


# UNLOCKING BLENDED FINANCE

## FOR SOCIAL ENTREPRENEURS

How to bridge the gap between philanthropy and social impact investors and investees

 Schweizerische Eidgenossenschaft  
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 **SIFEM**  
SWISS INVESTMENT FUND  
FOR EMERGING MARKETS

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sustainable  
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**GO BEYOND**  
EARLY STAGE  
INVESTING

 **BNP PARIBAS**

Geneva, 22 September 2016

# UNLOCKING BLENDED FINANCE

## FOR SOCIAL ENTREPRENEURS

How to bridge the gap between philanthropy and social impact investors and investees

- 18:30 Welcome keynote by **Caroline Le Viet-Clarke** (Ashoka Switzerland)
- 18:35 Panel discussion on blended finance solutions, opportunities and barriers moderated by **Audrey Sélian** (Rianta Capital) with:
- **Bertrand Gacon** (Lombard Odier)
  - **Maria Carolina Romero** (GoBeyond)
  - **Josephine Korijn** (Ashoka Hybrid Finance Initiative)
- 19:15 Pitching session by Ashoka Fellows with a blended financing model to inspire & offer new investment opportunities
- **Dr. Frank Hoffmann** (Discovering Hands)
  - **Joost van Engen** (Healthy Entrepreneurs)
- 19:45 Cocktail networking

Raise  
awareness

Discuss  
& brainstorm

Offer investment  
opportunities

Create  
a movement



# ABOUT ASHOKA

The **largest global network of leading social entrepreneurs** with over 3,300 Ashoka Fellows in 85 countries

- Aspiration: *Everyone a Changemaker*
- 33 years of experience
- Coined the term “social entrepreneur”
- Ranked among the best 100 NGOs
- USD 40M annual budget

Our approach is based on:

- Entrepreneurship
- Social innovation and changing systems
- Network effect and collaborative entrepreneurship
- Searching and Selecting, Catalyzing and Changing the Conversation
- Tracking investment & impact

## What is a social entrepreneur?

An Individual with innovative solutions to society’s most pressing social problems. With entrepreneurial skills, ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.





# OUR STRATEGY

Ashoka identifies Social Entrepreneurs with system-changing ideas at an early development stage....

...helps them to shape their vision, scale their idea...

... to ultimately change systems and inspire other people to become changemakers!



1 Fellow elected per ~200 nominations via a selective process

On average, Ashoka elects 1 new Fellow per 10 million inhabitants each year

87% Fellows say their impact improved thanks to Ashoka!

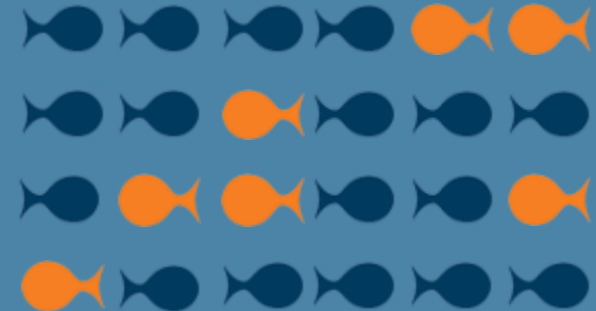
5 years after their election, 57% of the Fellows have changed national law

93% of the projects have been copied



*“Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.”*

Bill Drayton, Ashoka Founder and CEO





What do  
**> 80% of social enterprises**  
serving the Bottom of the Pyramid  
have in common?



They are not operating at  
or near scale and are  
**not ready to take on  
investment.**



What do

**> 80% of institutional  
impact investors  
have in common?**





They seek competitive,  
**market-rate returns**  
or returns close to market rate.



# NEED TO UNLOCK CAPITAL

- Private capital matters
- The (new) role of public funders and philanthropists should be about maximizing the impact of capital deployed

Blended  
Finance

Hybrid  
Finance

Catalytic  
capital

→ The opportunity: scaling innovations & market-based solutions



# WHAT IS BLENDED FINANCE?

*“Blended Finance is the strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets. (It) represents an opportunity to drive significant new capital flows into high-impact sectors, while effectively leveraging private sector expertise...”*

OECD / World Economic Forum, 2015



# CURRENT FINANCIAL GAP ISSUE

## PHILANTHROPY & PUBLIC FUNDING

- + No need to return capital
- Restricted in use
- Unreliable as long term income source
- Often overly dependent on few sources



## TRADITIONAL INVESTMENT

- + Unrestricted
- + Longer term/strategic
- Need repayment
- Legally binding



## FINANCIAL GAP

→ Blended finance opportunities



0%  
Expected return of capital

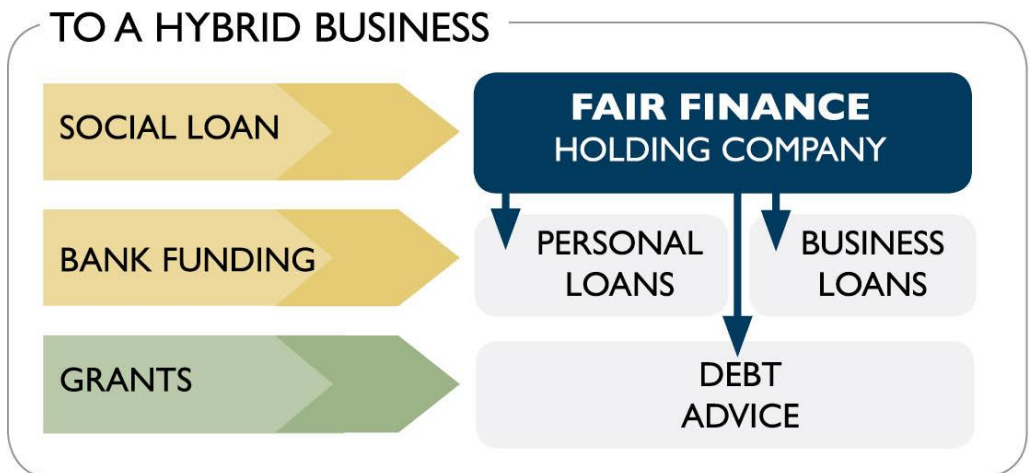
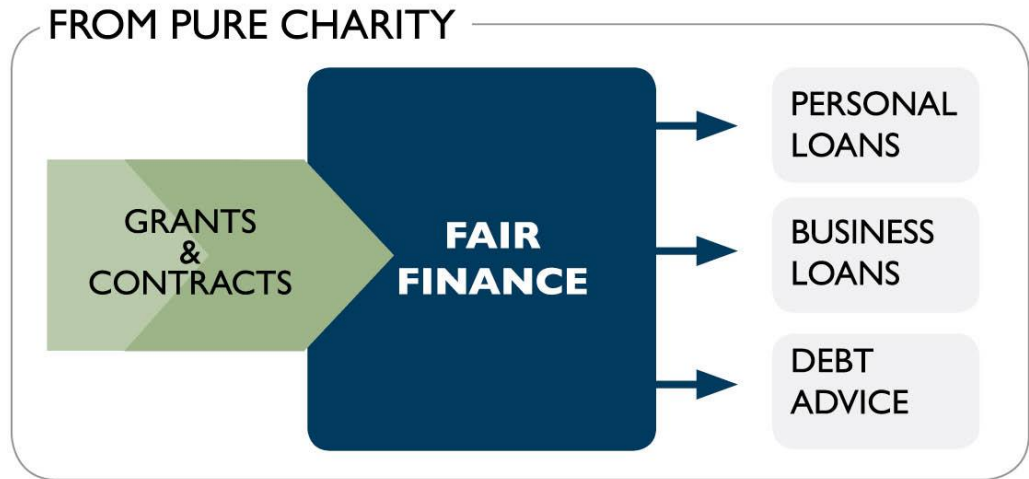
Principal + financial gain



# EXAMPLE OF FAIR FINANCE

## Hybrid business:

Separate business from non-business activities...  
to raise the right kind of finance for each part





# PANEL DISCUSSION



**Bertrand Gacon**

Head of Impact Investing and SRI at Lombard Odier



**Josephine Korijn**

Social Investment Associate at Chelwood Capital - previously Social Finance Associate at Ashoka



**Maria-Carolina Romero**

Director of Investor Groups at Go Beyond Investing



**Audrey Sélian**

Director of the Artha Initiative associated with Rianta Capital Zurich