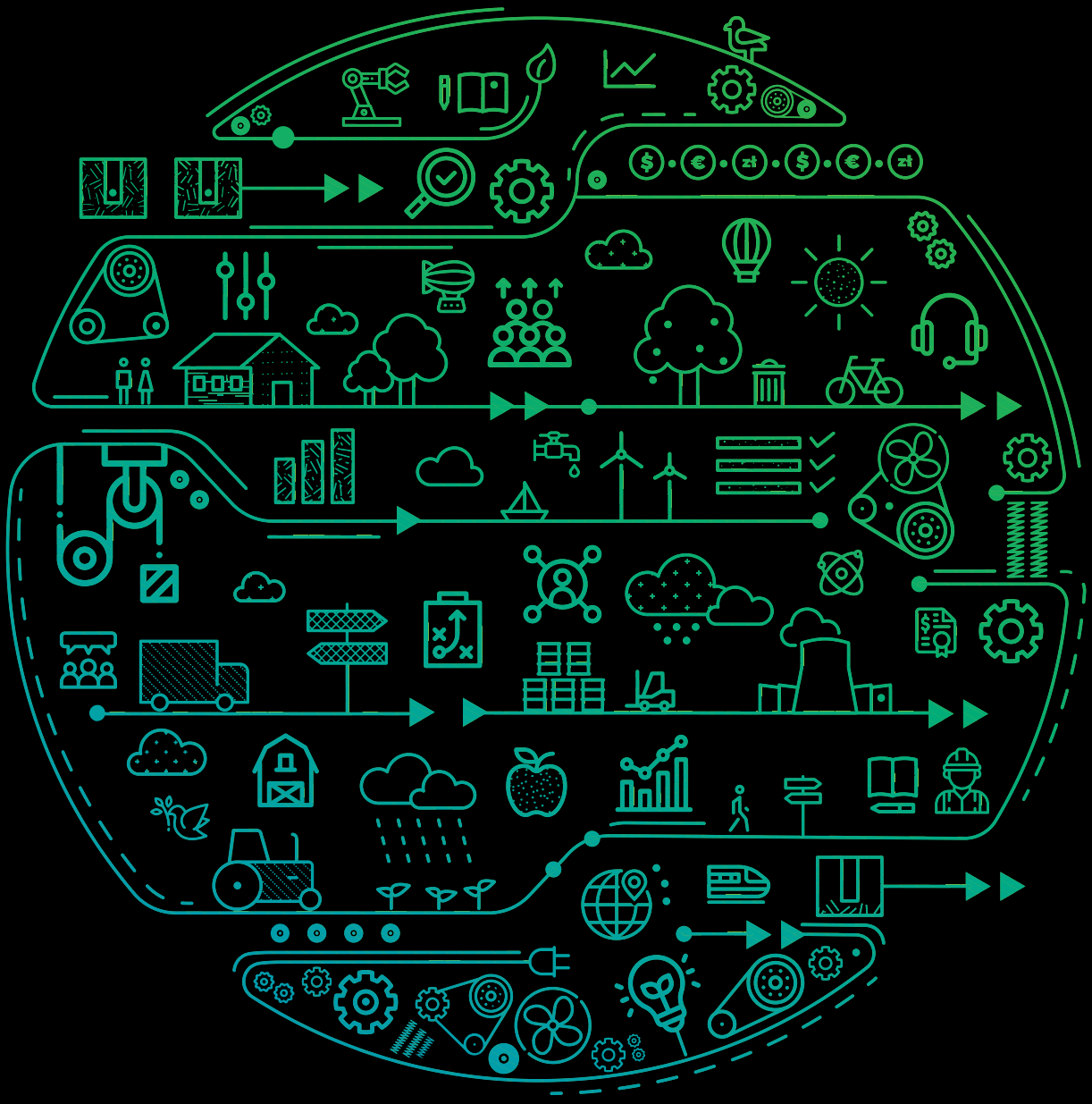
Deloitte.

Partners:

EVPA EUROPEAN VENTURE PHILANTHROPY ASSOCIATION

GLOBAL SOCIAL ENTREPRENEURSHIP NETWORK



Social Investment Leveraging Index

Investing for Impact in Central and Eastern Europe

November 2018

Executive Summary 4
9 Reasons to Invest for Impact in Central and Eastern Europe 6
Call to Action - Invest for Impact in Central and Eastern Europe 8
Central and Eastern Europe: Opportunities for Social Investment 10
Deloitte Social Investment Leveraging Index 16
Balkans Social Investment Scorecard 26
Baltics Social Investment Scorecard 28
South Eastern Europe Social Investment Scorecard 30
Visegrad Group (V4) Social Investment Scorecard 32
Social Investments, Venture Philanthropy & Impact Investment Ecosystem 36
Impact Investment Strategies 42
Key Players in the CEE Social Investment Ecosystem 44
Glossary 46
Appendix 47
References 49
About 50

“Social investing is gaining traction, and for good reason! At its core, it lies in the middle of the spectrum between traditional investing and innovative ways of solving various societal challenges. It allows for the utilization of advanced financial instruments to not only maximize profit, but also have social or environmental returns! This form of investing has drawn traditional investors into social investing as it gives them the opportunity to engage in the areas of impact they feel passionate about, which creates great development opportunity.

This report is the first of its kind for Central and Eastern Europe and beyond. In developing the Deloitte Social Investment Leveraging Index, our aim was to gauge interest in the region, open up the dialogue on expanding social investments, and bring attention to opportunities arising in this diversified region of the world. We sincerely hope you enjoy it and gain valuable insight into leveraging your potential investment here."

Irena Pichola, Partner
Energy, Sustainability & Economics Team at Deloitte Poland

"I have personally found the venture philanthropy model to be the most powerful and compelling method to extend assistance to socially excluded persons and communities because it merges benevolence with direct engagement that is thoughtful, efficient and impactful.

I am thus very proud to be part of the venture philanthropy programs established to this end by the private equity community which regularly engage dozens of private sector professionals, primarily with their skills and experience, but also through their targeted monetary support.

I encourage you all, traditional foundations, philanthropists, seasoned investors and business entrepreneurs to explore the potential for leveraging social impact through venture philanthropy and social investment in Central Europe. You will find it as a rewarding experience and an effective investment.

I sincerely hope this report helps you better understand the exciting potential of social investments in Central and Eastern Europe!"

Robert Manz, Managing Partner, Enterprise Investors
Co-Founder of Valores – first Polish Venture Philanthropy Fund

Executive Summary

The world's pressing social problems cannot be solved neither by governments, philanthropists nor corporations on their own. Social investment* brings diversity and innovation in funding solutions to societal challenges and by that helps to make the capital market more efficient.

In Central and Eastern European countries (CEE), social investment is becoming more and more important in nurturing and financing the growth of non-profits and social enterprises. These emerging markets have faced significant challenges in rebuilding their economies and social sectors simultaneously. Despite unprecedented fast integration with Western Europe, the process of transition revealed unaddressed social needs such as an aging population, inclusivity of vulnerable groups, disability, health issues, unemployment and many others.

*See definition of social investment in the Glossary

Social investment and venture philanthropy are well positioned to tackle those challenges. Financial capital dedicated to this approach has been growing steadily in CEE, by 5 percentage points since 2014. Social investment starts with the social needs addressed, where the success is measured by social impact achieved. The key drivers in addressing the social needs are the service delivery organizations. These can include community organizations or non-profit organizations, social enterprises, social businesses and social impact-driven businesses. Most of them apply business principles and practices, strive for financial sustainability, and reinvest their financial returns to achieve their social objectives.

The Deloitte Social Investment Leveraging Index (DSILI) developed by Deloitte in partnership with EVPA and GSEN provides arguments on why supporting those service delivery organizations through social investment may yield significant social returns in Central and Eastern Europe. Showcasing the Social Investment Leverage across the four sub-regions in CEE (the Balkans, South Eastern Europe, the Baltics and the Visegrad Countries), this report argues that by investing in one of the countries of this region, one is contributing to the growth and development of an integrated Europe.

Moreover, the report presents several concrete steps for potential private and institutional social investors to engage in developing a conducive social investment ecosystem:

1. Primarily, the report encourages wealthy individuals and private foundations to provide flexible philanthropic capital that can serve as seed investment. It also calls for investors to engage with early-stage, patient capital (EUR 50 - 150K) in supporting most promising social organizations and enterprises. Thus, addressing the financing gap in the social investment market.

2. It also calls for support in attracting new investors to the region and home-growing local ones, by peer-to-peer exchanges, as well as through sharing its experience and expertise in the local settings.

3. Finally, the report prompts investors to engage with pipeline building programs, in order to foster their collaboration at the regional level. This can lead to investment readiness of the businesses instead of waiting at the end of the pipeline for the perfect deal.

The success of the social investment in Central and Eastern Europe is closely tied with its geographical location, proximity to EU markets, talent and entrepreneurship across the countries. Strong infrastructure of the social sector, combined with an understanding of the challenges will ensure that the situation and life of vulnerable target groups can be significantly improved through adequate financing. The investors can rely on number of the existing networks and few but long standing social investors, as a source of information, knowledge and also co-investing partners in the potential transactions.

The region is an exciting, emerging market, where social investors can address critical social problems at scale and be the pioneers in attracting new players and new investments to the field. In Central and Eastern Europe incoming or home-grown social investors will not only make an effective investment but also can have exceptionally rewarding personal experiences.

9 Reasons to Invest for Impact in Central and Eastern Europe

Central and Eastern Europe is part of Europe!

1

Investing in an integrated Europe. While investing in CEE you are contributing to the prosperity of all of Europe. Strong and fair neighboring economies help each other grow.

2

EU integration and pre-accession programs stimulate entrepreneurship and infrastructure development. Following successive waves of EU accession, nearly all of CEE is politically integrated into the EU. As a result, CEE offers investors developing market opportunities for social investment but with manageable market risk.

3

The emerging region with projections for long-term growth. Majority of the fastest long-term growing economies in Europe are in the region – 9 out of 12 European countries with growth above 3% are located in CEE.[1]

4

Location, location, location. The CEE region is at the heart of Europe, with a population of over 169 million, including 11 of the 28 EU member states, and a GDP nearly equal to that of the Nordic region.[2]

Direct impact with high leverage!

5

Put your money to work where you are most enticed! The Deloitte Social Investment Leverage Index identifies high social investment leverage opportunities throughout the different country clusters of the region.

6

There are diversified social needs that your investment can help address. The social-economic and cultural diversity of the region means that there are immense social needs that can be addressed through social investments.

7

There is an array of specific target groups your investment can be aimed towards. Differing demographic structures and levels of development in countries of the region translate into the opportunity to have an impact on a variety of target groups, as well as the environment.

Partners, networks and entrepreneurial spirit to rely on!

8

Reliable networks and partners to cooperate with. Despite early-stage development of the market, there is a handful of social investors already working at the regional level. Established intermediaries offer support throughout the investment process, including pipeline building, due diligence and impact measurement.

9

Talent and entrepreneurial spirit across the region. The turbulent history of the region, its accelerated transformation from socialist to free-market economy and the integration within the global economy released the potential and energy of the young generation. High levels of education and a long tradition of technical and engineering training combined with flexible labor markets complete the open and welcoming investment environment.

Cracow

Tallinn

Call to Action - Invest for Impact in Central and Eastern Europe

In order to further integrate Central and Eastern Europe with Western Europe, not only economic growth, but also sustainable, inclusive development is required. The growth and development of social entrepreneurship, as well as support for all the actors that make up the social investment ecosystem, is essential for European integration. In certain aspects, only social investment can offer key solutions tackling social disparities between European countries. The mix of local, context-specific solutions, and European-wide support with knowledge that social organizations and enterprises can offer make the social investment the most viable options in addressing often-overlooked pressing social inequalities.

However, the development of social investment in Central and Eastern Europe is subjected to core challenges that need to be address to seize its potential.

- **First**, further access to tailored capital is required for all types and sizes of investment. In most cases, this includes the necessity to provide long-term, patient capital, as traditional funding methods are often short-term, result driven, and thus do not offer the social players the necessary long term stability.
- **Second**, a more stable infrastructure for social organizations and enterprises is required. Complex and bureaucratic regulations are not stimulating social investments to grow.
- **Lastly**, further fostering of regional collaboration is necessary. The limited number of current actors and open-minded investors still curtails the development of social entrepreneurship.

Venture philanthropist and social investors often have strong preferences for investing in their home markets. However, if we really want to scale social enterprises, their impact and build a single European market for social innovation in a truly integrated Europe, it is key to foster cross-border venture philanthropy and social investment. Below are a few recommendations on how to possibly make this happen.

Call to Action - Invest for Impact in CEE

1 Become an investor in existing or developing venture philanthropy and social investment funds in the region. Selected players are included in the Key Players in the CEE Social Investment Ecosystem section.

2 Engage directly with social enterprises or social organizations, already verified and supported by other organizations in the region, as investor or co-investor – look out for the first CEE online market place (to be developed by EVPA) to pick and choose your social investment opportunities in the region.

3 Build your understanding of the region and networks through engaging with regional players and attend locally based events that build investment community and offer opportunities to invest. Venture philanthropy and social investment funds in the region offer many diverse opportunities for hands-on engagement and informative meetings and events.

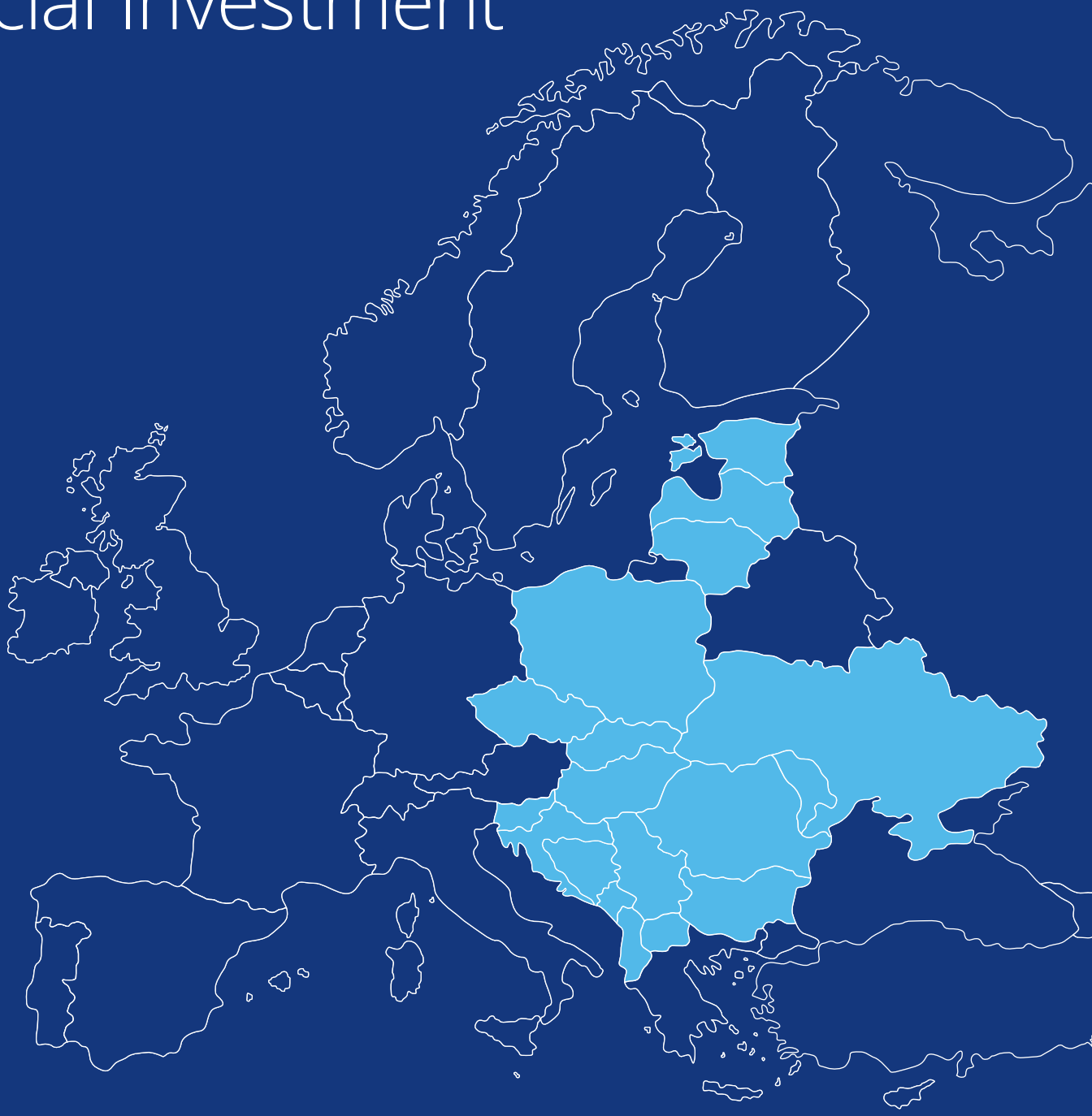
4 Invest in the infrastructure organizations their training and capacity-building efforts, rather than running such programmes directly. Provide funds to help these organizations in their sustainability efforts in pipeline building.

5 Engage with social enterprises and other social organizations as reliable suppliers in your value chain, and capable business partners in preparing at risk and vulnerable individuals to fill your talent needs in a private company or corporation.

6 Become an ecosystem builder and engage in dialogue with governments to represent investors' interest - jointly with local partners, advocate for new financial instruments, incentive frameworks for social investor community to engage as well as efficient allocation of public funding as seed or co-investing. Allow for loose business model definitions, as rigid legal definitions of social enterprises may stifle further organic development.

7 As a governmental or public investor, work towards the opening of public sector markets, and the use of public procurement to social enterprises and socially driven businesses, so they can compete with other market actors.

Central and Eastern Europe: Opportunities for Social Investment



Global & European Perspective

The average budget of venture philanthropy and social investment funds increase yearly. In 2017, the average amount allocated was EUR 10.7 million a **9% increase** compared to the previous year!

60% of investors worldwide say they align their investment decisions with an Environmental, Social, and Governance (ESG) strategy.[3]

50% of impact investors made their first impact investment within the last ten years.[4]

Achieving the UN's Sustainable Development Goals (SDGs) calls for the incredible amount of **USD $3.1 trillion** per annum to fill the gaps.[5]

Data from the 2018 ANDE Annual Conference data shows that **14% of global impact investing funds** are deployed because there is not enough enterprises ready to take on investments.[6]

Worldwide **8% capital growth** rate for impact investments.[7]

Key sectors for social investors are Economic and Social Development (29%), Financial Inclusion (27%) and Education (12%)

Key final beneficiaries of VPO/SI support include people in poverty, children and youth, people with disabilities, as well as migrants, asylum seekers and/or refugees. For the last group, the support has doubled within the last two years.[8]

Central & Eastern European Perspective

2% to 7%

Significant growth in funding social investment and venture philanthropy in CEE from European sources in the past years: from 2% in 2015 to 7% in 2017.[9]

High and medium Deloitte Social Investment Leveraging Index Scores, allowing for social impact investors to really make a difference.

169 million

Population of over 169 million people (over a quarter of Europe's whole population)*.

$1 trillion

Aggregated GDP of over USD $1 trillion. Mix of emerging and developed markets.

9 countries

Of the 12 European countries projected to grow over 3% in 2018, 9 are in Central and Eastern Europe.[10]

Regional Opportunities

Integral part of the European Economy

No other emerging market region has become integrated so quickly into the developed world. Of the 19 countries analyzed in the Deloitte Social Investment Leveraging Index eleven are already EU member states, being economically and politically integrated with the European Union. The proximity to larger European markets has made countries of the region key trading partners, and established CEE as an integral part of the European economy. In the past decades the region has often been a magnifying glass for international developments and conflicts that have influenced Europe as a whole. Some social challenges that are emergent or still dormant in Western Europe have manifested themselves in CEE earlier and with great force. One might even speculate that the 21st century CEE is sometimes ahead in developments that affect societies – in terms of challenges but also solutions, increasingly applied through the social investment approach.

This is reflected also in the potential of social investment in CEE as the Deloitte Social Investment Leveraging Index portrays.

*Population estimates for countries covered in report.

A maturing market with acute social needs and determination for economic and social development.
After 1989, the countries of the region have responded fast to the free market and global economy. Countries like Poland, the Czech Republic and the Baltic States have paved the way for economic transformation and within 20 years made social and economic progress that took centuries for many countries of the Western World. Companies are increasingly showing support for community engagement, philanthropy, CSR and shared value practices, while consumers are becoming increasingly more conscious on sustainable and inclusive solutions.

A region with the social backbone and entrepreneurial talent for a strong social investment ecosystem.
In the process of transformation, social players clearly played a crucial role. People engaged in different social initiatives and social organizations that opposed totalitarian regimes contributed to their collapse. They have also heavily influenced the process of transition after 1989*. Those experiences shaped the entrepreneurial attitudes in the region, resilient and creative in the absence of resources. The entrepreneurial drive and talent is confirmed by the boom in technology start-ups in the region, which have increased over tenfold in the last six years alone.[11] The countries of the region boast some of the highest math and science test scores in all of Europe.[12] High levels of education and a long tradition of technical and engineering training combined with flexible labor markets create the foundations for innovation and entrepreneurship.

Presence of few but strong ecosystem players across CEE.
A number of different players are slowly paving the way for the social investment ecosystem to grow. As a result new funds are being created across the region. Those funds, with EUR 1-2 million size, respond to the missing gap in financing of the growth of social enterprises. The EIF is now also backing up the creation of large impact investment funds – one of the first ones being the Impact Ventures in Hungary. Governments are slowly realizing they have a role to play and offer subsidized loan schemes or co-fund acceleration initiatives. Furthermore, few financial institutions are paving the way for more adjustable financial schemes. However, the limited and restricted funding opportunities end up creating a limited pipeline, even though there are multiple intermediaries working on creating one. Ecosystem players, such as EVPA, NESsT, and GSEN, are working to address the financing gap and with its coverage of the region they are serving as a one-stop shop for investors on knowledge and opportunities in the region.

CEE Fund Support Program to develop small VP/SI funds (EUR 1-2 million)

EVPA facilitates the process of the small fund development: engaging potential investors, educating them on venture philanthropy and social investment concepts, sharing learnings and experiences in setting up the fund, developing investment process and portfolio management. The program offers also matching funding on 3:1 basis, encouraging not more than 25% of public funding participation. Based on the model of first Polish VP (Valores) fund few funds have been inspired or co-created through the CEE Fund Support Program: Mozaik Impact Fund in Bosnia & Herzegovina, Good Deed Foundation Impact Fund in Estonia or Tilia Impact Ventures in Czech Republic. Two more funds are in the process of development in partnership with incubation programs run by SmartKolektiv in Serbia and CEED in Macedonia.

www.evpa.eu.com/central-eastern-europe-cee/cee-fund-support-programme

*See analysis in: Civil Society in Central and Eastern Europe: Challenges and Opportunities. ERSTE Stiftung Studies, 2017

Attracting early-stage, patient capital to CEE – regional collaboration.

In 2015 EVPA, NESsT and GSEN joined forces to integrate national social investment ecosystem players at the regional level to address the financing gap for social organizations and enterprises. Through a series of meetings and awareness raising activities across CEE, the pan-regional network of players, gathered under this objective, embraces now several dozens of organizations, impact investment funds and companies, enhancing exchange, learning and collaboration. The shared objective, and effort around strengthening regional ties, resulted in developing this report and bringing the 14th EVPA Annual Conference for the first time to Central Europe, in November 2018 – as the means to attract investors to deploy their social investment in the region. The collaboration will continue in the form of regular gatherings attached to the social investor meetings organized by EVPA and national events hosted by EVPA members and partners across CEE (i.e. Social Innovation Forum in Belgrade, IMPACT in Croatia, Social Economy Conference in Poland, CEE Impact Days in Vienna, and others).

Stay tuned with the event's calendar and information on activities in the social investment space in CEE.

www.evpa.eu.com/central-eastern-europe-cee

"Social investments have a tendency to think too local. The experience of cross-regional impact investments in CEE projects / entrepreneurs are a fundamental component to strengthen the European sense to be in one cultural and economic heritage we need to preserve and foster."

Stephan Dorfmeister, social investor active in CEE

Case Study*:

Employment for women from urban and suburban areas in Albania

Investor
Yunus Social Business Balkans

Country
Albania

Investee
City Tex shpk

Social problem

Marginalized women from urban and suburban areas in difficult social and economic conditions have very low income opportunities and suffer from high unemployment. They have little access to professional training and skill development schemes.

Solution

The company provides stable employment to disadvantaged women including above market average wages and fair working conditions, to enhance the livelihoods for the families. Through employment they receive job training and the social business promotes good practices for the local garment industry.

Business model

The garment factory produces work wear and t-shirts for international brands. The social business work under the *"facon"* model, i.e. doing mainly the cut- make-trim processes and exporting to European clients. These clients outsource the production of their products, in order to be more efficient and have more flexibility in terms of quintiles of production and time deliveries.

Financial instrument

Equity and loan. 20% of equity + EUR 335K in soft loan (quasi equity loan: lower than the market interest, 7 years duration, without personal guarantee/collateral) + plus free post investment support

Non-financial support

Long term engagement with the Yunus Social Business staff advising on objectives, and financing plans of the company.

Impact to date

- From 25 employees in the beginning, the company has now reached the total number of employees up to 95 in total, where 91% are females from rural areas near Tirana & Elbasan;
- 80 employees trained per month on average;
- Number of employees trained yearly is up to 300;
- Since the company has all the necessary equipment with the latest technology for different lines of production, it is in negotiations with potential clients in Europe. The possession of those assets is an added value for further increasing the number of employees in the future.

*The selection of all case studies in the report was done solely by EVPA and GSEN representatives. Deloitte bears no responsibility and support for or association with the organizations presented in the report.

Case Study:

Reducing landfill waste while creating employment opportunity

Investor
Mozaik Impact Fund

Country
Bosnia & Herzegovina

Investee
AXIS

Social problem

More than 20 tons of poultry meat leftovers are being dumped or burned at local landfills by poultry processing factories around the town of Tešanj in Bosnia and Herzegovina every day. The process is often poorly managed and not environmentally friendly. Another problem is the highest unemployment rate in Europe and a 17% rate of low-skilled population living in poverty.

Solution

Minimize waste send to landfill by separating chicken paws and processing them into edible delicacy popular in Southeast Asia. The process used is eco-friendly, thus creating only biodegradable waste.

Business model

Factory located in impoverished area of BiH, training and providing decent jobs t to unemployed locals. The chicken feet are collected from chicken processing factories, prepared, glazed for export to foreign markets in Asia. Contracts for delivery of 50-70 ton per month already signed.

Financial instrument

Seed investment/venture capital – EUR 13,000 so far.

Non-financial support

High engagement with mentors from Mozaik and external, valued at EUR 8,000 so far.

Impact to date

Cutting local poultry waste that goes to landfill by 360 tons in the 1st year of operation; More than 20 low skilled workers will find employment at this facility.

Deloitte Social Investment Leveraging Index

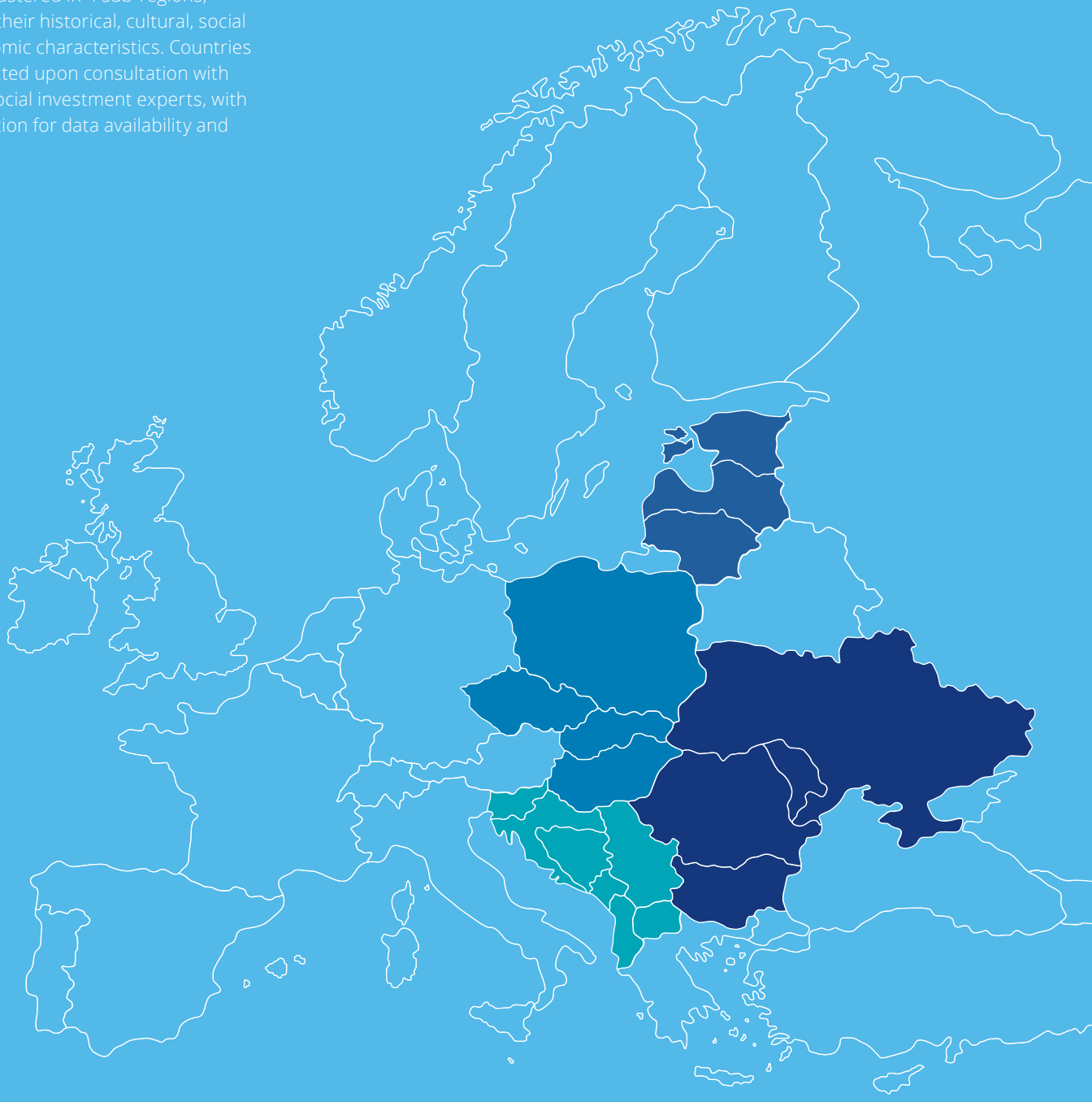
The Deloitte Social Investment Leveraging Index (DSILI) is a tool created by Deloitte in partnership with EVPA and GSEN to address the barriers to growth of the social investment market in Central and Eastern Europe. It is a unique, first-of-its-kind introductory tool for social investors, social entrepreneurship practitioners, and policymakers who consider entering or further advancing the social investment markets in the region.

The reason for creating the DSILI derives from the need to showcase the social investment potential in CEE, as a mean to attract early stage and patient capital – either from outside of the region or from home-grown social investors. With this report and the index, we aim to provide existing and new social investors with an overview of the social investment reality in CEE in order to increase their interest and eventually translate it into deployment of tailored social investment capital.

Thanks to the DSILI, social investors will be able to able to assess the potential impact of social investment in the CEE region, while also identifying specific needs that need to be addressed and opportunities to be utilized.

Countries covered

For the purpose of this report, Central and Eastern Europe covers 19 countries that are clustered in 4 sub-regions, based on their historical, cultural, social and economic characteristics. Countries were selected upon consultation with regional social investment experts, with consideration for data availability and quality.



Countries covered: 4 sub-regions

- **Baltics** (Estonia, Latvia, Lithuania)
- **Visegrad Group** (Poland, Czech Republic, Slovakia, Hungary)
- **South Eastern Europe** (Romania, Moldova, Ukraine, Bulgaria)
- **Balkans** (Slovenia, Croatia, Kosovo, Albania, Montenegro, Serbia, Macedonia, Bosnia-Herzegovina)

Dimensions of the Index

The index covers three dimensions: socio-economic situation, social investment ecosystem, and societal needs with scores for each. These three areas provide an overview of the opportunities in the current state of social investment in the sub-regions, while also capturing its potential and highlighting the key unaddressed social challenges.

Social Investment Ecosystem Survey Indicators:

- Quality and relevance of NGOs and social enterprises
- Current financial support for social purpose organizations from state institutions
- Ease of business model scalability
- Presence of social investors that can be part of a joint venture/co-investment agreements
- Availability of crowd-funding platforms
- Presence of incubators, accelerators, and capacity-builders
- Quality of impact measurements
- Legal support for impact investing and venture philanthropy

Public data:

- Number of small and medium enterprises per capita
- Ease of doing business
- Number of billionaires
- Social support
- Generosity
- Philanthropic contributions per capita
- EU membership (binary data)

Dimension 1:
Social Investment Ecosystem

This dimension captures the support system in place for potential social investors, which includes the state of the NGO sector, social enterprise, government and institutional support, and private support (including service providers, accelerators and incubators, and other players). The indicators in this dimension were identified by social investors as key when deciding whether to invest.

Dimension 2:
Social Needs

The score reflects how well a country has addressed the social and environmental needs of their citizens. It is measured on the basis of fourteen indicator groups. Twelve of them are taken from selected Social Progress Index components (see Appendix). The thirteenth and fourteenth relate to the social inclusion of the marginalized (i.e. the impoverished, the disabled, minorities).and the overall employment opportunities. These two were specifically created for the Deloitte Social Investment Index.

Social needs indicator groups:

- Nutrition and basic medical needs
- Water and sanitation
- Shelter
- Personal safety
- Access to basic knowledge
- Access to information and communication
- Health and wellness
- Environmental quality
- Personal rights
- Personal freedom and choice
- Tolerance and inclusion
- Access to advanced education
- Social inclusion
- Employment

Dimension 3:

Social and Economic Background

This dimension captures the most crucial macro-level numbers about the economy, social cohesion, and state of current affairs in each of the sub-regions. It offers initial insight into the analysis of each country, and its weight in the Deloitte Social Investment Leveraging Index is by far the lowest.

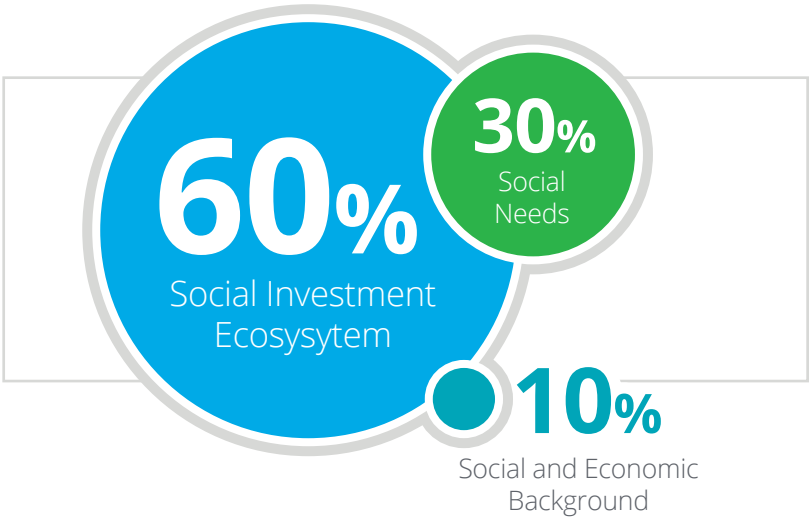
Social and economic background indicators:

- GDP per capita (PPP$)
- World Giving Index score
- Global Competitive Index Score
- Doing Business Index score
- Level of income inequality (Gini coefficient)
- Research & development expenditures (as % of GDP)
- Social expenditures (as a % of GDP)
- Higher education enrollment rate
- Unemployment rates
- Digital access rate
- Consumer market size (Household final consumption expenditure)
- Financial access (access to formal banking institutions)
- Openness Index score

Weighing the dimensions

The weight assigned for each dimension was selected following consultations with social investors, social organizations and enterprises, individual social entrepreneurs, grant-makers and intermediaries.

The description of the calculation of the DSILI based on the assessment of three dimensions can be found in the Appendix.



New Investor Prospect Score

The new investor prospect score comes from the DSILI survey. It is based on the declarations on the willingness to invest in a given country or region by investors who are currently not doing business there. It is not reflected in the index scores, as it is not an evaluation of current social investment leveraging.

Case Study:

Social inclusion of children with Down Syndrome or autism

Investor
ERSTE

Country
Hungary

Investee
Rejtett Kincsek Down Egyesület (Hidden Treature Down Syndrome Association)

Social problem

Social exclusion of children with Down syndrome, autism or other mental disability.

Solution

Rejtett Kincsek Down Egyesület has developed a holistic program to support kids and adults to be fully integrated socially and economically in the mainstream society. They follow the members from birth to everyday life, by providing early development programs, information, training, community events and educational support in schools.

Business model

The unique Csodavár (miracle castle) is an inclusive development center, playground and café under one roof. Professional conductors support the kids with normal and special needs to learn, play and develop together, hence make the common life obvious to them.

Financial instrument

EUR 92,000 in two loans, provided by ERSTE bank Hungary, with interest rates at 5.5% and 4.8%. One is an overdraft for running costs of the new project. The other is an investment loan for renovation of the building, furniture, setup of the cafeteria, special tools for children development.

Impact to date

Since opening, more than 1000 kids with special needs visited the center and they have 50+ recurring families for development programs.

www.downegyesulet.hu

Case Study:

Re-skilling displaced workers in technology and programming

Investor
Currently looking for an investor, in due diligence with NESsT

Investee
Coders Trust

Country
Poland

Social problem

EU predicts that 91% of future jobs will require programming skills.[13] For the moment, Poland lacks over 50,000 IT specialists and over 2 million people will need to reskill to new jobs, the market is significant – approx. EUR 150 million. As the IT industry faces one of the biggest gender gaps and can include marginalized persons, women (at-risk or not) and disabled persons are one of the main beneficiaries of Coders Trust.

Solution

Coders Trust provides coding blended education (Java Programmer, FrontEnd, Tester, WordPress, Virtual Assistant), via intensive courses and practical bootcamps, which provide vocational education and reflect job market demands. The company prepares its graduates for the job market and connects them with potential employers.

Business model

The courses are purchased by (1) individuals who desire a career change, by (2) companies who provide IT upskilling/reskilling opportunities to their employees, by (3) universities (business schools) who offer such courses to their students, and by (4) government – to citizens, including disabled persons.

Financial instrument

EUR 30,000 from founders, EUR 68,000 in grants.

Non-financial support

Financial advice and acceleration support to scale up.

Impact to date

- 320 students trained (40% are women, 15% formerly unemployed) – 80% found a job after the training;
- Adaptation of a course for disabled (WordPress & FrontEnd) and successful test completed.

Investment needs

Coders Trust seeks up to EUR 1 million equity, to further develop its platform, to strengthen its team, to enhance marketing efforts and to prepare the expansion in two other countries (UK and Spain). It also needs grant funding to include in its educational program women/disabled/children who cannot afford a course.

www.coderstrust.pl

Levels of Social Investment Leveraging

The Deloitte Social Investment Leveraging Index (scored from 0 – 100) is divided into four levels of impact potential. The final index scores assigned to each sub-region correspond to a certain threshold that outlines the social investments' ability to create a significant impact. The four levels of the potential social investment leveraging are:

Low Social Investment Leveraging

(Index score of 0 – 37.4)

The potential of an investment having a significant impact is uncertain, and subject to the specific situations. In most such cases, the impact investment ecosystem is not yet mature enough to handle and adequately utilize the potential investment.

Medium Social Investment Leveraging

(Index score of 37.5– 50)

There is a likely chance for social investors to make a significant impact. However, investors need to provide some level of self-management and ensure that they supervise the deployment of capital. In this case, either the ecosystem still needs to mature, or certain social needs that are more widespread and difficult to address.

High Social Investment Leveraging

(Index score of 50 – 62.4)

Countries of Central and Eastern Europe should aim to fall in this category. Such a score indicates that both the social investment ecosystem is mature, and there are important social needs to be addressed.

Very High Social Investment Leveraging

(Index score of above 62.5)

This level corresponds to both a very mature impact investment ecosystem, and a significant need to address key social problems. Scoring within this level should be considered rare globally. Advanced economies with well-established and mature investment mechanisms and strong social sector involved that are facing particular regionalized inequalities and unaddressed social needs, such as the United States, or some of the Nordic countries could potentially fall into this level.

Summary of the results of the Deloitte Social Investment Leveraging Index

The sub-regions vary in terms of the level of market development ranging from emerging to developed markets. The region has not yet played a significant role in the development of social investments as a new form of assets and investment opportunities. However the steady growth of the field can be observed (from 2% to 7% of funding deployed in CEE since 2014). With this in mind, the scores of the Deloitte Social Investment Leveraging Index identify a uniting feature for the region: promising social investment potential.

As the table on the next page demonstrates, the social & economic background indicators in all sub-region clusters rank relatively high (in this context, above a score of 50). These numbers correspond to areas where ecosystems catering towards social investments have already began formulating, but where a vast array of social needs still exists.

	Social Investment Ecosystem	Social Needs	Social & Economic Background	**Social Investment Leveraging Index**
Balkans	37.3	43.6	52.5	**40.7**
Baltics	57.4	33.5	58.3	**50.3**
CSEE	48.7	53.0	50.5	**50.1**
V4	50.7	28.7	60.9	**45.1**

The potential for leveraging social investments in the region may vary across the region, with engagement of different actors, institutional environments and development paths. Some challenges and developments expected over the next 10-15 years can be shared across countries (i.e. professionalization of social players) or seem to be part of a common pathway in which the sector will move at different speeds (i.e. in- and outflow of foreign donors or public institutions engagement). There are trends unique to countries and sub-regions, aligned with specific cultural, economic, social and political realities, that needs to be taken into consideration and looked upon as opportunities for engagement.

Case Study:

Combating and preventing bullying in schools

Investor
Good Deed Foundation

Country
Estonia

Investee
Kiusamisvaba Kool (Bullying–free School)

Copyright: Iris Kivisalu

Social problem

Above EU-Average bullying in schools.

Solution

KiVa is a research and evidence-based anti-bullying program with the three pillars: prevention, intervention, and research and analysis. Implemented on a permanent basis it seeks to combat bullying through feedback from children and parents alike, while also fostering a dialogue over how to prevent bullying in the first place.

Business model

It has mixed financing model: partly funded by schools and local municipalities, partly government grants, partly private sector.

Financial instrument

Grant support from Good Deed Foundation and from public sources.

Non-financial support

The Good Deed Foundation provided access to its network of partners and volunteers, business planning and management, as well as strategy consulting, among others.

Impact to date

- In these schools, the 5-year rate for proportion of pupils who are victims of bullying has fallen from 21.5% to 14.5%;
- The KiVa program has helped to resolve or mitigate cases for up to 98% of bullying victims;
- In Estonia alone, the program runs in 50 schools.

www.kiusamisvaba.ee

Case Study:

Addressing an aging society – support for elderly & disabled

Investor
ERSTE Foundation (Austria) and ERSTE Bank (Slovakia)

Country
Slovakia

Investee
Barlicka

Social problem

Depopulation of the region and remaining aging citizens with disability and social exclusion challenges.

Solution

Residential care home servicing approx. 30 seniors 24/7 and day-care centers for incoming seniors. Provides employment to people with disabilities by employing them to manage the facility.

Business model

Beyond the 24/7 care services number of other paid activities were developed: café, laundry service, catering. The project is breaking-even with some revenue, that allows for expansion of the activities. The organization is now looking into an investment of EUR 600,000.

Financial needs

Grant and loan at ERSTE bank.

Non-financial support

Long-term engagement with the foundation and the bank staff, advising on financial management and expansion plans

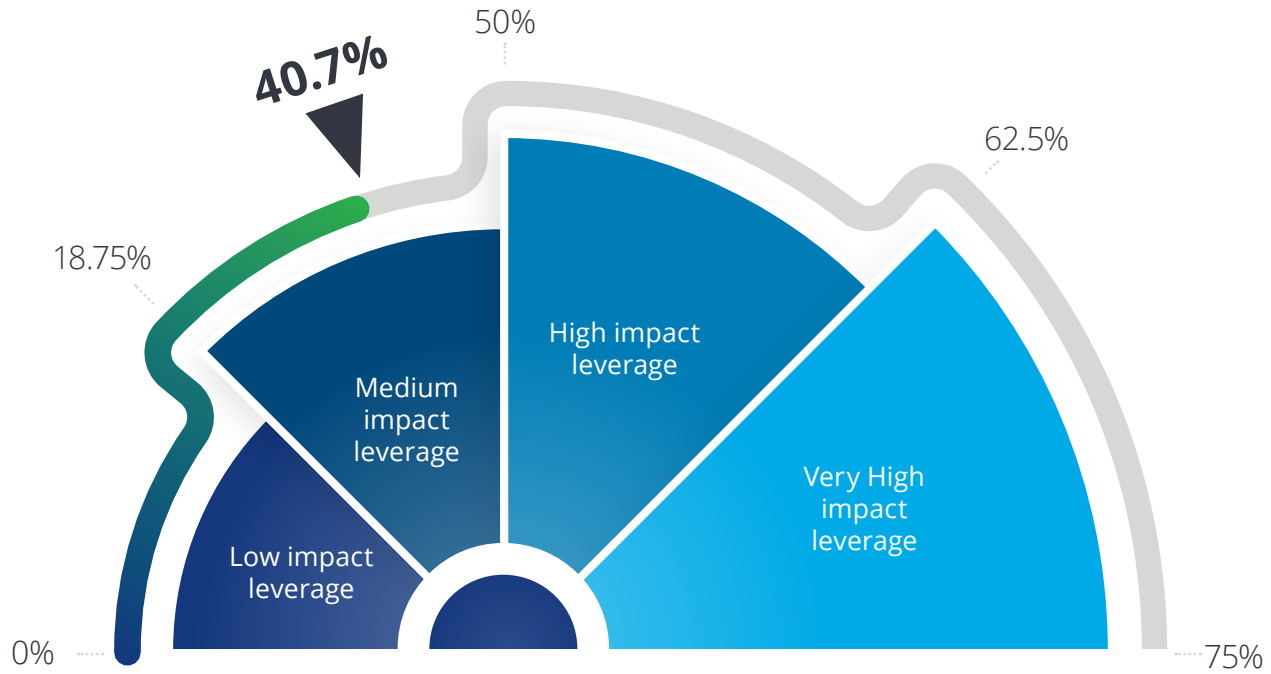
Impact to date

- 50 seniors in the 24/7 care home;
- 80 seniors availing from services, facilities and educational programs through day care;
- 20 people with disabilities permanently employed at the facility.

www.en.barlicka.sk

Balkans Social Investment Scorecard

Albania, Bosnia & Herzegovina, Croatia, FYR Macedonia, Kosovo, Montenegro, Serbia, Slovenia



Region	Social Investment Ecosystem	Social Needs	Social & Economic Background	**Social Investment Leveraging Index**
Balkans	37.3	43.6	52.5	**40.7**

Selected players* in the social investment ecosystem in the Balkan region**

Private: ERSTE Social Finance, Yunus Social Business, NESsT, EFSE, ACT Group, MladInfo, CEED Macedonia, Smart Kolektiv, Finance in Motion, Creative Foundation

Public institutions: USAID, UNICEF, EBRD, European Commission, SwissContact.

For contact info, see section Key Players in the CEE Social Investment Ecosystem

The dimension scores and index scores show that the Balkan sub-region has an undeveloped social investment ecosystem and relatively high social needs that still need to be addressed. This results in a score in the range of medium social investment leverage. As the social investment ecosystem develops, the leverage for the sub-region will increase.

Regional Characteristics

The Balkan sub-region features the most diversified group of countries out of all the sub-regions analyzed in this index. In the last quarter of a century, divergent paths had left these countries at different levels of economic development. The countries here can be considered as a homogeneous region for social enterprise development and social finance programmes. Social investment is an emerging sector everywhere across this region, with most social enterprises in the blueprint or validation stage, just launching or testing their business models[14]. Six of the eight countries, with the exception of Croatia and Slovenia (already EU members) aspire for closer ties with the EU. Throughout countries in this sub-region, a great level of local initiative is apparent. However, country and regional-level endeavors are scarce, while organizations supporting social enterprises and social investors have only become active within the last few years.

*Only acceleration/incubation programs and social investors
**Selected players listed for all four sub-regions were selected by EVPA and GSEN

Social Needs Index Score:

43.6

(Medium high needs)

Key Social Needs

- Access to advanced education
- Personal rights
- Access to information and communication
- Employment
- Social Inclusion

The vast majority of social enterprises in the sub-region focus on job creation or opportunities for entrepreneurship and income generation for women, youth, people with disabilities, refugees and rural communities. The smaller Western Balkan countries of the region are some of the poorest in Europe, with ethnically diverse and socially and economically disenfranchised groups of the population. In addition to high levels of poverty and unemployment, social exclusion and discrimination are on the top of the list of priorities of the governments.

Social Investment Ecosystem Score:

37.3

(Medium)

The social investment ecosystem in the Balkans sub-region is still in its infancy. In Croatia and Slovenia the legal status of social enterprise have been established and can be obtained by different legal entities. In Albania, Montenegro and Moldova draft versions of law has been prepared. However it is a relatively small sector, and similarly to other countries, it lacks sufficient support mechanisms from government such as tax relief or capacity building. Across the sub-region the support infrastructure is in its early stages of development, with only a few support organizations actively working in the region. They provide a wide range of capacity-building and training courses related to business planning, product development, sales and marketing. These organizations tend to be local initiatives backed by one-off project funds, so they all struggle with sustainability.

New Investor Prospect Score:

49.4

(Medium, close to high)

Investors show a high level of interest in investing in the region coupled with relatively low level of awareness and understanding of the region.

Main opportunities for investing in the region can arise from the following:

- Growing importance of the region at the crossroads between East and West. The region has seen growing interest and involvement from multinational corporations, who affect the social enterprise ecosystem in the region both directly – through corporate social responsibility practices and grant programs – and indirectly through the influx of potential investors. Additionally, as the countries of the region integrate closer with the European Union, social investments can act as opportunities to ensure peace in the region.

- Active local-level social entrepreneurship. Tourism and agriculture are emerging industries creating opportunities for investment engaging vulnerable groups. At the local level, many civil society organizations and social enterprises have formed in the region as a result of the initiative of the local population, without wider institutional support.[15]

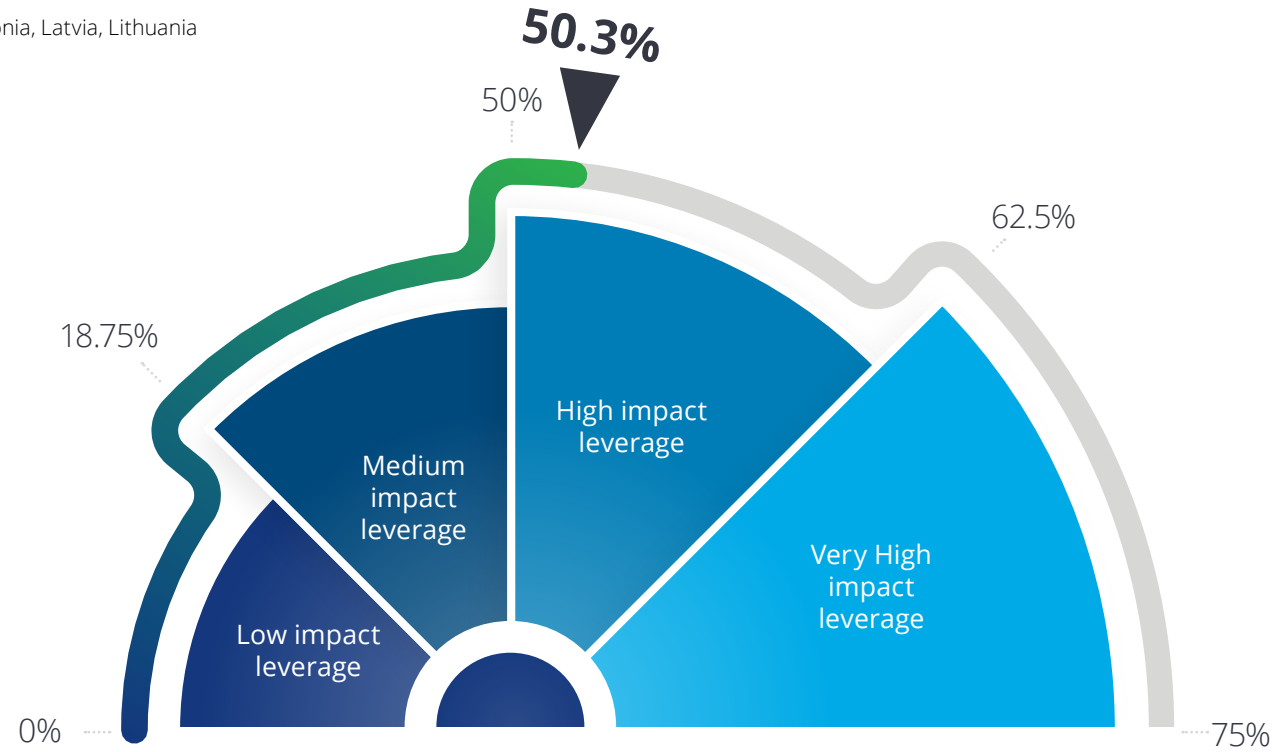
- Emerging social enterprise support organizations and networks. Wider pan-regional networks have begun operating in recent years. This is a key step forward in the optimization of linking social investors to social enterprises, and also to representing the voice of social enterprises and advocating on their behalf in front of policymakers.

"Impact investing in the Western Balkans is still at the very early stages. Besides the challenges linked to the overall business climate the region suffers from a biased opinion that approaching EU accession brings more financial resources. While it's true that EU funds have increased most of those go for public reforms and are not yet available for investments into social business. The good news is that, despite these challenges, there are impact investors showing increased interest in the region and paving the ground to their fellow investors."

Dr Shkelzen Marku,
Co-founder & Managing Director
Yunus Social Business Balkans

Baltics Social Investment Scorecard

Estonia, Latvia, Lithuania



Region	Social Investment Ecosystem	Social Needs	Social & Economic Background	**Social Investment Leveraging Index**
Baltics	57.4	33.5	58.3	**50.3**

Selected players* in the social investment ecosystem in the Baltic states**

Private: Good Deed Foundation with NULA Incubator; Ajujaht; Estonia Social Enterprise Network and ChangeMakers Academy; Garage48

Public institutions: The National Foundation for Civil Society

For contact info, see section Key Players in the CEE Social Investment Ecosystem

The dimension scores for the Baltics showcase the region as having a sound social and economic infrastructure, and a relatively strong social investment ecosystem. The social needs score for the sub-region falls in the lower medium threshold. On aggregate, investments in the Baltics have a high impact leverage.

Regional Characteristics

Throughout the Baltic States, social and impact investment remains a largely unfamiliar topic. Therefore, there are currently very few social investors investing through venture philanthropy and social investment channels. However, there are two reasons to be optimistic about the future of the social investment ecosystem in the Baltic states. First, the entrepreneurial nature and drive in the societies of these three countries has become inherently apparent in the last decade, with the rise of start-ups, tech incubators, and other forms of innovative businesses in the region. Second, the state of the social sector in the region offers a sound foundation for the development of social investments.

Additionally, this sub-region has rather homogeneous social needs, specifically related to mental health support and marginalization of the rural populations and ethnic minorities.

*Only acceleration/incubation programs and social investors
**Selected players listed for all four sub-regions were selected by EVPA and GSEN

Social Needs Index Score:

33.5

(Lower medium needs)

Key Social Needs

- Health and wellness
- Social inclusion
- Access to information and communication
- Tolerance
- Access to advanced education

The key social needs identified for the Baltic states hold true for all three countries. Key issues relate to health and wellness, as well as mental health and old age dependency. Furthermore, the inclusion of marginalized populations, including rural isolated population with limited access to education and information, are still prevalent issues in the region.

Social Investment Ecosystem Score:

57.4

(High)

The region has a solid foundation for a well-functioning social investment ecosystem. On the investment side, the region has seen an increased growth in private equity and venture capital. From the social sector perspective, access to EU-funding and support mechanisms, as well as strong activity of local NGO's offer a strong support system and security of investment for potential social investors. The region does not have strong grant culture, as few grant-giving foundations were operating there compared to other CEE countries. That resulted in higher level of entrepreneurship and market-driven approaches addressing social challenges. However, the small size of the region requires immediate regional approach in terms of scaling and there is a risk of a limited number of investable project, as well as a small number of potential local co-investors. Regardless, the Baltics should be seen as an area largely undiscovered in terms of social investment that offers vast possibilities.

New Investor Prospect Score:

40.4

(Medium)

Social investors do not perceive the region as highly interesting for their social investment. This is due to perceiving it as relatively well developed, assuming that social needs are being addressed by the state.

Here are few reasons why social investors should be engaging in this region:

- Presence of non-profit organizations. NGOs, social-purpose organizations, and social activism were rated positively by social investors. This creates an opportunity for the development of a more supportive social investment ecosystem.

- Increasing support and growth of private equity and venture capital. Business in the Baltics is booming. The rise of innovative firms, start-up incubators, and the tech sector all cater towards more investors being drawn to the area, and more funding available for social causes with increasing level of wealth.

- Ease of doing business spillover. Based on the analysis for of the social investment ecosystem dimension, this sub-region ranks as the best in the Ease of Doing Business Index. Investing in the Baltics is easy due to a low level of bureaucracy and lack of digital solutions to offset bureaucratization. The same applies to the social investment space.

- Entrepreneurial culture. Following transition, the Baltic States have become a regional hub for start-up and various firms focusing on innovative technologies. Such a presence can have a direct spill-over for interest in social investing.

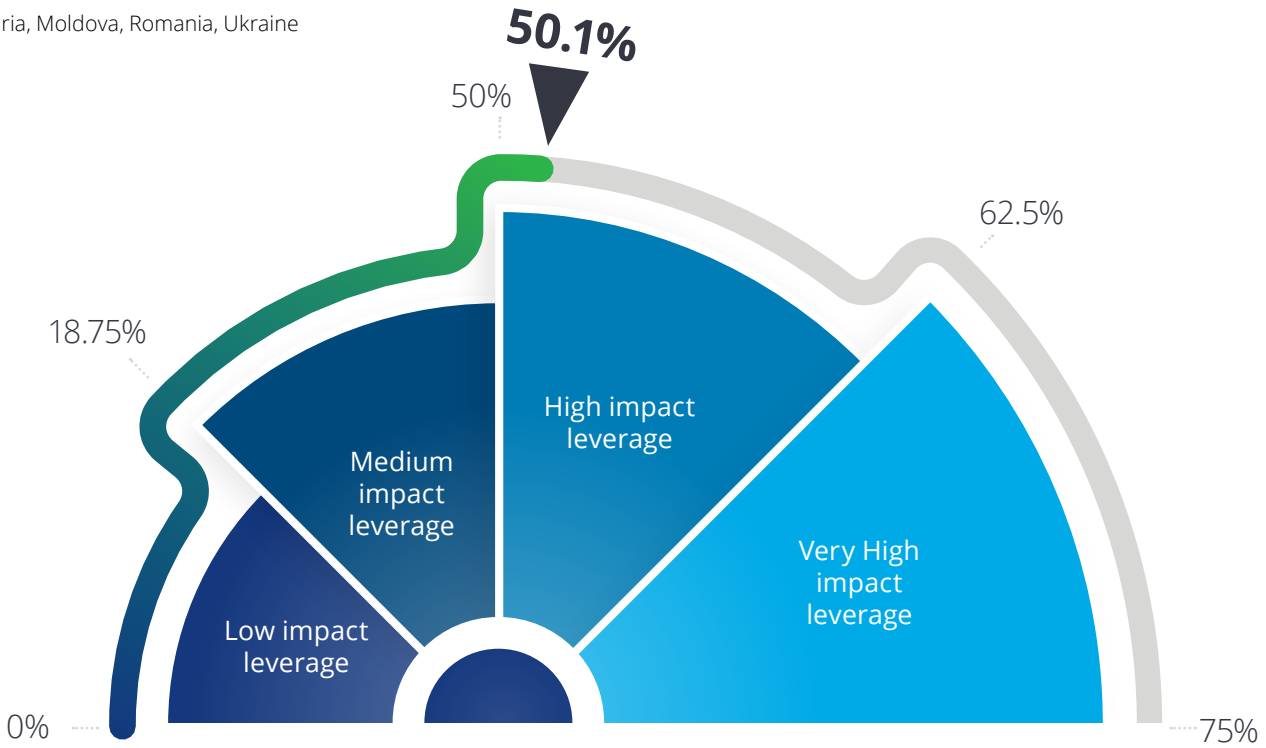
- Integration with the European market. The fact that all three of the countries in this sub-region are in the European Union allows for more diverse funding options, lower transaction costs, and generally less hassle for potential EU investors

"Society in the Baltic States has not yet fully embraced and learned about what venture capital is, let alone venture philanthropy. However, the speed at which such financial instruments have gained traction makes me believe that we will enter the sphere of social investments soon."

Latvian Social Investor

South Eastern Europe Social Investment Scorecard

Bulgaria, Moldova, Romania, Ukraine



Region	Social Investment Ecosystem	Social Needs	Social & Economic Background	**Social Investment Leveraging Index**
CSEE	48.7	53.0	50.5	**50.1**

Selected players* in the social investment ecosystem in the South Eastern Europe region**

Private: Move.bg, East Europe Foundation Moldova, NESsT, Ashoka, 1991 Open Data Incubator, Ukrainian Social Academy, NGO Greencubator, Impact HUB Odessa, Rinker Centre (BCause Foundation), KleanTech Bulgaria, Reach for Change, Founders Institute

Public institutions: Ministry of Labor and Social Affairs

For contact info, see section Key Players in the CEE Social Investment Ecosystem

The South Eastern Europe sub-region has a relatively undeveloped social investment ecosystem, and high social needs that need to be addressed. This combination gives them a high social investment leveraging score.

Regional Characteristics

In this sub-region two countries are EU members (Romania and Bulgaria), while Ukraine and Moldova are still in transition period towards a market driven economy. Currently in Ukraine, internal conflicts and migration outflow have hampered development, while also making doing business more difficult.[16] In all countries in this grouping, the social investment ecosystem is still in its developing stages. However, local initiatives, as well as cross-border networks showcase the region's potential in expansion of the social investment field.

*Only acceleration/incubation programs and social investors
**Selected players listed for all four sub-regions were selected by EVPA and GSEN

Social Needs Index Score:

53.0

(High needs)

Key Social Needs

- Tolerance and inclusion
- Health and wellness
- Social inclusion
- Access to information and communication
- Personal Freedom and Choice

The key social needs in this sub-region relate to problems of unemployment, social protection, and inclusion of vulnerable populations that the state is not able to tackle for various reasons. The health and education of those individuals living in remote, often impoverished areas, as well as the social inclusion of minority groups (esp. Roma) and people released from places of detention*, should be treated with priority when seeking to address needs in the South Eastern Europe. In many cases, the establishment and development of market-driven activities is a way to diversify funding, reduce their dependence on donor funds, and attain more flexibility in how the funds are used.

Social Investment Ecosystem Score:

48.7

(Medium, close to high)

The Social Investment Ecosystem in Bulgaria, Moldova, Ukraine and Romania is still in the early stages of development. Incubators/accelerators focusing on social enterprises emerged after 2010**, as supporting infrastructure in the framework of international donor projects; most acceleration programs for social entrepreneurs still operate within the framework of short-term technical assistance projects, which does not ensure sustainability nor promote systemic solutions. However, there is a notable presence of social enterprise support networks. The nature of the region, with its close cultural relations and the growing strength of its civil society, creates a landscape that tailors to project scalability and potential for the cross-border impact.

New Investor Prospect Score:

29.7

(Low)

The investors' perception and interest to engage in this sub-region is relatively low. There is a number of perceived risks. Despite these negative externalities, the Deloitte Social Investment Index shows a high potential for leveraging social impact in those countries.

New investors should consider the highlights below when entering the market:

- Project scalability. The presence of organizational support and social organization networks bundled with the specific social needs allows for developing strategies at scale to achieve greater social impact.
- Strong presence of non-profit organizations and interest in supporting social enterprises. Social investors surveyed for the Index rated the current activity of social sector organizations overwhelmingly positive. Funders currently demonstrate an increasing interest in supporting social businesses.
- Potential for cross-border impact. Cultural proximity and various similarities in the development process mean that certain projects can be carried over from country to country within the sub-region. Such a case is particular significant in the case of potential cooperation between Moldova and Romania.
- Philanthropic mindset. Over a quarter of the population in the region is in some way active in terms of philanthropy (volunteering or donating/giving)[17]. For the sub-regions analyzed in this index, this is a relative high score.

"I personally consider Ukraine to be a really rewarding project for social investment, due to the high social effect multiplier that the work creates in its wake. Social entrepreneurs can only be born in a so called nutrient broth and need to grow into a city's economy and communities. It only works and becomes possible with the participation of a multitude of different actors.

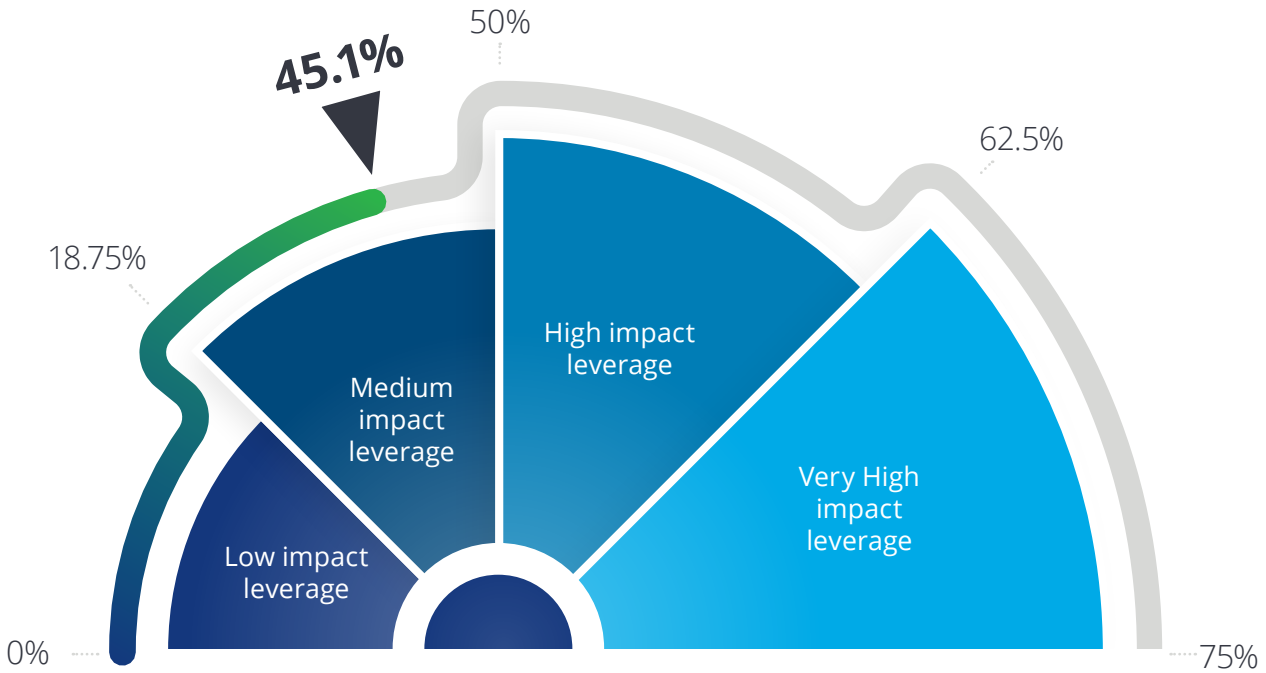
Each of us can impact the development of new social initiatives. It can be done by contributing one's skills and expertise, or a shelf in a shop for social project goods, or with financial capital to build sustainable social businesses. That is what we did with our investments in Green Theatre and Impact HUB in Odessa. In the case of social entrepreneurship, there is a commonly shared aim: making life easier and fair for all."

Egor Grebennikov,
Business owner and entrepreneur, social investor

*East Europe Foundation Moldova, http://www.eef.md
**NESsT, as a pioneer, began supporting social enterprises in Romania earlier

Visegrad Group (V4) Social Investment Scorecard

Czech Republic, Hungary, Poland, Slovakia



Region	Social Investment Ecosystem	Social Needs	Social & Economic Background	**Social Investment Leveraging Index**
V4	50.7	28.7	60.9	**45.1**

Selected players* in the social investment ecosystem in the Visegrad region**

Private: Valores VP Fund, Ashoka, NESsT, TISE, Double Challenge Fund, Impact HUB Prague, Tilia Impact Ventures, Impact Ventures (HU), Ceska Sporitelna, ERSTE Bank, BGZ BNP Paribas, FISE, Shipyard

Public institutions: Ministry for Regional Development (through ESF facility), Bank Gospodarstwa Krajowego. Ministry of Labour and Social Affairs in Czech Republic and other government institutions managing EFS funds

For contact info, see section Key Players in the CEE Social Investment Ecosystem

The Visegrad Group sub-region has strong social and economic background, as well as social investment ecosystem scores. The sub-region also scores relatively lower on social needs. This aggregates to a score of medium impact investment leveraging score, that is almost bordering on being a high impact investment score.

Regional Characteristics

The Visegrad Group countries constitute the largest and most developed market in the sub-regions analyzed. The social investment ecosystem is also relatively well-developed, despite still being in its early stage. Pioneering VP/SI investment funds have already been active in the region, allowing for increased options for social investors. Few new special investment funds targeting social enterprises have emerged and certain commercial banks offering special social enterprise products have set the stage for new ones to follow. The Polish banks and funds that created products over a decade ago have now been mainstreamed and included in ongoing lending. Still however, a lack of concise national-level strategies and gaps in cooperation between entities need to be addressed in order for the region to ensure the impact investment ecosystem develops to its full potential in the sub-region.

*Only acceleration/incubation programs and social investors
**Selected players listed for all four sub-regions were selected by EVPA and GSEN

Social Needs Index Score:

28.7

(Medium needs)

Key Social Needs

- Access to information and communication
- Health and wellness
- Tolerance and inclusion
- Personal rights
- Employment

The key social needs identified for each country in the sub-region are similar. In all countries, a key concern is the marginalization of rural populations and the disabled. Following economic transformation at the beginning of the 1990s, a lack of proper social safety nets and institutional support led to marginalization of the disadvantaged. Social enterprises have to play a key role in offering training and other forms of support to such groups.

Social Investment Ecosystem Score:

50.7

(High)

The social investment ecosystem, despite its early stages, in the Visegrad Group is the most developed out of all sub-regions analyzed. Pioneer venture philanthropy and social investment funds have already been set up in the region, and a certain networks connecting investors to social enterprises are already operating. Hungary and Slovakia have a long tradition of cooperatives, which helped to introduce the legal form of "social cooperative" and creates accepting environment for social enterprises. There is also a number of acceleration programs for social enterprises, supported through EU funding. As in other countries in the region those programs are already facing sustainability challenges and lack of follow up funding for the businesses they supported in launching. Despite those developments, systematic strategies for development and cooperation have not been outlined, and proper impact measurement mechanisms are often absent.

New Investor Prospect Score:

53.3

(High)

The social investment outlook is positive for the Visegrad countries. The number of national social investment initiatives are bringing development and thus interest from the traditional investment community in this topic is increasing.

Here are few considerations to be taken into account when engaging in social investment in Visegrad countries:

- Relatively developed ecosystem. Social investors rate the social investment ecosystem in the Visegrad countries positively, both in terms of the quality of social projects as well as with regards to finding potential co-investors. Furthermore, business is also transitioning from traditional CSR towards shared value approach, opening for new forms of engagement such as social investment.
- Array of financing mechanisms. The first venture philanthropy and social investment funds in the region have already been established. This paves the way forward for attracting more investors deploying patient capital.
- Entrepreneurial drive. Out of the sub-regions in Central and Eastern Europe, the Visegrad Group countries have by far the largest number of micro, small, and medium size enterprises per capita. Such a statistic speaks of the entrepreneurial drive and general economic landscape in these countries, and could have a direct spillover effect into the social investment field.
- Close business proximity to large markets. The Visegrad Group countries constitute the largest market in Central and Eastern Europe. At the same time, this is also the most developed market, and the one that is best integrated with Western Europe.

"The financial and non-financial support of social entrepreneurs in creating and implementing sustainable solutions for pressing societal problems is at the heart of Social investment. As an investor, I can advance such solutions, inspire people... and I'm rewarded with much more than financial return: being part of a growing industry, which generates social value and makes a real difference in the world."

Silke Horak,
Czech Social Investor & Co-Founder of Tilia Impact Ventures

Case Study:

Reusing textiles, while reducing waste and employing people with disabilities

Investor
Looking for Investor

Country
Croatia

Investee
Humana Nova

Social problem

Textiles get landfilled or otherwise disposed of, creating huge amounts of waste and carbon dioxide emission. Besides that, people with disabilities or with distance to the labor market, have a hard time getting jobs or reintegrating. On top of that, Croatian companies have a quote on how many disabled people they must employ, else they receive penalties.

Solution

Humana Nova solves all of these at once.

1. They set up a collection point for used textiles in a community.
2. They engage and educate the community to dispose of their textiles there.
3. They redistribute the textiles to either second-hand stores, as industrial cloths or as insulation for various industrial purposes.
4. All the while they employ a maximum number of the mentioned groups.
5. Companies purchasing from them also fulfil their quota at the same time.

Business model

- 15% revenue comes from the second-hand stores
- 35% from industrial cloths
- 50% from insulation materials

Investment needs

EUR 200,000 patient capital in the form of a loan requested - ideally under 5% interest rate. This will fund expansion to eight new locations and significantly increase their process efficiency and the number of employees they can hire.

Non-financial support

Managing a workforce of handicapped or less-abled people; operations management with high percentages of handicapped or less-abled people.

Impact to date

- 36 of 48 employees from socially excluded groups;
- The Cakovec location has recycled about 1400 tonnes until now, and the other two newer ones an additional 600;
- Two communities educated on textile waste and the opportunities to recycle (Cakovec and Labin), with Humana Nova's own recycling collection points and logistics.

Case Study:

Creating employment opportunities for rural Roma populations

Investor
NESsT, ERSTE Foundation, CCFD Terre-Solidaire

Country
Romania

Investee
MBQ

Social problem

Roma communities, as an ethnic minority, face high levels of discrimination and prejudice that limits their access to further education and employment. With the accelerated disappearance of the traditional Roma artisanship, they also risk losing a piece of their cultural heritage and traditions.

Solution

MBQ is a Bucharest-based social enterprise working on revaluing traditional Roma craftsmanship. MBQ creates premium lifestyle products, using a blend of centuries old techniques combined with contemporary design.

Business model

MBQ has a network of about 18 active craftsmen and has been working with 75 international designers on product development. MBQ operates in the general home-decor and fashion market selling jewelry, accessories, clothes and home-decor items, in their Bucharest shop, and at resellers in Vienna and Berlin. In 2018, MBQ is part of limited edition global collection created with IKEA and being sold in the retailer's shops.

Financial instrument

MBQ has received grants from the ERSTE Foundation, CCFD Terre-Solidaire, and NESsT.

Non-financial support

Financial model, business and impact metrics, operational and strategic support, governance structure.

Impact to date

- 18 Roma artisans employed and receiving decent salary;
- Over 1500 individual customers from across Europe increasing awareness and understanding of the Roma artisans;
- Over 25,000 individuals visiting MBQ exhibitions and shops/pop-ups;
- 3/4 full time employees in the MBQ core team are Roma.

Investment needs

EUR 46,000 investment in production, transport, sales and marketing.
EUR 25,000 needed as running capital.

www.mbq.ro

Social Investments, Venture Philanthropy & Impact Investment Ecosystem

The success of an investment is increasingly defined not just by financial risk and return but also by its impact on society, economic stability, and the environment. The theme has been picked up by traditional investors, as well as by wealthy individuals, private and corporate foundations, philanthropists, large fund managers and banks. Regulators are paving the way for long-term investors, such as pension funds, to include social and environmental concerns in their allocation choices. Additionally, and perhaps more importantly, today's youth is highly sensitive to these issues.[18] Doing well financially is not enough – there is an increasing pressure on an investment to do 'good' too.

The **evolution of the space** makes the **boundaries blur**, calling for new ways to define the actors and their practices. This has led to a flurry of different definitions[19] of e.g. venture philanthropy, social investment, impact investment, sustainable investing and so on. In this publication we are referring to venture philanthropy or social investment representing an engaged, and rather long-term (min. 2 – 3 years) approach to generating social impact **and at the same time, with primary, or secondary, or hand-in-hand consideration for gaining a financial return**. This is being applied through three characteristics with different level of engagement:

1. Tailored investment - using a range of financial instruments (including grants, debt, equity and hybrid financial instruments*) adjusted to the needs of investee.

2. Organizational/non-financial support - added-value support services that the investor offers to investees to strengthen their organizational resilience, financial sustainability along with developing their business model and optimizing or maximizing its financial performance; analogue to portfolio management in PE/VC investment funds.

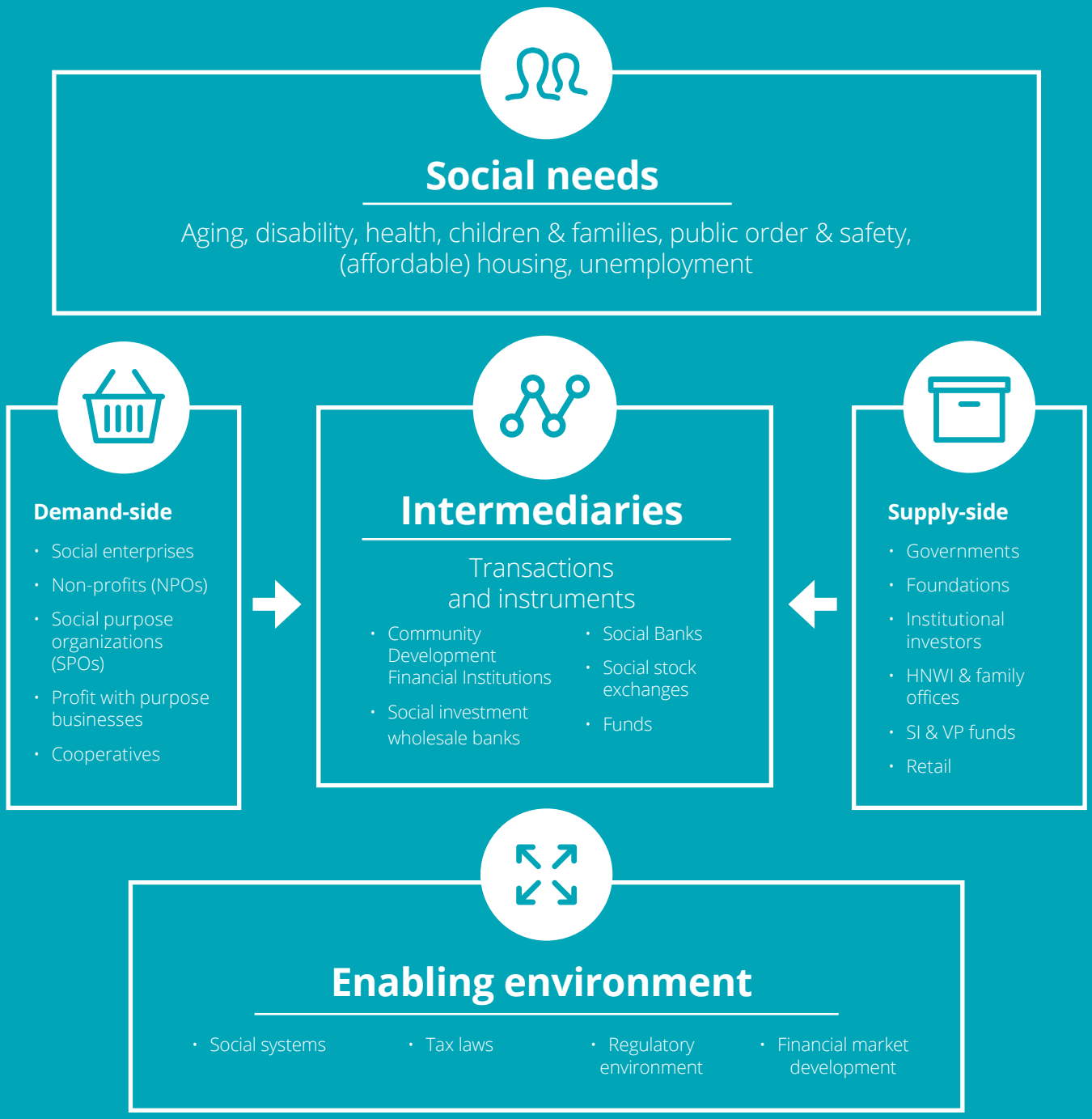
3. Impact measurement and management - measuring and managing the process of creating social impact in order to maximize and optimize it.

Key characteristics of Venture Philanthropy

Source: EVPA

*See definition of hybrid financing in the Glossary

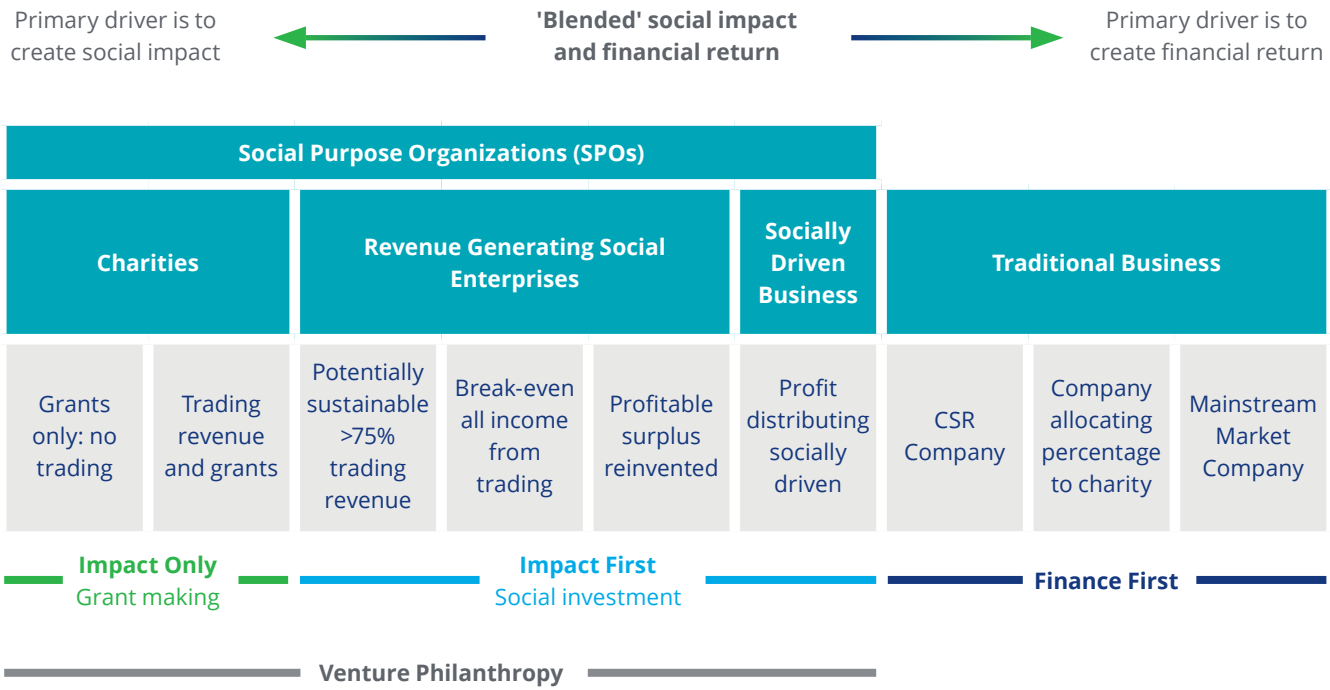
What is the social investment ecosystem? Who is part of it?



Source: OECD http://www.oecd.org/sti/ind/social-impact-investment.htm

To increase the effectiveness and efficiency of social investment a social investment ecosystem needs to be created, often overlapping with traditional ones. The main components are driven by demand (social needs and social service providers), supply (i.e. pools of capital and investors) and the role of intermediation and intermediaries (including transactions and other financing instruments). The enabling environment including various frameworks (i.e. social systems, tax and legal), also can play a critical role in the Social investment space and must be taken into consideration.

The EVPA Spectrum



Source: EVPA

Social investors usually position themselves as complementary to other forms of funding available to social organizations or businesses with social mission. However, they do view the social investment model as particularly appropriate for organizations undergoing rapid growth and development. Social investors recognize that many investees lack the internal capacity, particularly the appropriate business skills and growth capital, to grow significantly the scale of their social missions, reach new markets or be competitive when bidding for government contracts.

The 'capital market' for social innovation is not as efficient or diverse as it is for developing fully commercial enterprises. Social investments bring diversity in funding innovative solutions to societal challenges and so helps to make the capital market more efficient, especially for rapidly growing and developing organizations.

Case Study:

Crowd-investing for community engagement activities

Investor
100 individual co-investors

Investee
Urban Space 100

Country
Ukraine

Social problem

- Low level of trust in society;
- Low interaction level in business-administration-civil society triangle;
- Lack of collaborative interaction culture;
- Lack of creative event spaces in Ivano-Frankivsk.

Solution

The idea was to open the social restaurant in Ivano-Frankivsk, Ukraine in an Urban Space format, to create a successful example of an unique community building around different social challenges. This is a restaurant where you can not only eat, but also socialize discuss ideas with likeminded people, buy locally produced goods, or organise your own event or activities. 80% of the annual restaurant profit is dedicated to funding social projects in the city.

Business model

The founders/investors are 100 socially active people who are united with the idea of qualitative development of the city space. The restaurant operates and generates profit. 80% of net profit allocated only for social projects that support the development of Ivano-Frankivsk. The decisions about which projects will be supported is taken by the co-founders.

Financial instrument

100 co-founders of the project financed USD $1000 each into renovation of the restaurant. For this money the restaurant was opened on December 27, 2014.

Non-financial support

Because of social concept of the project, a lot of business offered discount for labor costs and furnishing of the restaurant. Some of active citizens provided free services. Over 15 business partners provided technical assistance for free.

Impact to date

- Successful restaurant that operates for almost 4 years (27 employees, including a director, managers, cooks, and waiters), total area of 192 m² (more than 100 seats);
- 409,503 visitors since opening;
- 83 social projects have already been funded for the amount of UAH 1,901,294.55. (approx. USD $68,000);
- Independent online radio seated in the restaurant space – Urban Space Radio, producing original programs and discussing the improvement of urban life;
- Craft shop at the restaurant for sale of the local goods (more than 56 Ukrainian brands represented);
- Scaling of the model already in Kyiv and Moscow; more than 200 replication requests from different countries.

www.urbanspace.if.ua

Case Study:

Increasing public access to objective sources of information

Investor
Looking for an investor

Investee
TRANSITIONS

Country
Czech Republic

Social problem

In many countries, also in today's Europe, democracy, pluralism, and freedom of information continue to suffer in great part because the media industry does not play a strong enough formative role in society. The governments of these countries all too often fail to provide legal, political, and economic protections to enable open and independent journalism. When media fall prey to commercial pressures, and their own self-censorship, industry core standards run astray and citizens in these regions no longer have access to a wide range of views and opinions.

Solution

Access to independent, balanced reporting is a key pillar of a democratic society. TRANSITIONS serve as the keeper of core professional journalism standards. It disseminates objective, impartial coverage through its own online magazine, trainings for journalism students, early-career reporters, senior journalists, media executives and media development programs to promote models for quality journalism.

Business model

The enterprise offers an online magazine, training for individuals, universities, and NGOs, as well as events such as workshops, study tours, and an annual media scholar conference.

Non-financial support

Financial management, business expertise, sales, strategic advice and key partnerships building.

Impact to date

- Over 25,000 articles, providing objective, impartial news and analysis from Central and Eastern Europe, often on topics underreported in their restrictive home countries;
- 8,000+ working journalists and journalism students have graduated from its programs;
- More than 400 journalism training and freedom of expression workshops across the region;
- More than 100 projects focused on training journalists and civil society actors, increasing local capacity in the target countries to combat propaganda, disinformation and boosting government transparency and increasing civic involvement.

Investment needs

USD $620,000 soft loan / convertible instrument / (quasi)equity, to scale up activities in CEE. Investment needed to increase the team and to cover direct costs (of trainings and of the magazine). The business will reach breakeven in five years.

Case Study:

Entrepreneurship & social engagement through youth education

Investor
Valores VP Foundation

Country
Poland

Investee
Happy Childhood Foundation

Social problem

Lack of entrepreneurship, community engagement and participation skills among young people (12-16 years).

Solution

2-year intensive curriculum for schools incorporated into regular educational program focused on team work, community work and 'setting up company' experience.

Business model

The program contributes 25% of the organization's unrestricted revenue from selling the program to schools. The offer includes: training of the teachers, supervision, offline/online activities for youth, program evaluation and supervision.

Financial instrument

3-year grant of EUR 60,000, tailored to the jointly assessed development needs of the organization.

Non-financial support

Long-term engagement with PE Partner level mentors through acceleration (3 years) and Valores Board engagement (next 3 years), to develop unrestricted revenue for the organization and resources for farther expansion of the program.

Impact to date

- 120% increase in no. of schools (from 6 to 13) engaged in 2-year program;
- 240% increase in no. of pupils participating in the program;
- Increase in unrestricted revenue for the organization from 2% to 25%;
- 18x more children participating in other youth academy workshops;
- On average, graduates are 13% more likely to be engaged in community and social activities.

www.fsd.lublin.pl

Impact Investment Strategies

According to EVPA definitions, an **Impact Investment Strategy** represents the way in which a capital provider (investor) **codifies its own activities** along three axes: **social impact targeted, financial return sought** and social/financial **risk appetite**

As more and new actors attribute to themselves the label of "impact investors", each seeking a different balance between financial return, social impact and risk, each coming from a different perspective, and each developing new tools to achieve an impact, the **risk of "impact washing"** becomes more concrete. Therefore, the call for **more transparency** around impact strategies and reporting of results is key.

EVPA recognized capital providers **using the following broad impact strategies**:

- Investors **only accepting social return**, with no financial return possible;
- Investors **prioritizing social return**, but **also accepting financial return**;
- Investors considering social and financial return on **equal footing**;
- Investors **prioritizing financial return**, but also seeking social return.

In its research EVPA has recognized several types of strategies applied by social investors: they are placed along a continuum that goes from "investing for impact" to "investing with impact"[20]. In broad terms investing for impact places the impact as the central focus of investment and with the due diligence process built around the potential for achieving significant social impact. Moreover, strategies for impact focus on additionality (what different value I can bring to the table?) rather than intentionality only (I want to change the world). Investing for impact would follow application of the three core characteristics of social investing.

Investing with impact strategies have impact as secondary objective and are subject to achieving financial impact first. Investors with impact will be using standardised criteria (e.g. ESG, PRI, etc.)[21] and standardised impact indicators (e.g. IRIS, GRI, etc.). There are practitioners adopting an "investing for impact" strategy under specific conditions in certain markets called a **lock-step model**. These investors, also thanks to the evolution of the social investment market, are able to identify a **"sweet spot"** in which the achievement of a **social impact** and the **generation of financial returns go hand in hand** and **reinforce each other**.

Investors that move in this space support social enterprises that have **the social impact component so embedded in the business model** that **by scaling the company the impact is also scaled**. It is important to distinguish these actors from investors adopting an "investing with impact" strategy.

*Refer to the Glossary

NESsT, Romania

Investment strategy:
Lock-step model

Financial instrument:
3-10 year grant, EUR 50,000 – 300,000 patient loan (i.e. 1% interest rate) tailored to the needs of the investee

Non-financial support:
Regular mentorship from NESsT Portfolio Manager + broad network of paid and volunteer consultants

Impact measurement:
At the level of investee and portfolio

Fields of investment:
Creating decent jobs for vulnerable and marginalized communities

Good Deed Foundation

Investment strategy:
Investing for Impact

Fund size:
EUR 550,000

Financial instrument:
3-year grant, EUR 50,000 – 70,000, tailored to the needs of the investee

Non-financial support:
Regular mentorship from portfolio manager and pro bono network

Impact measurement:
Developed jointly with organization as decision making tool

Geographic focus:
Estonia, in the future Baltic States

Impact Ventures I.-II. Private Equity Fund (led by Impact Ventures Zrt., Hungary)

Investment strategy:
Investing with Impact

Fund size:
EUR 21 million

Financial instrument:
Equity, quasi-equity; fund level expected return 4-7%

Non-financial support:
Social impact measurement & management, organizational resilience, business strategy

Impact measurement:
Aligned with EIF SIA methodology, guided by EVPA 5 Step Model principles

Target companies:
Early stage

Fields of investment:
Generalist, technology enabled social innovation focus

Geographic focus:
Hungary and the EU

"Investing with a local (lead) investor in other countries in the CEE region and vice versa is maybe core for expanding activities of impact funds in new regions, establish a broader network and generate a much higher impact."

German social investor active in CEE

Key Players in the CEE Social Investment Ecosystem

Should you be interested to engage in the social investment space in CEE, here is a directory of the selected key players to support you with information about the investment opportunities and investor engagement activities. The organizations in this list have been compiled by EVPA and GSEN. Deloitte is not responsible for the selection of the organizations.

Information for selected players

EVPA	www.evpa.eu.com
NESsT	www.nesst.org
GSEN	www.gsen.global
ACT Group	www.act-grupa.hr
Catalyst	www.catalystbalkans.org
CEED Macedonia	www.ceed-macedonia.com
Create Foundation	www.createfoundation-ks.org
CSRDG	www.segeoria.org
Double-Challenge Fund	www.podwojnewyzwanie.com
EFSE	www.efse.lu
ERSTE Foundation	www.erstegroup.com
Europe Institute	www.europe-institute.com
Finance in Motion	www.finance-in-motion.com
Good Deed Foundation	www.heategu.ee
Impact HUB Belgrade	www.belgrade.impacthub.net
Impact HUB Moscow	www.impacthubmoscow.net
Impact HUB Odessa	www.impacthub.odessa.ua
Impact HUB Prague	www.hubpraha.cz
Impact HUB Vienna	www.vienna.impacthub.net
Impact Ventures (HU)	www.impactventures.hu
International Renaissance Foundation	www.irfa.ua/en/
MDIF	www.mdif.org
Mladi info	www.mladiinfo.eu
Move.bg	www.move.bg
Mozaik	www.mozaik.ba
PACT Ukraine	www.pactworld.org/country/ukraine
Promprylad	www.promprylad.in.ua
Romanian American Foundation	www.rafonline.org
SmartKolektiv	www.smartkolektiv.org
Social Impact Award	www.socialimpactaward.net
SOL	www.s-ol.ru/en
TIlia Impact Ventures	www.tiliaimpactventures.cz
TISE	www.tise.pl
Valores	www.valores.pl
Yunus Social Business	www.yunussb.com

Glossary

Venture Philanthropy (VP) – VP is a high-engagement and long-term approach to generating social impact defined by three characteristics:

- Tailored financing: using a range of financial instruments (including grants, debt, equity and hybrid financial instruments) tailored to the needs of organization supported.
- Organizational Support: added-value support services that VPO/SIs offer to investees (SPOs) to strengthen the SPO's organizational resilience and financial sustainability by developing skills or improving structures and processes.
- Impact measurement and management: measuring and managing the process of creating social impact in order to maximize and optimize it.

Social Investment (SI) (also known as Social Finance) – Social investment is the provision and use of capital to generate social as well as financial returns. The social investment approach has many overlaps with the key characteristics of venture philanthropy, however social investment means investment mainly to generate social impact, but with the expectation of some financial return (or preservation of capital).

Blended Finance – The OECD defines blended finance as "the strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets".[22]

Financial instruments (FIs) – Financial instruments are contracts involving monetary transfers through which, in the VP/SI space, venture philanthropy organizations and social investors financially support social purpose organizations.

Financial sustainability – Financial sustainability for a social enterprise in the degree to which it collects sufficient revenues from the sale of its services to cover the full costs of its activities. For charities, it involves achieving adequate and reliable financial resources, normally through a mix of income types.

Hybrid Finance – Allocation of financial resources to impact-oriented investments combining different types of financial instruments and different types of risk/return/impact profiles of capital providers.[23]

Hybrid Financial Instruments (HFIs) – HFIs are monetary contracts that combine features of the traditional FIs (grants, debt instruments and equity instruments) in order to achieve the best possible alignment of risk and impact/financial return for particular investments.[24]

Hybrid Financing Mechanism – Financing schemes developed to increase the resources brought to impact-oriented investments by de-risking traditional capital (i.e. retail, commercial, or public).[25]

Impact Measurement (IM) – Measuring and managing the process of creating social impact in order to maximize and optimize it.

Investee – The social purpose organization that is the target of the VPO/SI activity and the recipient of financial and non-financial support.

Scaling up – Processes of developing and growing the activities of an SPO to expand its social reach and increase its social impact.

Social enterprise – A social enterprise is an entity whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.[26]

Social impact – The attribution of an organization's activities to broader and longer-term outcomes. To accurately (in academic terms) calculate social impact you need to adjust outcomes for: 1) what would have happened anyway ("deadweight"); 2) the action of others ("attribution"); 3) how far the outcome of the initial intervention is likely to be reduced over time ("drop off"); 4) the extent to which the original situation was displaced elsewhere or outcomes displaced other potential positive outcomes ("displacement"); and for unintended consequences (which could be negative or positive).

Appendix

The information found in this appendix are meant to offer further clarification into the calculation of the Deloitte Social Investment Leveraging Index. Initial explanations were offered in the section of the report entitled The Deloitte Social Investment Leveraging Index. In this appendix, we show how the indicators used in the index was standardized. We then show the specific breakdown of the indicators for each Social Needs Indicator Group.

Calculating the Deloitte Social Investment Leveraging Index

Standardization of indicators

Each indicator throughout the dimensions is standardized to be expressed in a scale from 0 to 100. This is done through the calculation of empirical minima and maxima, which then serve as national zeros and aspirational index values,respectively. For stimulant indicators (the higher the value the better), the formula for the indicator takes the following form:

$$\frac{Empiric\ value - Minimal\ value}{|Maximal\ value - Minimal\ value|}$$

For the negative indicators (the lower the value the better), the pattern takes the form:

$$\frac{Maximal\ value - Empiric\ value}{|Maximal\ value - Minimal\ value|}$$

Social Needs Indicators

All except for two of the social needs groupings come from the Social Progress Indicators; the "Employment" and "Social inclusion" groups were created for the sake of this report, as both were determined to be key in identifying Social investment opportunities. The groups are presented below, alongside a breakdown of individual statistics that are included within each group.

Nutrition and basic medical care

- Undernourishment
- Depth of food deficit
- Maternal morality rate
- Child morality rate

Water and sanitation

- Access to piped water
- Rural access to improved water sources
- Access to improved sanitation facilities

Shelter

- Availability of affordable housing
- Access to electricity
- Quality of electricity supply
- Household air pollution attributable deaths

Personal safety

- Homicide rate
- Level of violent crime
- Perceived criminality
- Political terror
- Traffic deaths

Access to basic knowledge

- Adult literacy rate
- Primary school enrollment
- Secondary school enrollment
- Gender parity in secondary enrollment

Access to information and communication

- Mobile telephone subscriptions
- Internet users
- Press Freedom Index

Health and wellness

- Life expectancy at 60
- Premature deaths from non-communicable diseases
- Old age dependency ratio
- Suicide rate

Environmental quality
- Outdoor air pollution attributable deaths
- Wastewater treatment
- Biodiversity and habitat
- Greenhouse gas emissions

Personal rights
- Political rights
- Freedom of expression
- Freedom of assembly
- Private property rights

Personal freedom and choice
- Freedom over life choices
- Freedom of religion
- Satisfied demand for contraception
- Corruption

Tolerance
- Tolerance for immigrants
- Tolerance for homosexuals
- Discrimination and violence against minorities
- Religious tolerance
- Community safety net

Access to advanced education
- Years of tertiary schooling
- Women's average years in school
- Inequality in the attainment of education
- Globally ranked universities
- Percentage of tertiary students enrolled in globally ranked universities

Social inclusion
- People living in households with very low work intensity
- Material deprivation
- DALY Rate
- Mental and substance use disorder as a share of total disease burden

Employment
- No limitation in work caused by a health condition of difficulty in basic activities
- Working poor
- Underemployment
- Youth unemployment (15-29)
- % of female working-age population that is professionally inactive

References

1. Annual GDP Growth, World Bank, 2017
2. EUROSTAT data, 2018
3. Sustainable Financing and ESG Investing report. East & Partners, HSBC, 2018
4. GIIN Annual Impact Investor Survey, 2018
5. World Economic Forum, Blended Finance Vol.1: A Primer for Development Finance and Philanthropic Funders, 2015. http://www3.weforum.org/docs/WEF_Blended_Finance_A_Primer_Development_Finance_Philanthropic_Funders_report_2015.pdf
6. Aspen Network of Development Entrepreneurs https://www.andeglobal.org/page/AnnualConference
7. GIIN Annual Impact Investor Survey, 2018
8. EVPA Survey – Investing for Impact
9. EVPA Survey – Investing for Impact
10. Annual GDP Growth, World Bank, 2017
11. Jezard, Adam. Eastern Europe became a hot-bed for tech start-ups. This is how it did it., World Economic Forum, 2017. https://www.weforum.org/agenda/2017/10/how-central-and-eastern-europe-became-a-tech-hot-spot/
12. https://www.oecd.org/pisa/pisa-2015-results-in-focus.pdf
13. European Commission. ICT for Work: Digital Skills in the Workplace, 2017 https://ec.europa.eu/digital-single-market/en/news/new-report-shows-digital-skills-are-required-all-types-jobs
14. Social Enterprise Ecosystem in the Western Balkans and Croatia, NESsT, 2017. https://static1.squarespace.com/static/58d072963e00bea07a2ca2da/t/599f8968d482e9ac57a09533/1503627672843/2017_SE_Ecosystem_in_the_W_Balkans_web.pdf
15. NESsT – Social Enterprise Ecosystems in Croatia and the Western Balkans
16. For further information, please see : The Social Entrepreneurship Ecosystem in Ukraine: Challenges and Opportunities, 2018. PACT Ukraine. https://www.pactworld.org/library/social-entrepreneurship-ecosystem-ukraine-challenges-and-opportunities
17. World Giving Index dataset
18. Landrum, Sarah. Why Millennials care about social impact investing. Forbes, 2016
19. For example, definitions have been developed by the EVPA (https://evpa.eu.com/uploads/documents/Glossary-2017.pdf), OECD (see: http://www.oecd.org/sti/ind/social-impact-investment.htm); the G8 Social Impact Investment Taskforce (see: G8 Social Impact Investment Taskforce, (2014), "Impact Investment: the invisible heart of market - Harnessing the power of entrepreneurship, innovation and capital for public good"); then the Global Steering Group on Impact Investing (see: http://gsgii.org and http://gsgii.org/about-us/); the Impact Management Project (see: http://www.impactmanagementproject.com/glossaries/); the European Commission (see: http://ec.europa.eu/social/main.jsp?catId=1044&langId=en); and also the Global Impact Investing Network (see: https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing)
20. EVPA Impact Strategies Report – November 2018
21. Refer to glossary
22. www3.weforum.org
23. Gianoncelli, A. and Boiardi, P. (2017), „Financing for Social Impact | The Key Role of Tailored Financing and Hybrid Finance", EVPA
24. Ibid
25. Ibid
26. http://ec.europa.eu/growth/sectors/social-economy/enterprises_en

About

EUROPEAN VENTURE PHILANTHROPY ASSOCIATION

Established in 2004, European Venture Philanthropy Association works to enable Venture Philanthropists and Social Investors to maximize societal impact through increased resources, collaboration and expertise.

Currently, the association has **260+ members from 35 countries**. EVPA's membership covers the full range of venture philanthropy and social impact 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 is a thought leader in building a deeper understanding of the sector. We promote the appropriate use of venture philanthropy and social impact investment and inspire guidelines and regulations.

GLOBAL SOCIAL ENTREPRENEURSHIP NETWORK

GSEN was founded in 2012 as the only global network for global supporters of Social Entrepreneurs. These intermediaries are a mixture of incubators and accelerators from around the world who provide a mix of funding and tailored support to these entrepreneurs to start up and scale their ventures, wherever they may be in the world. GSEN has 60 members across 70 countries and 6 continents, providing access to a unique peer-to-peer learning network for its global membership.

Deloitte.

Deloitte Poland is one of the leading advisory firms providing world-class professional services in audit, tax advisory, legal, strategic and technology consulting, as well as enterprise risk management and financial advisory.

The Sustainability Consulting Central Europe Deloitte team is composed of a few dozen experts who focus on transformation of private companies, public sector organizations and NGOs, in order to prepare them to face social, economic, environmental, energy-related and operational challenges on a local, regional and global scale. We perform services in 18 Central European countries.

Our approach is convergent with Deloitte's global purpose statement of "making an impact that matters".

Partners:

EUROPEAN VENTURE PHILANTHROPY ASSOCIATION

GLOBAL SOCIAL ENTREPRENEURSHIP NETWORK

This publication was supported by:

Visegrad Fund

CHARLES STEWART MOTT FOUNDATION®

The project is co-financed by the Governments of Czechia, Hungary, Poland and Slovakia through Visegrad Grants from International Visegrad Fund. The mission of the fund is to advance ideas for sustainable regional cooperation in Central Europe.

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/ro/about to learn more about our global network of member firms.

Deloitte provides audit, consulting, legal, financial, risk, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 244,000 professionals make an impact that matters, please connect with us on Facebook or LinkedIn.

© 2018. For information, contact Deloitte.