



Venture Philanthropy

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History of VP

United States

- Began in late 1990's
- Framed VP as direct criticism of grantmaking foundations
- No central organization

Europe

- Began in early 2000's.
- Pioneers cooperate with foundations
- EVPA set up in 2004 by five professionals from PE
- EVPA bridge between foundations and VC/PE.



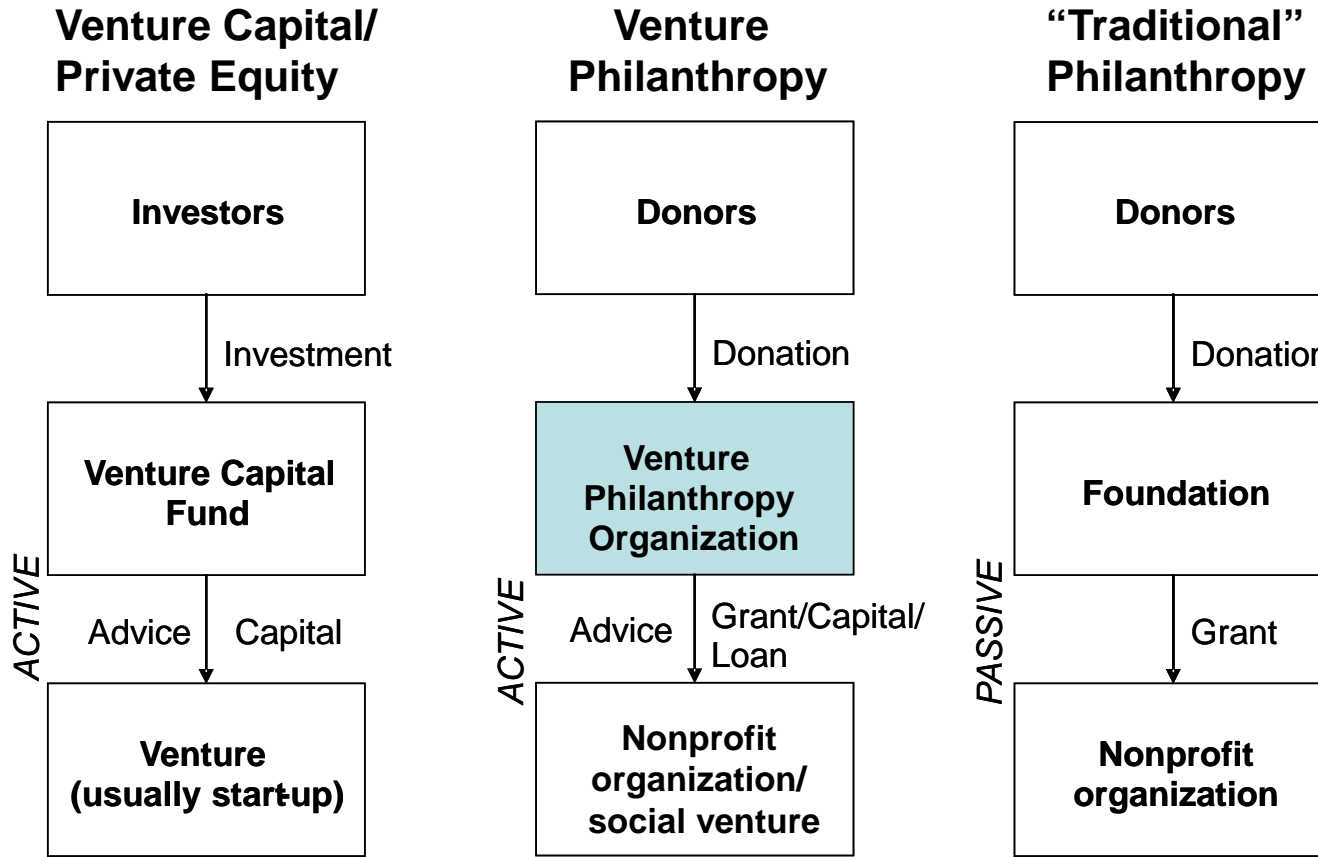
What is Venture Philanthropy?

Venture philanthropy applies venture capital principles to help social organisations make a 'step change' in their operations in order to increase their social impact

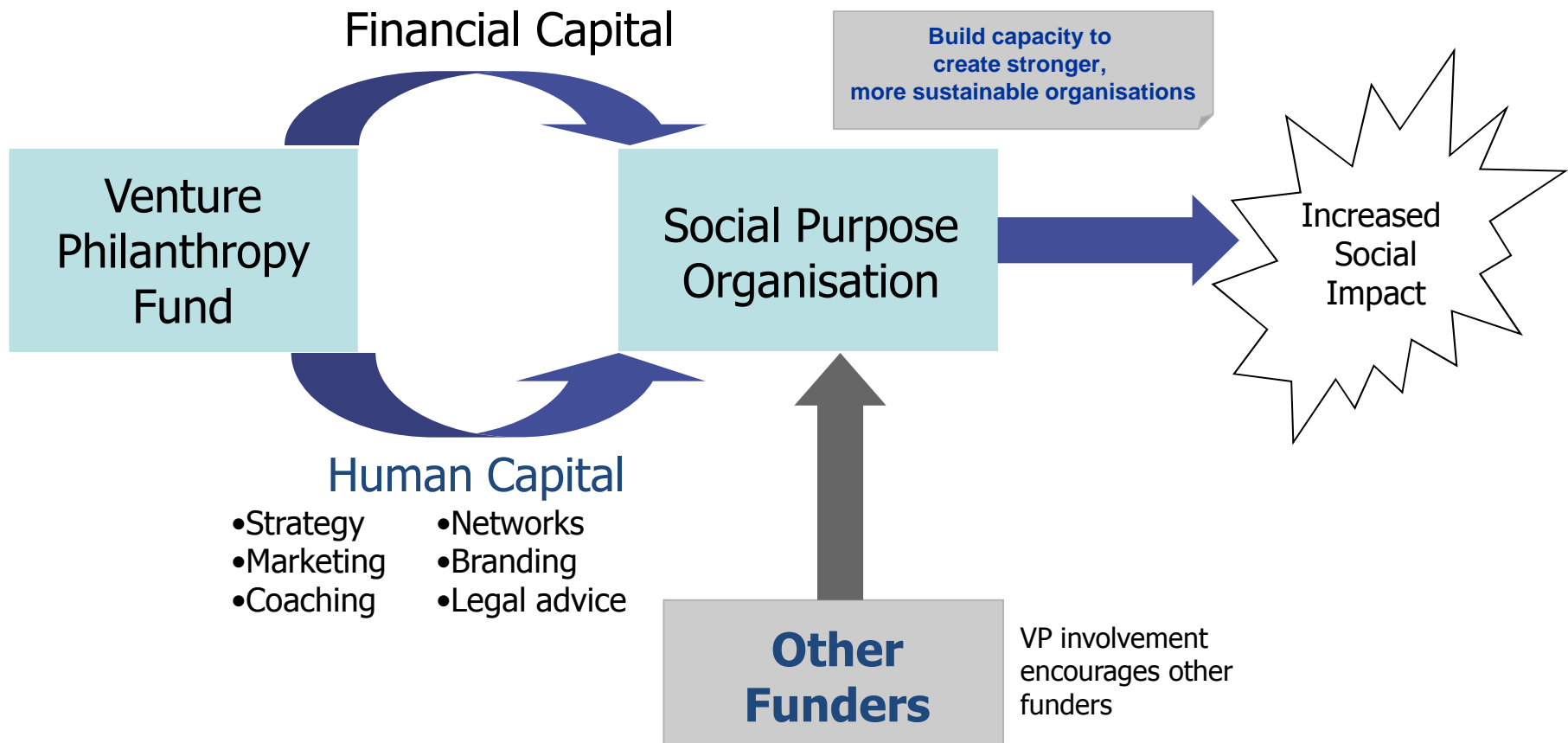
Characteristics of VP

- 1. High engagement** – hands-on
- 2. Tailored financing** – depending on type of investee and individual needs
- 3. Multi-year support** – supporting a limited number of organizations 3-5 years, exit when financially sustainable
- 4. Non-financial support** – value-added services such as strategic advice, either through volunteers, VP staff, donors or third party consultants
- 5. Organizational capacity-building** – funding core operational costs rather than individual projects with the aim of increasing social impact and becoming less dependent on continuous fundraising
- 6. Performance measurement** – achieving milestones, enhancing accountability

Situating VP

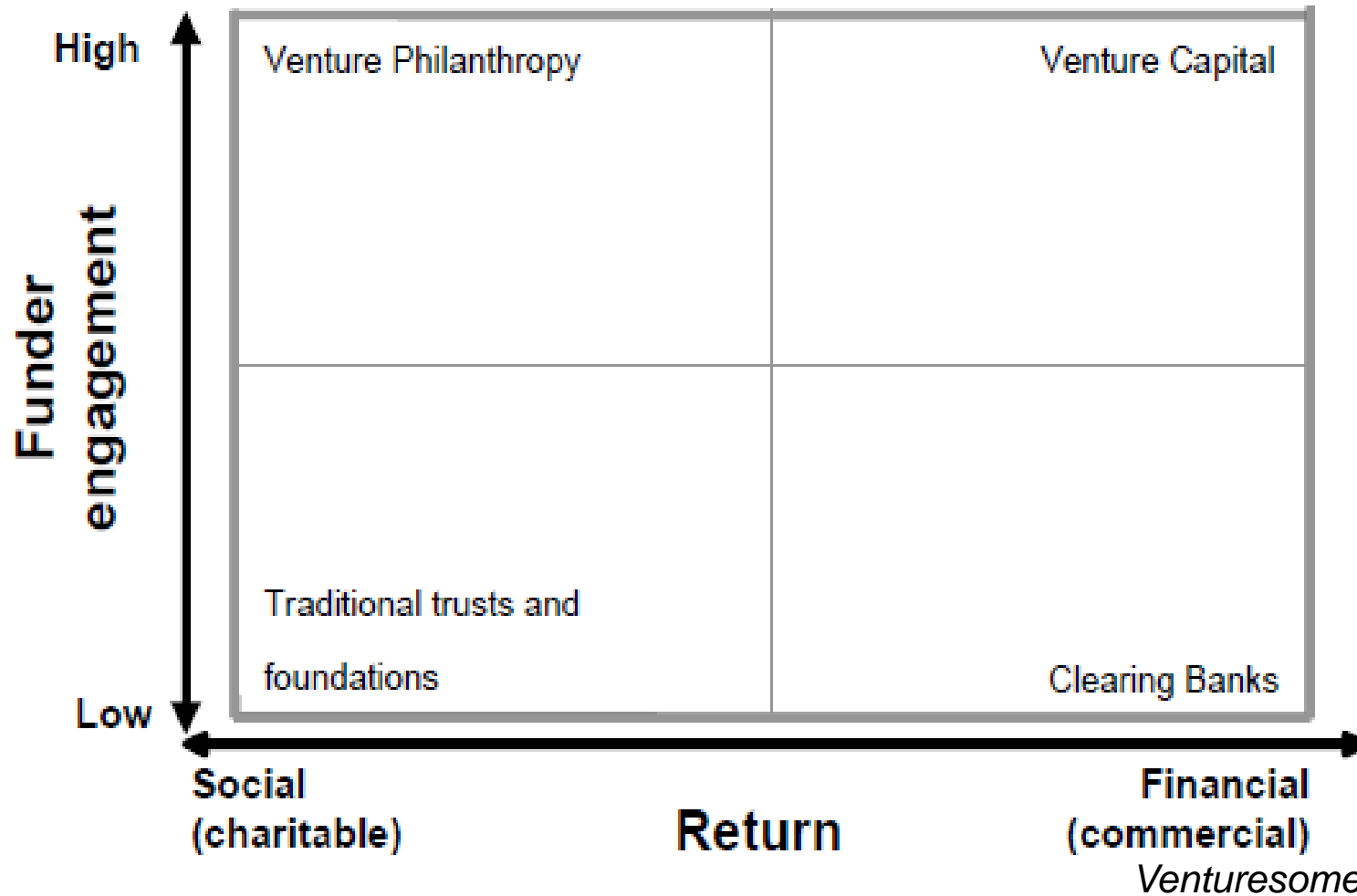


Venture Philanthropy



Venture Philanthropy multiplies the impact of financial capital by providing non-financial services and a high level of engagement

Filling a gap in Social Investment Market



Motivations behind VP

- Entrepreneurial approach to philanthropy – attracting new resources to social sector
 - Strengthening the social sector by improving efficiency, sustainability and transparency of nonprofit organizations and social enterprises
- Overall aim: enhance social impact

Motivations behind VP

Wealthy entrepreneurs	Giving something back to society beyond a cheque
Venture Capitalists	Applying VC methods to social sector
Foundations	Another tool in the philanthropy toolbox
Social Sector	Getting out of fundraising trap

Who are the players?

- **“Independent” Venture Philanthropy organizations**
 - Usually created by professionals from VC/PE, finance, business
- **Grantmaking foundations** that either:
 - Convert to VP
 - Set up independent VP fund
 - Use some VP methods
- **CSR of Venture Capital/Private Equity:**
 - VC firms setting up a foundation

Who are the “investees”?

- Nonprofit organizations and social enterprises with:
 - Strong growth potential
 - Possibility to become financially sustainable
 - Business models that can be replicated on a large scale
 - Management that is receptive to high engagement investor
- Usually small to medium-sized nonprofit organizations and social enterprises at a critical stage in their development



EVPA at a Glance (1)

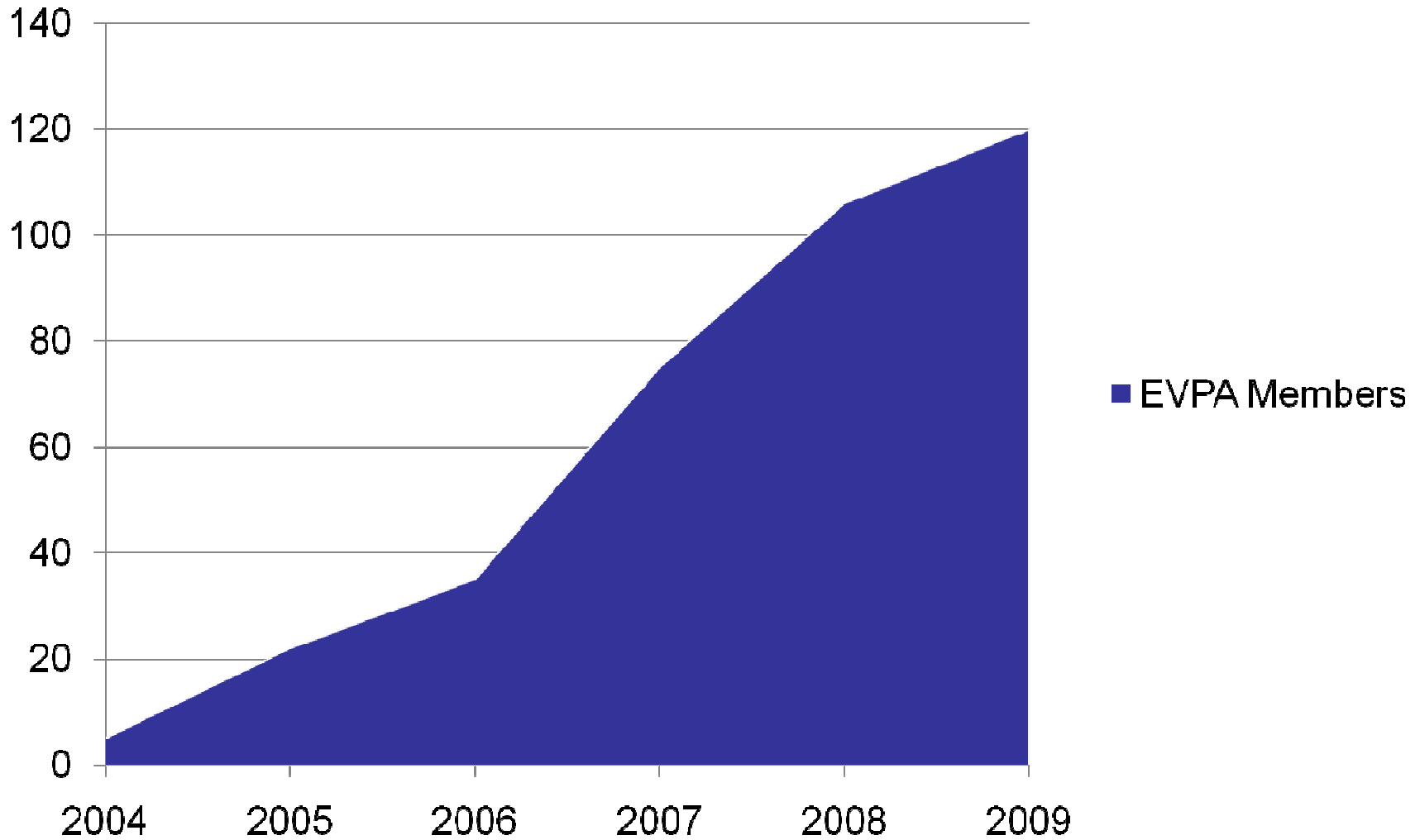
- The European Venture Philanthropy Association was formed in 2004 by 5 professionals from the European Private Equity community.
- It is a membership association made up of organisations who practice and are interested in venture philanthropy.
- The association counts 120 members in 22 countries coming from sectors as diverse as private equity, foundations, universities, private banks, and law firms.

EVPA at a Glance (2)

- Registered as an international non-profit organisation (aisbl) in Belgium
- Since 1 March 2009, Brussels Office with full-time staff, supported by external consultants
- Sponsors 2010 include:
 - ✓ 3i
 - ✓ Barclays Private Equity
 - ✓ KPMG
 - ✓ Pantheon Ventures
 - ✓ Natixis Private Equity
- Strong cooperation with:
 - ✓ European Private Equity & Venture Capital Association (EVCA)
 - ✓ European Foundation Centre (EFC)



Growth of EVPA Membership





Vision and Mission

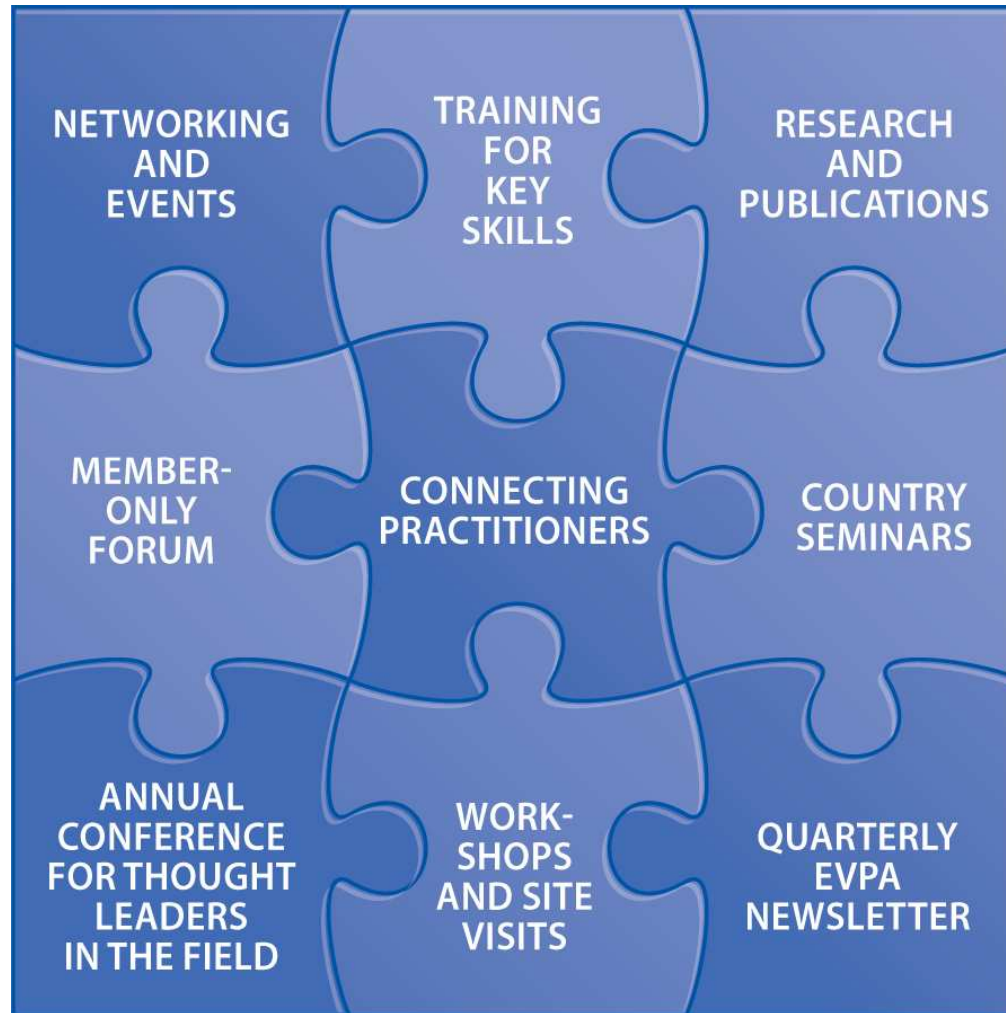
Vision

Enable efficient funding of NGOs and social enterprises through VP

Mission

1. promote the expansion and effectiveness of venture philanthropy in Europe
2. provide learning opportunities

EVPA Services





New: Knowledge Centre

- Aspires to be that central hub where information and research is commissioned, shared, collected, and analysed
- Disseminates information through publications, training, and events
- Aims to be a thought leader in building the field of venture philanthropy

Recent Publications



- Distance Learning: Managing International Investments, Oct 09 (First from the Knowledge Centre)
- VP Directory 2009/2010, Nov 09 (with support from the King Baudouin Foundation)
- Praxis: European Venture Philanthropy in Practice, Feb 09
- Establishing a VP Fund in Europe: A Practical Guide, Sept 08



Members March 2010

120 in 22 countries

Austria

Essl Foundation

Belgium

King Baudouin Foundation

Lapiluz

Banque Degroof

Canada

Lundin for Africa

Czech Republic

Media Development Loan Fund

Estonia

Good Deed Foundation

Pan European

Ashoka

European Foundation Centre

European Venture Capital

Association

UBS Philanthropy Services

France

Argos Soditic

BAC

Citizen Capital

Credit Cooperatif

Demeter Foundation

ESSEC

Fondinvest

L'Initiative Philanthropique

BNP Paribas

Natixis Private Equity

OFI Private Equity

Capital

Phitrust

Salans

Germany

Auridis

Bertelsmann Foundation

BMW Stiftung

Bonventure

Management GmbH

Canopus Foundation

CEFS

Centre for Social

Investment

Convivatus

Forum for Active

Philanthropy

Halder

Stiftung Charite

Wellington Partners

Hungary

NESsT

Ireland

Ryan Academy

One Foundation

Dublin City University

Social Entrepreneurs Ireland

EMPG

Social Capital Ireland Ltd.

Italy

Fondazione CRT

Fondazione Oltre

Fondazione Paideia

Oliver Twist Foundation

Latvia

PIF

Lithuania

Civic Responsibility Foundation

Luxembourg

European Investment Fund

Banque de Luxembourg

CVC Capital Partners (Lux)

Netherlands

ABN AMRO

dob Foundation

George Avenue

Scholten Frannssen

SSO (Dutch Foundation for Social
Entrepreneurs)

Social Evaluator

Van Leer Foundation

VSBfonds

XSML

Start Foundation



Members March 2010

120 in 23 countries

Norway

CDFSN
Cultiva
Formuesforvaltning AS
Voxtra

Russia

Our Talents Foundation

Singapore

MAM Pte Ltd

Slovak Republic

Pontis Foundation

Spain

ASCRI
CIDEM
ESADE Business School
Factory Europe
IESE Business School
Invest for Children
USP Fundacion Alex

Sweden

Mikael Ahlstrom

Switzerland

Alpha Mundi
Children Action
EPFL
LGT

United Kingdom

3i
Actis
ARK
Ashden Trust
Barclays Private Equity
Bridges Ventures
Cambridge University
CAN -Breakthrough
CIFF
Coller Capital
Cranfield Trust
CVC
David Carrington
Doughty Hanson
Esmee Fairbairn
Foundation
GMT III Charitable Trust
Headway Capital Partners
IKARE
Impetus Trust
Inspiring Scotland
Institute for Philanthropy
John Pepin & Associates

KPMG LLP
Lovells
Mvision
New Philanthropy Capital
Pantheon Ventures
Permira
Pilotlight
Private Equity Foundation
Prospectus
Rayne Foundation
Rianta Capital
Skoll Centre for Social
Entrepreneurship
SROI Network
Sutton Trust
TowerBrook Foundation
UnLtd
Venturesome
VPF
Warwick University
Wood Family Trust
Young Foundation – Launchpad

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