SOCIAL INVESTMENT FOR INTERNATIONAL DEVELOPMENT: Cases from the Education Sector in Sub-Saharan Africa

August 2019
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Acknowledgement from authors

The authors would like to thank the following people for their contribution to this report:

Our professors at LSE for their feedback throughout the process.

All the stakeholders who participated in interviews for their valuable insights.

Holly Piper, Sameera Mehra and Ana-Julia Van Bilsen Irias for their guidance and support.

About us

Charities Aid Foundation (CAF) is a leading international charity registered in the United Kingdom, with nine offices covering six continents. We exist to make giving go further, so together we can transform more lives and communities around the world. We are a champion for better giving, and for over 90 years we have been helping donors, companies, charities and social organisations make a bigger impact.

We are CAF and we make giving count.

CAF Venturesome, part of CAF, is an impact-focused social investment fund supporting social enterprises and charities to sustain and grow their impact. Since 2002, we have made over 580 social investments totalling £48m+.

The CAF Global Alliance is a leading international network of independent and locally-led organisations working at the forefront of philanthropy and civil society. The CAF Global Alliance includes Brazil, India, South Africa, Russia, United Kingdom, United States, Canada, Australia and Bulgaria.
INTRODUCTION

A vibrant civil society is a vital component of a healthy democracy. Yet around the world, many civil society organisations (CSOs) face a constant battle to survive, as competition for funding gets ever more intense, and governments introduce new restrictions that result in a ‘closing space’ for civil society.

At the same time, CSOs will have a critical role to play if we are to meet the ambitious targets of the UN Sustainable Development Goals (SDGs) by 2030: goals that governments around the world have committed to delivering.

Against this backdrop, it is crucial that we find ways to protect the freedoms of civil society and to make CSOs independent and sustainable. This includes thinking in new ways about how they are resourced – beyond traditional grants or aid funding. Social investment could play a key role here, in opening up opportunities for CSOs to harness new types of finance and access a broader range of potential funders.

The focus so far in international development has largely been on finance-first social investment. A lot of attention has been given to large international non-governmental organisations (INGOs) and government aid agencies using complex vehicles like development bonds to further their work. At the other end of the spectrum, there has been a lot of excitement about the use of innovative models such as direct cash transfers to get money into the hands of grassroots organisations and local communities.

There has been little or no attention paid, however, to the role of impact-first social investment in financing small and medium-sized international development organisations that fall somewhere between INGOs and community groups: what one might call the ‘forgotten middle’ of international civil society.

Yet these small and medium-sized organisations do vital work in many countries around the world. Through CAF’s social investment arm, CAF Venturesome, we have made nearly 90 social investments to CSOs of this kind operating overseas, and are noticing an increase in demand. Why, then, do so many smaller development organisations seem unaware of the potential benefits of social investment? And conversely, why is there not greater awareness among social investors of the potential for working in this context?

This research report explores some of the barriers to using social investment to support small and medium-sized development organisations operating internationally, and points the way towards some of the actions that could develop this potentially valuable market further.

It is important to be clear upfront that expanding social investment in the field of international development is not an end in itself. However, in a world with significant development and humanitarian needs which CSOs which are operational internationally can help to address, it is valuable to explore how such CSOs can be better resourced. We believe that well-resourced CSOs are those with access to a toolbox of funding and finance, as well as non-financial support (i.e. mentoring/capacity building). In many cases social investment will not be appropriate, so we need to maintain a demand-led perspective and not risk imposing unsuitable financing on organisations that neither need it nor can cope with it.

As this research demonstrates, one of the major barriers for most CSOs is lack of awareness: they simply don’t know about social investment. And even among those who are aware, there are often misconceptions that lead them to discount it as a possibility. They may, for example, assume that social investment is only suitable for organisations

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1 Civil society organisations are distinct from government and business, including charities, international non-governmental organisations, social enterprises and community groups.
2 Social investment is the use of money to achieve a social, as well as a financial return. By social return, we mean intentionally supporting meaningful social impact; by financial, we mean the return of at least most of the capital invested.
with trading arms or guaranteed revenue streams; or that in order to access social investment they would have to put in place complex and onerous measurement regimes – neither of which is true.

There is also tension between many of the factors that make social investment possible and the wider desire to shift the focus of global development away from traditional INGOs in the Global North and instead empower locally-led CSOs within the Global South. For example, it is much easier to meet regulatory and financial requirements when an organisation is based in a jurisdiction where governance and the rule of law is strong, which is sadly still not the case in many countries in the Global South. Furthermore, it remains much easier for organisations to raise investment when they are able to cultivate face-to-face relationships with potential investors and currently that means having a presence in the UK or a similar country with a similar finance eco-system or a similar country.

One of our wider ambitions must be to develop sustainable domestic civil society around the world with high standards of governance and accountability. This will be crucial if we are to deliver on the SDGs, in particular. Social investment can be a powerful tool for achieving this, by combining repayable finance with additional non-financial support that can help to build organisational capacity and resilience among investees. The social investment sector has become better educated and aware of the context local CSOs and enterprises are working in. Furthermore, the investment community will need to get better at supporting and improving the pipeline development.

Our hope is that this report will raise awareness of the potential for using social investment in the context of international development, particularly as a way of supporting small and medium sized CSOs operating in this space. By highlighting some of the challenges identified through the research and through our own experience, we also hope to spark debate about what can be done to remove barriers and make social investment available to a far wider range of organisations that could benefit from it.

We would like to thank the London School of Economics and Political Science for the academic support we were able to secure for this initiative. We would like to congratulate the authors of the research for their enthusiasm and commitment in producing this important piece of research.

Sameera Mehra, CAF Global Alliance
Holly Piper, CAF Venturesome
EXECUTIVE SUMMARY

The social investment market in the UK has been growing substantially over the last decade, providing diverse financial products and capital to organisations around the world. As the market grows in the UK, it increasingly looks overseas, bringing new opportunities to INGOs headquartered in the UK and operating overseas. While this growth has been documented from an investor perspective, surprisingly little research exists from the standpoint of investee organisations. This report aims to address this gap by analysing the role that social investment plays in supporting small and medium international development organisations, from the perspective of these organisations.

This study is informed by in-depth interviews with key stakeholders in eight international development organisations, four of which are CAF Venturesome clients and four are comparable organisations in terms of region and size. These organisations – including non-profit and for-profit organisations, charities, social enterprises, community-based and faith-based organisations – operate primarily in the education sector in sub-Saharan Africa (SSA). Each interviewee offers a unique perspective: for some, social investment is an essential factor in sustaining their organisation’s growth, while others believe repayable finance not to be the right fit. The organisations are as follows:

<table>
<thead>
<tr>
<th>CAF Venturesome clients</th>
<th>External organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting Equality in African Schools (PEAS)</td>
<td>FunDza Literacy Trust</td>
</tr>
<tr>
<td>Help2read</td>
<td>Ubuntu Pathways</td>
</tr>
<tr>
<td>MicroLoan Foundation</td>
<td>Library for All (now NABU.ORG)</td>
</tr>
<tr>
<td>Peaceful Change Initiative (PCI)</td>
<td>Bridge International Academies</td>
</tr>
</tbody>
</table>

The insights drawn from these interviews are organised following the steps taken by an organisation when receiving social investment from the initial stage of assessing it as a financing option, to the final stage of proving social impact.

These insights are summarised below:

- **Step 1: Access to repayable finance:** Accessing repayable finance is more challenging for organisations operating internationally given there is a higher risk perceived by investors, and the physical distance between investors and the organisation’s operations. Additionally, access to repayable finance is limited to a set of organisations operating internationally that can demonstrate social impact and effective financial management.

  There are concrete issues which make social investment more challenging in an international context. For instance, anti-money laundering (AML), counter-terrorist financing (CTF), and international sanctions policies have become essential instruments in protecting the integrity of the global financial system and promoting international security. However, the consequence may be that CSOs working in developing countries will have difficulty in meeting the compliance policies of social investors based in the UK.

- **Step 2: Choosing repayable finance:** Organisations have both positive and negative perspectives on the impact of repayable finance on mission drift. However, repayable finance is increasingly becoming part of organisations’ financial sustainability strategies. Those that have chosen repayable finance find it to be a flexible alternative to other sources of finance that may restrict capital use to specific programming.

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4 Mission drift – term given when a non-profit (or other type of entity) either finds that it has moved away from the organisation’s mission or the organisation consciously moves into a new direction from its mission statement.
- **Step 3: Building investor relationships:** Social investors are perceived as valuable partners by organisations, rather than simply as finance sources. As a great deal of investment capital comes from developed countries, maintaining administrative operations in these countries makes it easier for organisations to nurture investor relationships.

- **Step 4: Leveraging repayable finance:** As well as being used for organisational expansion and growth, and contrary to some perceptions, repayable finance is often used alongside grants and donations for emergency or bridge financing. For example, many of CAF Venturesome's social investments in international organisations have been loans to cover gaps in working capital that are then later repaid using grant money.

- **Step 5: Measuring impact:** Impact is challenging to measure, particularly long term impact. Therefore, organisations tend to focus on short term impact measurements, which make access to social investment easier. Relatedly, if an organisation only attempts to measure long term impact, it may not have sufficiently robust evidence of impact to access social investment. Ideally, organisations should focus on both short-term and long-term impact if possible and feasible.

From these insights, this report delivers a set of recommendations for social investors and organisations operating internationally:

<table>
<thead>
<tr>
<th>For social investors</th>
<th>For organisations operating internationally</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Social investors should clarify the requirements and conditions to access repayable finance specifically for organisations operating internationally.</td>
<td>1. Organisations should recognise that social investment does not imply mission drift.</td>
</tr>
<tr>
<td>2. Social investors should increase awareness on the benefits of repayable finance for emergency and bridge financing, as well as on its potential to alleviate grant competition pressure.</td>
<td>2. Organisations should consider the potential of social investment as a way to diversify their financing strategies by complementing their grant funding, which can be leveraged for a variety of purposes including bridge and emergency financing, overhead costs and expansion costs.</td>
</tr>
<tr>
<td>3. Social investors should leverage the fact that working with organisations creates a partnership that goes beyond simply receiving a loan.</td>
<td>3. Organisations should measure impact consistently and thoroughly, as well as have open discussions with funders about directing more resources toward improving impact measurements. Furthermore, organisations should receive any appropriate non-financial support and/or capacity building as alternatives to financing.</td>
</tr>
</tbody>
</table>

While international development organisations have traditionally relied on philanthropy in the form of grants and donations, these financial products are not always guaranteed. This report finds that social investment can complement more traditional forms of finance and can make an organisation's income streams more diverse.

However, current social investment practices still limit access for international development organisations. We hope this report encourages further dialogue between social investors who aim to invest further overseas, and organisations who aspire to strengthen their financial strategies to reach their social goals.
Social investment has grown substantially in the last decade as a method of financing socially motivated organisations both for-profit and non-profit, and the market has boomed in recent years as new investors and funds have entered the global market.\textsuperscript{5} Social investors surveyed by the Global Impact Investing Network (GIIN), particularly those investing in developed markets, report significant progress in a variety of market growth measures, including investment opportunities, quantity of social investment professionals, innovative deal and fund structures and government support for the market.\textsuperscript{6}

However, the field is still relatively new and vaguely defined. The term ‘social investment’ lacks a universal definition and is not clearly differentiated from the related term ‘impact investment’. In fact, 97 per cent of the investors surveyed by the GIIN report that a lack of understanding of the definition and segmentation of the market remains a challenge to social investment.\textsuperscript{7}

This lack of understanding can prove detrimental if organisations that could benefit from social investment are unaware of its applicability in the non-profit sector.

Moreover, existing studies\textsuperscript{8} on social investment focus on the investor side of the relationship, with little attention paid to the experience of recipient organisations. This report aims to shed light on recipient organisations’ perspectives on repayable finance – including concerns, perceptions and barriers to access. Understanding recipients’ side of the story is important for the growth and efficacy of such a rapidly evolving global market.

A further gap in the social investment literature is the lack of attention paid to organisations that operate internationally. Reports that focus on investor perspectives have indicated important differences between emerging and developed markets, particularly in terms of a comparative lack of high quality investment opportunities and higher percentages of investors entering developing markets.\textsuperscript{9} If the needs, preferences and challenges of organisations operating in developing countries are different to organisations working within the United Kingdom, ignoring these differences may hinder investor access to the wider overseas market. As overseas development assistance (ODA) has stagnated since the 2008 global financial crisis\textsuperscript{10}, and access to traditional aid may be met with increased competition, social investment may become an important alternative financing tool for organisations operating internationally.\textsuperscript{11}

An increased understanding of the potential for social investment to support these organisations will be crucial as the market expands overseas.

\textsuperscript{5} GIIN (2016, 2017)  
\textsuperscript{6} GIIN (2017)  
\textsuperscript{7} Ibid.  
\textsuperscript{8} See Big Society Capital (2016); JP Morgan (2010); GIIN (2016, 2017)  
\textsuperscript{9} GIIN (2016, 2017)  
\textsuperscript{11} UN ECOSOC (2016)
1.1 What is social investment and why is it important?

CAF Venturesome defines social investment as “the use of money to achieve both a social and financial return”. The assumption behind social investment is that it provides incentives for organisations to compete to devise projects that maximise social impact in the way that for profit organisations compete to maximise profits. Social investment can be especially useful to non-profit organisations, which often face financial insecurity due to resource dependence on donors.

Social investment vs. impact investment

One challenge facing the analysis of social investment is the lack of a universal definition. Specifically, confusion exists around the differences between impact investment and social investment. Both social and impact investment aim to leverage investment to achieve a social and financial return. In line with common practice in the UK, this report refers to social investment as cases in which both investor and investee are socially motivated. Impact investment, on the other hand, refers to cases in which only one side of the investor-investee relationship is socially motivated. The impact investment market is thus dominated by traditional investment funds, which invest in socially oriented projects amongst other investments, while social investors are fully dedicated to social goals. On the investee side, social investment is reserved for organisations – both for-profit and non-profit – whose goals are primarily social in nature. It is mainly associated with loans but can include other forms of investment such as equity-like capital or Social Impact Bonds (SIBs).

UK social investment landscape

**Figure 1:** Overview of the UK social investment landscape, as of December 2015

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12 CAF Venturesome
13 Yunus (2008)
14 Froelich (1999); Pfeffer and Salancik (1978); Yunus (2008)
15 GIIN (2017)
16 Big Society Capital (2016); JP Morgan (2010)
17 See Big Society Capital (2016)
18 Ibid.
19 GIIN (2016)
Repayable finance: loans

The UK social investment market is dominated by repayable finance, particularly in the form of loans. Repayable finance is different from a grant or donation in that, as the name suggests, it is a loan often to be repaid with interest. Unsecured and secured loans account for just under half of social investment in the UK and are used for about two thirds of social investment in charities and non-profit organisations. Two types of investors provide loans: social banks and non-bank lenders. Social banks are banks serving clients which have social motives. Non-bank lenders, such as CAF Venturesome, encompass the other types of institutions offering repayable finance such as foundations, high net worth individuals and social investment funds. Social banks typically offer secured loans to social organisations that have collateral (e.g. property) to use for loans, while non-bank lenders typically offer unsecured loans that do not require collateral. These loans are riskier investments and as such usually involve smaller capital and higher interest rates. While secured lenders currently have a larger share in the UK social investment market, the share of unsecured loans has grown in the last five years, as they are often more aligned with the needs of non-profit organisations.

Other types of social investment

Equity and equity-like capital: Equity is a common form of social investment in for-profit companies in the United States and represents a small but growing proportion of social investment in the UK.

As of 2016, equity and equity-like capital accounted for 8 per cent of social investment in non-profit organisations in the UK and were typically used for start-up capital.

Social Impact Bonds: Social Impact Bonds (SIBs) typically involve three actors: investors, service providers and outcome funders. An investor provides finance to a service provider – often a charity, private company or public agency – to engage in a mutually agreed-upon, socially motivated programme. If the third party verifies the programme as successful, the outcome funder – often a public sector agency – repays the investor. Social Impact Bonds are a new financial instrument and, with currently 30 SIBs in the UK, this alternative represents only 1 per cent of the market. One variation of SIBs is Development Impact Bonds (DIBs). DIBs differ from SIBs in that the outcome funder is usually an external development agency or charitable foundation. By one estimate, there are three DIBs operational in the UK and over 70 worldwide.

Charity Bonds: Charity Bonds are issued by non-profit organisations that have a large enough revenue source to give investors strong confidence on bond repayment. These bonds act as unsecured loans, which can be traded on the market, and can be less restrictive than traditional bank lending. As of 2016, they were estimated to represent approximately 6 per cent of the market in the UK.

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20 CAF Venturesome
21 Big Society Capital (2016)
22 Ibid.
23 CAF Bank; CAF Venturesome
24 Big Society Capital (2016)
25 JP Morgan (2010); Big Society Capital (2016)
26 Big Society Capital (2016)
27 Center for Global Development and Social Finance (2013)
28 HM Government (2017)
29 Social Finance
30 Real Charity Bonds (no date)
31 Big Society Capital (2016) Profit With Purpose
Profit-with-purpose: profit-with-purpose, as opposed to the other products, is dedicated to social businesses or businesses whose social goals are secondary to their profit-generating goals.\(^\text{32}\) It refers to investments made in for-profit companies without asset locks, and represents 30 per cent of the UK social investment market.\(^\text{33}\)

**A growing market in the UK**

Most social investment funds are located in North America, the UK and Europe.\(^\text{34}\) The UK is not alone in its efforts to increase social investment, as recent reports show the social investment sector growing in the UK and the US, along with other developed markets.\(^\text{35}\) Some estimates have UK social investment deal-flow\(^\text{36}\) growing at a rate of 20 per cent per year from 2011-2016.\(^\text{37}\) Overall, the market still suffers from a discrepancy between existing investment opportunities and investors' requirements. While investors may seek repayment guarantees such as income-generating activities or collaterals, a large array of organisations that could benefit from social investment cannot meet such expectations.\(^\text{38}\) The growth of unsecured lending within the social investment market is attempting to bridge this gap.\(^\text{39}\)

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32 Profit With Purpose  
33 Ibid.  
34 GIIN (2016, 2017)  
35 Big Society Capital (2016); HM Government (2016); GIIN (2016)  
36 Deal flow – describes the rate at which business proposals and investment pitches are being received by financiers such as investment bankers and venture capitalists. Rather than a rigid quantitative measure, the rate of deal flow is somewhat qualitative and is meant to indicate whether business is good or bad.  
37 Big Society Capital (2016)  
38 JP Morgan (2010)  
39 Big Society Capital (2016)
1.2 What is social impact and how is it measured?

Defining social impact

The growing social investment market includes an increasingly large number of investors and investees with varying perceptions of social impact. In this context, the absence of a clear definition remains a challenge for social investors. This report defines “social impact” as the outcomes of services distributed to programme beneficiaries. This includes direct outcomes of service delivery as well as wider community impact.

Return on investment = Financial return + Social impact

Investment

Measuring social impact

A regular return on investment calculation computes the amount of activities carried out by an investee obtained from a given level of investment. In the case of social investment, this computation is altered to incorporate the role of social impact: the benefits generated by the investment on beneficiaries and the wider community. In other words, social investment must go beyond simple measures of outputs to focus on wider social good. Organisations can achieve this social good in a variety of ways, such as cooperating with various political or economic leaders, networking, implementing democratic decision-making processes or promoting volunteerism – in other words, by strengthening civil society. The organisations included in this report work towards SDG 4 which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Education is a human right that provides one with a fair chance to get a decent job, escape poverty, support one’s family and develop one’s community. Furthermore, it is well known that if one keeps girls in school for longer they marry later, have fewer and healthier children, which in turn has a positive impact on future generations. Beyond their educational missions, these organisations actively strengthen civil society by, for example, hiring local employees, transferring knowledge and collaborating with governments.

Organisations that use social investment as part of their financing strategies have a responsibility to demonstrate their social impact to investors, at both the programmatic and organisational levels. In theory, competition for loans will give organisations incentives to develop their monitoring and evaluation practices. However, social impact is notoriously difficult and often costly to measure. Although impact measurements are important for strategic management and programme effectiveness, organisations often face challenges budgeting for evaluation measures, or translating data into effective strategy. For instance, it may be straightforward to record test scores before and after an educational programme, but it is far more difficult to measure the broader impact of the programme on literacy rates or poverty reduction.

Of course, this problem is not unique to social investment recipients. Demonstrating social impact as a method to compete for resources applies equally to organisations seeking grants and donations. However, the ways in which it manifests may differ with social investment. On the one hand, the short term nature of the loan cycle may lead to monitoring and evaluation that emphasises goods and services delivered rather than their impact, which could in turn lead to ineffective programming. On the other hand, social investors and investees have opportunities for collaboration when designing impact evaluation, which has been shown to improve impact measurement utility.

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40 GIIN (2017); JP Morgan (2010); Piskadlo (2018)
41 Defourney and Nyssens (2006); Putnam (1993)
42 Dente et al. (2016)
43 Bagnoli and Megali (2011); Carman and Fredericks (2008); Liket et al. (2014)
44 Carman and Fredericks (2008); Liket et al. (2014)
45 Lief (2016)
46 Liket et al. (2014)
1.3 The Role of Social Investment in the Education Sector in Sub-Saharan Africa

This report provides insights on the opportunities and challenges faced by international development organisations when considering and leveraging social investment. In doing so, the report focuses specifically on the case of organisations operating in the education sector in SSA. This focus provides a more comparable sample of organisations, allowing stronger and more precise insights from an international development context with a focus on SSA. It also delves into the potential of this growing market, in which private investors play an increasing role, making the sector particularly interesting for UK social investors.

The education sector includes the core delivery of education from pre-primary to higher education alongside ancillary services such as publishing and student financing. This industry is at the centre of international development priorities, with the fourth United Nations Sustainable Development Goal (UN SDG) being to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. The SDG emphasises the need to focus efforts on SSA and Southern Asia as these regions account for more than 70 per cent of the world’s population that is not receiving primary and secondary education. Over the past two decades, there has been a significant improvement in access to education in SSA, with enrolment increasing for all levels of the student cycle, particularly primary education. Yet, one in every four children remains out of school in the region. Thus, supply-side interventions aiming at increasing access and quality of education continue to be critical in SSA.

The past decade has seen a spike in investments by non-state actor – including non-profit and for-profit organisations, charities, social enterprises, community-based and faith-based organisations – that are playing a key role in providing education solutions in the region. This follows a global trend of investing in education in emerging markets, a sector that has seen an investment increase of 5000 per cent between 2001 and 2015. It is estimated that by 2021 one in four children in Africa will receive core education and ancillary services from non-state organisations. Research suggests that there is an investment need of 16 to 18 billion U.S. dollars in the next five years in the education sector in SSA, of which 1.5 to 2 billion is expected to come from non-state actors. Parents’ perception that private education offers higher quality education has further increased the demand for non-state alternatives. The education sector in SSA provides a wide range of investment opportunities suited for social investors with different ranges of risk, return expectations, investment capabilities and social impact goals. Investment in educational organisations in SSA can be attractive for investors given that they provide long-term revenue visibility and demand often outpaces supply. However, key challenges faced by investors in the region include regulatory complexities, a shortage of human capital skills, high levels of social fragmentation and political uncertainty.

Despite the opportunities offered by this sector, there remains an overall research gap on the role and potential of social investment in supporting this sector, and there is a demand to better understand the needs and challenges faced by organisations operating in the region. This report aims to provide this organisational perspective.

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47 Caerus Capital (2017)
48 Sustainable Development Knowledge Platform (2018)
49 UN ECOSOC (2017)
50 UNESCO (2015)
51 Dalberg Capital (2016)
52 UNESCO (2015)
53 Dalberg Capital (2016)
54 UNESCO (2015)
55 Caerus Capital (2017)
56 Ibid.
57 Ibid.
58 Ibid.
59 Ibid.
2 METHODOLOGY

This report addresses the question:

What is the role of social investment in supporting INGOs working in education in sub-Saharan Africa?

The researchers conducted semi-structured interviews with eight key stakeholders working for organisations operating in SSA. The interviews focused specifically on these organisations’ experience with and perceptions of social investment.

Organisation selection process

1. The first step of the selection process consisted of choosing a regional and sectoral focus in order to analyse comparable organisations. After studying the current trends in social investment and CAF Venturesome’s investment portfolio, the researchers selected the education sector in sub-Saharan Africa. To test the applicability of the findings to other sectors and regions, two additional cases were considered outside of this frame – namely the case of MicroLoan Foundation, working in the same region but in microfinance, and Peaceful Change Initiative which works in North Africa, the Middle East, and Eastern Europe. Both of these organisations are CAF Venturesome clients. However, larger samples would be required for more robust conclusions made outside sub-Saharan Africa and in other sectors.

2. Second, the researchers restricted the types of social investment studied to repayable finance and equity capital. This report excludes charity and Social Impact Bonds as the focus is on unsecured loans, and the organisations of interest have smaller incomes than those likely to use bonds. Similarly, profit-with-purpose investments are also excluded as they target social businesses and not international development organisations.

3. Finally, as the social investment market is growing and evolving rapidly, only experiences with social investment after 2010 were considered, in order to provide a more accurate picture of current trends and practices.

Following these criteria, four organisations were selected from CAF Venturesome’s portfolio of organisations primarily working in education in SSA and four other non-Venturesome clients meeting these criteria. Further information on the organisations selected is provided in Section 3.

Interview process

The interviews with the organisations selected were structured around three key research questions. These questions aim to shed light on the financing options organisations operating in SSA consider when choosing to seek social investment, the ways in which social investment helps them achieve their goals, and the broader impact of social investment.

<table>
<thead>
<tr>
<th>Research questions</th>
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<tbody>
<tr>
<td>1. Why do organisations seek repayable finance, and why do they not?</td>
</tr>
<tr>
<td>2. How is repayable finance leveraged by organisations operating internationally?</td>
</tr>
<tr>
<td>3. How has social investment enabled organisations to sustain and/or expand impact?</td>
</tr>
</tbody>
</table>
The interview questions following these research questions are available in Appendix 1. Interview responses and organisations' impact and financial reports inform the key insights of this report.

Limitations

We acknowledge that the above-mentioned selection and interview processes involve some limitations:

- Due to the restrictions in the selection process, only a limited pool of organisations matches the selected criteria.
- Amongst this pool of organisations, only the information from organisations that agreed to be featured in this report is included, leading to a selection bias in the organisations interviewed.
- The short turnaround of the project limited both the number of organisations the researchers could approach and the number of organisations that could be analysed in depth.
This section introduces the eight organisations selected to feature in this report namely PEAS, Help2read, Microloan Foundation, Peaceful Change Initiative, FunDza Literacy Trust, Ubuntu Pathways, Library for All, and Bridge International Academies. The cases of Help2read, PEAS, and FunDza Literacy Trust are studied more in depth to shed light on the different types of organisations that can access repayable finance and the various ways in which it can be leveraged. Further information on the other organisations can be found in Appendix 2.

Figure 2: Overview of the organisations interviewed
### 3.1 Overview of the organisations interviewed

**Promoting Education in African schools:** Builds and runs affordable secondary schools in Uganda and Zambia.\(^{60}\)

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
</table>
| Repayable finance from CAF Venturesome | Bridge and emergency financing, overhead costs | ■ US/UK government grants
■ Local government subsidies
■ Private grants and donations
■ Income-generating activities |

**Help2read:** Teaches children in South Africa how to read through literacy intervention programmes.\(^{61}\)

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayable finance from CAF Venturesome</td>
<td>Hiring fundraisers</td>
<td>■ Private grants and donations</td>
</tr>
</tbody>
</table>

**MicroLoan Foundation:** Provides small business loans to poor women in Malawi, Zimbabwe and Zambia.\(^{62}\)

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
</table>
| Repayable finance from CAF Venturesome | Overhead costs | ■ US/UK government grants
■ Private grants and donations
■ Income-generating activities
■ Non-interest loans |

**Peaceful Change Initiative (PCI):** Supports peace building in Ukraine, Libya and Syria by promoting dialogue and inclusion.\(^{63}\)

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayable finance from CAF Venturesome</td>
<td>Bridge and emergency financing, overhead costs</td>
<td>■ Private grants and donations</td>
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</tbody>
</table>

**FunDza Literacy Trust:** Promotes reading and writing among adolescents and young adults in Cape Town, South Africa by distributing books, hosting writing workshops, publishing young writer work and providing literacy programmes.\(^{64}\)

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
</table>
| Repayable finance from Cover2cover Books | Start-up capital, bridge financing | ■ US/UK government grants
■ Local government subsidies
■ Private grants and donations
■ Non-interest loans |

\(^{60}\) EPRC (2017); PEAS Home Page

\(^{61}\) Help2read: Our Work

\(^{62}\) MicroLoan Foundation (2016)

\(^{63}\) PCI (2017)

\(^{64}\) FunDza Literacy Trust (2017)
**Ubuntu Pathways**: Works in the townships of Port Elizabeth, South Africa to provide health, educational and social support to over 2,000 vulnerable children.65

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
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</thead>
</table>
| Chose not to use repayable finance| Ubuntu Pathways is critical towards the strict impact measurements and demands for cost-effectiveness required to access repayable finance.66 The organisation favours individual donations | ▪ US/UK government grants
▪ Private grants and donations |

**Library for All**: Promotes literacy through its digital library platform started in 2012 and operating in Haiti, Rwanda, the Democratic Republic of Congo, Cambodia and Mongolia.67

<table>
<thead>
<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
</table>
| Attempted to access repayable finance| Library for All was too early in its organisational development to access repayable finance, investors encouraged the organisation to first expand its traditional philanthropic capacities | ▪ US/UK government grants
▪ Local government subsidies
▪ Private grants and donations
▪ Income-generating activities
▪ Crowdsourcing |

**Bridge International Academies**: Provides affordable private education in Kenya, Uganda, Nigeria, Liberia and India and serves over 100,000 students.

<table>
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<tr>
<th>Experience with social investment</th>
<th>Use of social investment</th>
<th>Other income streams</th>
</tr>
</thead>
</table>
| Equity financing | Business scale up | ▪ Local government subsidies
▪ Private grants and donations
▪ Income-generating activities |

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65 Ubuntu Pathways Home Page
66 Lief (2016)
67 Library for All (2017); Library for All Home Page
3.2 Case studies

Help2read: Social investment as a support to fundraising

Introduction to the organisation

Help2read is a non-profit organisation that runs literacy intervention programmes in public primary schools across South Africa. The organisation teaches children from disadvantaged communities to read by providing literacy tutor programmes, book boxes, and literacy training. Help2read has worked with over 220 schools and helped over 14,000 children since its launch in 2006. Following participation in the organisation's literacy programmes, 68 per cent of the students read at or above their average grade level.68

Maintaining financial sustainability

Help2read is entirely supported by grants and donations.69

Why repayable finance?

Help2read leveraged repayable finance to enhance its fundraising capacities. The organisation obtained two loans from CAF Venturesome in order to hire a fundraiser in Cape Town in 2010 and in London in 2014. These new fundraisers greatly amplified the organisation's fundraising capacity, allowing it to cover the cost of the loans while significantly growing Help2read's income. Help2read decided to let its first loan run for its full duration but chose to repay its second loan early, as it had developed a stronger fundraising capacity by 2014. Help2read illustrates how repayable finance can be leveraged by non-profit organisations as a springboard to expand impact.70

Perceived benefits and challenges of repayable finance

Help2read identified repayable finance as a relatively flexible source of finance as compared to its traditional income streams. The organisation reported that many grant donors were reluctant to finance overheads costs such as fundraising that do not relate directly to the organisation's mission. Help2read found repayable finance to be a more responsive alternative that allowed the organisation to increase its income and impact. Moreover, Help2read highlighted its experience with social investors as a valuable exchange process that allowed them to improve as an organisation. Help2read referred to the cost and difficulty of measuring impact as a recurring challenge for non-profit organisations seeking to access repayable finance and grants.71

Looking ahead

Help2read was able to repay its second loan early due to its enhanced fundraising capacities. Building on these growing resources, Help2read restructured itself in 2016 in order to continue growing. In 2018, Help2read provides reading help to more than 2,000 children in 52 schools.72

68 Help2read: Our Work
69 Help2read (Alex Moss)
70 Ibid.
71 Ibid.
72 Help2read (2018)
PEAS: Social Investment as a source of bridge financing

Introduction to the organisation

Promoting Equality in African Schools (PEAS) is a non-profit organisation that aims to ensure more African children have access to quality secondary education by building and running sustainable secondary schools. It currently operates 28 schools in Uganda and three schools in Zambia, welcoming a total of 15,000 students. PEAS works in partnership with national governments to build schools in areas with the most need.73 PEAS schools rank in the top 25 per cent of all secondary schools in Uganda based on national exam performance. Over 60 per cent of its Ugandan students are from the poorest households in Uganda, and its per pupil operating costs are 15 per cent lower than those of state-run schools.74

Maintaining financial sustainability

Sustainability is at the core of PEAS’ business model. The organisation fundraises for the start-up costs to build each school but covers the schools’ operational costs through government partnerships and student fees that are kept minimal. This model allows schools to operate independently and sustainably.75

Why repayable finance?

PEAS leveraged repayable finance as a means of bridge financing. The organisation sought a loan from CAF Venturesome after unforeseen relationship breakdowns with key funding partners caused a sudden cash flow shortage. Despite receiving income from its schools, the organisation required immediate cash flows to cover its overhead costs. The loan allowed PEAS to sustain its activities in the short term while it negotiated new grants.76

Perceived benefits and challenges of repayable finance

PEAS reported having a particularly positive experience with social investment. Its investor, CAF Venturesome, provided financial advice and a willingness to adapt its product to the organisation’s needs. It is also important to highlight that PEAS found it particularly useful to have an office based in London even though its main operations are in Zambia and Uganda, as it brought the organisation closer to its potential investors.77

Looking ahead

Since taking its second loan with CAF Venturesome in 2016, PEAS has continued to secure more partnerships and expand its activities. The organisation partnered with the Zambian government to secure free education in a school it opened in 2018 and another school which is set to open in 2019.78 PEAS reported considering leveraging repayable finance in larger amounts in the future to finance infrastructure costs. The organisation envisions repayable finance as a base to foster its sustainability.79

73 PEAS: Our Impact
74 Ibid.
75 PEAS: Sustainability
76 PEAS (Jenny Groot)
77 Ibid.
78 PEAS: Our Future
79 PEAS (Jenny Groot)
FunDza Literacy Trust: Social investment as start-up capital

Introduction to the organisation

FunDza Literacy Trust is a non-profit organisation that aims to improve literacy rates by creating a culture of reading and writing amongst South African youth. The organisation produces, publishes, and distributes both print and online content for teenagers and young adults from disadvantaged communities. FunDza also encourages writing by publishing the work of young writers and hosting regular writing competitions. This work is supported by the organisation’s online platform, which provides reading and writing courses. Since its launch in 2011, FunDza has gathered 7.5 million readers on its platform, printed 100,000 books, and published the work of 2,500 young writers.80

Maintaining financial sustainability

While FunDza mainly relies on grant financing, it has also diversified its income streams to ensure better sustainability and mitigate its reliance on scarce and competitive grants. The organisation owns shares of its partner publisher Cover2cover Books that provides it with dividends, and it also receives royalties from the material it publishes through Cover2cover channels. In addition, the organisation generates revenues from service contracting with the government. FunDza highlighted the importance of generating its own income as it has allowed the organisation to maintain its financial independence.81

Why repayable finance?

FunDza leveraged repayable finance as start-up capital to cover its first year of operation in 2011. Cover2cover Books provided the loan. This loan gave FunDza the capital needed to launch its business model and demonstrate its sustainability, which subsequently allowed the organisation to access grant financing. FunDza took a second short-term loan from Cover2cover when faced with a temporary cash flow emergency.82

Perceived benefits and challenges of repayable finance

FunDza perceives repayable finance as a helpful way for organisations to become more sustainable and secure while benefitting from new sources of finance. The organisation has considered further leveraging repayable finance, notably for infrastructure financing. However, FunDza only considers loans that do not require it to deviate from its mission.83

Looking ahead

FunDza received the UNESCO Confucius Prize for Literacy in 2017 and continues to expand its impact. In 2017 it had nearly 1,000 workshop participants, more than 200 new pieces published, and 2,000 learners enrolled in its courses.84

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80 FunDza Literacy Trust Home Page
81 FunDza Literacy Trust (Mignon Hardie)
82 Ibid.
83 Ibid.
84 FunDza Literacy Trust (2017)
4 KEY INSIGHTS

This section outlines the main lessons on the role and perception of social investment, particularly repayable finance, drawn from the organisations interviewed. These insights follow the steps taken by an organisation when accessing social investment, from its initial assessment of social investment as a financing option, to the final stage of measuring social impact. As shown in Figure 3, these steps sometimes follow a cyclical pattern as social impact measurements can in turn provide organisations with better access to repayable finance.

Figure 3: Overview of the financing cycle
4.1 Access to repayable finance

This section considers the type of organisations that can access repayable finance and finds operating in SSA can disproportionately limit access to finance.

INSIGHT 1: Accessing repayable finance is more challenging for organisations operating internationally.

All organisations included in this report agree that operating abroad in SSA heightens the challenges of obtaining finance, mainly due to the perceived higher risk and potential financial instability of operating overseas. Interestingly, the exact countries where these organisations operate do not significantly affect investors’ decisions, as they tend to be wary of international operations overall. For instance, Library for All has not found it more difficult to seek finance for its Rwandan, Haitian, or Cambodian activities specifically. Rather, the fact that it was not operating exclusively in the US has made investors more cautious. This typical restraint towards organisations working internationally limits the reach of the global social investment market.

However, despite facing a higher barrier, international organisations overwhelmingly seek repayable finance in the UK, Europe or North America, as it is where most financing opportunities are available. These markets not only offer more opportunities, they also offer adapted products through specialised social investors and better lending terms than local institutions in countries of operation.

“Had Library for All focused on the US exclusively we would have been in a much better position than we are. So yes, international is definitely challenging.”
Library for All

“We have to see where the money is. There is money overseas, and it is not here, so we would definitely be interested in having access to that.”
FunDza

“Raising funds in London is much easier than raising funds in South Africa... simply because there is money.”
Help2read

Where can repayable finance be used?

Another limitation to the reach of repayable finance is its geographic restriction on loan spending. Nearly all UK non-bank social lenders invest exclusively in organisations operating in the UK, and in some cases, loan disbursement is mainly restricted to the UK due to the Anti-Money Laundering (AML) risk associated with investing in many high risk jurisdictions. Therefore, access to repayable finance is still often limited to organisations with an office in the UK, which constrains the reach of this type of finance.

INSIGHT 2: Access to repayable finance requires organisations to demonstrate social impact and effective financial management.

As social investors require track records of sensible financial management and detailed impact measurements before giving loans, repayable finance tends to be accessible to a limited range of organisations that can provide such data. As a result, organisations interviewed that have obtained repayable finance tend to have substantial income streams and longer impact measurement track records, while more recently established organisations such as Library for All lack sufficient proof of social impact to access a loan. This issue highlights the start-up problem associated with repayable finance: while it can be a valuable option for mature organisations, it is less accessible to smaller and younger enterprises that could benefit the most from this type of support.

“As far as getting loans is concerned, I think for a comparatively small NGO, getting loans is quite difficult.”
Help2read
This barrier is made even more acute for international organisations, as the perceived risk involved in international operations leads to more stringent due diligence processes. As a result, while social investment can be made available for start-up capital in the UK, international organisations are often required to have longer performance track records to be able to obtain loans.

In addition to being difficult to access in early stages, repayable finance is also less appealing for international organisations that are large enough to consider other alternatives. These organisations can access cheaper capital through traditional bank lenders, established grant programmes and government partnerships. Help2read, for instance, reported having greatly benefited from the two loans it obtained from CAF Venturesome, but repaid its second loan early once it had the capacity to obtain more funds independently.

Therefore, access to repayable finance is highly context-specific: it is most helpful to organisations that are experienced enough to prove their impact and financial rigour, but small enough to require such type of venture capital.

**INSIGHT 3: Income-generating activities play an increasing role in supporting organisations and make their access to social investment easier.**

An increasing number of organisations are considering or have developed income-generating activities – often alongside traditional grant funding – in order to become more financially sustainable. This finding does not imply that organisations need to engage in income-generating activities in order to access repayable finance. Rather, it outlines that organisations generating income gain access to regular cash flows and can be more sustainable, which in turn makes access to social investment easier for them.

Organisations like PEAS and Bridge International Academies have both developed income-generating models by charging students monthly tuition fees. Although the fees are low and at times highly subsidised by local governments, this revenue remains a crucial part of each school’s income stream. Additionally, the organisations generate income by producing and selling uniforms to parents.

Bridge International Academies is the only for-profit organisation interviewed. Although the organisation has been criticised heavily for generating profit from education, it has been able to attract more investment than any of the non-profit organisations in our sample. Bridge argues that charging parents makes them customers rather than beneficiaries, which changes the dynamics of accountability. Bridge’s for-profit model contrasts to that of PEAS, whose goal is to charge school fees temporarily until each school reaches financial sustainability through other income streams. Despite having a different model to an organisation like PEAS, Bridge serves a similar socioeconomic market segment.

“**Our money, if we are to reach sustainability and profitability, comes from the pockets of all our parents, because they are our customers. So the business is formed to serve the interests of our customers, and these are aligned with our investors because the only way to become a sustainable business is by having enough of a customer base to maintain us.”**

Bridge International Academies

Library for All seeks to generate income through content creation. While working to improve literacy through its online library, Library for All has also started to offer its own content on its platform, which is created in community workshops in the countries where it operates. Library for All’s goal is to further expand this activity by creating
and selling content in the US. The organisation also offers a premium collection on its application that schools can access by paying an annual fee.

“We have become a publisher and we are writing our own children’s books through community workshops. We will sell that content to public libraries here in the US. So we are looking for more diverse content.”

Library for All

The degree to which organisations are willing to adopt income-generating activities depends on their perception of how it will affect their original missions. Some organisations, like FunDza, agree to consider incorporating income-generating activities only if these are directly related to their mission. Others consider income-generating activities to be justified as long as they provide financial sustainability and allow the organisation to amplify its impact. In the case of Library for All, it did not plan on becoming a social enterprise originally but realised that doing so was necessary to remain operational and eventually achieve financial sustainability.
4.2 Choosing repayable finance

This section highlights why organisations choose to use or not to use repayable finance. Respondents reported contrasting perceptions on the impact repayable finance can have on organisations’ missions and on the freedom it provides to achieve this mission.

INSIGHT 4: Organisations have different perspectives on the impact of repayable finance on mission drift and the need for income generating activities.

Organisations operating internationally have very diverse understandings of what repayable finance entails, how it can be leveraged, and how it impacts their missions. More generally, this report finds widespread misperceptions on the role of repayable finance amongst the targeted organisations. Some organisations are sceptical towards repayable finance as they associate it with for-profit models, cost-minimising pressures, or income-generating activities. Ubuntu Pathways, for instance, reported wariness of repayable finance because it does not want to be tied legally to a lender or to have to limit spending because of loan repayment pressure.

However, these perceptions often clash with social investors’ actual offerings. For instance, CAF Venturesome’s international portfolio is entirely composed of non-profit organisations that do not necessarily undertake income-generating activities. In most cases, CAF Venturesome clients interviewed repaid their loans with upcoming grant finance rather than by changing their financial models. Hence, there is an apparent misalignment between the role repayable finance can play in supporting international development organisations, and the perceptions of this type of finance in the industry.

INSIGHT 5: Repayable finance is a flexible alternative to more restricted sources of finance.

Repayable finance can be used alongside traditional funding activities to support non-profit organisations where other channels lack efficiency, such as temporarily covering emergency costs, or paying for overheads. Repayable finance does not have to be targeted at a specific project. This characteristic distinguishes it from many grants and donations, which organisations interviewed perceived to include stricter requirements on money usage, with disbursement often restricted to specific projects. Rather, repayable finance tends to offer much more independence to recipient organisations. For instance, organisations such as PEAS, MicroLoan Foundation, PCI and Help2read have leveraged their loans to cover overhead costs. While such expenses are crucial to an organisation’s smooth functioning, they have only an indirect impact on beneficiaries, and thus can be less attractive to traditional donors.

The flexibility and support offered by repayable finance, especially when loans are unsecured, is thus a strong benefit. However, this relative freedom depends on investors’ loan requirements, especially in terms of geographic and asset-backing constraints, which vary amongst investors.

“We wanted to retain a financial model where there is as limited restricted money as possible... rather than loans where people are legally tied to us.”
Ubuntu Pathways

“For the specific purpose that we had, we knew that most foundations hate the idea of paying for fundraisers. Very big funders... give you money as long as it is only going to programmes. They won't cover head office expenses, never mind fundraisers”.
Help2read
INSIGHT 6: Repayable finance is increasingly becoming part of organisations’ financial sustainability strategies.

International development organisations are increasingly seeking more diverse financing strategies, of which social investment is a component. The variability of income flows associated with traditional philanthropic models limits organisations’ ability to plan and invest in long term projects. This issue is made more acute by the high competition for grants.

As a result, organisations reported being increasingly willing to develop new types of financing strategies with more diverse income streams. This is made possible by the growth of alternative financing options targeted at international development organisations, such as social investment, income-generating activities, crowdsourcing, franchising, and government contracting. Amongst the organisations interviewed, only two organisations rely exclusively on grants and donations, while all the others have diversified their income streams.

What are other sources of income used by these organisations?85

<table>
<thead>
<tr>
<th>Income source</th>
<th>Organisations</th>
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<tr>
<td>US/UK governments</td>
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<td>Local government subsidies</td>
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<td>Private grants and donations</td>
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<td>Non-interest loans</td>
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<td>Crowdsourcing</td>
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<td>Franchising</td>
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<td>Income-generating activities</td>
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“Loan financing can be a very successful way for NGOs to become more sustainable, more secure; and also, because it is not a grant, because it is repayable, it makes sense for the entity giving the loan to enter this agreement.”

FunDza

85 Information is based on interviews, organisation websites, and most recent financial reports.
4.3 Building investor relationships

This section outlines the challenges faced by organisations working internationally to attract investors and the solutions they have developed to meet this challenge.

INSIGHT 7: Social investors are perceived as valuable partners by organisations.

Amongst the loan-recipient organisations included in this report, experience with social investors has been unanimously positive. Help2read, MicroLoan Foundation and PCI all referred to the due diligence process required by CAF Venturesome as challenging and time consuming, especially as some organisations had not yet produced the financial information and impact measurements needed to fulfil loan requirements. However, they also highlighted the experience as a learning and optimisation process in which CAF Venturesome collaborated with each organisation to better understand its needs and business model. Thus, CAF Venturesome created strong partnerships with its clients that were valued by the organisations.

“CAF [Venturesome] were very good to work with, they do a lot of due diligence, which was actually quite tough, but it was tough in a positive way.”
MicroLoan Foundation

“[CAF Venturesome] were very helpful. I thought that Venturesome bent over backwards to lend us the money.”
Help2read

INSIGHT 8: Maintaining a presence in developed countries makes it easier for organisations to nurture investor relationships.

Organisations interviewed reported that maintaining offices or basing themselves in developed countries granted them greater access to investors, as well as facilitated personalised relationships with them. Organisations highlighted that these close relationships can help mitigate investors’ relative wariness towards an organisation’s international operations. PEAS, for example, operates in Uganda and Zambia, but is registered as a charity in the UK. PEAS was thus able to approach CAF Venturesome through its UK branch and more easily access a loan. Another benefit of having offices in an investor’s country is that organisations can commit to spend the loans they receive only in these offices, as did MicroLoan Foundation, PEAS and PCI. This option eliminates the risks of foreign investment as loans are disbursed in relatively regulated and predictable markets. MicroLoan Foundation used its loan to cover overhead costs in the UK and shifted its unrestricted funds to finance its expansion to Zimbabwe. By doing so, the organisation internalised the risks associated with international lending – such as exchange rate fluctuation and operating risks in local countries – in order to limit the risks borne by the investor.

Limitations to this model

Nonetheless, this solution also has limitations, as it can create a dichotomy between offices in developed countries receiving most of the money, and local offices in charge of achieving the organisation’s mission. If local offices are more cost-constrained, new hires are likely to be employed in developed countries, which limits the organisation’s impact on developing local civil society capacity. Library for All reported having to send one of its main executives to work temporarily in Rwanda in order to decrease the growing tensions between its New York headquarters and its Rwandan operating office. Finding a balance between proximity to sources of finance and proximity to beneficiaries is thus a unique challenge faced by organisations operating internationally.

Moreover, maintaining offices in cities with high living costs such as London or New York where investors are concentrated is possible only for organisations that are large enough to sustain these costs, or which were founded in these countries. This restriction particularly penalises grassroots organisations founded and operating in developing countries, as they are farther from investors and cannot mitigate perceived risks through close investor relationships or by having their spending restricted to the investors’ countries. This limitation greatly challenges the international reach of repayable finance.
4.4 Leveraging repayable finance

This section highlights how organisations use repayable finance and how they envision leveraging it in the future. It emphasises the role repayable finance can play in an organisation’s overall strategy for financial sustainability.

**INSIGHT 9:** Repayable finance is often used for bridge and emergency financing.

Organisations operating internationally often use repayable finance for bridge financing. Bridge financing is a form of interim financing used to maintain daily activities in the short term, until a more sustainable solution is found. Organisations interviewed expressed that maintaining stable cash flows in an industry dominated by irregular financing inflows is increasingly challenging. This is especially the case as government and private grants remain at the core of these organisations’ income streams. Gaps between grant instalments can leave organisations without capital reserves to cover overhead costs and other daily operations.

Organisations interviewed noted that grant financing is becoming increasingly competitive. Therefore, many have begun seeking alternative forms of financing. Organisations reported perceiving repayable finance as an option for organisations to manage cash flows between grant cycles, as it can provide much needed capital to sustain operations.

Repayable finance can also be useful for organisations during financial emergencies. PEAS, for instance, sought a loan from CAF Venturesome after unforeseen relationship breakdowns with key funding partners caused a sudden cash flow shortage. It is noteworthy that during this time PEAS also received support from existing donors – through early donations and conversion of investment capital to unrestricted reserves – given the organisation’s reputation as an established education non-profit in sub-Saharan Africa.

> “We [had] a pretty positive response and had been growing solidly and demonstrated a lot of impact and had quite a good reputation by that point.”
> PEAS

**INSIGHT 10:** Repayable finance can be used for organisational expansion and growth.

Organisations interviewed have also leveraged repayable finance to expand and grow their international operations. Help2read used the loan from CAF Venturesome to hire fundraisers in South Africa and the UK who contributed significantly to the organisation’s growth. As stated earlier, MicroLoan Foundation used its loan indirectly to expand operations to Zimbabwe.

Organisations also expressed an interest in using repayable finance in the future to access larger amounts of capital, which would allow them to expand their operations and invest in infrastructure.

> “We would be open to using [repayable finance] for a bigger amount. We are thinking about taking out a loan or financing for capital builds. The idea is potentially having our schools take on debt to build the school in the first place and then paying that back over a long period. Innovative finance.”
> PEAS

“The challenge with grants and major gifts is that they come in instalments. We can have a quarter of a million-dollar worth of pledges for the end of the year, but that doesn’t help us for our day to day cash flows.”
Library for All

> “Social Investment is critical to generate the ‘multiplier effect’ from our philanthropic donations.”
> MicroLoan Foundation, Annual Report 2016
4.5 Measuring impact

This section considers challenges faced by organisations operating internationally when evaluating their social and economic impact. It finds that measuring and demonstrating impact is a barrier faced by these organisations when attempting to access repayable finance.

**INSIGHT 11: Social and economic impact is challenging and costly to measure.**

The organisations interviewed noted that measuring and proving social impact is their main challenge when seeking repayable finance. Organisations may not have the existing impact or financial data necessary for a successful loan application and obtaining the data retroactively can be complicated and inaccurate. Given that the due diligence of maintaining and measuring impact is very costly and time consuming, organisations may be more likely to cut this aspect from their budget when they face financial difficulties, further complicating their access to finance.

To meet this challenge, Help2read has tested several methods of measuring impact but found most of them to be too expensive. In order to minimise impact measurement costs, Help2read now works with graduate students in South Africa. It is important to note that this challenge is not unique to social investment and also restricts access to traditional philanthropy.

**INSIGHT 12: Organisations tend to focus on measuring short term impact.**

Given the challenge of proving social and economic impact, organisations tend to focus on short term metrics as they are more tangible, easier to compute, and can be more attractive to investors.

Organisations like PEAS and Bridge International Academies measure their impact by the number of students enrolled, the number of schools operating, and how well students perform in national exams compared to others. By using a value added metric, they demonstrate how much the specific school is improving a child’s educational performance. Both organisations demonstrate that the children they teach perform better than the national average. Organisations with strong impact measurements tend to be able to access social investment more readily than those that do not. For example, Library for All reported that its inability to prove a certain level of impact hindered its access to social investment.

Some organisations are concerned that an over-emphasis on short term impact measurement might provide them with incentives to neglect their long term mission in favour of short term, tangible results. This is why an organisation like Ubuntu has opted against applying for loan financing. In Ubuntu’s view, emphasising short term impact is not conducive to an organisation achieving its long term goals.

“There’s no point in spending a lot of money on impact measurement because it’s a very, very difficult thing to measure.”

*Help2read*

“We are early enough in our development that we don’t have massive user numbers. We have 10,000 readers on our platform right now, which is significant, but not nearly significant enough to attract that kind of funding.”

*Library for All*

“We realised that [measuring impact] was becoming a bit of a road block because our supporters wanted to see the market value, clear financial ROIs, just like as if they were investing in a business to translate the impact of our results into more financial language.”

*Ubuntu Pathways*
INSIGHT 13: Measuring long term impact remains a recurring challenge.

Trying to measure impact beyond short term goals is challenging and costly. Measuring actual improvement in the lives of the people these organisations serve does not translate to numbers easily. Environments are continuously changing, exit and entrance surveys can be ineffective and defining metrics based on concepts such as empowerment, poverty or literacy remains subjective and debatable. Hence, while the measurement of short term impact has met some criticisms, demonstrating the long term effects that these organisations have on wider civil society often remains unrealistic. In the case of Library for All, it measures short term metrics such as the number of readers using the online platform, and the time spent on it. However, Library for All is still unable to prove its impact in terms of its original mission of improving literacy rates. Similarly, PEAS has reported facing significant obstacles to developing long term impact measurements.

“"What we are driving towards is increasing literacy rates by giving children access to books in their mother tongue language that can help them learn to read. And obviously that's a long term goal, that's not something that is going to be realised in a month or in a few months; it's quite a long term impact.”
Library for All

“We do alumni surveys with our students to understand what is happening once they leave. The difficult thing is that no one else does, so we can't judge how our students do better than the average student in the country... We are trying to [monitor by sampling], and that is how we would want to measure our impact in the future, but we are not nearly there to be honest.”
PEA

Both short and long term impact measurements are important for organisations to maintain high quality programming and to remain accountable to beneficiaries and investors. Additionally, improving impact measurements may increase access to social investment for organisations operating internationally, helping to close the cycle highlighted in Figure 3.

Overall, the sum of these insights finds that repayable finance can be a flexible source of finance for organisations operating internationally that can complement traditional funding options. However, access to repayable finance remains limited for these organisations due to the perceived higher risks of financing organisations operating overseas and the challenges of proving impact. Finally, while the global market is still impeded by widespread misperceptions on the role of repayable finance, organisations are increasingly willing to consider new financing instruments to improve their financial sustainability.
5 RECOMMENDATIONS

This section builds on the key findings detailed in the previous section. It draws a set of recommendations to foster the development of the international social investment market, tailored to social investors and the organisations they can support. The authors acknowledge that these recommendations come from a limited empirical sample, and thus advise careful interpretation.

5.1 For social investors

1. Social investors should clarify the requirements and conditions to access repayable finance specifically for organisations operating internationally.

   - Clarify that social investment can be used by non-profit organisations and does not require organisations to adopt a profit-generating business model.
   - Specify that accessing repayable finance does not imply that an organisation’s mission will have to change or that the organisation will have to become income generating in order to qualify.
   - Clarify that even though a loan recipient is required to be registered in the UK, they can still support their overseas operations.

2. Social investors should increase awareness on the benefits of repayable finance for emergency and bridge financing, as well as on its potential to alleviate grant competition pressure.

   - Emphasise that repayable finance can provide necessary cash flow to sustain operations, specifically covering overhead costs, in times of financial emergency or between grant cycles.
   - Specify that repayable finance can reduce dependency on grants, alleviating the financial uncertainty and capital restriction associated with grant financing.

3. Social investors should leverage the idea that working with organisations creates a partnership that goes beyond simply receiving a loan.

   - Reinforce the idea that social investors provide financial advice and capacity building that can improve an organisation’s financial governance. This would drive more organisations to be less wary of considering social investment.
   - Support organisations’ efforts to measure long term social and economic impact. Collaborating to improve impact metrics will allow organisations to use repayable finance more effectively.
5.2 For organisations

1. Organisations should recognise that social investment does not imply mission drift.
   - Be open to forming investor relationships through repayable finance, as these can provide valuable advice on organisational and financial governance.
   -Recognise that social investment does not necessarily restrict finance to a targeted use.

2. Organisations should consider the potential of social investment as a way to diversify their financing strategies, which can be leveraged for a variety of purposes including bridge and emergency financing, overhead costs and expansion costs.
   - Acknowledge that new financing options are increasingly made available, and thus depart from an exclusive focus on income streams comprised of grants and donations. Consider social investment as an option in an organisation's overall financial strategy.

3. Organisations should measure impact consistently and thoroughly, as well as have open discussions with funders about directing more resources toward improving impact measurements.
   - Focus on both short term and long term impact measurements.
   - Consider discussing impact measurements with investors to increase measurement capacity and agree on the type of impact measurements that lead to the strongest programming improvements.
6 CONCLUSION

This report sheds light on how organisations operating in SSA perceive social investment, and on the role of social investors in supporting these organisations. It finds that social investment can be a flexible source of finance that complements traditional philanthropy and helps to alleviate the uncertainty and pressure associated with grant competition. However, access to repayable finance remains limited for organisations operating internationally, and its use is often misunderstood. The market must address the current gaps in loan access and capital use to better reach organisations operating internationally.

Based on these findings, this report encourages organisations to consider further the rapidly growing and diversifying social investment market as an opportunity to develop more diverse financial models. In turn, it recommends that social investors increase accessibility to information on the financial products and services they can provide to these organisations.

While this report focuses mainly on organisations operating in the education sector in sub-Saharan Africa, its findings could provide useful learnings for other regions and sectors. Social investment is expected to play a growing role in supporting the Sustainable Development Goals by helping to bridge the US $2.5 trillion investment gap needed to meet them. The UK Government’s Department for International Development (DFID) has already created a £75 million impact fund to support organisations working in the housing, energy, health, education and other industries aligned with the SDGs in South Asia and Africa.

As the social investment market is expanding in the UK, social investors are increasingly looking overseas. The challenge now is for investors to adapt their requirements, and organisations to adjust their expectations for the market to find a better balance. We hope that this report can serve as a starting point for this dialogue.

86 Niculescu (2017)
87 CDC Investment Works (2014). The Impact Programme
REFERENCES


Profit with Purpose. Profit with Purpose Home Page, Available at: http://www.profitwithpurpose.co.uk (Accessed 19 April 2018)


## Appendices

### Appendix 1: Methodology

#### Interview schedule

<table>
<thead>
<tr>
<th>Interviewee Name</th>
<th>Organisation</th>
<th>Function</th>
<th>Interview Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jenny Groot</td>
<td>PEAS – Promoting Equality in African Schools</td>
<td>Chief Operating Officer</td>
<td>26 January 2018</td>
</tr>
<tr>
<td>Mignon Hardie</td>
<td>FunDza Literacy Trust</td>
<td>Executive Director and Trustee</td>
<td>29 January 2018</td>
</tr>
<tr>
<td>Anonymous</td>
<td>Bridge International Academies</td>
<td>Senior team member</td>
<td>31 January 2018</td>
</tr>
<tr>
<td>Anonymous</td>
<td>Peaceful Change Initiative</td>
<td>Senior team member</td>
<td>1 February 2018</td>
</tr>
<tr>
<td>Peter Ryan</td>
<td>Microlane Foundation</td>
<td>Founder</td>
<td>5 February 2018</td>
</tr>
<tr>
<td>Isabel Sheinman</td>
<td>Library for All</td>
<td>Director of Business Development</td>
<td>12 February 2018</td>
</tr>
<tr>
<td>Beth Honing</td>
<td>Ubuntu Pathways</td>
<td>UK Director</td>
<td>14 February 2018</td>
</tr>
<tr>
<td>Alex Moss</td>
<td>Help2read</td>
<td>Founder and Chairman</td>
<td>5 March 2018</td>
</tr>
</tbody>
</table>

#### Interview questions

1. Please introduce yourself, describe your role and what your organisation does.

**Inputs**

2. What are your organisation’s income streams? (what percentage of the income streams are loans?)
3. What was the amount of your loan?
4. What was the length of your repayment term?
5. What was the loan’s interest rate?
6. What type of investor did you work with? (e.g. a bank, a foundation, a high net worth individual). Where were they from?
7. What type of loan did you receive? (secure, unsecure, etc)
8. Why did you choose repayable finance?
9. What challenges did you face, as an international organisation, in obtaining repayable finance?

**Outputs**

10. How did you use the loan, and if you didn’t, why?

**Impact**

11. What were you trying to achieve when you applied for the loan? (impact goal)
12. How do you measure impact? (What measurements did you use when you applied for the loan)
13. Did you reach the goals set out at the time of loan application? (financial and social goals)
14. Rate goal achievement 0-10
15. Have you experienced any unexpected challenges at the community level as a result of your organisation’s work? Rewards?

**Financial sustainability**

16. How long did social investment sustain your operations?
Appendix 2: Additional organisation profiles

![Bridge logo]

**Bridge**

Provides good schools and high-quality education to underserved families, giving millions of children an education that enables them to fulfil their potential.

| INDUSTRY | Education |
| YEAR FOUNDED | 2008 |
| COUNTRIES | Kenya, Uganda, Nigeria, Liberia, India |
| HEADQUARTERS | Nairobi, Kenya |
| http://www.bridgeinternationalacademies.com/ |

**Mission**

To provide our pupils with a life-changing education.

**Financials**

Bridge International Academies is equity-financed and supported by social investors alongside traditional investors.

**Key facts**

- Runs over 550 pre-primary and primary schools, educating more than 100,000 students.
- Bridge has a for-profit model targeting families who earn less than $2/day. Its global monthly average fees are $7/student.
- 93% of Bridge graduates reached divisions 1 or 2 levels at the primary leaving exam in Uganda, as opposed to only 56% nation-wide.

“The founders saw a gap in the developing world, where low-income parents were unable to access quality education that would enable their children, their community, and therefore their country to develop.”

Senior Team Member
Provides a cloud-based, digital library platform with books localised for specific markets in the developing world.

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR FOUNDED</td>
<td>2013</td>
</tr>
<tr>
<td>COUNTRIES</td>
<td>Haiti, Mongolia, Rwanda, DRC, Cambodia</td>
</tr>
<tr>
<td>HEADQUARTERS</td>
<td>New York City, United States</td>
</tr>
<tr>
<td><a href="http://www.libraryforall.org">http://www.libraryforall.org</a></td>
<td></td>
</tr>
</tbody>
</table>

**Mission**  
To make knowledge accessible to all, equally.

**Financials**  
Income based largely on donations by foundations, technology and programming companies, corporate sponsors and individuals.

**Key facts**  
- 9,953 readers.
- 30 schools in Haiti, 7 in the DRC, 1 in Rwanda, 6 in Mongolia, 5 in Cambodia using the platform.
- 3,806 books, 73 publishers.
- 33 local advisory boards.

> *“What we are driving towards is increasing literacy rates by giving children access to books in their mother tongue language, that can help them learn to read.”*  
Isabel Sheinam, Director of Business Development
Enables some of the world’s poorest people to work their way out of poverty by providing training and microloans.

**Industry**
Microfinance

**Year Founded**
2002

**Countries**
Malawi, Zambia, Zimbabwe

**Headquarters**
London, United Kingdom

https://www.microloanfoundation.org.uk

**Mission**
To provide the poorest women in sub-Saharan Africa with the tools and skills to enable them to work their own way out of poverty.

**Financials**
Generates income from grants, donations, social investment and income-generating activities.

**Key facts**
- Has helped over 150k women access education since its founding.
- 86% of clients with school-aged children report they are now all in education, and 60% less children drop out of school.
- 80% of clients have increased financial independence and 97%, up from 11%, of women report saving after joining MicroLoan.
- 71% of families have improved food security.

“The charity, effectively, helps poor women in rural Africa set up small, self-sustainable businesses. These are women who live in the rural areas, and we give them massive amounts of training, mentoring, support, so their businesses are successful.”

Peter Ryan, Founder
Works with communities to prevent or reduce violence that has been triggered by radical and divisive change.

**Peaceful Change initiative**

**INDUSTRY**
Conflict Management

**YEAR FOUNDED**
2015

**COUNTRIES**
Syria, Libya, and Ukraine

**HEADQUARTERS**
London, United Kingdom

http://www.peacefulchange.org/

<table>
<thead>
<tr>
<th>Mission</th>
<th>To mitigate the effects of violence on people’s lives, while laying the foundations for long term peace and stability with the tools and skills to enable them to work their own way out of poverty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials</td>
<td>Income based mainly on grants and supplemented with individual donations.</td>
</tr>
</tbody>
</table>
| Key facts | - Trained more than 50 civil society activists in peacebuilding and confidence building in Ukraine.  
  - Trained 60 volunteers working in 32 communities, and supported more than 470 activities that have worked towards mitigating local conflicts in Syria.  
  - Trained more than 600 community members, peacebuilding practitioners, and trainer mentors in Libya.  
  - Launched a forum on peacebuilding in Libya attended by 85 international organisations. |

“We work at a national level to facilitate and promote dialogue about conflict issues, and we work at an international level to support the international community to be able to understand the conflict context as best as possible.”
Senior Team Member
Provides world-class health, household stability, and educational support to orphaned and vulnerable children in Port Elizabeth, South Africa.

**INDUSTRY**
Education, Health, Social Services

**YEAR FOUNDED**
1999

**COUNTRIES**
South Africa, offices in the US and UK

**HEADQUARTERS**
Port Elizabeth, South Africa

https://ubuntupathways.org

<table>
<thead>
<tr>
<th><strong>Mission</strong></th>
<th>To help raise township children by providing them what all children deserve – everything with the tools and skills to enable them to work their own way out of poverty.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financials</strong></td>
<td>Income based on grants and donations, mainly relying on large unrestricted donations from individual donors.</td>
</tr>
<tr>
<td><strong>Key facts</strong></td>
<td></td>
</tr>
<tr>
<td>- The Ubuntu Model aims to revolutionise conventional development models by focusing on producing lasting change through significant and focused investment.</td>
<td></td>
</tr>
<tr>
<td>- $1 investment in Ubuntu Child result in $8.70 increased client lifetime earnings and $2.20 net gain to society.</td>
<td></td>
</tr>
<tr>
<td>- 11,945 health services provided in 2016.</td>
<td></td>
</tr>
<tr>
<td>- 90% of Ubuntu scholars qualified to attend university in 2016.</td>
<td></td>
</tr>
<tr>
<td>- 95% of all employees come from the local community.</td>
<td></td>
</tr>
</tbody>
</table>

“We don’t just give out an initiative, we have a holistic, long term, ‘cradle to career’ approach...The main service that we are providing is human resources.”
Beth Honing, UK Director
Appendix 3: Overview of social investment in the UK

<table>
<thead>
<tr>
<th></th>
<th>£m outstanding social investment end 2015</th>
<th># inv. approx.</th>
<th>£m deal flow during 2015</th>
<th># deals during 2015 (approx.)</th>
<th>What’s included?</th>
<th>Sources/other notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social bank lending (mainly secured loans)</td>
<td>545</td>
<td>1,264</td>
<td>144</td>
<td>154</td>
<td>Charity Bank, CAF Bank loans, Triodos Bank loans to UK charities and social enterprises, Unity Trust Bank loans to charities and social enterprises</td>
<td>Source: Social banks. Note: some 2015 deal-flow estimates only available as draw-down not commitments (therefore likely to be underestimate)</td>
</tr>
<tr>
<td>Non-bank lending (mainly unsecured loans)</td>
<td>158</td>
<td>858</td>
<td>38</td>
<td>351</td>
<td>Arts Impact Fund, Adventure Capital Fund, Big Issue Invest non-SEIF II, CAF Venturesome, Communitybuilders Fund, FSE Community Generation Fund, FSE Social Impact Accelerator, Futurebuilders Fund, Key Fund, Liverpool City Region Impact Fund, North East Social Investment Fund (NESIC), PURE Bridge Loan, PURE Community Energy Fund, SASC Community Investment Fund, SASC Third Sector Loan Fund, Social Enterprise Investment Fund, SIS Social Growth Fund, Other foundations – direct (non-intermediated) unsecured loans, Esmee Fairbairn – direct (non-intermediated) loans</td>
<td>Source: BSC valuation data plus various external sources. Some 2015 deal-flow estimates only available as draw-down not commitments (therefore likely to underestimate commitments). Most non-bank lending is unsecured, but will include some loans that take a degree of security</td>
</tr>
<tr>
<td>Social Impact Bonds</td>
<td>14</td>
<td>18</td>
<td>2</td>
<td>3</td>
<td>All SIBs with outstanding investments at end of 2015</td>
<td>Source: BSC internal data. Note: several SIBs repaid investors in Q4 2015; otherwise outstanding amount would have been &gt; £10m higher</td>
</tr>
<tr>
<td></td>
<td>Equity-like capital</td>
<td>Community shares</td>
<td>SITR products</td>
<td>Charity Bonds</td>
<td>Social property</td>
<td>Profit with purpose</td>
</tr>
<tr>
<td>----------------------</td>
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</tr>
<tr>
<td><strong>equity-like capital</strong></td>
<td>32</td>
<td>123</td>
<td>11</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bethnal Green Ventures, Impact Ventures UK, Nesta Impact Fund, Bridges Ventures Social Sector funds (non-SIBs), DERIC, Shared Lives Plus, Social Stock Exchange, Clearlyso Ltd, Spacehive, EBSI, Numbers4Good, ThinCats, Crowdcube, Buzzbnk, Esme Fairbairn – direct (non-intermediated) equity-like investment, Other foundations – direct (non-intermediated) equity-like investment</td>
<td>All community share raises reported to Community Share Unit (therefore likely to be an underestimate)</td>
<td>All investments enabled by the Social Investment Tax Relief</td>
<td>Includes: 1. Bonds issued by charities, CICs, IPS bencom regulated by the FCA, with targeted social impact, referenced in deal documentation, and explicit impact reporting 2. Allia charitable bonds and Future Business Centre Bond</td>
<td>Cheyne Capital – Social Property Impact Fund, Commonweal, Funding Affordable Homes, Resonance Real Lettings Property Fund, Resonance National Homelessness Fund, Resonance Community Land and Finance Fund</td>
<td>Clearlyso (arranged and angel deals), Triodos Bank – UK loans to other sustainable orgs (non CIC, Charity, IPS), direct issues of social company bonds and shares, Mustard Seed VC network</td>
</tr>
<tr>
<td><strong>community shares</strong></td>
<td>96</td>
<td>353</td>
<td>30</td>
<td>97</td>
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<tr>
<td><strong>SITR products</strong></td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>9</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>charity bonds</strong></td>
<td>86</td>
<td>18</td>
<td>33</td>
<td>5</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>social property</strong></td>
<td>130</td>
<td>14</td>
<td>51</td>
<td>9</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>profit with purpose</strong></td>
<td>462</td>
<td>807</td>
<td>118</td>
<td>46</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>total</strong></td>
<td>1,525</td>
<td>3,463</td>
<td>427</td>
<td>709</td>
<td></td>
<td></td>
</tr>
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</table>
