

SDC's "take aways" from the

## Social and Impact Enterprise (SIE) Workshop

on 25.08.2023, Basel

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### Information on the preliminary ideas of the programme


SDC is developing ideas for a new programme to scale up good practices in working with Social and Impact Enterprises (SIEs). To this end, SDC is planning a "call for concept" that will launch a co-creation process to come up with an effective programme.

#### Framework for the planned new programme:

- It will not be a SDC mandate to be put out to tender, but a project contribution.
- SDC will contribute up to 50% of the cost of the programme. The partner organisation(s) contribute at least 50%, leveraging funds from other funding partners, including from the private sector.
- Acceptable contributions from the partner organisation(s) are cash contributions and – to a certain extent - in-kind contributions, as well as third-party investments in SIEs that are directly leveraged by the programme interventions and can be attributed to the programme. Investments of partners into SIEs may count, too.
- While access to finance can certainly be something the programme works on, the programme itself should not be an investment vehicle. The reason for this is that SDC supports various other programmes specialized in this area, such as the Impact Linked Finance Fund ([link](#)) with various windows. Synergies with programs providing access to finance to SIE are welcomed, SDC would rather focus on the promotion and showcasing of SIE, which can then create a pipeline for these other programmes or impact investors in general.

In terms of **content**, there are certain elements important to highlight:

- For SDC, the social or impact enterprise is not the main target, but the people they serve and reach. So it is important to note that SDC is most interested in the impact the SIEs create. Impact can be defined differently, but for SDC's new programme it is about poverty reduction, inclusion and social cohesion. In other words, a large share of the "end beneficiaries" or "clients" of the SIEs should be poor and/or socially excluded – in particular as this new programme should support individually selected SIEs (see draft theory of chain below) next to the strengthening of support ecosystems.
- While there is no specific country or region in focus, we are a development agency and therefore interested in supporting SIEs in ODA-eligible countries, with a preference for SDC priority regions and or SDC priority countries. SDC's priority regions are North



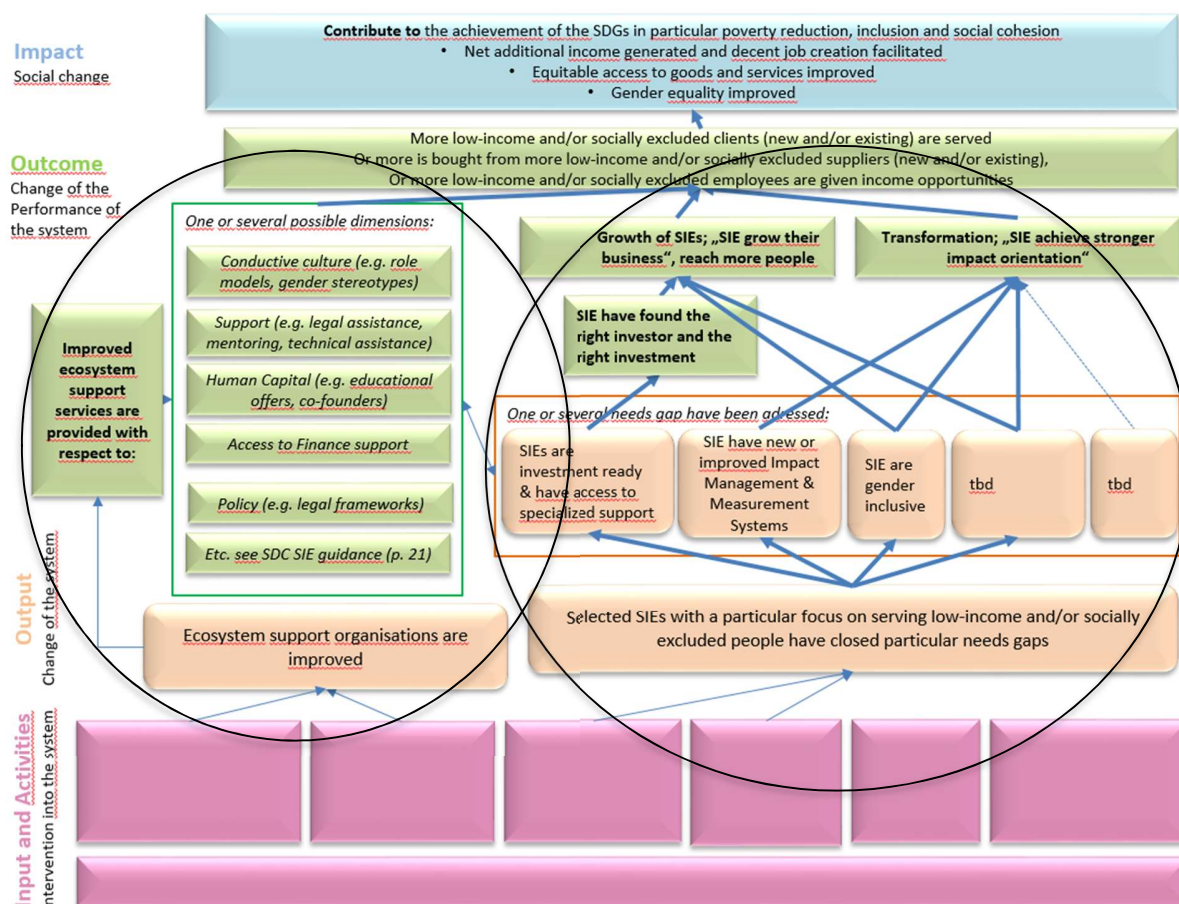
Africa and the Middle East, Sub-Saharan Africa and Asia (i.e. Central, South and South-East Asia). In Eastern Europe, the SDC covers the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Serbia), Moldova and Ukraine, and in the Southern Caucasus (Armenia and Georgia), see the [link](#) with the official list.

**SDC's section Economy and Education (E+E)** seeks to co-finance a generally sector-agnostic and multi-country core- programme, whose geographical focus can adapt to the partners' footprint in ODA-eligible countries. For this, a budget contribution of approximately 4-5 million CHF for a first phase of 4 years starting in 2024 (all subject to approval by SDC management) is planned. The programme should however be designed to be "expandable" and "adaptable" to the needs of other interested SDC units (and other co-finance partner) with specific thematic/sectoral or geographic mandates.

**SDC's section on Migration and Forced Displacement (SMFD)** stands ready to contribute 2 million CHF (subject approval of SDC management) to a "module" related to the integration of migrant-centred SIE promotion:

- SMFD works to make migration safer and increase the positive development outcomes of migration. Main goals (see also the Sections' [strategic framework 2022-2025](#)):
  1. Enhance the safety, the well-being of migrants, forcedly displaced people and their family and communities.
  2. Minimize the cost of migration.
  3. Unlock the development potential of migration.
- SMFD holds a positive perspective on migration, which aligns with the promotion of SIE. Through the SIE programme, migrants benefit from improved goods and services, and are empowered with jobs or business opportunities.
- SMFD seeks to scale up its support to SIEs, incorporating insights from its pilot programme on Social Entrepreneurship for Migration and Development in the MENA region ([SEMD](#)).
- An "inclusivity lens" is employed by SMFD, focusing on understanding the specific needs of migrants and refugees, discerning the nuances when creating a programme tailored for this group, in comparison to other SIE programmes.

## Draft Theory of Change



The logic of the project in a one-page

This preliminary graph shows the programme's theory of change. A set of interventions, are expected to lead to a specific development change, i.e. the impact "at the top" of the theory. While the inputs and activities are to be agreed upon and designed in detail at a later stage, i.e. after the call for concept as part of a co-creation process (see section "next steps" at the end of the paper), SDC has some ideas about the outcomes and selected outputs of the programme.

**Impact:** SDC's ambition is poverty reduction, inclusion and social cohesion (impact). Hence the focus is on achieving the SDGs with a strong focus on low-income population and/or socially excluded, such as migrants for the SMFD module.

At **Outcome** level, this could be measured by indicators that show that selected SIEs sell more goods and services to these population groups and/or buy from them and/or employ them. Based on SDC's experience this can be achieved either by helping SIEs to grow or by transforming other existing businesses to "become more social". Either – or both – type of businesses could be targeted with the programme.

Two main "intervention streams":

(Direct) **promotion of selected SIE** (right circle of the theory of change): Especially in supporting SIE to growth access to the right type of finance and hence matching SIEs with the right kind of investors is crucial and something SDC believes should be addressed with this programme, which is why there is also an output related to

investment readiness. The other outputs already lined out are areas where SDC believes it can make a difference: impact measurement & management and gender sensitivity.

**SIE Ecosystem support:** Apart from supporting selected SIEs, SDC believes that the programme could make a difference by supporting the SIEs ecosystem(s) (the left circle in the theory of change) which can be defined at different levels (local, national, regional, global) and consist of different dimensions (see [SDC guidance](#)). However, SDC does not have clear vision on what type of ecosystem support would be most impactful and is ready to learn from partner organisation(s).

It is important to note that this theory of change shows SDC's ideas and thoughts on how an effective contribution towards the SDGs by supporting SIEs could look like, reflecting SDC's priorities and some of its lessons learned. However, the above is not set in stone and certainly not complete, but something that needs to be worked on and adapted with the selected partner organisation(s) of the programme and which can be influenced by good practice and innovations of others.

## Comments, Questions & Answers Session

After the information session and presentation of the theory of change, the organisations engaged in a Q&A session summarized here:

Q: Focus on about poverty reduction, inclusion and social cohesion: Is **climate change resilience** a topic as well?

A: Within this programme the "impact" that SDC is explicit about is poverty reduction, inclusion and social cohesion. However, climate change is an important topic for SDC and the SDG's. If a partner proposes to include a climate change component and/or suggest to add objectives related to it this is certainly possible, as long as it does not compromise the impact related to poverty reduction, inclusion and social cohesion.

Q: What would be a **success of this programme** after 4-5 years, so that you would further support the project?

A: This is certainly something to be discussed and refined during the co-creation process with the partner organizations. As can be derived from the theory of change depicted above, success factors for SDC would be that the supported SIE create net additional impact beyond the total programme costs. And, that they continue on doing this, ideally on a growth path. And, that the ecosystem support organizations are capacitated and empowered to provide adequate support to SIEs and will continue doing so after project end.

Q: The theory of change strongly suggest that SDC wants the new programme to work directly or indirectly with **impact investors**. What kind of investors would you like to attract/cater to? Do you have concrete names, organisations?

A: SDC calls on the partner organisation(s) to propose and include – if they wish – collaborations with impact investors or target the SIE support towards specific investors. However, and with reference to the GIIN report and investment grade, it is probably easier for the programme to work with impact-first investors (social-oriented investment).

C: There seemed to be a consensus among the participants that this part of impact-first investment money is small and unfortunately rather shrinking in the years after the COVID-pandemic.

C: SIE are usually not reaching the "poorest of the poor", if they have to generate market returns. Some participants agreed that this needs to be considered in the design of the programme, i.e. if there is a room for these kind of SIEs in the programme. In that case working with governments may be necessary and/or using grant money. If this programme does not aim

at reaching the poorest, working on the ecosystem and SIE is complementary to the other SDC approaches, including policy dialogue.

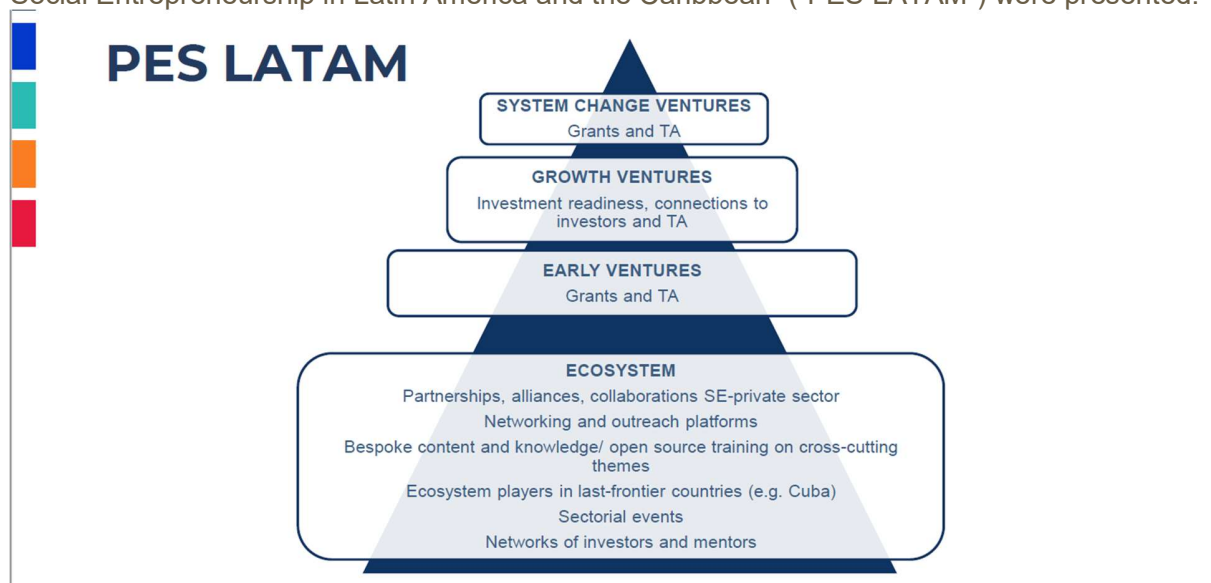
C: Addressing the needs of the poor and socially excluded and a lot of SIEs have come up with solution for them. However, there are different types of business models that address the poor and excluded, but not only, which allows a SIE to cross-subsidies certain products or services.

C: In order to see if a SIE reaches the poorest of the poor and how, it needs a corresponding impact measurement effort. However, this is often too expensive for SIEs. The value of impact measurement and management is clear, but we need to strike a balance in order not to overwhelm the SIEs with extra cost, i.e. human resources or cash contributions. Subsidies for impact management and measurement systems need to be earmarked. C: C: If reaching the “poorest of the poor” is a goal it will be difficult to achieve returns on a commercial level. So we are not in models for private investors or impact investor, who are seeking market rate returns. Is such a programme we should integrate local financial intermediaries, who could for example charge lower interest rates.

C SDC: This are the kind of things that we have to define during the co-creation process with the partner organisation(s). If they have contacts and other inroads to local financial intermediaries or the government, SDC would be open to consider this option.

## Some Lessons Learned from the “PES LATAM” programme

During the Workshop a few preliminary lessons learned from SDC’s programme “Promoting Social Entrepreneurship in Latin America and the Caribbean” (“PES LATAM”) were presented.



General background: PES LATAM was launched in 2014 and is in the process of closing down, except for its component on “gender mainstream” which will run until the End of 2024 and consists mainly of online course and mini-grants for SIEs to implement gender initiatives. The programme has supported the SIE Ecosystem in Latin America and the Caribbean in general and in specific SDC priority countries (Bolivia, Cuba, Central America and Haiti) and supported about 150 SIE in different stages in more than 15 countries through technical assistance (TA), grants and/or a few with impact-linked loans during Covid-19 in collaboration with two impact investors.

While the programme is wrapping up the programme partners are reviewing and evaluating some of its core program activities based on the data from its result measurement to harness and crystallize key learnings and insights. These insights will be ready and available to feed into the co-creation, but only process after the call for concept.



However, there are three “topics” on which PES LATAM has worked, which SDC believes to be important in a new programme, too. These three topics with a lot of open questions related to them were presented during the workshop:

## The constant – access to capital

The basic question: What should a donor do, or not do...

- **Pay for accelerator programs**
- **Pay for CFO-grade housekeeping**
- **Pay for performance-driving TA**
- **Give free money**
- **Reform investors using various incentives**
- **Make investors more approachable**

The 1 million dollar question: What moves the needle most – business and impact wise?

The nasty question: Are market-based ventures truly better investments?

## The correct – impact measurement/management

The basic question: What should a donor do, or not do...

- **Pay for training**
- **Pay for data collection and surveys**
- **Pay for tools/systems/processes**
- **Pay for benchmarks and standards**
- **Reform social entrepreneurs (and investors) with various incentives**

The 1 million dollar question: What sticks or how to make it stick?

The nasty question: What is the end game? Performance management?

## The underdog – gender mainstreaming

The basic question: What should a donor do, or not do...

- **Pay for training**
- **Pay for action**
- **Pay for tools/systems/processes**
- **Pay for benchmarks and standards**
- **Reform social entrepreneurs (and investors) with various incentives**

The 1 million dollar question: How to evangelize at scale?

The nasty question: None. We just have to do this.

All three topics were later discussed in the afternoon to verify their relevance and learn from different partners experiences. In general, there was a **consensus that the three topics –**

**access to finance, impact measurement and management and gender mainstreaming – are relevant** and that there are a lot of different ways to tackle them.

## **Round Tables on Ecosystem Support, Support to specific SIEs and the general planned programme set-up**

As describe in the section above, especially the draft theory of change, SDC believes that a future programme should probably do both Ecosystem Support and supporting selected SIEs. Questions related to these topics, as well as on possible programme set-up were discussed in smaller groups, using the World Café methodology:

### **SIEs Ecosystem Support**

**Questions asked by SDC: How can a global programme improve SIE ecosystem(s) and where could a donor like SDC support make the biggest difference?**

- What are the success factors and challenges at a global and/or regional level?
- How strong should we focus on specialized ESOs vs overall (enterprise) support ecosystem? Advantages / Disadvantages?
- What should be done differently if we are adopting specific focus, e.g. migration and forced displacement?

Insights:

- A key insight of the workshop was that the future programme needs to work via ecosystem support organizations (ESOs) to institutionalize the achievements and assure sustainability, system change, long-term impact and increased outreach.
- If ecosystem building is a goal, SDC needs to be aware that this is not just built in a day, but SDC and the new programme should commit for a couple of years.
- The groups found that the terminology “ecosystem support” is very broad and the ecosystem(s) with its respective ESOs, and other stakeholders, with which the programme wants to work with, need to be defined for this new programme together with the programme partner organisations.. The programme should be built upon ecosystem proposals from partners, within the criteria established by SDC in the call for concepts.
- Voices were raised that ecosystem support should be done in close collaboration with governments and local authorities and/or national SDC offices.
- Some participants suggested to focus on a certain number of regions or countries where ecosystem support is not only needed, but where it has a lot of potential. The same suggestion came with respect to focusing on certain sectors or “themes”, such as migration, which would make the identification relevant ESOs easier, even at a global level. However, there was no clear consensus.
- Ecosystem support can be done at all proposed levels – global, regional, but also national/local level. While there is a certain, but often still limited exchange, among different ESOs, stakeholders (incl. investors) and SIEs in a certain country, this is often missing at a regional and especially at a global level, and donors like SDC have the means to facilitate and finance those to build a regional/global SIEs community.
- There was no consensus with respect to supporting specialized ESOs for SIEs vs overall (enterprise) ESOs, as it depends very much on the ecosystem landscape available in a chosen country/region and the availability of specific SIE ESO's.

### **Support to selected SIEs**

**Questions asked by SDC: How can a global programme effectively support selected SIEs and where can a donor like SDC make the biggest difference?**

- What are the challenges on searching globally vs focusing on certain regions/countries?

- Are their arguments not to only focus on for-profit and hybrid SIEs, but to include NGO type of SIEs?
- At what stage (incubation vs acceleration) can we make the biggest impact and difference?
- What should be done differently if we are adopting specific focus, e.g. migration and forced displacement?

#### Insights:

- Partners felt like focusing on certain regions/multiple pilot countries is highly recommended, to reduce complexity and deepen impact. The partners should be free to limit or not the sectors. Migration is however a key component to be integrated in a broader programme.
- Categories of countries: in some countries working on SIE is easier than in others (existing and performant ESO support structures, financing, vibrant SIE landscape). It would be interesting to work with a portfolio of SIEs in different countries with different development stage of SIE community and ecosystems.
- The pipeline of (good) SIE is limited. Participants suggest not to exclude “NGO type” of SIEs from the start: focus should be on the SIE with most impact potential. Also, transformation from profit-oriented to more inclusive enterprises could be an interesting testing field.
- No consensus was reached on the stage of development for SIE support; partners should be able to suggest what stage and with what kind of SIE they would like to work for biggest impact.
- For specific topics like migration, the programme should not limit itself too much, e.g. by looking at migrants as entrepreneurs, but also as beneficiaries.
- There needs to be a clear link between the Ecosystem component of the programme and the component of the programme where specific SIEs are supported. Ideally, the ESOs supported through the ecosystem component are the ones who also deliver the specific support to selected SIEs.
- The selection criteria and the methodology on how to identify specific SIEs is crucial and full-alignment between the SDC and programme partner(s) is needed.

#### **Potential Programme Set-up**

##### **SDC sought feedback on the proposed programme structure, asking participants:**

- Is the proposed structure feasible?
- How could a partner (together with SDC) manage the envisaged complexity (modular approach) of the programme?
- Leverage additional resources (contribution logic): private investment and/or public/private grants are required. How to solve this efficiently?
- Anything else that we should consider?

#### Insights:

- Participants found some questions challenging due to yet undefined variables, such as the part of budget allocation for local southern organisations. However, to comply with co-creation and co-funding criteria, there was a strong push for having investors on-board from the programme's inception.
- Feedback indicated SDC should clarify its expectations and define conditions early on. While SDC emphasised the importance of partnering based on the partner organisation's vision and expertise, there were calls for clear selection criteria when announcing the "call for concept". Concerns about high transaction costs, especially when collaborating with organisations from the global south were also raised.



- Later, a suggestion emerged with respect to the set-up. One of the participants advocated fewer constraints in the "call for concept". Instead of putting to many constraints within the call for concept, SDC should ask potential partners about their needs to enhance impact, given many already align with SDC's goals. However, this approach might result in varied proposals, complicating comparisons and long-term validation of success.

## Closing & Conclusions

At the closing of the event partners expressed their gratitude to be brought together to think and co-create and be connected with each other – something that is not done enough, even though a lot of organisations work on similar challenges.

The fact that the global south/local SIE expertise organizations was not present in the room was highlighted again, as well as the importance of on-boarding such organisations in the project ideation process. It was agreed that SDC would share some sort of “take aways” not only with the group of participants present in the room, but with other organisation, especially from the global south, to whom SDC will reach out, with support of the participants before launching the call for concept in Fall 2023.

SDC believes that for such a complex programme it is necessary that different organisations, including organizations from target countries in the global South/East work together on a concept. To facilitate this, **all partners agreed to share their contact information and – if possible – refer SDC to their networks.**

## Next steps

- Collection of **contact details** of potentially interested partner organizations (with special focus on those organization in the global south and based in potential partner countries).
- **Circulation of key take aways** from this workshop with participants and other interested parties (End of September)
- **Project idea approval process by SDC** management and internal budget securization (September)
- Organization of **online brainstorming and co-creation sessions** in Africa, Asia, Latin America and the Middle East with ecosystem support organization, potential partner or expert organization (October)
- **Publication of a call for concept** for submission of project ideas, based on Terms providing the SDC framework conditions for project contributions (November)

Note: Next steps are all subject to approval of SDC management and need alignment with SDC internal processes. Dates and proposed steps are tentative at this stage.

## Annex 1

All participants were asked to prepare a poster briefly introducing the organization and 3 key of their learnings and innovations in SIE (ecosystem) support. Below are the posters presented.



At Impact Hub, we connect impact entrepreneurs and innovators to large organisations, partners, investors, and the public sector to build a more just and sustainable society.

We are a global network of 24,250 people driving change – made up of 100+ communities in 60+ countries across 5 continents.



Impact Hub Basel is the coordinating Impact Hub of Lafiya Innovators. Lafiya Innovators is a support program for health-focused social entrepreneurs in LMICs. It is designed to strengthen the capacity and sustainability of the health and wellbeing ecosystem round the world. The program is executed with four other Impact Hubs in Ghana, Senegal, Cambodia and Colombia.

### 3 key learnings/innovations

- Ecosystem support: to run a post-cohort journey/program for SIE's with access to relevant partners & stakeholders in order to support long term sustainable enterprise growth.
- Getting access to a global perspective is a key component in the ecosystem support: Understanding how business (ideas) fits into global context. This helps to benchmark and compare own business model.
- Support and facilitate access to market connection (sales, customers, Corporates) is a vital component in the incubation and acceleration program.

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## SDC's Future engagement with SIEs: 3 key learnings and innovations in SIE support of Impact Hub Geneva



Impact Hub Geneva is a part of the global Impact Hub network, and has since 2016 supported over 480 SIEs in 32 low- and middle-income countries across Africa, Asia, Latin America and Eastern Europe through the global [Accelerate2030](#) program, co-initiated with UNDP in 2016.

### 1. Reducing poverty and fighting against climate crisis by creating stronger investable pipelines of SIEs across low- and middle-income countries

**Our key learning:** Poverty, demographic growth and insufficient job creation in low- and middle-income countries call for more economic development efforts, but growing an inclusive business remains a challenge, an even bigger one for entrepreneurs from low-income countries. The challenges reported by our entrepreneurs are aligned with a recent report by Dalberg produced for SDC which states that despite their potential as engines of growth and impact, social enterprises in low- and middle-income countries (LMICs) face a \$50 billion per year financing gap, and roughly two million social enterprises struggle to find appropriate capital. Our key learning is that there is a persistent mismatch between what institutional investors seek or can invest in and what social enterprises need in order to move out from the "missing middle". For this, we have learnt that a smart mix of technical assistance and facilitated access to finance is needed, however, always coupled with a close feedback loop from potential investors and institutional funders, to build trust, understand needs, and explore innovative pathways to bridge the existing gap.

**Our Innovations in SIE support:** We have developed a robust SIE support methodology, integrating Impact Measurement and Management (IMM) and Access to Finance, coupled with holistic entrepreneurial support that meets the specific needs of the ventures, incl. leadership training, mentorship, peer-to-peer support, and facilitated access to investors and strategic networks and more. Meanwhile, we would like to see more impact-linked and other innovative financing mechanisms suitable to entrepreneurs across these markets and see opportunities for this work in collaboration with key actors nationally and internationally.

### 2. Supporting entrepreneurial ecosystems and providing focused intervention on strategic themes to enhance the support and ecosystem activation

**Key learnings:** An ecosystem approach in working with strong BSOs (business support organizations), sector experts and partners sectors, as well as connecting relevant key expertise of local IHs and building their capacity is key for effective SIE support. To date, we have worked with over 30 BSOs (mainly Impact Hubs), as well as other Accelerators and UNDP offices, and supported them with key capacity building in delivering entrepreneurial support. Our learning is that while many BSO's have strong capacities in delivering SIE support, some lack expertise in some specific areas where we can bring valuable support, such as IMM, circularity, gender, as well as impact-linked finance. However, a key of the capacity building work, and also a key learning, is the enabling of peer- to-peer knowledge transfer and exchange, enabling national BSOs to learn from each other and adapting the program methodology to the needs within their ecosystems is invaluable. The exchange of knowledge and best practices results in stronger support services and stronger HR capacities to support impact-driven entrepreneurs. In addition, a key learning is that it takes a village to support a venture. Our SIE programming is thus built on an ecosystem, multi-stakeholder approach, where we collaborate both locally and globally with key national and international partners in our support to entrepreneurs, incl. UN system, knowledge partners, sector experts, investors, international consultancies, corporates and more.

**Our Innovations in SIE support:** Development of infrastructure and methodology for delivering capacity building for BSO's at scale across multiple countries and regions that allows for unique peer-to-peer exchange and learning. Specific BSO training and toolkits on various subject areas (e.g. see our [Gender-lens](#) and [Circular Economy toolkit](#) here). Ecosystem approach, connecting local BSOs with global partners (e.g. [UNDP collaboration page](#), Boston Consulting Group, International Trade Centre) and including over 100 local partners in SIE support. Also, key has been leveraging Swiss expertise and networks, getting involved with knowledge partners such as the Circular Economy Switzerland as well as motivated sectorial partners such as SIG, Romande Energie, and EPFL.

### 3. Geneva's unique positioning in empowerment of SIE support in low- and middle-income countries

**Our key learning:** Access to strategic networks is key for any business to grow and scale. However, as a recent OECD publication states, 'disadvantaged entrepreneurs typically lack access to some or all of the positive networking outcomes, due to the paucity of resources at their disposal, including financial, social and human capital', and this is particularly the case for many female entrepreneurs. We have learnt that leveraging the networks and expertise of International Geneva and of Switzerland, is one of the most unique assets and opportunities for supporting scale-ready ventures, and should not be underestimated.

**Our Innovations in SIE support:** Tailored-matchmaking and networking opportunities with International Organisations and other international actors, and other strategic partners. For example, in collaboration with the Building Bridges week, and other U.N. partners, we run the Geneva Global Scaling week to give visibility and connection for SIEs and strengthen ecosystem support, including one-to-one matchmaking with mentors, investors, country missions in Geneva, International Geneva IOs and policy makers such as ITU, ITC, WHO, UNAIDS, Sustainable Finance Geneva to reinforce future perspectives.

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## SDC's Future Engagement with SIEs

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### One Family Foundation

One Family Foundation incubates social innovations, helps them scale, and is currently anchoring Catalyst 2030 – a global network working to accelerate progress towards the SDGs through radical and transformative social innovation at the country level.

**Key learning #1:** Organisations need to have flexibility.

**Key learning #2:** Organisations need to give unrestricted, multi-year funding

**Key learning #3:** Risk-taking is necessary to support social innovation.



## Mission Botnar Foundation: Improve the health and wellbeing of young people living in cities in LMICs

**Venture Philanthropy: purpose-related investments in for-profit businesses to further our mission**

### Learnings/Innovations:

#### 1

**High-risk capacity** → invest at the very early-stage (“valley of death” / funding needed the most) → prepare companies to become PE investor-ready in 2-3 years (also do follow-on investments)

#### 2

As an investor, we can **provide more than financial capital**

- Impact empowerment
- Access to mentors and advisors
- Community building

#### 3

#### **Return versus impact:**

Return / commercial success is as important as impact because if there is no return / commercial success a business will not be able to grow and scale its impact



## Elea Foundation

elea is a philanthropic impact investor that exists to fight absolute poverty with entrepreneurial means.

### Learnings/Innovations regarding support for Individual SIEs

- elea has learned that taking a Board seat in early-stage companies creates a deep partnership that leads to strong value creation. elea serves as a mentor and advisor as the entrepreneurs navigate professional and personal challenges. This value creation, especially during times of crisis, has had a deep impact on our entrepreneurs and has kept several companies alive through challenging times.
- Due diligence is crucial for establishing trust. elea begins to add value during the due diligence process by asking questions that help the entrepreneurs define their vision, operations, unit economics, etc. elea then has a deep view of the business for future value creation. If we invest, we continue this journey of working together with deep trust, and even if we don't invest, we have helped the entrepreneurs in gaining clarity in their business.
- In 2022, we started the elea Entrepreneurs' Community, a talented group of impact entrepreneurs that shares learnings, best practices, and challenges for emotional and professional support. Today, they are sharing training materials, hiring networks, and lists of investors. The group regularly meets live in regional chapters and stays connected through virtual sessions and chat groups.

### Learnings/Innovations regarding the Ecosystem

- The ecosystem needs more patient, philanthropic funding to help ventures over the "valley of death" in the early growth stage.
- Developing co-investor networks is crucial. Co-investors in earlier, similar, and later stage companies provide a thriving ecosystem. It would be great to have more coordinated ways of working together.
- Role of investment advisors/consultants – Advisors/consultants can provide great initial material, but the entrepreneurs and their teams must be able to drive and own the materials, especially the financial models, once the advisors/consultants leave.

## iGravity

**We build and manage finance solutions that create impact for both commercial and philanthropic investors.**

### **Key learnings and innovations in SIE support:**

Leverage the existing system and utilize financial incentives

Tailor both your financing instrument and technical support to a careful context and needs assessment (bottom-up approach)

Be mindful of minimizing burden on the SIEs (avoid long fundraising process, complicated financial instruments, intense measurement burdens, etc.)

Avoid a too-narrow definition of SIEs and consider working across a larger universe of SMEs supporting them generating relevant outcomes

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## Roots of Impact

We unlock the impact potential of high-performing enterprises by providing “better terms for better impact” (Impact-Linked Finance) and prepare them with our partners to get ready for it.

Contact: Bjoern Struwer, [bstruwer@roots-of-impact.org](mailto:bstruwer@roots-of-impact.org)

## 3 key learnings/innovations in SIE (ecosystem) support

### 1. Skin in the game is key

From „promising ideas“ to results-orientation and accountability

### 2. The entrepreneurs know it better

Co-create, offer support and show flexibility – then demand results

### 3. Enabling the enablers works

Train-the-Trainer + voucher scheme  
+ quality assurance + success bonus  
= competitive support ecosystem

## Sagana

Sagana is an impact focused investment consulting firm, working with development agencies, DFIs, families, family offices, foundations and corporates globally.

With Sagana Capital we support investments in climatetech/energy transition, ag/foodtech, industrial decarbonization and health and well-being companies and funds.

With Sagana Consulting we advise on gender/diversity integration, climate/decarbonization strategy and implementation, economic empowerment and innovative finance.

With Sagana Talent we support fast-growing, purpose-driven companies to find the right talent and manage it in the right way.

### Learnings/innovations in SIE:

- There is a huge need for our Talent services
- There is quite a need to integrate gender/diversity and climate lenses
- Our online acceleration platform with customized 1:1 coaching helps companies across a wide spectrum of 30 business topics and was highly appreciated by 100+ SIE

## seedstars

### **Seedstars Group:**

Seedstars, founded in 2013, is a Swiss-based organisation on a mission to impact lives in emerging markets through the potent combination of technology and entrepreneurship. To achieve this, we operate as a “full-stack impact company”, aiming to support entrepreneurs throughout their lifecycle. From providing the right skills, community, and capital to guiding them towards a successful exit, we stand by ambitious entrepreneurs and fund managers in emerging markets every step of the way.

### **3 Key learnings/innovations:**

**1) In terms of product:** Time and time again we are faced with a pipeline issue in terms of talents we can support. Our programs are not adapted as the talents come into these programs with many shortcomings in terms of hard skills but more importantly in terms of soft skills. For us, there is no other way but to go “up the value chain” and figure out how best to re-wire talent education so that they can achieve successfully and sustainability in today and tomorrow's world. For this we launched an academy (with various formats) that empowers talents by training them to learn how to learn. We support them on their journey to mastering the skills of the future via software engineering as well as entrepreneurial education.

**2) In terms of process:** We have failed in the past in rendering our impact framework (theory of change) dynamic (still very much a report vs. an operating model framework) within the projects we execute but more importantly disseminating this to our beneficiaries, which we have also educated in their capabilities to have a triple bottom line approach to doing business. Recently we have integrated in all ToC's, including at the group level, an “reiterative learning machine” in which experiments are an integral part of the success for long term impact, which allows us to have it much more embedded within the day to day operations. Other examples would be we have aligned incentives between team OKRs and ToC indicators so that they are all interlinked.

**3) In terms of scalability:** Scaling a non-profit or a hybrid organisation with a purpose-first mission is very difficult. Further to experimenting different models of governance we have positioned ourselves as a platform where anyone, which aligns with the Seedstars mission, can plug in and partner to support entrepreneurs, invest, provide technologies, and have a significant impact. This dynamic approach enables us to deliver relevant and timely assistance, while also instilling an entrepreneurial culture within our organisation. This creates an environment that mirrors the entrepreneurial ecosystems we support, fostering a culture of creativity, resilience, and shared success

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