



# European Venture Philanthropy News

March 2008

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## Letter from the Chair



We have just passed our third year since initiating our membership drive, and I am pleased to say we now have 85 members from 17 countries. While the initial start-up phase had its challenges, we have now reached critical mass and the recent rate of membership growth has averaged 3 per month. Membership continues to come from venture philanthropy funds (realistically, however, we are reaching a very high level of penetration so this will undoubtedly slow down) and also from private equity groups, foundations, universities and professional service firms. The listing of new members since the last Newsletter can be found below.

The EVPA's two key missions are to promote venture philanthropy in Europe and to support our members through providing membership services. We have just completed our first annual member impact survey (which measures the impact that membership has on EVPA's members) with very satisfactory results, members expressing a high level of satisfaction with the EVPA services and progress to date (see below for the key findings). To be clear, however:

1. We have only just begun and we recognise there is still much more to do.
2. Many difficult challenges remain ahead as we translate interest and engagement into meaningful results.

We certainly do not think the job is done!

## Mark your diaries:

The fourth Annual EVPA Conference will be held on 22nd September (members only annual general meeting and conference reception) and 23rd September (Open Conference) in Frankfurt, Germany. Due to the growing demand that has been evident from the previous Conferences in London, Paris and Madrid, we are capping attendance now at 350 delegates for the Open Conference. Please see details later in the Newsletter.

## Other items of note:

1. We plan to organise Country Meetings on VP during 2008, including in Italy, the Netherlands and Central Europe. These events bring together leading participants in each country to discuss further development of venture philanthropy on a local level.
2. We held a very successful Members' Workshop in the Netherlands around Performance Measurement last November and we are planning a Fundraising Workshop in Paris on 3rd and 4th April. We anticipate two more Members Workshops during 2008 ('Performance and Social Impact' and 'Starting Up a VP Fund') and we will email details in the coming weeks.
3. We are setting up a working group for our Business School members (which now total seven) and from other members who have research capability, to explore VP research, business school curricula and internships.
4. We have assembled an expert group of VP practitioners and are in the process of compiling a paper that will address the challenges and processes necessary to establish successful venture philanthropy funds. This publication is designed to be helpful to anyone considering establishing a new fund.
5. Our case study book is progressing well and should be available for distribution later this Spring. The booklet documents in detail how a number of EVPA members structure and operate their funds, select potential investees, and offer a package of financial and advisory support. This very practical publication will help communicate to a wide audience a variety of venture philanthropy models.

Lastly, I refer you to the article describing the new initiative, Inspiring Scotland, which has been launched through Lloyds TSB Foundation for Scotland. The importance of this initiative is that an existing foundation is providing substantial resources to sponsor a VP fund and has attracted government funding in support of this effort.

Please engage with us. Together we can make an impact in addressing the many problems facing our world through generous and creative philanthropy.

Sincerely



Doug

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## Save the date



The 4th Annual EVPA Conference will be taking place on 23rd September 2008 at Johann Wolfgang Goethe-Universität, Frankfurt, Germany.

The programme will include a full day of plenary, breakouts and roundtables with leading speakers from venture

For more information visit [www.evpaconferences.eu/frankfurt08](http://www.evpaconferences.eu/frankfurt08)

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## New Members

Since the publication of the Autumn 2007 Newsletter, the EVPA has welcomed the following new members:

### 3i (UK)



Web site: [www.3i.com](http://www.3i.com)

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### Antara Foundation (Austria)



Web site: [www.antara-foundation.org](http://www.antara-foundation.org)

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### Barclays Private Equity (UK)



Web site: [www.barclays-private-equity.com](http://www.barclays-private-equity.com)

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### ESADE Business School (Spain)



Web site: [www.esade.edu](http://www.esade.edu)

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### European Investment Fund (EIF) (Luxembourg)



Web site: [www.eif.org](http://www.eif.org)

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### Fondazione CRT (Italy)



Web site: [www.fondazioneCRT.it](http://www.fondazioneCRT.it)

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## KPMG LLP (UK)



Web site: [www.kpmg.co.uk](http://www.kpmg.co.uk)

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## Pantheon Ventures (UK)



Web site: [www.pantheonventures.com](http://www.pantheonventures.com)

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## Stichting Sociaal Ondernemerschap (SSO) (the Netherlands)



Web site: [www.sso.nl](http://www.sso.nl)

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Further details will shortly be added to the online EVPA Members' Directory at [www.evpa.eu.com/directory.html](http://www.evpa.eu.com/directory.html)

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## First EVPA impact survey finds members value networking opportunities and visibility

Increased visibility, greater understanding among staff of VP practice and networking opportunities were all cited by members as advantages conferred by EVPA membership, according to the findings of the Association's first impact survey. The survey, which ran from December 2007 to January of this year, was the first of what it is planned will become an annual event, and asked members about the effect of membership on their organisations.

Almost all respondents (98 per cent) said that participating in EVPA conferences, seminars and workshops, and reading the newsletter, web site and research publications was 'helpful' to their organisations. Ninety-four per cent said that, through these activities, their 'staff had gained knowledge about venture philanthropy practice,' 91 per cent felt that they had 'gained more visibility,' 80 per cent said that they had 'more internal discussion about venture philanthropy practice' and around half (49 per cent) had 'improved their operations, structures or procedures.'

In addition, 84 per cent had developed networking relationships with other members outside of EVPA events, while 37 per cent felt membership of EVPA had improved their missions.

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## NESsT celebrates 10 years of operation

**The Nonprofit Enterprise and Self-sustainability Team (NESsT) celebrated ten years of operation last year. Since it now works to support social enterprises in 10 countries and has a budget of US\$2 million this year, it's easy to overlook the fact that, at its founding, it looked something of a risky proposition. Its two co-founders and joint CEOs explain why they set it up and why the**

[journey from there to here hasn't always been an easy one.](#)

Lee Davis and Nicole Etchart

2008 marks the beginning of our second decade of operations at NESsT. 'Ten years, ten countries' was our ambitious mantra in 2007 as we focused our efforts to expand our work in supporting social enterprises from five to ten countries across Central and Eastern Europe (CEE) and Latin America. We weren't always that ambitious. Not very long ago, it seems, NESsT still felt like a start-up, caught between a non-profit sector hostile to the marketplace and a for-profit sector self-absorbed with financial returns. But what once seemed formidable now appears quite plausible: social enterprises can contribute to the solution of critical social problems in emerging market countries, and they can do so in a financially viable and sustainable way. Ten years ago we couldn't say that without a hint of hubris.



NESsT 1997-2007: Celebrating ten years of investing in social enterprise solutions in emerging markets

In 1997, discussions of social enterprise and venture philanthropy had yet to gain any considerable traction in North America and western Europe. Neither in CEE nor Latin America was there yet a champion for the cause. This was the niche NESsT aimed to fill. Now, ten years on, it seems only fitting to reflect on its development in the newsletter of an international association that champions the cause of promoting this 'revolutionary' approach to philanthropy across Europe.

During one of the events we hosted in 2007 to celebrate our tenth anniversary year, Richard Cook, first NESsT Board Chairman, now

Emeritus, shared three observations about the evolution of NESsT, first:

'...an idea becomes audacious when it faces formidable odds. This certainly was the case with NESsT... My second observation is that courage of conviction is a critical ingredient necessary to overcome the formidable odds... the kind of courage where you put your lives, and the lives of those you love and your fortunes behind your idea... My third observation is that conviction and action against formidable odds is not enough. You have to prove and sustain your idea in the face of those odds. As Peter Drucker said, "You are not unique in what you are doing. There are many social entrepreneurs with great ideas, but so many don't survive. ...What will make you unique is sustainability, the ability to develop and resource your organisations for growth and longevity."'

Ten years later, NESsT has evolved into an international organisation with a widening global reach: an outstanding international staff of 25 determined and talented business and non-profit professionals (and 12 nationalities); a dedicated and visionary international board; committed and generous donors; and an impressive volunteer network of business leaders. It has certainly not been an easy journey. We took a tremendous risk in 1997 by entering the largely uncharted territory of supporting the planning, start-up, and development of social enterprises in emerging markets.

So it may not seem surprising that we celebrate the mere fact that we're still here after ten years, since, in a market as uncertain and unreliable as the social capital market, survival alone is grounds for celebration. This was a capital market that starved non-profit organisations, created dependence and disallowed long-term sustainability. It was this very uncertain and unreliable market that first motivated us to create NESsT in 1997.

## NESsT Venture Fund Profile: Corporación Educacional RUF Cunco (Chile)

### Creating sustainable livelihoods for rural indigenous women

**Social Mission:** Over 32 per cent of the indigenous Mapuche people live in conditions of extreme poverty. RUF Cunco develops economic opportunities for rural Mapuche women in southern Chile.

**Social Enterprise:** NESsT is providing the financing and mentoring to enable RUF Cunco to launch a social enterprise, MELILIWEN (Mapuche word for 'four sunrises'), a line of skin care products (creams and lotions) made from the extracts of

herbs and native plants grown by the Mapuche women. The products are then sold in high-end retail shops and salons in Santiago.

**Social Impact:** The social enterprise has a 'triple bottom line' – income generated from MELILIWEN provides fair-wage employment for 70 Mapuche women, covers operational costs of nonprofit RUF Cunco to do other rural development projects and, through the product promotion and sales, also increases public awareness of problems facing indigenous people.

'NESsT provides not just grants, but a whole package of support to build our capacity. Without the strategic support we received from NESsT we would not have achieved the results we have.'

## Sustaining relevance

In 1997, we completed our first study, The NGO-Business Hybrid, which led to the creation of NESsT. In the report, we explored social enterprises in 13 countries. At the time, the term 'social enterprise' hadn't achieved its ubiquitous status. Instead, we used the term 'self-financing' in describing the attempts of 15 NGOs to generate their own sources of income through commercial ventures, the sales of services or products. The intention was to identify some of the key challenges for NGOs to employ an entrepreneurial approach to supplement donations. At the time it wasn't easy to find even those 15 examples, particularly in an emerging market context which was (and remains today) our focus. The concept of an NGO-business-like approach seemed revolutionary (if not sacrilegious) to many at the time. Our references to the 'mentality of dependence within traditional donor-donee relations' and to donor practices that 'stunted the abilities of NGOs to look beyond traditional forms of funding and identify creative alternative financing sources' were not always well received. But although terminology has evolved over the last decade, we believe our *raison d'être* – stimulating a new perspective on philanthropy and non-profit financing – is as relevant today as when we stated it then:

'Adopting a self-financing approach involves re-examining prejudices and entrenched beliefs among NGOs as well as public and private donors themselves. Stimulating self-financing requires a forward-thinking attitude among donors who must work to develop more long-term, strategic partnerships with NGOs by investing in their institutional development and offering flexible resources for building management, resource generation, and programmatic capacities.'

## The evolution of the NESsT strategy

In 1998, with the financial support of a group of private foundations and trusts, NESsT launched its first initiative - the Sustainable NGO Financing Project (SNFP) - with partners in the Czech Republic, Hungary, Poland, Slovakia and Slovenia. The purpose of the SNFP was to learn from existing experience with 'NGO self-financing' (that is, social enterprise) and to develop an appropriate response to foster such activities in CEE. In 1999, NESsT started a similar process for Latin America, with an initial focus on Chile. We are often asked why NESsT chose to work in these two parts of the world since, at first glance, CEE and Latin America seem worlds apart. The response is both a personal and strategic one. Personally, we had long-standing ties with both regions. Nicole was born in Chile and both of us have lived and/or worked in both regions prior to founding NESsT. Strategically, both regions were going through rapid and difficult change, respectively, from their communist and dictatorial pasts. The shifts to an open market were having profound (and not always positive) effects on the non-profit/NGO sector. International aid and philanthropy began to evaporate as foundations and aid agencies shifted support to other 'more critical' areas and priorities. As a result, the local NGOs, still dependent on international donors, found themselves in a funding quagmire.

Much of NESsT's early work, including the SNFP, was focused on demonstrating the potential of self-financing/social enterprise in CEE and Latin America in three ways: action research to document the use of self-financing among NGOs and assess the wider legal and regulatory environment and infrastructure of support for NGO self-financing; development of tools and services to support NGO self-financing activities and practitioners; and development and pilot-test of a financing and capacity-building strategy to support a group of NGOs starting up and/or expanding self-financing activities.

Ten years later, these three elements remain a part of NESsT's strategy. We still see an important role for NESsT as a social enterprise investor (through the NESsT Venture Fund), as well as a leader in furthering the field on a global scale (through the NESsT University, sharing of lessons learned, research, legal/regulatory change, tools development and experimentation). In our tenth anniversary year, our attention shifted deliberately from a focus on demonstration and piloting our work on a small scale with a select number of social enterprises, to a new emphasis on scaling our impact - deepening our work in existing locations while also replicating our model in additional communities and countries.

## NESsT Venture Fund: from demonstration to scale

Over the last decade, NESsT has pioneered a unique philanthropic investment model to respond to the needs of CSOs developing social enterprises. We have reached hundreds of CSOs in CEE and Latin America with both financial and capacity support for social enterprise development. Recognising that social enterprises require different types of support at different stages of development, we have tailored our support to two portfolios:

**Early stage:** NESsT has invested heavily in an early-stage portfolio to help social enterprises prepare for the risks and avoid many common mistakes made during social enterprise start-up. We provide early-stage capacity investments and 'venture planning grants', enabling CSOs to complete all or part of a rigorous process to assess their readiness and capacity for social enterprise; test the feasibility of enterprise ideas; and complete a business plan. NESsT then also organises Investors Circles wherein CSOs present their business ideas to donors and social investors in an effort to hone their presentation skills and leverage co-financing.

**Later stage:** NESsT also supports a later-stage portfolio of CSOs with a multi-year package of capital and capacity support to enable them to start up and/or expand social enterprises. Our relationship with our portfolio is highly engaged. Our enterprise development staff works closely and regularly with each portfolio organisation, providing both venture grants and one-on-one business development support. We supplement this with the expertise and strategic advice of our local, pro bono Business Advisory Networks in each country.

Our pilot of this model in Chile, Czech Republic, Hungary and Slovakia demonstrated that, when empowered with the necessary skills and tools through a rigorous, engaged process, CSOs can dramatically improve their organisational effectiveness and increase their social impact through social enterprise development. In 2006, the NESsT Board therefore set the ambitious goal of expanding the NESsT Venture Fund from five to ten countries by 2007. As a first step, in 2007, together with foundation, individual and private sector partners, NESsT launched national Social Enterprise Competitions in seven countries. The response was tremendous. Starting this year, therefore, the NESsT Venture Fund is operational in Argentina, Brazil, Chile, Croatia, Czech Republic, Ecuador, Hungary, Peru, Romania and Slovakia.

## NESsT 10th Anniversary key accomplishments

**Events:** in 2007 we celebrated our 10th anniversary with a series of events culminating in the NESsT Social Enterprise Symposium in Budapest which brought together 150 social enterprises, philanthropists and business leaders;

**social enterprise competitions:** in 2007 we sponsored national social enterprise competitions in 7 countries in CEE and Latin America. The response was unprecedented, with over 250 applications submitted;

**expanding our geographic reach:** in 2007 we responded to the growing demand for our support by expanding our work from 5 to 10 countries, now covering Argentina, Brazil, Chile, Croatia, Czech Republic, Ecuador, Hungary, Peru, Romania and Slovakia;

**practising what we preach:** in 2007 NESsT generated nearly a quarter of our operating budget through our own social enterprise – NESsT Consulting - providing services for foundations, corporate clients, and international organisations;

**annual budget:** our budget nearly doubled from US\$1.2M in 2007 to US\$1.9M in 2008;

**new partnerships:** in 2007, NESsT began several major new partnerships, among them with the Charities Aid Foundation (CAF), Citi, ABN Amro, IFC, Inter-American Development Bank, and the Lemelson Foundation;

**expanded team:** we are now a team of 25 professionals, representing 12 nationalities;

**new publications:** continuing our commitment to document and share what we learn, in 2007 NESsT published more than 25 new books, case studies, legal guides, and surveys on social enterprise and venture philanthropy.

## Looking forward: from proving to scaling

As we reflect on our accomplishments and challenges of the last decade and look toward new ambitious goals for the future, our priority has shifted from proving our strategy to scaling it. But the rapid growth and emphasis on expansion in 2007 will be followed by a year of consolidation. As both the size of our portfolio and our staff has grown exponentially, 2008 will require a great deal of attention to strengthening our internal systems and capacity. By leveraging what we've achieved thus far, and now working as a part of a growing global network of colleagues and peers, we're on a trajectory to create a truly global social capital marketplace, to support a wider number of social enterprises, and to affect positive change in marginalised communities around the world.

Lee Davis and Nicole Etchart are co-founders and CEOs of NESsT.  
For more information, see [www.nesst.org](http://www.nesst.org)

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## Member News

### Ashoka elects first UK Fellows

Ashoka has elected its first four UK-based Fellows. Al Harris, founder of Blue Ventures, is a London-based marine conservationist who is developing an innovative model to roll out community-managed marine protected areas in Madagascar. Bob Paterson is developing a new approach to the creation of affordable housing, through the development of Community Land Trusts. Camila Batmanghelidjh founder of Kids Company, is a child psychotherapist who is working with the most vulnerable children, helping them to reengage with society and reduce their destructive behaviour. Faisal Rahman, founder of Fair Finance is working to redefine concepts of financial exclusion and place disadvantaged individuals at the centre of service provision, ensuring they have equitable access to services.

In addition, Ashoka has been supporting London-born Brazilian Fellow Luke Dowdney, to replicate his Fight for Peace project in East London. Luke's scheme aims at the social inclusion of children and youth in disadvantaged communities who are at risk of delinquency, through sports, education and the promotion of a culture of peace.

For more information, contact Ashoka UK Director Ben Metz at [bmetz@ashoka.org](mailto:bmetz@ashoka.org)

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### BonVenture adds ecological investment to its portfolio

In November, the BonVenture I GmbH & Co KG, the group's investment arm, added an ecological investment to its portfolio. The Solarlite GmbH has developed an innovative mini-power station that exploits thermal solar energy. This stand-alone system generates steam, heating/cooling and electrical power in the low-temperature area. Easy to use and cost-effective, the system is a contribution to reducing CO2 emissions and dependence on fossil fuels.

Also in November, the 2nd BonVenture Forum took place in Frankfurt. At the DialogMuseum, itself a portfolio project of BonVenture, social entrepreneurs met with investors, members of the BonVenture Board of Trustees/Advisory Board and numerous other guests to discuss topics related to social entrepreneurship and venture philanthropy.

The BonVenture gemeinnützige GmbH, a corporation similar to a foundation, has also added a new project to its portfolio. The Swiss-based non-profit organisation studienaktie.org is a contact point for aspiring students looking to obtain private funding for their aims. It acts as a mediator between students on the one hand and private 'educational investors', mentors or coaches on the other and also provides sample contracts and gives advice to those thinking of acting as educational sponsors. Students commit to repaying their loan as a proportion of their future income.

For more information, contact [www.bonventure.de](http://www.bonventure.de)

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### CEFS involved in study of performance measures for social entrepreneurs

Existing performance measurement schemes for German social entrepreneurs will be analysed and compared in a joint project led by Ashoka, Schwab Foundation for Social Entrepreneurship, EVPA member the Centre for Entrepreneurial and Financial Studies at TUM Business School and the University of Hamburg. The study will include a literature analysis, the documentation of existing schemes for evaluating non-financial objectives and semi-structured interviews with seven Ashoka fellows and two Schwab Social Entrepreneurs. The project's initial aim is to identify standardised and sector-specific characteristics and indicators for performance evaluation and derive from them potential improvements. Finally, a reporting system with contextual characteristics for social entrepreneurs will be developed. Ultimately, the hope is that, by enhancing transparency and documenting entrepreneurial success, social entrepreneurs will be able to attract investment more easily.

For more information, see [www.cefs.de](http://www.cefs.de) or [www.wiso.uni-hamburg.de/index.php?id=4236](http://www.wiso.uni-hamburg.de/index.php?id=4236)

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## Corporate Connect advises innovative new fund for developing countries

A global partnership of financiers, led by Dutch development bank FMO, has launched an innovative fund to help create local currency products in developing countries worldwide. The Currency Exchange Fund NV (TCX), a project on which EVPA member Corporate Connect worked as investment adviser, will start with a transaction capacity of US\$ 1.2 billion with further commitments expected soon. The fund will offer long-term currency and interest rate hedging in (sub)emerging market currencies to international investors, with their local counterparts as ultimate beneficiaries of the hedges. TCX assumes the currency risks previously transferred by international financiers to the local entrepreneurs and their local banks, and by doing so improves their business sustainability and reduces defaults. TCX investors will pay special attention to the Sub-Saharan Africa region, and to the microfinance, housing and infrastructure sectors.

In addition, Corporate Connect is currently advising TCX on its further expansion and has taken the initiative to establish a Local Currency Fund for Microfinance Institutions so that the whole sector, including small institutions that cannot afford to invest in TCX directly, might benefit from the TCX product range. Thus local currency products will be made available to the very bottom of the pyramid. The initiative increases the developmental impact of the microfinance sector and could potentially boost growth significantly in the sector globally.

For more information: Bernadette Blom, email [bernadetteblom@corporateconnect.nl](mailto:bernadetteblom@corporateconnect.nl) or Tanja Pelle [tanjapelle@corporateconnect.nl](mailto:tanjapelle@corporateconnect.nl)  
See also [www.corporateconnect.nl](http://www.corporateconnect.nl)

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## Esmée Fairbairn Foundation launches revised funding strategy

Esmée Fairbairn Foundation unveiled a new approach to its funding at the start of January this year. Under this new approach, there will be a Main Fund and a number of funding Strands. The Main Fund will distribute around two-thirds of the Foundation's funding. It will support work that focuses on the UK's cultural life, education, the natural environment and enabling people who are disadvantaged to participate more fully in society. The fund will consider requests for core or project costs, and for new and emerging organisations, and research funding will be considered where there is a clear practical impact. The funding Strands will be in areas where the Foundation considers more direct intervention may have a greater impact. The first three to be identified, and to which a total of £11 million will be dedicated over the next three years, are biodiversity, museum and heritage collections and new approaches to learning.

For more information, see [www.esmeefairbairn.org.uk](http://www.esmeefairbairn.org.uk)

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## JPA papers on creating more effective organisations

Trading income can have a major impact on organisational and programme development in the third sector, suggests a recent report by EVPA member, JPA Associates. It can be an important element of funding and maximisation of return should be an ongoing management objective. Based on recent work with a hospice organisation with a trading arm, JPA suggests that charities may develop greater profitability from their current trading activities by market expansion, achieving efficiencies and/or expanding the portfolio of enterprises. However, says the report, Growing your trading enterprise profitably: enhancing your financial and social return these steps must be premised on a dispassionate review of the current enterprise and of the market in which it is operating. It goes on to outline the steps of a basic review and some steps to achieve growth.

In another paper, entitled Data is more than Information, JPA suggest that an effective performance management approach supported by an efficient data management system produces a number of positive results for an organisation. Such a system supports everyone working together, knowing what they have to achieve and their role in doing so. Internal stakeholders can track how they are doing and make adjustments as appropriate. The approach also supports internal accountability and responsibility. Externally, the organisation can demonstrate to funders and government that they are using resources effectively, that there are achieving significant outcomes and having an impact – and from a social marketing and advocacy perspective they are able to effectively influence societal policy and funding priorities.

For copies of the papers, please email John Pepin at [john@jpa-group.com](mailto:john@jpa-group.com)

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## Study calculates benefits of educational investment

Educational initiatives which are well targeted - particularly at key junctures in young people's educational careers – can produce

benefits worth an average £15 for every £1 spent, according to a new report based on an analysis by the Boston Consulting Group (BCG) and undertaken on behalf of the Sutton Trust. BCG compared nine Sutton Trust programmes (the Trust provides educational opportunities for non-privileged young people and aims to improve social mobility in the UK) with three comparator programmes. The returns take into account only the present value financial benefit to the individuals who take part, and exclude the significant wider benefits to society. Taking the Sutton Trust Cambridge summer school as an example, the study calculated that it increases the percentage of participants applying to top universities by 24 per cent, and of those applying who take up places by 35 per cent. More of the participants will therefore gain a degree from a top university. By ascribing a financial value to such a degree and to those from a less prestigious university, the study calculates a 14 to 1 return on the investment made in funding the summer school. 'Investment works best when it is targeted at key milestones in a child's life: pre-school before starting primary education; transition from primary to secondary school; moving from school to college or higher education,' concludes the report, adding: 'Educational investment is better deployed when it is focussed on targeted individuals, such as those at highest risk of falling behind in primary school or bright pupils who may not fulfil their potential.'

To download the report, go to [www.suttontrust.com/reports/InvestingForImpact.pdf](http://www.suttontrust.com/reports/InvestingForImpact.pdf)

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## Developing charities' financial resilience requires new funding approach, suggests paper

Charities and voluntary organisations are more resilient if they have a range of funding sources, but it is harder, and takes longer than is frequently assumed, for them to successfully diversify their income base. It also requires a new approach from funders so that thoughtful, relevant funding is provided. This is the general conclusion of a briefing paper produced by Venturesome on the basis of its experience of working with such organisations who want to make the transition from grants to trading. This is not to suggest that they should not attempt to diversify their income, but rather that it often demands more capacity-building and financial support than is generally recognised.

For more information, contact Paul Cheng at [pcheng@cafonline.org](mailto:pcheng@cafonline.org)

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## January CIDEM breakfast showcases VP approaches to giving

Carlo Bonomi ([InvestIndustrial and i4c](#)), Enric Pantaleoni (Barcelona Business Angels and RavalText) and Jordi Robinat ([Fundació Alda](#)) were guest speakers at last month's CIDEM Breakfast. Carlo Bonomi talked about i4c his idea of a '1 per cent club' (see EVPA Newsletter, Spring 2007) under which, he estimates that if all Europe's Private Equity firms devoted 1 per cent of their gains to venture philanthropy, they would generate more than 330 million euros per year. Enric Pantaleoni talked about the RavalText initiative, which offers sewing services to big companies and generates jobs for immigrant women from the Raval neighbourhoods. And finally, Jordi Robinat presented the work of [Fundació Alda](#), which seeks to improve educational opportunities for Paraguayan children. The Breakfasts, organised monthly, bring together the main players in the Catalan investor market. The occasion therefore, provided an opportunity for the speakers to demonstrate the application of venture philanthropy approaches to a wider audience.

For more information, contact [mlloveras@cidem.gencat.net](mailto:mlloveras@cidem.gencat.net)

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## Fondazione Paideia co-organising March conference

Fondazione Paideia is co-organising an international conference in Padova from 26-29 March with a number of European research institutions. The theme is assessing the evidence-base of intervention for vulnerable children and their families. Conference speakers will come from Europe, USA and Australia.

For more information, see [www.fondazionepaideia.it](http://www.fondazionepaideia.it)

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## New chief executive for NPC

Martin Brookes is to succeed Nigel Harris as chief executive of the UK's New Philanthropy Capital (NPC). Brookes, who is currently head of research at NPC, will formally take over at the end of March, with Harris remaining with NPC until the end of April. [www.philanthropycapital.org.uk](http://www.philanthropycapital.org.uk)

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## Philanthropy news in general

### Euclid Network holds conference in Budapest, 17th – 18th April 2008



The European Network of Third Sector Leaders (Euclid Network) is holding a conference in Budapest next month. It will explore multi-stakeholder approaches to enhance local development, with a special focus on the partnership between financial institutions and the third sector. Delegates will examine innovative methods of finance within a Hungarian and a broader European context. Topics covered will include: Social finance, social investments and social enterprise.

For information visit [www.euclidnetwork.eu](http://www.euclidnetwork.eu)

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### Think-tank report aims to promote philanthropy among City firms and employees

A report by UK think-tank Policy Exchange has highlighted, among other things, the philanthropic activities of several individual leaders in the UK financial services sector. The report, Give and Let Give, aims to increase engaged giving among financial services industry professionals through a raft of policy recommendations. Individual giving in the UK lags behind that of the US and the increased participation of financial service professionals would go a long way towards closing the gap, argues the report. However, says Policy Exchange's research director, Louisa Mitchell, 'most City highfliers have been so busy making London the world's leading financial centre ... that they have lacked opportunities to be inspired towards social action. Give and Let Give, is based largely on in-depth interviews with leading City figures and philanthropy experts including Nicola Horlick (Bramdean Asset Management), Sir Tom Hunter (West Coast Capital), Damon Buffini (Permira), Jon Moulton (Alchemy Partners), Harvey McGrath (Man Group), Nick Ferguson (SVG Capital) and Lord Griffiths of Fforestfach (Goldman Sachs).

Among its examples of best practice and its case studies are proponents of venture philanthropy (and EVPA members) The Children's Investment Fund Foundation, and the CAN/Permira "Breakthrough" programme. 'Many City professionals lack an awareness of how to give in a structured way that goes beyond one-off emotional responses to requests for assistance,' argues Louisa Mitchell, adding: 'We need to provide vehicles so that the financial services community, when it is engaged, can channel resources easily and effectively.'

The report's recommendations include the development of a new web site for financially-literate City professionals, to stimulate their philanthropy, which would be connected to company intranets; the introduction by the City's professional associations of a gold standard initiative for financial advisers that include philanthropy in their advice; and companies taking the lead in inspiring employees to individual action by providing the opportunities to become engaged and access to giving vehicles. The study's lead researcher and co-author was Rob John, advisor to EVPA.

To download, go to [www.policyexchange.org.uk/Publications.aspx?id=478](http://www.policyexchange.org.uk/Publications.aspx?id=478)

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### New VP fund for Scotland supported by cross-sector investment

A new venture philanthropy initiative for Scotland is to distribute between £70 million and £100 million over the next decade. Managed by the Lloyds TSB Foundation for Scotland, Inspiring Scotland brings together resources from public, private, and voluntary sectors and will offer long-term funding packages to Scottish charities. The general aim of the initiative's first fund, the 14:19 fund, is improving the lives of young people and the Scottish Government is to make what the Foundation describes as 'a strategically significant element of the investment' in the project, contributing more than £9 million over the next three years, alongside support from individuals, trusts and foundations and business. 'We are working with a range of investors, all driven by a desire for social change,' said Andrew Muirhead, chief executive of the Lloyds TSB Foundation for Scotland. 'We are very excited by what we believe we can achieve.'

Source: Philanthropy UK Newsletter, 30 January 2008

For developments, see [www.inspiringscotland.org.uk](http://www.inspiringscotland.org.uk)

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### Social Franchise Summit report available

The report of the first international Social Franchise Summit, held in Berlin on 6 December and convened by the Bundesverband

Deutscher Stiftungen (Association of German Foundations) is now available for download from the Association's web site in English. The Association will also publish a Social Franchise Manual, also in English, at the end of March, which will explore the concept and offer practical guidelines for setting up a social franchise model. To access the report, go to [www.Stiftungen.org/Social\\_Franchise](http://www.Stiftungen.org/Social_Franchise) and click on the link 'Information about the Social Franchise Project and the International Social Franchise Summit.'

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## GrantCraft videos on common grantmaking challenges

GrantCraft has a range of videos which illustrate what it calls the insights and dilemmas of grantmaking from the point of view of the individual grantmaker. Each looks at how experienced practitioners coped with some of the most common challenges of grantmaking. Topics include Starting as a New Grantmaker, Building a Network, Managing a Funders' Collaborative and Scaling up Successful Work. To download, go to [www.grantcraft.org](http://www.grantcraft.org)

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Our mailing address is:

Crossfield Place, Weybridge, Surrey, KT13 0RG, United Kingdom

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