

News round-up...

● The Swiss Agency for Development and Cooperation (SDC) has published a case study examining Media Development Loan Fund's public-private partnership with Swiss Bank Vontobel, sustainable-investment advisers responsAbility and SDC. In 2006, the partnership launched the "Voncerc", a social investment product listed on the Zurich Stock Exchange, which raised more than \$3m for MDLF's work. The study found: "The \$3.2m loan yielded \$12.6m in sales and helped to provide independent news to 2.8 million people in developing and transition countries." For investors, Voncercs provided an average annual return of 2.8% (9.8% cumulative since inception). www.mdff.org/en/main/newsroom/187/

● Canadian EVPA member Lundin for Africa has finalised three investments so far this year: a \$1m investment, alongside the IFC and FMO, in the Central Africa SME Fund targeting high-potential entrepreneurs in the DR Congo and Central African Republic; a \$500,000 investment in the West Africa Agricultural Investment Fund, alongside the Alliance for a Green Revolution in Africa, targeting seed producers and distributors in Nigeria, Ghana, Niger, Mali and Burkina Faso, and a \$4m investment in the West

Africa SME Growth Fund, targeting high-potential businesses, primarily along the agribusiness value chain in Francophone West Africa. www.lundinforafrica.org

● UnLtd, the Foundation for Social Entrepreneurs, has launched Live UnLtd, providing opportunities, funding and support for young people with ideas to change the world around them and create entrepreneurial solutions to social issues. In its first five years of operation Live UnLtd will provide opportunities to more than 20,000 young people in the UK, aiming ultimately to create a new culture of social leaders, where young people are recognised as a solution to social problems rather than a cause. www.LiveUnLtd.com

French social venture fund Citizen Capital has made a E1m investment in Rungis Nature, a wholesaler of organic fruits and vegetables in Rungis (France). The company is owned by a former farmer, a former market seller of Madagascan origin, and an organic professional of Moroccan origin. Rungis has become one of the top 10 French organic wholesalers within five years, reporting E4,5m revenues in 2009. The enterprise has developed special

relationships with providers and clients through the managers' backgrounds, and is well positioned in two segments: markets and specialised food stores. A market growing 20% each year, coupled with a lack of French production, has resulted in a shortage of organic fruit and vegetables. This has led to French production wholesalers playing a leading role. The company aims to emerge as a key player in the Paris region and sell organic fruits and vegetables to local authorities (school restaurants). Citizen Capital also plans to accompany Rungis in its socially responsible investment policy. www.citizenscapital.fr www.rungisnature.com

● Social Entrepreneurs Ireland has announced the six finalists for its 2010 Awards. In October, three winners will be selected for the new High Impact programme, which will provide financial support in excess of €165,000, as well as a tailored and intensive multi-year programme of business, networking and personal development. The finalists will first undergo a finalists programme over the summer, giving them the opportunity to work on a key strategic issue and providing Social Entrepreneurs Ireland with the opportunity to

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From the managing director's desk

Dear friends,

Welcome to the June edition of our newsletter. As we settle into our new space within the European Foundation Centre (EFC), there is a lot of excitement around our new partnerships and upcoming events. At the EFC's annual Foundation Week held in Brussels earlier this month, we signed a Memorandum of Understanding with the EFC. A similar memorandum is under way with the European Private Equity and Venture Capital Association (EVCA) and we look forward to many years of fruitful collaboration.

We are also hard at work creating more member events than ever. This June 1 and 2, we held a successful Financing Models Workshop where leading experts presented their approach to different financing tools, such as grants, loans and equity and the motivations behind the choice of the relevant tool. Stay tuned for more engaging workshops, targeted

country seminars, innovative research, and the highlight of our year – the annual EVPA conference. For more information, visit www.evpa.eu.com/upcomingevents.php

When feedback from the annual conference in Amsterdam last year indicated that this was the best conference yet, we saw that both as a triumph and challenge. Success is always tough to follow but this year we are determined to continue climbing that mountain. As the theme of our sixth conference "New Era for Venture Philanthropy: where grant making and social investment converge" suggests, we are entering exciting times where the lines blur between activities and models of our different stakeholders. We hope you will join us for stimulating discussion, knowledge sharing and world-class networking.

Additionally, we are pleased to announce that the conference will feature keynote speeches from Sir Ronald Cohen, chairman of Bridges

Ventures, and Jacqueline Novogratz, chief executive of the Acumen Fund. We look forward to seeing the EVPA family together again, as well as new faces interested in venture philanthropy, in Luxembourg on 16-17 November. Register now and benefit from your two free places. Visit www.evpa.eu.com/luxembourg

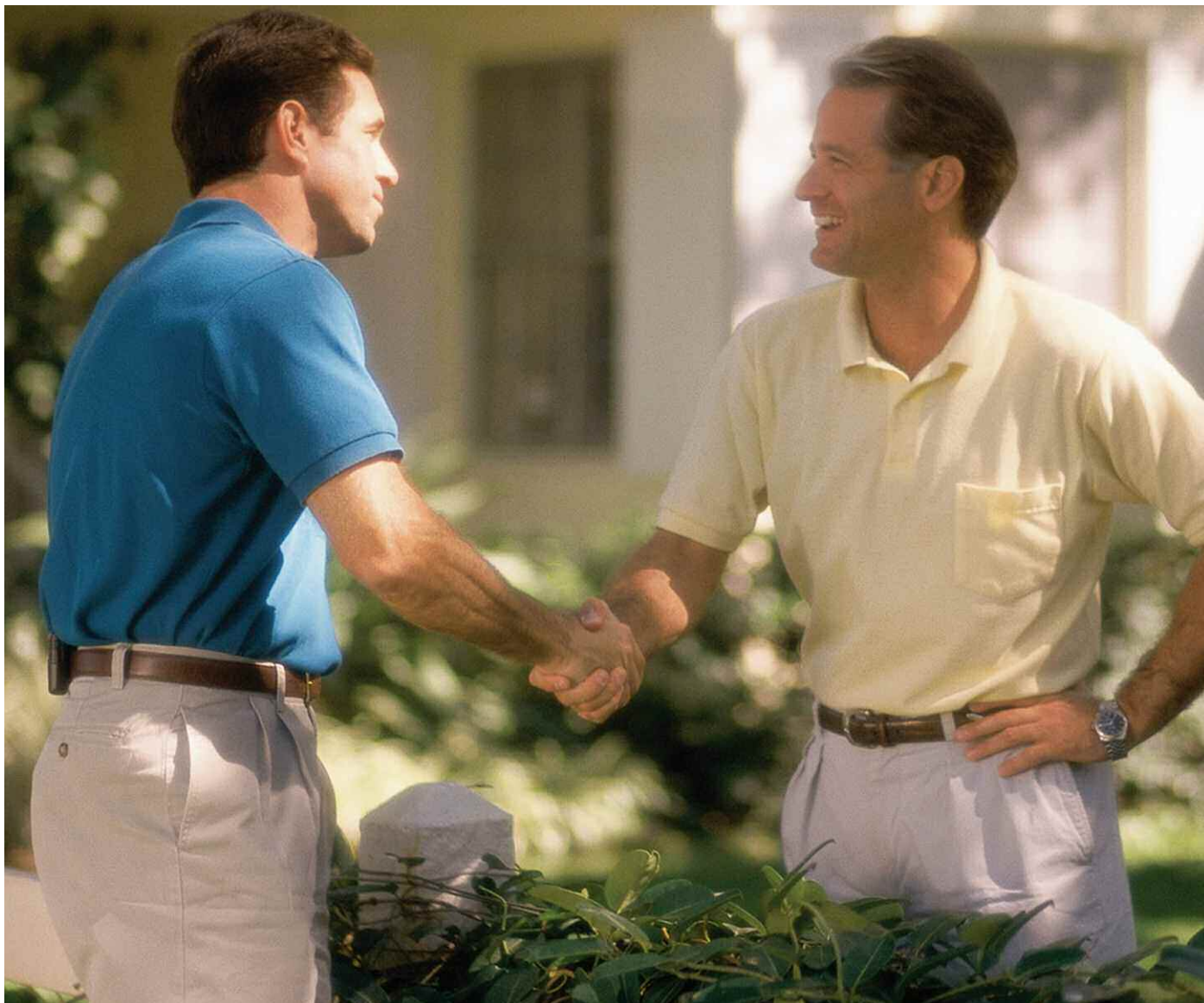
Finally, we have sent out an impact survey questionnaire, not just to get feedback on how we are doing, but also to learn about what you may need. If have not had a chance to respond to that yet, please take a few minutes to invest in sharing your ideas about what we can do for you: www.surveymonkey.com/s/BRXCPJK

Many thanks and enjoy the read.

Best regards,
Beate Trueck
managing director



Foundation redefines neighbourliness in terms of targeted investment



By James Mawson

No army is strong enough to stop an idea whose time has come, according to French novelist Victor Hugo. Pieter Oostlander at Netherlands-based Noaber Foundation, said venture philanthropy was such an idea. But when Dutch software entrepreneur Paul Baan looked to return some of the rewards he gained from society after the millennium through the creation of Noaber Foundation, this idea was unheard of.

All Baan then knew was that the standard philanthropic method of making donations to charities failed to satisfy his entrepreneurial drive and desire to contribute more than just money.

Oostlander said: "Our founder thought traditional charity created dependency between the donor and recipient and you cannot solve structural societal issues with temporary money.

"So he turned to studying alternatives and the possibility of merging venture capital principles or entrepreneurialism with philanthropic topics. Some US foundations at that time were involved in social venturing, which appeared to be a subset of venture philanthropy.

"Venture philanthropy is a field of philanthropic activity where private equity and venture capital models and methods are applied in the non-profit and charitable sectors. It seeks to help enhance the field of social causes but it is no panacea,

Social return on investment is an approach to understanding and managing the social impacts of a project, organisation or policy.

It is based on stakeholders and puts a financial value on the important impacts identified by stakeholders that do not have market values. The Noaber Foundation, together with d.o.b. foundation and Scholten & Franssen, developed a webtool called 'social e-evaluator' to facilitate SRoI analysis for relevant organisations. More info can be found on www.socialevaluator.eu



Oostlander: foundation was an “excellent opportunity”

just as traditional donations are not the answer to every problem.

“But, whereas charitable giving has been going on for centuries, venture philanthropy is relatively underdeveloped as to where it can be most effective.”

After some exploratory years, the Noaber Foundation decided to structure itself to carry out venture philanthropy and social venturing. In 2004 Oostlander was hired

Autest

Autest is a Netherlands-based limited company that helps autistic people stay in regular jobs rather than rely on government benefits.

Autism is a lifelong developmental disability that affects how a person communicates with, and relates to, other people and the world around them. However, many autistic people are highly intelligent and this, combined with their preference for structure and repetition, makes them a good match with software testing.

Autest, therefore, was set up so autistic people could test software for third parties either by going to the clients in groups of four or five with a coach or by staying in the Autest factory.

The company helps to tackle a structural society issue – autism is currently incurable – that would either take a lifetime of grants or subsidies to deal with, or can be self-financing through a business.

Oostlander said Noaber helped Autest by supplying funding to get the business under way, and non-financial services, such as helping it develop a business plan and a network of contacts to whom to market services.

One part of the advice was to convert Autest from a foundation to a limited company – a social enterprise – with a social mission protected by its articles of association. The articles say Autest can distribute any profits made only after it has achieved its social impact goals – measured using social e-valuator software provided via the internet, created on behalf of the Noaber Foundation and the d.o.b. foundation, another venture philanthropist based in the Netherlands.

after a career as an auditor and finance director. He said: “I was not particularly looking at the so-called third sector but found this an excellent opportunity to marry my financial expertise with something more than shareholder value.”

Oostlander has helped both the board and

the advisory board of the Noaber Foundation to provide its 25 social investment projects with the money and non-financial services to help them develop and become self-funding and self-reliant.

Noaber Foundation uses Jed Emerson’s social return on investment methodology as the basis for deciding whether it has been successful. The foundation is using social return on investment to help its investees measure and manage their social impact, and, by doing that, it also measures and manages its own social impact.

The Noaber Foundation’s focus is in three main areas: health and care, such as the challenges of an ageing society; education and community work with young people or people of different cultures; and technology, such as the digital divide between people with access to modern IT and those without.

The single philosophy behind the three areas involves people, which follows from the name of the foundation itself.

Founder Baan’s youth was spent in the eastern part of the Netherlands. In the dialect spoken there, noaber means neighbour and noaberschap is the obligation of each and every person to help his or her neighbour in both difficult and joyful times. This unwritten rule has found a worldwide platform as communications and knowledge become increasingly global and is the driving motivation behind the foundation created in 2000.

NeuroTech Solutions

The impact of people suffering from attention deficit hyperactivity disorder (ADHD) is far-reaching. A child’s development is often severely affected, causing loss of quality of life. The impact spreads from the child or teenager, through family members and teachers and into society as young people suffer higher rates of road accidents, and increased criminal behaviour and drug and substance abuse.

It is a healthcare and social issue that affects between 6% and 12% of people, although accurate figures are hard to find as traditional diagnostic techniques have 40% false positive and negative rates. The condition is incurable.

Neurotech, therefore, stepped into the diagnostic and therapeutic gap and developed a computer game that effectively helps the youth and support network deal with ADHD.

A computer algorithm – applied in internet solutions – developed by Israel-based NeuroTech Solutions is used in a test which diagnoses ADHD with 95% accuracy. Mindiko is the name of the private solutions developed by the company, to be used by parents and their children. Its a kind of game that helps to control the disorder through training and involves parents so the practices can be transferred to daily life, according to Oostlander.

The entrepreneur’s solution came from an unlikely source. Nir Yachin, an Israeli martial arts teacher, saw children in his classes with ADHD symptoms and, on learning more about the condition, he harnessed his hobby of playing computer games to create a game. The company is projected to generate €4 of social return on investment for every €1 invested.

Noaber Foundation provided Yachin with more than money, Oostlander said, “as he was not a businessman”. This involved helping him write a business plan and finding other investors alongside Noaber.

New member profile

EVPA is delighted to welcome the recently-established NTR Foundation as our newest member. NTR plc, the Dublin-based international renewable energy group, has committed €5m and 2.26 million ordinary shares to the foundation, which will run the company’s venture philanthropy and social enterprise initiatives. In addition, NTR businesses in the US, Ireland and the UK will each provide matching funding for green projects in their own communities over the next five years. The NTR Foundation aspires to make a measurable societal impact in the areas of climate change, resource sustainability and security of energy supply through the provision of targeted financial and expert support to projects, research and NGOs. In keeping with NTR’s entrepreneurial heritage, the foundation will support projects addressing these issues in an entrepreneurial way. Three major strands constitute the work of the NTR Foundation – international projects, local community activities through NTR group businesses in the US, the UK and Ireland, and investment in policy and research. By joining EVPA, the foundation looks forward to being part of a unique network of organisations sharing similar types of investment strategies as well as approaches to social investment. www.ntr-foundation.org



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work closely with them prior to the final selection. www.socialentrepreneurs.ie

● If you want to use your professional skills to help social organisations around the globe scaling their impact, apply now for the iCats Fellowship 2011. Building on the success of the last two years, LGT Venture Philanthropy offers exciting opportunities for 2011.

Application deadline: 23 July 2010. A fellow works onsite with a social organisation from February to December 2011 and receives regular mentoring from the LGT Venture Philanthropy team. In addition, a four-day induction workshop in January 2011 brings all fellows together in Switzerland. www.icatsprogram.com or email icats@lgtvp.com

● New Philanthropy Capital's "Scaling up for the Big Society" outlines why scaling up charitable interventions is important and how to approach it. The authors set out a process for identifying candidates for scaling up.

www.philanthropycapital.org/publications/improving_the_sector/improving_charities/scaling_up.aspx

NPC is frequently asked what it thinks about social return on investment (SROI). A new position paper sets out its views based on experience of working with charities. www.philanthropycapital.org/publications/improving_the_sector/charity_analysis/SROI_position_paper.aspx

● Specialist search and selection consultancy Prospectus has been working with a range of philanthropy organisations recruiting for executive roles. Examples are the chief investment officer at Charity Bank, the social impact bond director for Social Finance, and a number of positions in London and Nairobi for the Children's Investment Fund Foundation. Prospectus is currently recruiting the new executive director for the Venture Partnership Foundation. In addition to chief executive and other senior appointments, the firm is increasingly working with organisations

looking for board directors/trustees, and is currently recruiting the new chair for social enterprise HCT Group in London. www.prospect-us.co.uk

● Impetus Trust has called on the UK public to volunteer their professional skills and expertise to charities. The appeal came at the start of Volunteers Week (1-7 June), an annual event celebrating the contribution volunteers make across the UK. Skills-based volunteering involves individuals contributing their professional skills to a charity. The benefits are increasingly recognised by employers, as staff can develop their professional skills. www.impetus.org.uk

● More than 300 members of the private equity community took part in the Private Equity Foundation (PEF) annual football tournament to tackle the issue of young people not in education, employment or training. The 30 teams raised £56,000 to support the PEF's work. Apax won the Cup, beating Blackstone Real Estate in the final.

Diary for a venture philanthropist...

Forthcoming events

● 24 June – EVPA French Country

Interest Group, Paris: Hosted by Natixis Private Equity, the event takes place with the support of Crédit Coopératif. Topics for this breakfast meeting include the fundamentals of venture philanthropy and profiles of venture philanthropists, supported by case studies. Contact: Daphné Picq, daphne-picq@natixis-pe.com, +33 (1) 58 19 49 12

● 29 June – Impetus Site Visit, London:

This event has been rescheduled from 21 April. Site visits give participants a closer look at the operations of more experienced organisations. Impetus is the UK's first general venture philanthropy fund and one of EVPA's most experienced members. They will share their strategy and shed light on their model while presenting cases involving grantees and projects. This event is for EVPA members only. Contact: Jory Buhay, jbuhay@evpa.eu.com, +32 (2) 534 62 28 www.evpa.eu.com/upcomingevents.php

● 31 October – Marathon of Marathons,

Athens: To celebrate the 2500th anniversary of Pheidippide's historic run from Marathon to Athens, Campbell Lutyens and PEI Media are bringing together 250 people from the private equity and infrastructure communities to run the Athens marathon. The aim is to raise €2.5m for children's charities including Unicef and two venture philanthropy charities: Impetus Trust and the Private

Equity Foundation. Contact:

info@marathonofmarathons.org, +44 (20) 74 89 71 91 www.marathonofmarathons.org

● 16-17 November – EVPA annual general assembly and conference,

Luxembourg: The conference theme is "New Era for Venture Philanthropy: where grant making and social investment converge". The conference is supported by a consortium of local organisations consisting of Banque de Luxembourg, European Investment Bank, Ernst & Young, ADA Microfinance, Loyens & Loeff. Confirmed keynote speakers are Jacqueline Novogratz, CEO of Acumen Fund and Sir Ronald Cohen, chairman of Bridges Ventures. www.evpa.eu.com/upcomingevents.php

● 13 October – ClearlySo's Social

Business Conference, London: Hosted at LSO St. Luke's, this year's theme is "Back to Basics – Getting the Fundamentals Right". The event offers social entrepreneurs and investors and opportunity to network and discuss key issues in the social enterprise sector. www.clearlyso.com/event.jsf?id=9

Thoughts for the month

“ I am not primarily concerned with regurgitating yet more gusts of hot air that still escapes periodically in exchanges between the “old” and the “new” philanthropies (actually I am not sure which is what) in the

recurring endless debates on different models of philanthropy. I feel that the debate is stale, the arguments too rehearsed and predictable, the solutions proffered too facile. I find, in any case, that proponents of all camps of philanthropy seem to be cloaked “social engineers” (people with solutions in their pockets and a blueprint of what's needed). My vision would be to have a plethora of philanthropic players who willingly embrace the notion of “social bricolage” with a more optimistic and frank admission that we do not necessarily have the “solution” readily in our minds or at our disposal.

Gerry Salole, chief executive, European Foundation Centre



“ Social enterprise covers a range of models, and implies different approaches in various European countries. We need to clarify and distinguish the different approaches, not restrict the activity within one definition, and then spend our time working out how best the combination of money and management can support the range of social entrepreneurs achieve real and lasting social impact.

John Kingston, director, CAF Venturesome



What do you think? Email us back with your thoughts and other quotes.

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