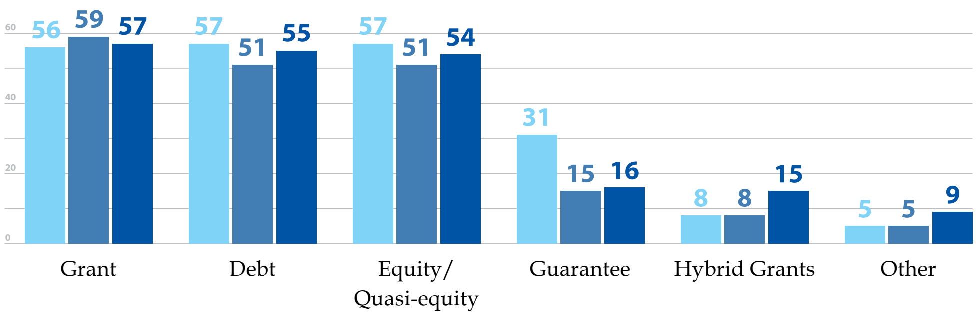
Tailored financing is a reality, with grants, debt and equity used by over 50% of respondents. The usage of a variety of financing instruments[17] is reinforced by the 2014 survey results, showing that over 54% of respondents use equity, debt and grants, proving that tailored financing is a key practice for VPOs.

% of VPOs using each type of financing instrument FYs 2010–2013

2013 n=95
2012 n=75
2011 n=61

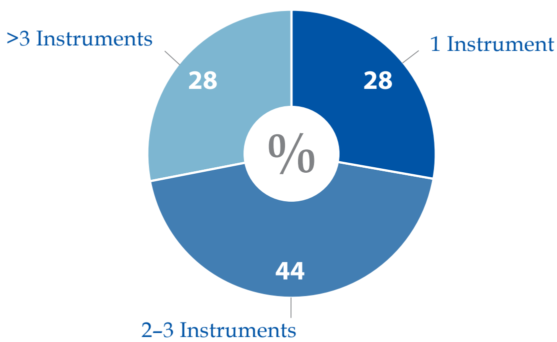
multiple choice

numbers in %



This may be due to the fact that organisations are using a selection of financing instruments in the VP/SI activities. When asked the average number of instruments used, the respondents' answers were fairly evenly split between greater than three instruments, two to three instruments and one instrument, reinforcing the idea that tailored-financing is a reality.

Average number of instruments used per VPO



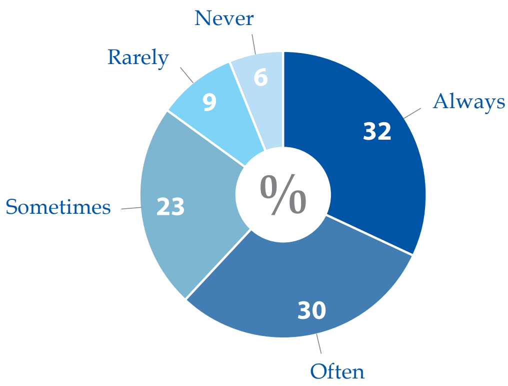
n=95

16. Debt instruments include loans, senior loans, subordinated loans, and convertible loans.

17. Debt includes: loan, senior loan and subordinate Loan Equity and quasi-equity include: equity, mezzanine financing and convertible loans.

The Survey asked VPOs whether they adapt their financing model to the needs of their investees. The majority of VPOs (62%) do adapt their financing model to meet the needs of their investees either always (in 32% of the cases) or often (in 30% of the cases). A smaller share of VPOs (23%) only adapts the financing model in some cases or rarely (9%) and only 6% reported not being able to adapt the financing model to the needs of the investees.

Organisations adapting their financing model to the needs of their investees

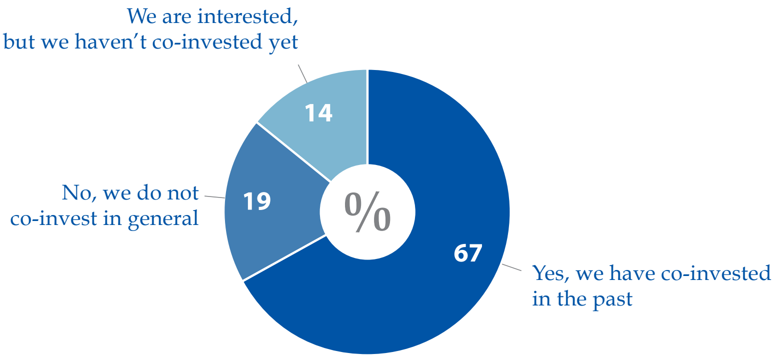


n=95

Co-investment

Co-investment is a key component of European VPOs' investment strategy. About 67% of respondents have co-invested in the past and 14% say they are interested to do so, even if they have no done so yet. As the share of organisations that co-invested in FY 2013 increased compared to FY 2011 (when the share was 61%)[18], and the share of organisations interested decreased (from 21% to 19%), one might argue that the organisations that expressed interest in co-investing in the past ended up engaging in it. Almost one fifth of the respondents reported not to be used to invest with others.

Co-investment



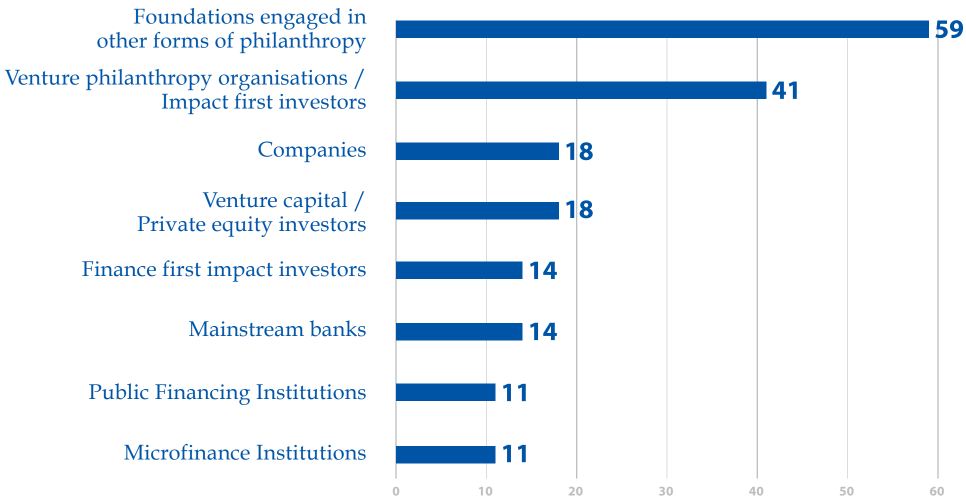
n=94

18. No data for this question is available for FY 2012.

Part 2: Presentation of Survey Results

Almost two thirds of VPOs that have co-invested have done so with foundations (59%), while 41% have co-invested with other VPOs. Companies and VC/PE followed with 18% of the respondents reporting having co-invested with each of the two categories, followed by finance first impact investors (14%) and mainstream banks (14%). These results are consistent with the view that VPOs tend to co-invest with others that have a social impact focus.

Type of co-investors



n=44
multiple choice
numbers in %

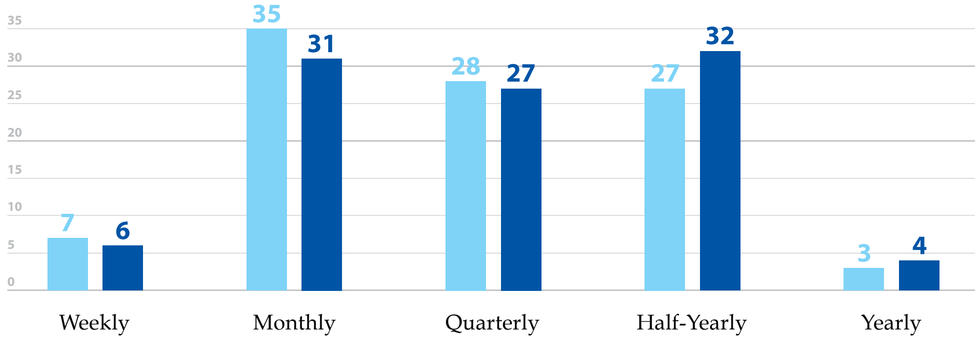
c. High-engagement and non-financial support

High engagement is enabled by frequent meetings with management. The relatively low number of investees enables a high-touch approach. 64% of respondents meet with their investees at least once a quarter, in some cases even weekly (6%) or monthly (31%).

Frequency of face-to-face meetings with investees' management teams FYs 2011 and 2013

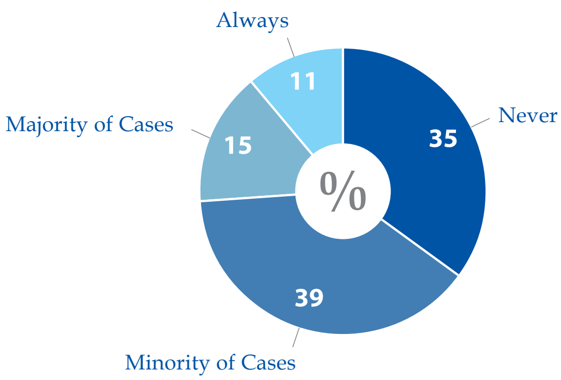
2013 n=90
2011 n=60

numbers in %



Similar to the approach in venture capital, some VP/SI organisations often take board seats in their investees to affect the strategic direction from within. However, the percentage of VP/SI organisations that always or in a majority of cases take a board seat is only 26%. A striking 35% of respondents never take a board seat, and 39% take board seats in a minority of cases.

% of investees where the VPO takes a board seat



n=93

Non-financial support is a key component of the high engagement VP/SI model. The VPO provides its investees with a range of tailored non-financial services, the survey categories were based on the research by Rob John on the value add of venture philanthropists.[19] The services provided by most VPOs include strategy consulting (81%), coaching (77%), access to networks (76%), financial management (65%) and fundraising (61%). The chart below lists the percentages of VPOs surveyed that provide the range of non-financial services.

19. John, R., (2007), "*Beyond the Cheque: how venture philanthropists add value*", Skoll Centre for Social Entrepreneurship, Said Business School, University of Oxford. (n=34; European VPOs surveyed = 32; American = 1; Australian = 1)

Part 2: Presentation of Survey Results

Non-financial support by % of respondents FYs 2011 and 2013

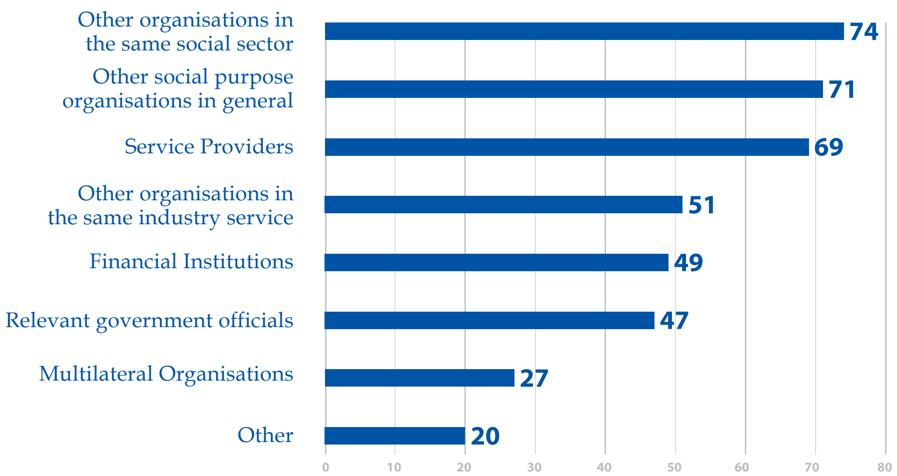
2013 n=94
2011 n=60

multiple choice
numbers in %

Given the importance assigned to access to networks, and the fact that access to networks is a key characteristic of the VP/SI model, we asked respondents for more details on the type of networking support provided to their investees. Organisations in the same sector were the most common type of networking support provided (74%), followed closely by social purpose organisations in general (71%) and service providers (69%). Other organisations in the same industry sector and financial institutions were also important connections provided by VPOs, with access provided in 51% and 49% of cases respectively.

Type of networking support provided

n=70
multiple choice
numbers in %

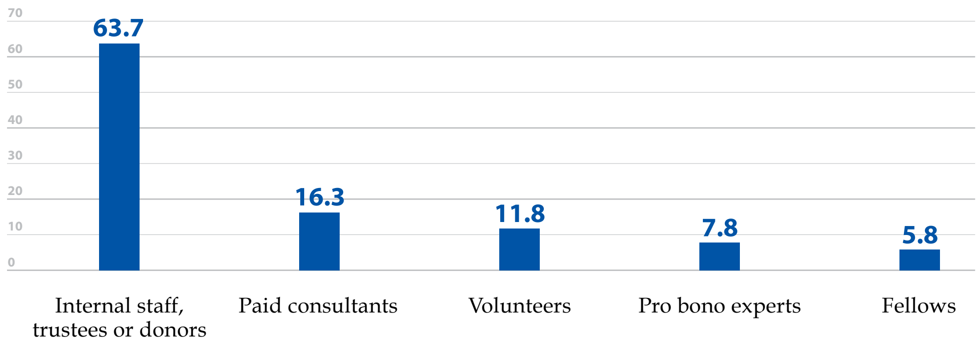


20. Strategy consulting was added in this year's survey as a category, so no data is available for the previous years.

If we look at the average number of days of non-financial support provided and by whom, we see that internal staff, trustees or donors commit the greatest number of days on average (63.7 days), followed by paid consultants (16.3 days), volunteers (11.8 days), pro-bono experts (7.8 days) and a very low number of days from fellows (5.8 days).

Average number of days of non-financial support committed per investee in FY 2013

n=61

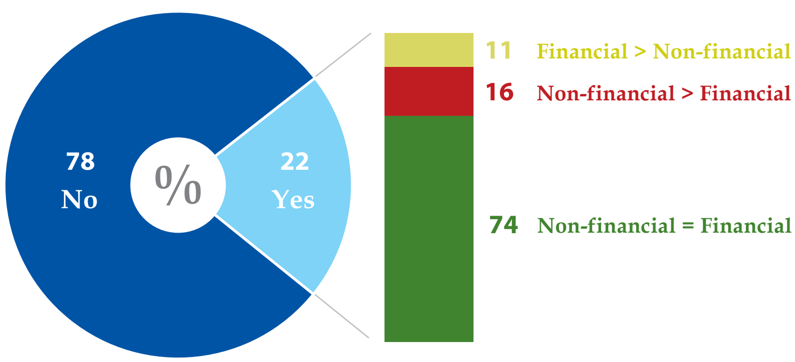


In this survey, we did not have direct access to the investee organisations, but we asked VP/SI organisations whether they measure the perceived value to their investees of the non-financial services provided. Only 22% of VPOs measure this important data. Out of those 20 VPOs, 74% reported that their investees perceive the non-financial services to be as valuable as financial support and 16% thought that non-financial support was more important than financial support. A recommendation for VPOs would be to try to assess the value of the non-financial support more thoroughly using independent studies. Further analysis on this and other best-practices in non-financial support is needed to assess whether and how SPOs perceive the value of non-financial support.

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

n=93

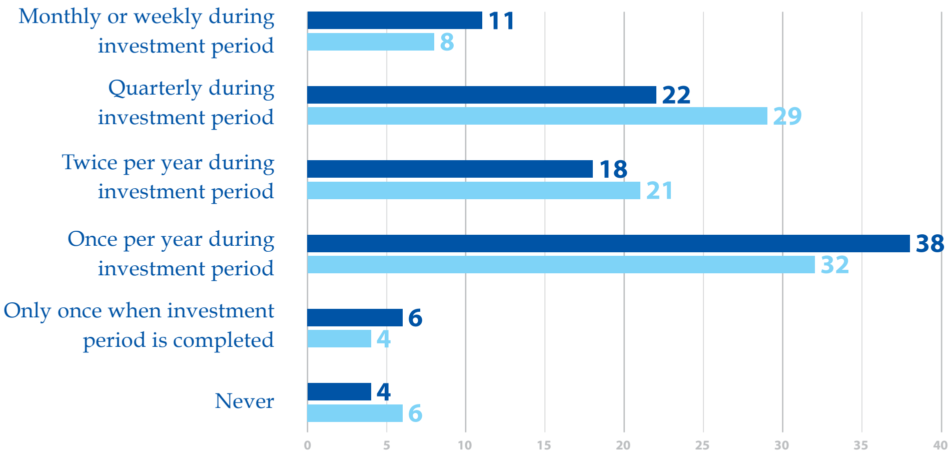
numbers in %



d. Impact measurement

There is increasing attention to measuring social impact. An integral part of the VP/SI approach is measuring and managing societal impact. The focus on social impact measurement has increased, with 96% of respondents measuring social impact, two percentages point more than in FY 2011. When comparisons are made, they refer to data from the 2011/2012 survey (data of FY 2011).

Frequency of measurement of societal impact FYs 2011 and 2013

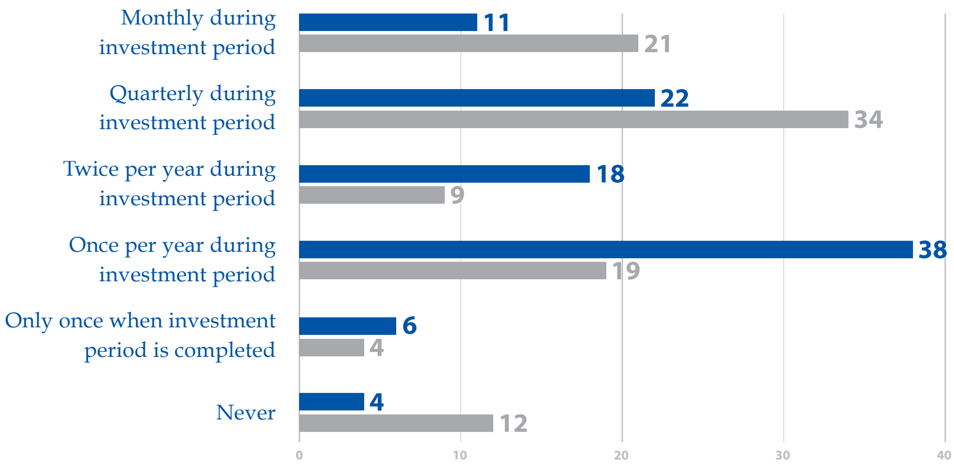


2013 n=89
2011 n=52
number in %

However, societal impact measurement still occurs less frequently than financial performance measurement. The largest percentage of VPOs measure financial performance on a quarterly basis (34%), whereas more VPOs are likely to measure societal impact once per year during the investment period (38% vs. 22% for quarterly impact measurement).

Frequency of financial and impact measurement

Societal performance
Financial performance



n = 89
numbers in %

EVPA, in its guide on impact measurement[21], defines a 5-step process of impact measurement: step 1: setting objectives; step 2: analysing stakeholders; step 3: measuring results – output, outcome, impact and indicators; step 4: verifying and valuing impact; and step 5: monitoring and reporting. Different tools and methodologies are suitable for different parts of the process, depending on the requirements and resources of the individual VPO.

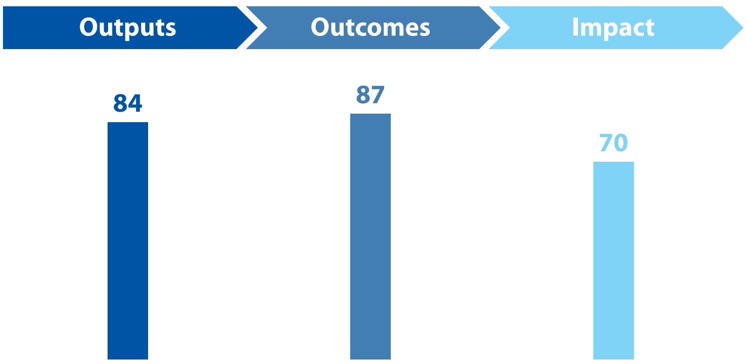
21. **Hehenberger, L; Harling, A., Scholten, P.,** (2013), "*A Practical Guide to Measuring and Managing Impact*", EVPA. http://evpa.eu.com/publication/a-practical-guide-to-measuring-and-managing-impact/

The remaining survey questions on performance measurement focused on the social impact measurement activity of the European VPOs.

The objectives of the impact measurement system are, in the majority of cases, based on outcomes (87%), an increase of 6 percentage points compared to FY 2011. Output measures (such as "number of people reached") are no longer the most important measure used, but still follow closely at 84%. Additionally, since FY 2011 there has been an increase in the percentage of VPOs attempting to measure impact (which requires an assessment of attribution): 70% of the organisations that replied to this survey question reported using impact measures, an increase of ten percentage points compared to FY 2011.

Objectives of social impact measurement by % of respondents

n=91
multiple choice
numbers in %



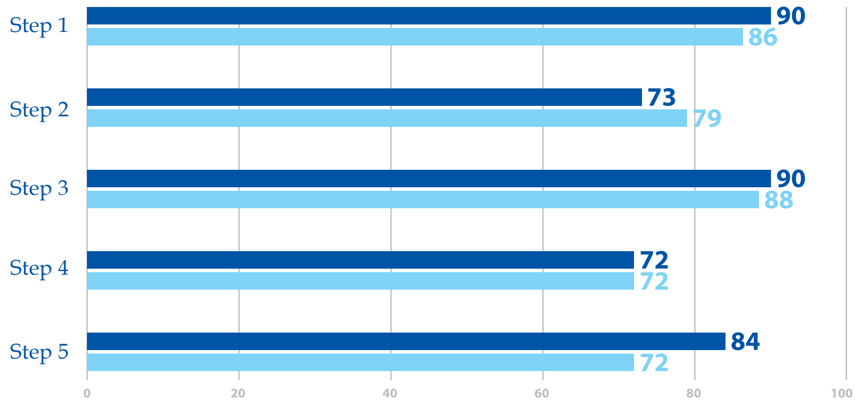
When asked whether they used the 5-step process developed in EVPA's practical guide to impact measurement, between 70% and 90% of respondents used each of the steps. This suggests that EVPA's guide is well grounded in the reality of impact measurement for VPOs. Interestingly, an increasing number of VPOs performs step 1 – setting objectives (90% in FY 2013 compared to 86% in FY 2011), step 3 – measuring results (90% in FY 2013 compared to 88% in FY 2011) and step 5 – monitoring and reporting (84% in FY 2013 compared to 72% in FY 2011). Step 4 – verifying and valuing impact – is still performed by 72% of the respondents, while step 2 – analysing stakeholders – is the only step that is performed by a decreasing number of VPOs (73% in FY 2013 compared to 79% in FY 2011).

These results need to be further investigated by means of in-depth case-studies, which can help unveil the dynamics of impact measurement in specific VPOs. It is encouraging to see that more VPOs are using the five steps overall as compared to the data from 2011, a sign that the process steps defined in the EVPA guide are becoming a standard - as further corroborated by the European Standard on impact measurement adopted by the European Commission's expert group on social business (GECES) in June 2014.[22]

22. http://europa.eu/rapid/press-release_IP-14-696_en.htm?locale=EN

% of VPOs that perform each step of societal impact measurement FYs 2011 and 2013

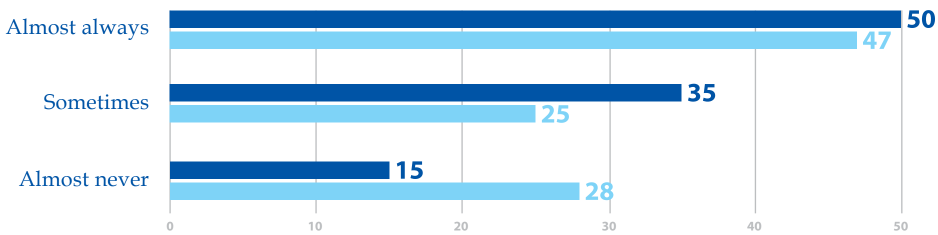
2013 n=92
2011 n=57
numbers in %



On 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 an increasing proportion of VPOs: 50% of the respondents compared to 47% in FY 2011. VPOs that link the unlocking of new funds to the performance of the SPO at least sometimes increased by ten percentage points, reaching 35% of the total. Only 15% of the respondents almost never link performance and funding, a sharp decrease compared to the 28% of FY 2011. This result is an encouraging sign that European VPOs are increasingly integrating impact measurement into managing their investments.

Does social performance condition the unlocking of new funds? FYs 2011 and 2013

2013 n=92
2011 n=57
numbers in %



e. Exits

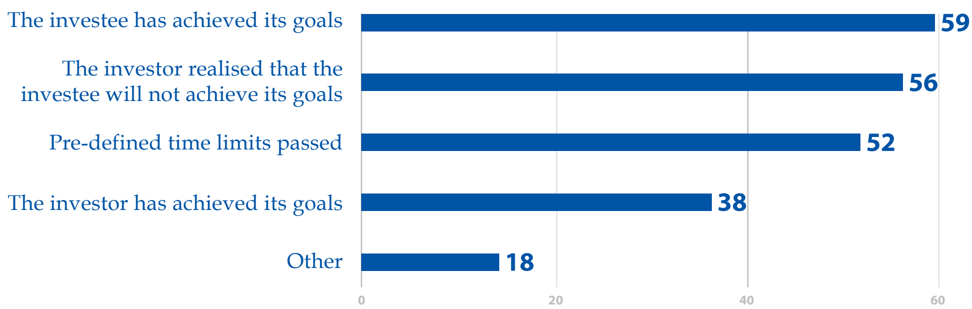
In VP/SI, "an exit strategy is the action plan to determine when the VPO can no longer add value to the investee, and to end the relationship in such a way that the social impact is either maintained or amplified, or that the potential loss of social impact is minimised".[23] The "exit" is the end of 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. VPOs exit investments for multiple reasons. Among all the reasons to exit an investment, 59% of the respondents stated the achievement of the goals of the SPO was an important cause of exit. Interestingly, the second most mentioned cause of exit was the opposite: the SPO not achieving its goals (56%). Pre-defined time limit was mentioned as a cause of exit by 52% of the respondents, while 38% mentioned having achieved the VPO's goals as an important reason why to exit.

Reasons for exiting an investment

n=61

multiple choice

numbers in %

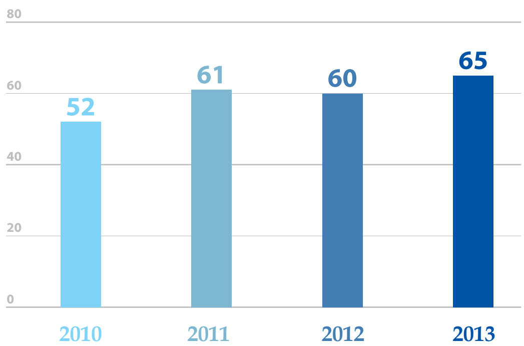


With ten years of practice behind us, European VPOs are starting to build a consistent track record on exit. This year, 65% of the respondents to the survey report having exited an investment, compared to the 60% of last year.

% of VPOs that have experienced exit FYs 2010–2013

2013 n=95
2012 n=75
2011 n=61
2010 n=50

numbers in %

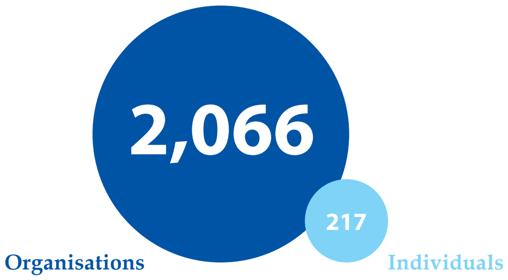


Of the 62 organisations that have reported having experienced an exit, 53 reported the number of exits they performed since the inception of their operations. As of today, the VPOs surveyed have exited 2,066 organisations and 217 individuals.

23. **Boiardi, P.** and **Hehenberger, L.**, (2014), "*A practical guide to planning and executing an impactful exit*", EVPA.

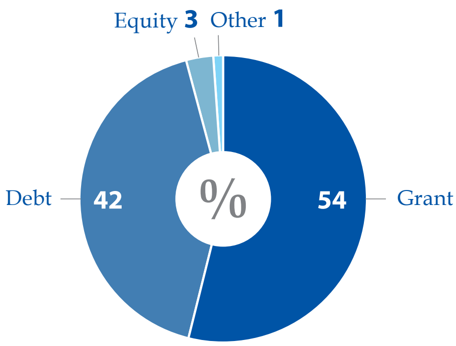
Part 2: Presentation of Survey Results

Historical exits (by count)



n=53

Exited investments by type (FY 2013)



n=43
representing 352 exits

In FY 2013, VPOs exited 352 organisations. Most of the investments exited were grants (54%) and loans (42%). Equity investments represented only 3% of the total exited investments, which could indicate that it is more difficult to exit from equity investments in the VP/SI sector due to a lack of exit options, and that equity is more "patient".

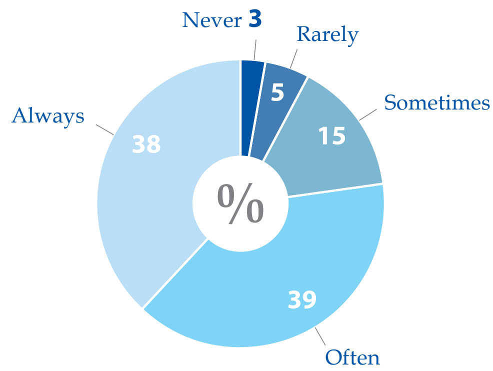
Given the importance of having an exit strategy for organisations that practice venture philanthropy and social investment, EVPA has recently published a report on exit strategies that aims at helping VPOs and SPOs to manage their exit strategy process. An exit requires careful planning and support, notably by building both the organisational resilience and financial sustainability of the investee organisation. EVPA's practical guide to planning and executing an impactful exit provides guidelines for practitioners on how to successfully and impactfully exit an SPO.[24]

The manual proposes a five-step approach to exit strategies.

The first step is determining key exit considerations. Starting from the investment strategy, the investor considers the key elements of its overall investment strategy that will influence its exit strategy. These elements of the investment strategy condition how a VPO plans for and implements an exit. The survey results show that most VPOs (77%) do perform step 1 either always or often, and use the key elements of their investment strategy to derive key exit considerations.

24. Ibid.

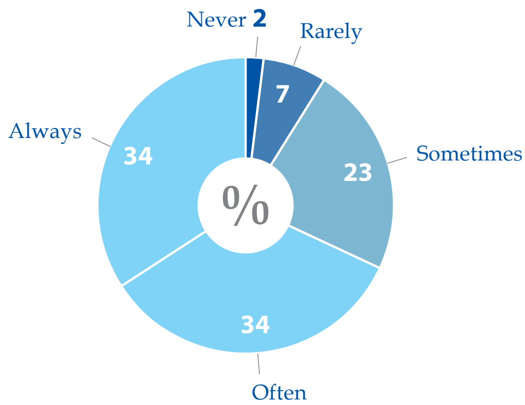
% of VPOs that use the key elements of the investment strategy to derive key exit considerations



n=61

The main principles set out in step 1 guide the investor in screening potential investment deals, and influence all the next steps of the exit strategy process. As shown by the survey results, most VPOs use the key exit considerations to screen potential deals either always (34%) or often (34%). However, roughly one third of VPOs only uses key exit considerations for screening deals sometimes (23%), rarely (7%) or never (2%).

% of VPOs that use key exit considerations as a guide when screening potential deals



n=61

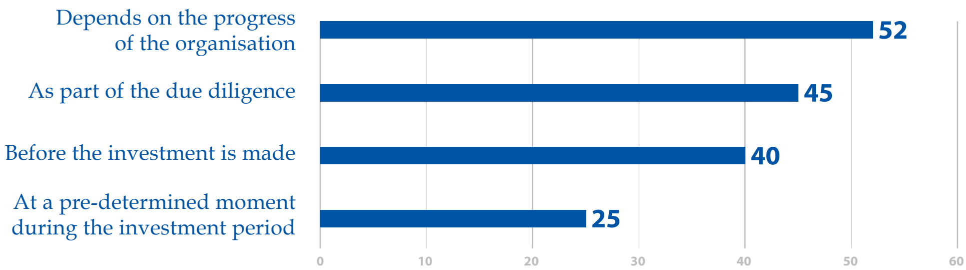
The second step in the exit strategy process is the development of an exit plan for a specific investment. This means that the VPO has already identified an investment opportunity and is in the process of closing the deal. Before investing, the VPO should consider when, how and to whom it will exit, and develop an exit plan together with the SPO. The exit plan must be matched with the deal structuring, and it is normally developed during the due diligence phase and formalised as part of any type of contract or Memorandum of Understanding (MoU) between the investor and the investee.

Part 2: Presentation of Survey Results

At least 40% of the VPOs surveyed develops the exit plan before the investment made and as part of the due diligence. However, more than half of the SPOs assert to develop the exit plan depending on the progress of the investee.

When do VPOs develop the exit plan?

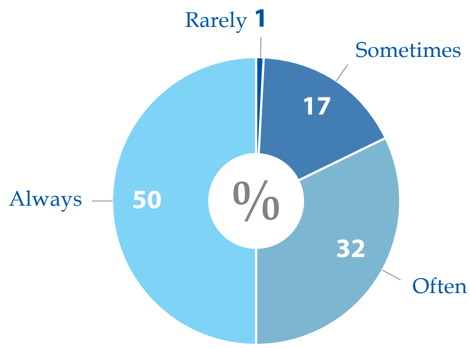
n=60
multiple choice
numbers in %



EVPA's manual on exit strategies recommends VPOs to involve the SPO in the development of the exit plan. Co-creation generates commitment and ownership in the SPO and improves the whole exit strategy process.

Half of the VPOs surveyed always involve the SPO in the development of the exit plan, and 32% asserts to involve SPOs often. Only 1% of the VPOs involve the SPO rarely in the development of the investment plan.

% of VPOs that involve the investee in the development of the exit plan

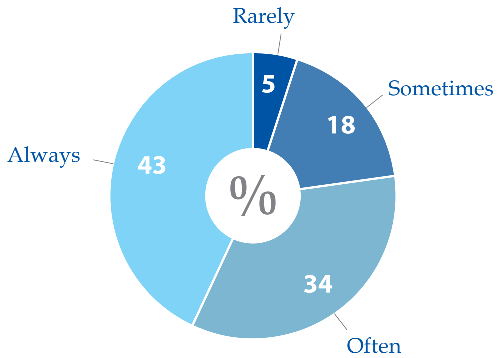


n=60

In step 3 the VPO determines the exit readiness for the SPO and for the VPO itself. During the investment period, the VPO monitors the investment and holds evaluation meetings with the investee to assess the achievement of the goals set for the investment in step 2. Based on the results of the interim evaluations, the VPO judges at which point "exit readiness" is reached. "Exit readiness" is defined as the moment in which the goals set for the SPO and the VPO are reached, and therefore the VPO can exit. Different scenarios can be envisaged which may lead to early exit, continued support, revision of the exit plan, or the decision to proceed to exit execution, i.e. step 4. Thanks to the monitoring performed throughout the investment period the VPO can revise the exit plan if necessary. VPOs are well aware of this, which is why more than two thirds of them (77%) monitor the achievement of the goals with the purpose to revise the exit plan if necessary.

% of VPOs that monitor the achievement of the goals to revise the exit plan

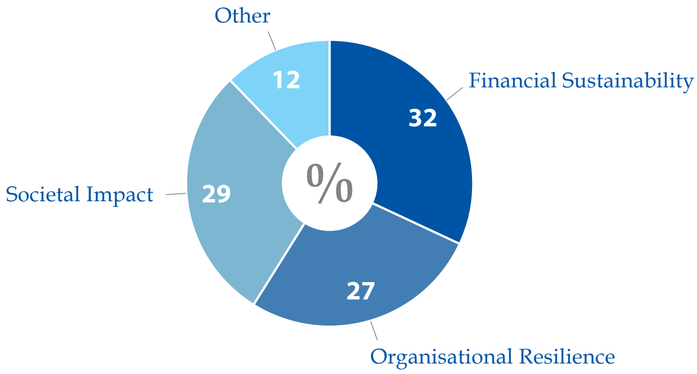
n=60



The goals for the SPO are divided into three main categories: societal impact, financial sustainability and organisational resilience. Financial sustainability is stated by roughly one third of VPOs (32%) to be the most important dimension of exit readiness of the investee, followed by societal impact (29%) and organisational resilience (27%). This result points to the fact that follow-on investors are increasingly interested in SPOs that are reaching break even or self-sustaining and that VPOs consider their job done when the SPO is not only exit ready but also investment ready, i.e. attractive for follow-on investors.

Relative importance of the three dimensions of the SPO's exit readiness

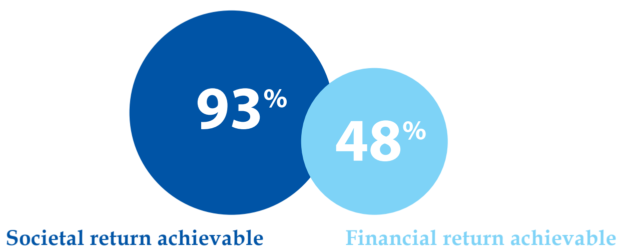
n=62
weighted average



The goals for the VPO are divided into two categories: societal return and financial return. Almost all VPOs (93%) consider societal return crucial for determining the achievement of exit readiness, while less than a half of the VPOs surveyed consider readiness to be achieved on the VPO side if the financial return goals have been achieved.

Relative importance of the two dimensions of the VPO's exit readiness

n=60
multiple choice



Part 2: Presentation of Survey Results

Step 4 of the process constitutes the execution of the exit plan. The two most important considerations that emerge at this point are how to exit and whom to exit to. How the exit is executed depends mostly on the type of financing instrument used, whereas considerations on "whom to exit to" will also be linked to the characteristics of the SPO (including the stage of development, the sustainability of the model, etc.) and the degree of involvement in the SPO that the VPO wants to keep after having exited. The VPO should execute the exit so as to maximise the long-term social impact of the SPO post exit.

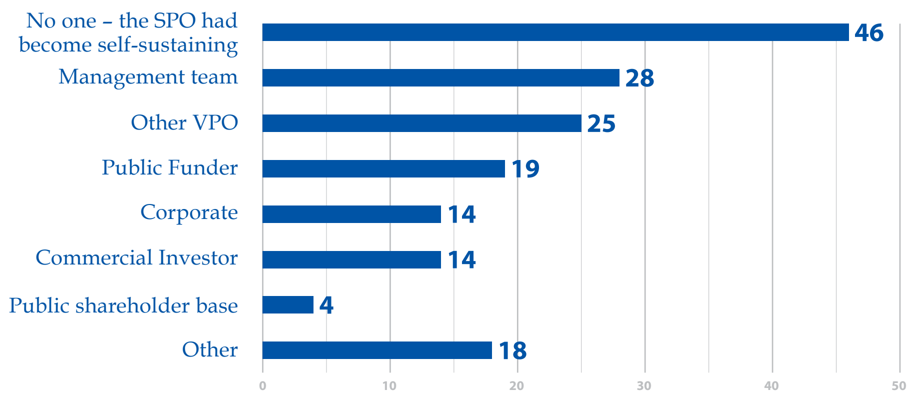
Almost half of the VPOs (46%) have exited SPOs that were self-sustaining, while 28% have exited to the management team of the SPO. These results are encouraging, as VP/SI works to build stronger organisations that are capable to become self-sustaining and scale. One fourth of the exited investments were passed on to another VPO, while almost one fifth were taken over by a public funder. Corporate and commercial investors are an upcoming option to exit to, representing 14% of the exits each. Only 4% of the investments were exited to a public shareholder base, pointing to a lot of untapped potential for this exit option.

To whom have VP/SI organisations exited?

n=57

multiple choice

numbers in %



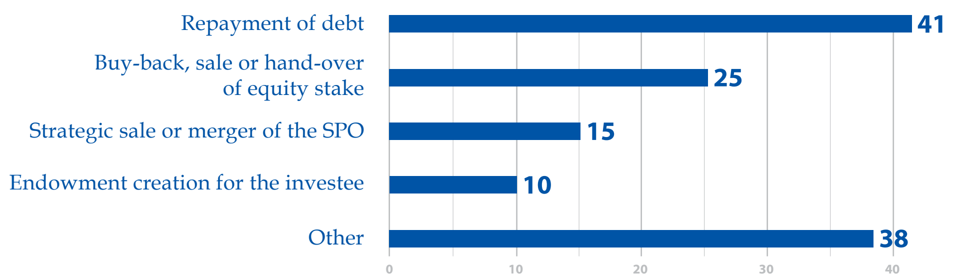
The mode of exit depends on the financing instrument used by the VPO. In the case of a grant-funded investment, the exit is a discontinuation of a grant, whereas for social investment the exit may involve repayment of a loan, or divestment of an equity stake. In any case, 41% of the investments were exited through debt repayment, and 25% through a buy-back, sale or hand-over of equity stake. Strategic sales accounted for 15% of the total exits and the creation of an endowment for the investee accounted for 10% of total exit.

How have VP/SI organisations exited their investments?

n=61

multiple choice

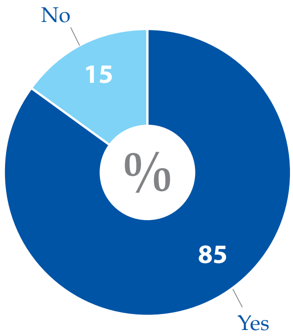
numbers in %



The fifth and last step in the exit strategy process is the post-investment follow-up. This step includes two parts: the final evaluation and potential follow-up activities. It is important to evaluate the success of the exit both at the investor's and the investee's level, and to analyse returns. The success of an exit refers to the achievement of the goals of both the VPO and the SPO. Follow-up activities include maintaining contact post exit and continue monitoring the investment.

The vast majority (85%) of the VPOs that completed this year's survey keep contact with the former investee.

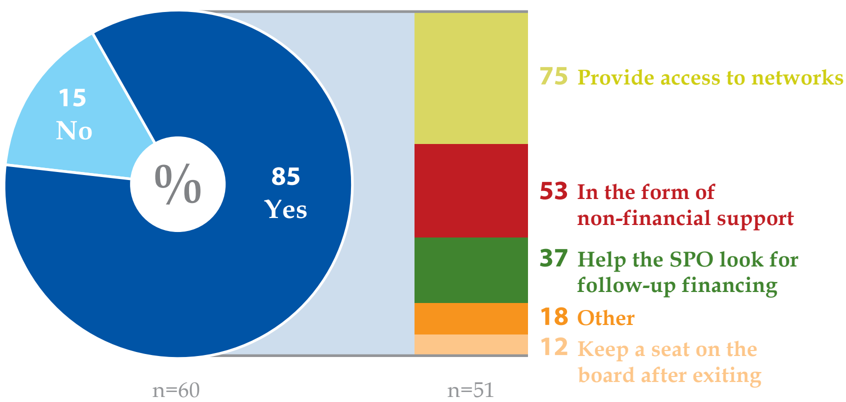
% of VPOs that keep contact with the former investees



n=60

When asked about how the contact is kept, 75% of the respondents stated that they provide access to networks to the former investees, 53% continue providing non-financial support and 37% help the investee look for follow-on financing.

Modes through which VPOs keep in contact with the SPOs post-exit



n=60

n=51
multiple choice
numbers in %

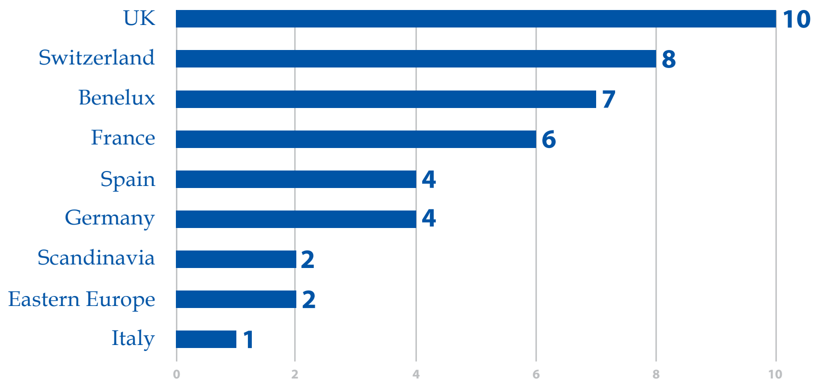
6. Social Investment funds

Investment funds are becoming an increasingly important part of the venture philanthropy landscape, making up 28% of respondents in this year's survey, i.e. 27 VPOs representing 44 funds. The 2014 industry survey included some specific questions for those organisations with investment funds, so as to better understand the dynamics of this sub-group. When comparisons are made, they refer to data from the 2011/2012 survey (data of FY 2011). Last year's survey did not include specific questions on investment funds, as the choice was made to conduct a shorter version of the survey.

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

Geographical location of investment funds

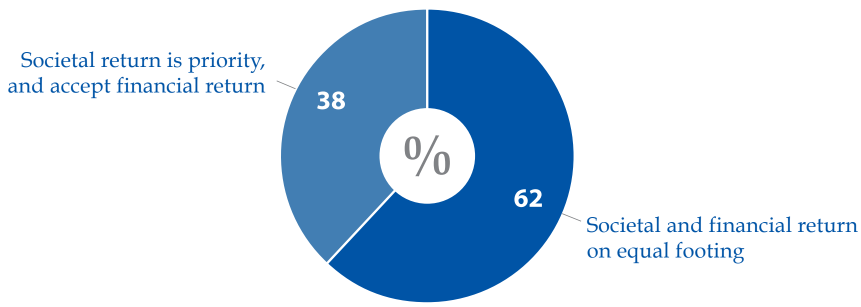
n=27
representing 44 funds



When asked about the return priorities, the largest majority of the VPOs that have an investment fund declared to consider societal and financial return on equal footing (62% of the total), whereas 38% considers societal return as priority but accepts a financial return.

Return Priority of Investment Funds

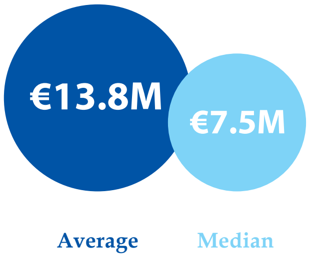
n=24
representing 39 funds



Our research into the size of these investment funds yielded an average size of €13.8 for FY 2013 (a 13% decrease compared to FY 2011) and median of €7.5M in FY 2013 (a 15% increase compared to FY 2011), suggesting that although there are a few larger funds and the majority are much smaller, there is a tendency towards convergence in fund size.

Average and median size of investment funds

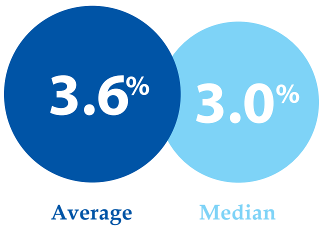
n=24
representing 37 funds



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 VP/SI investment funds are generally of a smaller size and the investees require significant attention from VP/SI fund managers. Of the 22 organisations that provided evidence on 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 was 3.61%, while the median was 3.00%.

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

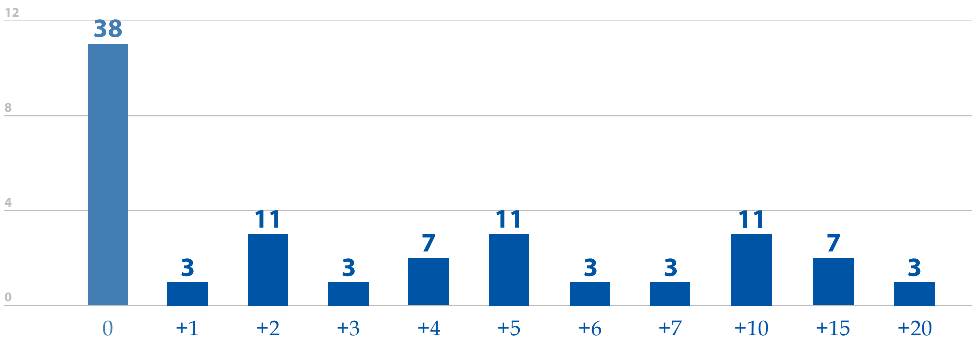
n=22
representing 35 funds



When asked about the expected gross returns on the investment funds, VPOs reported they expect no positive financial return from 38% of their investment funds, i.e. they only expect capital repayment. 18 funds – 62% of the total – are expected to generate a positive return, between 1 and 20%.

Expected gross return on investment funds

n=18
representing 29 funds
numbers in %

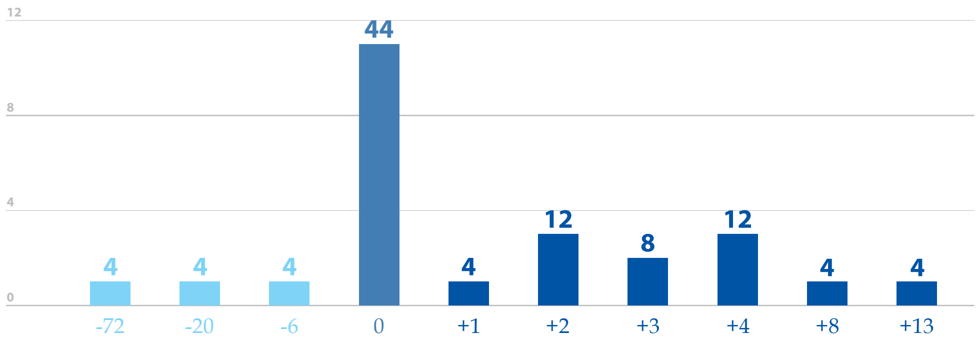


The survey then asked the respondents about the realised gross annual return of the investment funds. Of the 25 funds represented by the 16 respondents to this question, 44% received full capital repayment and 12% made a loss, whereas 44% generated a positive return.

Given the small sample of those respondents that received a positive return in FY 2013 we cannot draw far-reaching conclusions about this result, however it does seem to reflect the diverse return expectations of VPOs.

Realised gross return on investment funds

n=16
representing 25 funds
numbers in %



Part 3: Conclusion

The 2013/2014 EVPA survey confirms many of the findings of the 2012/2013 survey but also raises some interesting questions about the evolution of the VP/SI sector in Europe. EVPA acts as the main repository of data on the VP/SI industry in Europe since 2011, thus the presence of four years of data allows us to analyse interesting trends and evolutions and confirms that the VP sector in Europe is evolving rapidly.

The UK, France and The Netherlands are the top countries in terms of VPO headquarters. The average age of the VPOs surveyed is 7.9 years, an increase from last year's average of 7.5 years. VPO teams come from both the social and the private sector, and non-profit structures still dominate the organisational set up.

Societal return remains the **primary objective** of the majority of VPOs, but **recycling capital** is increasingly important. The survey targeted organisations prioritising societal return over financial return OR assigning an equal priority to financial and social return (i.e. excluding organisations that prioritised financial return). On a four-year view the number of VPOs where *societal return is a priority but financial return is accepted* is increasing and represents the largest category in 2014.

When asked about **return expectations**, responses were **less evenly distributed** than in the past years. The **share of VPOs expecting capital to be repaid increased**, while the share of VPOs expecting negative returns shrunk to 21%. This trend analysed together with the social vs. financial return objective indicates that **it is increasingly important to recycle capital**, even for those organisations that seek *primarily* a social return.

The EVPA survey highlights that the **resources of the VP/SI industry have increased**, as is evident in the total and average funding available and invested, and by the fact that there is now a larger pool of professionals working in VP/SI. Support for the societal purpose organisations through the VP/SI method continues to increase, with **over €5b invested since inception**. The average financial support per VPO increased 28% to €8m.

Budget for VP/SI are increasing: a comparison of the budgets allocated to VP/SI in the past four years shows that the share of organisations that allocate less than €2.5m to VP/SI decreased sharply between FY 2011 and FY 2013, while the share of organisations allocating between €5m and €15m increased, pointing to a continuous strengthening of the VP/SI movement in Europe. However, many European venture philanthropy organisations still have annual budgets lower than €2.5m.

There was a notable increase in the variety of financing instruments used by the VPO respondents with a significant **increase in the use of more sophisticated and hybrid instruments**. These findings indicate that tailored financing is a key practice.

VPOs are increasing their **pro-bono supporters,** with both total and average numbers increasing. The trend towards retaining paid employees and even more pro-bono supporters coupled with a decrease in the total and average numbers of unpaid volunteers, points toward a professionalisation of the support given by VPOs to their investees.

Part 3: Conclusion

European VPOs continue to invest across a spectrum of organisational types. **Non-profits without trading revenues** and **social enterprises** are the key targets of VP/SI investment receiving 35% and 32% of total spend respectively.

The **top countries** in terms of housing VPOs are the **UK, France and The Netherlands**, whereas the bulk of the **funding goes to Western Europe and decreasingly to Africa and other developing countries**. European VPOs invested either in their home country or internationally, in both developed and developing countries. **More than half of the total funding is invested domestically**, while the amount invested internationally is directed mostly to African countries and other European countries, with **cross-border funding** becoming increasingly important.

In terms of sectors and beneficiaries, VPOs still support a wide range of sectors and beneficiaries with **economic and social development topping the sectors,** ahead of education, research health and social sector focus continues to increase. **Children and youth remain the main beneficiaries of VP/SI investments**, followed by people in poverty, unemployed people and disabled people.

It is encouraging to see the progress made by respondents in developing practices such as **impact measurement** (87% measure outcomes compared to 81% in FY 2011 and 70% use impact measures compared to 60% in FY 2011) and co-investment.

The **five-step impact measurement process proposed by EVPA**[25] is being used by a vast majority of VP/SI organisations, with over 96% of the respondents reporting to be measuring social impact. On the consequences of the impact measurement system, the social performance of the investee almost always conditions the unlocking of new funds for an increasing share of VPOs, a sign that VPOs are integrating impact measurement into investment decisions.

The survey also highlighted some areas where VPOs could still improve, such as **planning and executing impactful exits** and **measuring and valuing non-financial support**. VPOs support their investees not just financially, but also with a **variety of non-financial support, ranging from consulting services to coaching and access to networks,** but data shows that **non-financial support makes up just 6.5% of total spend on aggregate** (as compared to 5% in FY 2012 and 10% in FY 2011). Given the high engagement nature of venture philanthropy and social investment, one would expect a much higher level of non-financial support. We explore some possible explanations for this evolution in the report, though further research should be carried out to understand what is behind this trend. The Knowledge Centre of EVPA will conduct further research into this topic, to shed further light on what kind of non-financial support VPOs provide to their investees, and if and how they quantify it.

25. No data for this question is available for FY 2012.

EVPA is committed to continue 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. On the trends identified in the survey and/or on any additional thoughts or comments we would be delighted to hear from readers as to their views on what is driving these trends. Any comments or suggestions can be sent to lhehenberger@evpa.eu.com.

Appendix

Sources

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- **Salamon, L. M.,** and **Anheier, H. K.,** (1992), "*In search of the nonprofit sector. II: The problem of classification*", Voluntas, 3(3), 267-309.

Appendix

List of Respondents to the Survey

ABN AMRO Social Impact Fonds, *The Netherlands*
Absolute Return for Kids (ARK), *United Kingdom*
Adessium Foundation, *The Netherlands*
AgDevCo, *United Kingdom*
Alfanar Arab Venture Philanthropy Foundation, *United Kingdom*
Alter Equity, *France*
Anton Jurgens Fonds, *The Netherlands*
Artha Initiative, *Switzerland*
Ashoka, *Germany*
Atlantic Philanthropies, *Ireland*
Auridis gGmbH, *Germany*
BMW Stiftung Herbert Quandt, *Germany*
BNP Paribas Wealth Management, *France*
BonVenture Management GmbH, *Germany*
Bridges Ventures, *United Kingdom*
C&A Foundation, *Switzerland*
CAF Venturesome, *United Kingdom*
Canopus Foundation, *Germany*
CIFF – Children's Investment Fund Foundation, *United Kingdom*
Citizen Capital, *France*
Clann Credo – The Social Investment Fund, *Ireland*
Compagnia di San Paolo, *Italy*
Creas, *Spain*
Cultiva, *Norway*
D. Capital Partners, *United Kingdom*
Fondation Demeter, *France*
Den Sociale Kapitalfond, *Denmark*
ERSTE Stiftung, *Austria*
Esmée Fairbairn Foundation, *United Kingdom*
Essl Foundation, *Austria*
FADEV, *France*
Ferd Social Entrepreneurs, *Norway*
Fondation AlphaOmega, *France*
Fondation Fournier Majoie pour l'Innovation, *Belgium*
Fondation Immochan, *France*
Fondazione CRT, *Italy*
Fondazione Oliver Twist Onlus, *Italy*
Fondazione Paideia, *Italy*
Fonds 1818, *The Netherlands*
Fundación ISIS, *Spain*
GAWA Capital Partners, *Spain*
Genio, *Ireland*
Good Deed Foundation, *Estonia*
good.bee, *Austria*
Grameen Crédit Agricole Microfinance Foundation, *France*
Grupo BBVA, *Spain*
Hjärna Hjärta Cash, *Sweden*
IKARE – IK Aid & Relief Enterprise, *United Kingdom*
Impact Finance, *Switzerland*
Impetus – The Private Equity Foundation, *United Kingdom*
Incluvest BV, *The Netherlands*
Inspiring Scotland, *United Kingdom*
Invest for Children, *Spain*
Investir & +, *France*

Investisseurs & Partenaires (I&P), *France*
Johnson & Johnson Corporate Citizenship Trust, *Belgium*
Karuna Foundation, *The Netherlands*
King Baudouin Foundation, *Belgium*
Le Comptoir de l'Innovation – Groupe SOS, *France*
LGT Venture Philanthropy, *Switzerland*
Linckia Foundation, *Serbia*
Media Development Investment Fund, *Czech Republic*
Medicines for Malaria Venture (MMV), *Switzerland*
Mlinda, *France*
NESsT, *Hungary*
Nesta Investment Management, *United Kingdom*
Noaber Foundation, *The Netherlands*
Oltre Venture, *Italy*
Opes Impact Fund, *Italy*
PhiTrust Partenaires, *France*
Quadia, *Switzerland*
Reach for Change, *Sweden*
responsAbility Social Investments AG, *Switzerland*
Shaerpa, *The Netherlands*
Shell Foundation, *United Kingdom*
Ship2B, *Spain*
SI2 Fund, *Belgium*
SIFA Société d'Investissement France Active, *France*
Social Business Trust, *United Kingdom*
Social Entrepreneurs Ireland, *Ireland*
Social Initiative Norden AB, *Sweden*
Social Venture Fund, *Germany*
Stichting De Verre Bergen, *The Netherlands*
Stichting DOEN, *The Netherlands*
Symbiotics Group, *Switzerland*
The One Foundation, *Ireland*
Trafigura Foundation, *Switzerland*
Turing Foundation, *The Netherlands*
UnLtd, *United Kingdom*
Via Foundation, *Czech Republic*
Vivatus GmbH, *Germany*
Vodafone Stiftung, *Germany*
Voxtra, *Norway*
Womanity Foundation, *Switzerland*
Yunus Social Business, *Germany*

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The European Venture Philanthropy Association (EVPA)
Established in 2004, EVPA aims to be the natural home as well as the highest value catalytic network of European Social Investors committed to using venture philanthropy and social investment tools and targeting societal impact.

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 over 191 members from 24 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

The EVPA Knowledge Centre is the hub for European knowledge and thought leadership on venture philanthropy and social investment.
http://evpa.eu.com/research-and-policy/knowledge-centre/

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