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Technologies for basic needs

SIEMENS | Stiftung

Innovative Financing for Social Entrepreneurs

Results and Reflections from the Round Table in Cairo, July 2019

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The Report is based on information gleaned from discussions at the round table in Cairo on July 11, 2019, and subsequent communication with participants.

Sustainable Financing for Sustainable Enterprises

Foreword

Worldwide, social enterprises are working hard to solve the world's biggest challenges surrounding development projects. Their contributions to achieving the Sustainable Development Goals are increasingly recognized as they successfully tackle the specific needs of marginalized communities in uncared-for, remote geographic areas. The good news is that many of these enterprises are established and ready to scale their business to meet their goals, but they too often run into difficulties finding the right investors that will cater to their specific needs. On the other hand, there is an increasing amount of players on the financial side who are ready to invest in social development, but have difficulties identifying new projects and enterprises that are eligible for financial support according to their expectations and criteria.

Herein lies the problem – there is a clear mismatch when it comes to pairing up social entrepreneurs and investors for impact investment purposes. It is a challenge that is not only analyzed in diverse sets of research and publications within the development sector, but also experienced – very authentically – from the social entrepreneurs we support in our international empowering people. Network (epNetwork) and beyond.

Knowing action was needed, Siemens Stiftung and its partner, enpact Egypt, invited international experts from different fields to Cairo to help move the dial on the topic of financing for social entrepreneurs. Accordingly, the 'Innovating Finance for Social Entrepreneurs' round table was set in motion. It brought together passionate social entrepreneurs, existing epNetwork members, and intermediaries from the fields of social finance, philanthropy, technology for development, and politics. They explored four aspects that could potentially provide novel solutions to specific financial challenges, including: innovative technologies for finance, patient capital to foster mutual understanding, public-private partnership models rethought, and new paths for foundations and philanthropies.

Initial observations indicate that fresh and surprisingly different approaches to financing are now being considered. This includes innovative technologies that enhance matchmaking between social entrepreneurs and investors, for instance through partly-automated data generation, as well as financing vehicles that pool different sources of capital. The round table allowed for a very well-structured debate on the current challenges from the perspectives of start-ups as well as from funders and investors. Follow-up interviews with participants and their additional insights also form part of this documentation.

As a first step, we are circulating the findings, insights, and recommendations documented here with relevant partners within the ecosystem, and at the same time, sharing outcomes through various advocacy activities.

At Siemens Stiftung, it is our explicit goal to further strengthen the dialogue between all players that work on the same mission, namely to promote social impact through entrepreneurial solutions. That is why we now invite all players to join forces and continue working with us by commenting on the results presented in this report, by connecting with us or other players involved, and by working on solutions based on this out-of-the-box prototyping.

We are convinced that it needs joint efforts from all kinds of players to build an ecosystem in which social entrepreneurs can flourish and focus on their mission – to maximize social impact creation.

Rolf Huber
Managing Director, Siemens Stiftung

Executive Summary

The round table in Cairo clearly showed: it's time to reconsider what measures are required to help social enterprises create the social impact they are dedicated to. The results of the working sessions composed of experts and social entrepreneurs point to some directions that these measures could take.

Over the last decades, Siemens Stiftung as well as many other foundations, incubation programs, and other players have supported social entrepreneurs from all around the world and contributed to the establishment of a supportive, global ecosystem. There is no doubt that these measures, which included: networking facilitation, skill improvement, coaching and expert support, and actionable discussions on financing are indispensable in bringing the entrepreneurs toward new opportunities. Nevertheless, for the majority of social entrepreneurs, accessing suitable financing options remains a serious challenge. In fact, the current financing landscape for social entrepreneurs so far hasn't reached the scale that it could or should, considering the amount of theoretical capital available, and when looking at the number of remaining societal issues and promising solutions available across the globe.

For this purpose, the round table on innovative finance strategies for social entrepreneurs gathered social entrepreneurs, capital providers and other experts in the field of financing and incubation for social impact to work on concrete next steps that are needed. The aim for the round table was to move beyond a discussion and tackle specific financial challenges faced by social entrepreneurs. By establishing fresh ideas, innovative solutions, and implementable next steps, not only will epNetwork member organizations benefit, but so will other social impact driven enterprises that empower and provide new perspectives for many on the ground. While these challenges are not new, the solutions and outcomes gleaned from these discussions could result in lasting changes. The four expert teams worked in round tables focused on four key topics:

Round table 1: New Technologies as a Means to an End

The first group convened around the topic of new technologies for finance. With the rapid speed of digital transformation, we wanted to explore the potential of new technologies in the context of impact investing. While there is a lot of buzz around finance technology solutions, doubts remained about the practical relevance of existing initiatives. There was a broad consensus in the group regarding the need to make technology as useful as it can be for social impact. New (digital) solutions and even artificial intelligence applications should thus particularly facilitate the deployment of smaller investment volumes that are urgently needed by social entrepreneurs. They should also support the establishment of trustful relationships between social impact investors and social entrepreneurs, for instance through educational programs that bring the two sides closer with tools that ensure successful expectation management through solid impact measurement and performance tracking. An important topic elaborated on in an interview conducted with Barnaby Nelson (The Value Exchange) and Franziska Reh (Uncap – Unconventional Capital) after the event was the potential of open-source databases that facilitate due diligence processes between impact investors and social entrepreneurs. While a small team has already been formed, and an initial briefing document has been written, the process of scoping and prototyping the idea is ongoing.

Round table 2: It's Called Patient Capital, isn't it?

Patient capital was the topic of the second working group. Years have passed since patient capital was first adopted as an innovative type of impactful finance by a multitude of financial providers. Yet, we can't assert that the funding gap between social impact investors and social enterprises has been closed, or that patient capital provision is consistently designed across the globe. What is it that needs to be done to help entrepreneurs access the type of funding that they need to maximize their social impact while at the same time ensuring the expectations of investors are met? Results of this round table pointed to the need of adopting more customized approaches when supporting social entrepreneurs by accounting for the heterogeneity and innovativeness of the field. While it is understandable that investors strive to establish efficient structures, the basic intention of patient capital is to specifically place investments that aren't attractive for commercial capital markets. Thus, this discussion strongly pointed to the need for investors to (re-)adapt their mindset or attitude to give impact the highest priority. One innovative idea that came out of the discussion concerned the need to rethink the way we determine the value of social enterprises. An interview conducted with Patricia Jumi (GrowthAfrica) after the event further outlines the idea.

Round table 3: Overcoming Ideological Differences through Effective Public-Private-Partnership Frameworks

Another central point of discussion concerned the current status of public private partnerships (PPP). Many governments around the world welcome the engagement of the private sector, including social enterprises, for social impact. However, effective and efficient realization often remains a challenge, particularly when it comes to entering collaborations with smaller organizations that lack the capacity to deal with the complexity of public structures and requirements. How can third parties add value to these collaborations? This and other related questions were elaborated on by participants of round table 3, which highlighted the need to improve PPPs through frameworks that build on best practices with supporting functions from third parties that ensure expectations are aligned and objectives are met. As further elaborated in the interview with Gagandeep Bakshi (Intellecap), pools of capital that are comprised of different funding sources - ones that can offer different, individualized kinds of money - may be one of many innovative ways to structure public-private collaborations.

Round table 4: A Bird's-Eye Perspective for Philanthropists and Foundations

Finally, the fourth round table focused on the topic of philanthropy's role in financing and supporting social entrepreneurs. While many foundations and philanthropists have entered into individual relationships with social entrepreneurs, the group pointed to the large impact that they could have when also adopting a more holistic approach to social impact. Systemic financing vehicles or cluster approaches may focus on a specific sector such as health care or on a specific topic such as youth employment in a certain region. This would not only ensure more sustainable involvement, but also compensate for investors who concentrate on a few "star" entrepreneurs. Blended financing vehicles - that is, the strategic use of funds to mobilize private capital flows - are one of several ways how philanthropic players and foundations can use their assets to create impact. In all of this, philanthropic investors must be aware that companies tend to adapt their concepts to the nature of the funds available, and therefore carefully analyze and select companies that meet their own criteria.

Initial Findings – Next Steps Needed

Across these four Round table sessions, Siemens Stiftung identified two topics that became recurrent themes with high potential to improve and scale the currently existing ecosystem for social entrepreneurship:

First, there is a high need for innovative technologies that truly support social entrepreneurs in finding the right funding partners while at the same time making the due diligence processes of investors more cost-efficient and more effective. Partly-automated data generation, for instance, may help to scale the matchmaking between social entrepreneurs and investors, making it more cost-efficient as well as more inclusive in the sense that it increases the visibility of entrepreneurs who may at a first glance differ from common conceptions of successful entrepreneurship. New digital accounting systems may furthermore help in making due diligence processes more cost-efficient, thereby increasing the viability of much needed smaller ticket sizes. Second, financing vehicles that pool different sources of capital, allowing foundations to step in as direct funders for social entrepreneurs, are a promising solution when it comes to addressing the need of increasing the customization of support for social enterprises. Be it a result of the newness of social capital markets or an inherent characteristic of social innovation, one size fits all approaches seem to fail in addressing the needs of social entrepreneurs. At the same time, increasing standardization for investors is a necessary measure in order to keep costs manageable. The replication of existing examples of funds that pool different types of capital from various sources and deploy them according to the needs of social enterprises in a cost-efficient way, should be further examined in collaboration with interested parties. Such pools may be created with a focus on a specific region or topic to gather the players who seek impact creation there.

Round table 1
Innovative Technologies in Financing Social Entrepreneurship

New Technologies as a Means to an End

We are seeing a strong emergence of new technologies and a rapid speed of digitization. Generally, there is a lot of buzz around financial technology (fintech) solutions, both in terms of financial tools that focus on the end consumer, as well as ones directed towards the investment into companies, where many of the advancements are driven by the traditional for-profit sphere. Crowdfunding platforms, for instance, have been a ground-breaking technological innovation that has facilitated not only commercial but also social entrepreneurs particularly in very early stages of their journey.

However, new digital solutions aren't always easily implementable in the field of financing for social enterprises. While artificial intelligence, machine learning and automation can be very promising, results can also be misleading if the algorithms have not been implemented correctly - even more so in a field with high heterogeneity such as the one of social entrepreneurship.

Moreover, effective machine learning needs a large number of cases and data. The importance of good quality data and access to such data will become even more important in the future.

The discussion in round table 1 was based on a general consensus about the necessity to see technology as a means to an end and not an end in itself. Simply building up another platform is not the solution if the basic prerequisites of good investment relationships are far from being fulfilled. These prerequisites include, among others, access to unbiased high-quality data, solid impact measurement methods, entrepreneurial skills with regard to presenting and convincing funders, and impact-driven mindsets of investors entering the field of social entrepreneurship. Hence, areas in which new technologies could add significant value to investor / entrepreneur relationships were discussed more in depth.

1. Making smaller ticket sizes attractive for investors

While participants disagreed on the question whether there is enough money available for social entrepreneurs, the existence of a funding gap for investments in smaller ticket sizes was a general observation within the group. Reasons for this gap mainly relate to the high costs of matchmaking between investors and social entrepreneurs, and of due diligence processes. Where do investors find social entrepreneurs that fit their approach? How does one evaluate their investability

while considering both financial and social dimensions? Technology can undoubtedly support or provide solutions that simplify these processes, drive down costs and ultimately make the smaller investment volumes that are highly needed by social entrepreneurs more attractive to investors.

2. Education for both groups – social entrepreneurs and investors

The gap between impact investors and social entrepreneurs is not only technical, in the sense that ideas on appropriate investment volumes differ, but different mindsets and cultures underlie the divide and need to be addressed through information, education and interaction. Only if social entrepreneurs and investors "walk a mile in each other's shoes" - meaning that they truly understand their respective motivations and restrictions - we will see a change in the funding landscape. Technology can have an important facilitating role in this process, be it in the form of educational programs for entrepreneurs or investors, or in structuring feedback processes and expectation management.

Expert Statement

"With the increasing irregularity of financial requirement between social entrepreneurs and impact investors, technology has the potential to streamline expectations between the two parties. While requiring an iterative implementation, metric creation and interpretation, feedback, validation, and standardization all can be facilitated through tech innovation. A major roadblock would be the requirement of a global consensus on quality data and the providing party, a consensus not so easily reached."

Parker Chastain,
Technology Exchange Lab

3. Measuring and tracking impact creation

The development of standardized approaches to measure social impact has been a central topic of conversation in supporting ecosystems for social enterprises around the world. While existing approaches are promising and mainly driven by investor representatives, the debate in this round table pointed to the need of giving different types of players a voice in defining impact measurement tools further. In particular, social impact experts, entrepreneurs and public representatives as well as organizations dedicated to establishing reporting standard need to be

Expert Statement

"Technology has tremendous potential to match investors to social entrepreneurs, speed up the due diligence process and to track execution in cases where deals have been made. But as a social entrepreneur myself, the stumbling block remains the rigidity of such technological platforms, systems and processes when impact measurements deviate from stated milestones/objectives. In most instances, funding dries up immediately because investors become reluctant to follow through with funding."

Arnold Achiri Nji,
Traveler Inc

part of the process when it comes to defining the metrics that underlie decision-making processes in the supporting ecosystem for social entrepreneurs.

Unbiased high-quality data as well as tracking tools are prerequisites for trustful relationships between investors and social entrepreneurs, even more so if long distances separate the two. In addition, a certain level of standardization is needed to support the generation of "big data" regarding social entrepreneurship and thus the information necessary for higher-level (e.g. public) decision-making.

In order to move towards more inclusive measurement and tracking tools that account for the diversity of social entrepreneurship, more research is needed to fully understand the funding gaps between social entrepreneurs and investors. Players seeking to contribute to an improved, supportive ecosystem for social entrepreneurs may financially commit to enable such research as well as to build up the infrastructure for valid data collection regarding social entrepreneurship.

Interview with Barnaby Nelson (The Value Exchange) and Franziska Reh (Uncap)

Liberalizing Data and Increasing Liquidity in the Social Capital Market through Technology

SIEMENS STIFTUNG:
One of the big issues that we identified during the round table session is the funding gap when it comes to financing social enterprises. From your point of view, what is the role that technology can play and in which areas do you see high potential?

FRANZISKA:
In general, I think we all agree that, hypothetically, there is enough money in the market to invest in social entrepreneurs. And there are hundreds of thousands of entrepreneurs who need money. There is a mismatch of two parties who are somehow not able to find each other and to work together. In times of artificial intelligence, autonomous cars, flying drones, it is just unacceptable that we are not able to address this mismatch. I think there are different angles, where technology could help. One reason for this huge gap is that investing in early-stage entrepreneurs is just really expensive. Technology could help change the economics around these investments.

The other angle is improving the way these parties could find each other. If you are an impact investor sitting somewhere in Germany, how would you find an entrepreneur somewhere for example in South Africa, for example, who is not large enough to be on the radar of anyone else in the market, of big accelerators, foundations etc. Again technology, in the form of platforms, for instance, can to some extent bring those parties together automatically.

BARNABY:
I agree completely. If you look at those two basic problems - the big ticket sizes and the difficulties in finding each other - for me the big question is, how do you create a platform that addresses these issues without creating more complexity? How do you do something that slots in very seamlessly to the way people actually work or want to work? Solutions need to fit in with the workflow of the investor, but equally you have to fit in the workflow of the social entrepreneur, which actually is most likely a little harder. If done well, technology can facilitate exchange, bring the deal together, reduce the lack of transparency, and increase connectivity.

SIEMENS STIFTUNG:
There was a strong consensus on the argument that technology should be seen as a means to an end. When you mentioned the aspect of reducing the cost for due diligence, what could a concrete solution look like?

FRANZISKA:
When we talk about early-stage investing, the most important thing an investor wants to know is: is this a good entrepreneur? I think that notion accounts for 80% of the due diligence. The other 20% relates to questions like: does this idea in general make sense in that market? But as we all know, the idea that you start with in year one is probably not the idea that will generate your revenues in year five. So the question is: how can we bring down the costs of assessing whether someone is a good entrepreneur or not?
Usually investors would meet an entrepreneur, learn about their journey, and make a decision based on their gut instincts, their experience, and some key indicators. That might work well, but it definitely does not scale. Technologies like psychometric assessments powered by artificial intelligence can actually help to automate this due diligence process. We are currently testing assessment tools that screen for entrepreneurial potential. And the good thing is that it also reduces the human bias. Investors have their own understanding of what makes a good entrepreneur. But we can see that entrepreneurship works differently in Europe as it does in Africa or Asia, for instance. There are dynamics that we can´t even understand from the outside.
But, in order to use those AI-powered tests, we need better, less biased data, based on local datasets. For example, most of the currently existing data sets will probably tell you that 80% of successful entrepreneurs are white, male, and went to university.

BARNABY:
Coming from a banking background, one additional thing that I see is the point of knowing your social entrepreneur. There is a transformation going on in the world of banking where investors are moving away from balance sheet reporting and credit analysis to much more of a transactional analysis. I think this is something aspirational we may use in this space as well. As Franziska has said, it comes down to getting to know individuals in a much more statistical quantitative way that removes personal bias. But also when you are looking at an organization that is asking for a

decent amount of funding, that means they have been running for a certain amount of time. If you can take the daily behavior they have built up over the last 2 years, including their cash flows and the way they properly manage their business, and transform it into statistical information, that could form parts of the due diligence process.

SIEMENS STIFTUNG:
Franziska, you mentioned that investors are all doing their own due diligence. How can you overcome this, and what are the approaches that you see coming up in the future?

FRANZISKA:
I do see more and more players popping up who say that we need to create independent platforms that bring together unbiased, hard-coded data on entrepreneurs. Currently, there are certain entrepreneurs who are somehow popping up in the news because they have won the first prize at an accelerator and then an investor jumps at the business and then to the next one, etc. So they are all gathering around the same handful of start-ups and, very often, those start-ups are not even able to digest all the money that they are being offered. Someone signals to those investors that there may be a good entrepreneur, but then even they would go back and do their own due diligence. I think, opening up data (publishing due diligence and sharing the costs on certain parts through an intelligent system) would already make trusting third-party due diligence more likely.

BARNABY:
Right, but this is where we need to be careful in not creating more work for everyone. The risk here is that basically being “found” comes at a cost premium for the social entrepreneur. While this might be a necessary cost, at the end of the day, it is a necessary evil to go out to find funding. It is just time you could be spending saving two hundred billion tons of grain from getting ruined by moisture, for example. So there is an opportunity cost, and in the commercial sector this is a question of more or less profit, but in social development it means more or less impact; as a sector we have to make sure we are not self-defeating.

SIEMENS STIFTUNG:
Barnaby, previous to this talk you mentioned the idea of having open source platforms for due diligence. How could this look like?

BARNABY:
I have put a lot of thought into that and I think you could look at the workflows of everyone today. Basically, you need to find a way of sourcing most data from within the existing workflow by hanging that on the software systems the two sides use. For instance, social entrepreneurs need to keep their accounts. Whenever they use this data, part of it can be transferred to impact investors in a neutralized way to fit their due diligence requirements.

FRANZISKA:
Right, and it could go even further. We are currently looking at accounting tools that do two things at the same time. First of all, they nudge entrepreneurs to do proper accounting and show them how to do it, but at the same time, the tools could also provide direct access to their data. At some point you could create a benchmark powered through artificial intelligence and communicate directly with the entrepreneur: “compared to your peers that are also doing irrigation systems in Ethiopia, your costs for material are way too high,” for instance. It could be like a learning tool.

SIEMENS STIFTUNG:
In the case that you have multiple stakeholders willing to share data and software systems, who could be the one taking the lead?

BARNABY:
At the end of the day, there is a total cost of doing this. You have got to go where the money is. Social entrepreneurs are not going to be able to pay for such a system until they have reasonable substantial turnover. As long as they are looking for money they are not going to volunteer to spend it, so you have to go where the investors are. But if we are talking about reducing the costs for investors through simple due diligence, the magic has to be an equation where the investor has a lower cost through plugging in to what we were previously talking about and the social entrepreneur has no cost until they have revenues.

SIEMENS STIFTUNG:
Thank you, both, very much!

Barnaby Nelson

Barnaby Nelson worked for over 15 years in the Asian post-trade space, where he launched and transformed some of Asia‘s largest custody and cash businesses to the point of market leadership. He currently is positioned as the Head of The Value Exchange, a market research consultancy evaluating mechanisms for change.

Franziska Reh

Franziska Reh is the CEO and Co-Founder of Uncap - Unconventional Capital, a fintech start-up that offers AI-driven mezzanine funding for early-stage entrepreneurs in Sub-Saharan Africa. She gained experience in the financial industry in her role as Lead of Impact Investing & Social Entrepreneurship at JMX Capital, as well as during her time at Deutsche Bank.

Round table 2
Patient Capital for Mutual Understanding

It's Called Patient Capital, Isn't it?

With patient capital, a new form of financing has been established over the last few years with the goal of meeting specific needs of organizations that strive for both, social impact and financial sustainability. As indicated by the name 'patient capital', investors adopt longer time horizons, which allows organizations to endure the uncertain early years of an investment and generate returns in the longer term. In theory, not only do time horizons differ, but so does the nature of engagement with investees and exit practices regarding patient capital; these exit practices ought to be designed in a way that account for the specific challenges of social impact organizations.

While an increasing number of investors are entering the field of impact investment, and integrating new types of funding vehicles, such as patient capital, we are still in the process of learning and readjusting the supply of adequate financing for social impact organizations.

During the round table session, the following priority topics were distilled.

1. Customized measures to lift social enterprises' competencies
To what extent are social enterprises able to set up a functioning organization and to manage their funding thoroughly? This question ranked first in the list of priority topics concerning patient capital and was thus discussed in depth in this first round table session. Indeed, reaching so-called "investment-readiness" lies at the core of many incubation and coaching programs for social impact organizations. In order to become eligible for patient capital, social start-up managers need many skills and know-how, particularly with regard to financing and running operations that cover costs or even generate profit.

Educational programs that focus on capacity building, growth, and organizational development have the potential to align investors' and social impact organizations' needs and working modes. However, as emphasized by the working group, these programs need to be customizable to really have the aspired effect of helping social enterprises to thrive. The field of impact investing is too heterogeneous for one-size-fits-all approaches at this point in time.

2. New mindsets - New policies
As experiences and studies have shown, organizations tend to adapt their structures and activities to the type of funding that is accessible to them. Global investors need to be aware of the power that they have in this regard and thus act in very responsible ways that account for the heterogeneity of social enterprises. This is not only important to respect the specific needs of social entrepreneurs, but also turn into a benefit for investors. For instance, Western understandings of entre-

Spotlight: Impact Valuation Model

How much is a social impact organization worth? Is its social impact or its financial impact larger? These questions are crucial, given that patient capital can take many forms, and investors differ with regard to their expectations. While some will have a stronger focus on return on investment and accept simpler accounts of social impact generation, others may be willing to accept lower financial returns, but, at the same time, also only investment opportunities with low risks.
Hence, the valuation of social impact organizations not only requires profound know-how on impact measurement, it also raises the challenge of comparability. Given the wide spectrum of areas in which social impact organizations work, standardization is difficult, but as pointed out by participants of the round table, the introduction of an impact valuation model would change the proposition quite a bit.

Expert Statement

"There is both a need and an opportunity to create new categories of alternative investment. New types of investor profiles and risk appetite have emerged, with investors exploring options like revenue sharing, place-based, multi-asset-class funds, peer-based decision-making in due diligence processes, among others. Given how the existing system is inaccessible for so many entrepreneurs – and in turn so limiting for investors – thinking more creatively about investment strategies can not only help improve portfolio performance, it can also help generate jobs, expand businesses and support our economies."

Deepak Menon
Village Capital

preneurship are not only likely to miss out on finding successful entrepreneurs but also on identifying ground-breaking business opportunities, simply because they can't fully grasp the dynamics of markets in emerging economies.

In this context, policies and regulations are furthermore of utmost importance as they set the rules under which investors can operate - even more in a field like impact investing, which is in the process of being institutionalized around the world and where social impact creation should remain at the center of organizations' focus. Policies and regulations can significantly influence the type of capital that is provided to social enterprises. Foundations, for example, are often restricted by regulations that hinder them from acting as direct investors of social enterprises.

Expert Statement

"Different funders have different expectations and many need and require to get a certain feedback on the Social Return on Investment (SRI). We need to become creative and figure out how it can be measured in a qualitative way.

Also, the needs of startups are not only financial. Many organizations can offer technical and training support to these startups and they need to be considered and included in the network."

Madiha El Mehelmy Kotb,
Engineering for Change / ASME

They often need to invest considerable time and efforts into finding ways to effectively support social entrepreneurs. With that said, many foundations would rather stick to traditional forms of engagement in the philanthropic sector.

3. Defining social enterprises and their value

The lack of a common definition for 'social business' and the resulting lack of awareness, is both, a global and a local challenge. The majority of existing business categories and structures in the financial market clearly separate the social and the commercial world. In many countries, it is assumed that social businesses are not perceived as being profitable entities, but rather ones that rely on grants without revenue models. Hence, the search for suitable investors often requires organizations to step out of their local ecosystems, which is a tough way to go. In many cases,

entrepreneurs fail to attract the necessary awareness for their solution or to convince funders from their innovative approach. As a result, many of them run the risk of falling back into more traditional categories of 'charity' or 'business'. On the flipside, investors have different conceptions about social enterprises and thus difficulties to piggy-back on other players when trying to find suitable enterprises to invest in.

Besides the idea of developing a valuation model for social enterprises (see Innovation Spotlight on Valuation Model), mapping platforms that help understand local impact investment ecosystems as well as market places or events that connect start-up entrepreneurs and investors were highlighted. Such tools are important to help social impact organizations showcase their approach and find adequate funding sources

Expert Statement

"Traditional development practices are changing as resources become scarcer and thus more focus is placed on returns on investment. In the meantime, when aspiring for results that lead to social impact and financial sustainability, there has to be a paradigm shift in the nature and quality of engagement provided by various investors to social enterprises. This paradigm shift entails providing the technical and financial support needed to contribute to the aspired social changes, while balancing expectations as it comes to the time and value of economic returns. Where value is mostly placed on social impact then, additional consideration to investments that enhance institutional capacity and organizational growth have to be realized; this must happen before expecting such organizations to raise revenues and become financially sustainable. The second aspect of this paradigm shift is to be open for creative modalities for addressing financial resources and social mobilization at the same time through technology and creative means that would have low investment but high impact."

Dr. Wessam El Beih
Drosos Foundation

"Education is a huge piece of the play, but ultimately, technology needs to bridge the gap between investors and investees, especially with regard to impact measurement. What are the right outcomes? How do we define them early on and educate both sides to be able to get there before it's too late."

— Barnaby Nelson
The Value Exchange

An Interview with
Patricia Jumi (GrowthAfrica)

Africa – A Continent with Huge Potential for Social Innovation

SIEMENS STIFTUNG:
Patricia, with your unique long-term view, what would you say is the next big action item that ecosystems for entrepreneurs in emerging economies need?

PATRICIA:
Over the last years, we have seen a lot of technology adoption, and high rates of digital penetration in terms of solutions, including fintech solutions that are coming to market. I think Africa is the next frontier here; it is meant to do that because there are so many needs that are still to be met and technology can help to address them in a sophisticated way. You will still have the traditional types of entrepreneurs, like shop owners, but on top of that, we see innovative inventions in terms of how you can apply technology and innovation to distribution chains. This also applies to the production of a product, using innovation here and there to create more efficiency and effectiveness.

SIEMENS STIFTUNG:
Are fintech solutions also feasible for social entrepreneurship, particularly when they are developed to improve the relationship between entrepreneurs and investors? A strong argument discussed at the events in Cairo was that technology cannot solve the problem if the relationship in itself is not really working. What is your opinion on that?

PATRICIA:
Yes, fintech solutions are sometimes failing to fulfill their objectives. What we have seen in terms of well-functioning projects are innovations like alternative credit scoring to give farmers an identity that is based on how much they purchase, how much they sell, their supply timeliness, etc. These types of innovations are very useful. But then, we have also seen some technologies, that have been pushed and everybody thought that thousands of lives would be improved through an app, but then the adoption sometimes fails, because not so many people sign up perhaps because they have a different way of doing what they are doing. That happens, for example, with fintech in the area of insurance. The adoption of micro-insurances is very low because people in Africa only want to pay if something happens, and what if nothing happens to me the whole year? Where does my money go then? Maybe these products work for high and middle-income classes, but not really for people on the bottom of the pyramid.

SIEMENS STIFTUNG:
During the round table discussion you mentioned the need for a new valuation model for impact entrepreneurs. What would such a validation model look like, how could this idea be realized?

PATRICIA:
Yes, the idea was part of our brainstorming discussion. We actually thought that some of the issues we are facing could be solved through a different valuation model that helps entrepreneurs look at things differently. Because when you are a social enterprise, you are often doing things you cannot compare to anything. Trying to assign value or evaluate in a “normal” way is difficult in such a context because the obstacles are much larger than the experience.
There are different ways to look at impact and there are initiatives out there. But, in our round table, no one has really found them very suitable, so the frustration potential is high. One notion could pan out as such:

> ***“I am going to meet investors but they are telling me my valuation does not meet up to their target. What am I supposed to benchmark against?”***

Investors look at things differently. If an idea has the potential to create this much impact, what are the different parameters we should look at other than the financial return on investment. We were really just brainstorming on that, and did not go into detail, but it would be worthwhile to continue this discussion.

SIEMENS STIFTUNG:
One of the biggest topics was the mismatch between investors and entrepreneurs. Based on your experience as an intermediary between the two, what is the most common misunderstanding between high-impact entrepreneurs and investors?

PATRICIA:
I think the most common misunderstanding relates to what it means to be investment ready. Investors have their own criteria of what they mean by investment readiness, but sometimes I do not

think they communicate that clearly; both parties need to know: are they following their criteria in terms of the risk, how big the problem is locally and worldwide, how big the market is, etc. It almost feels like it is based on some hidden criteria which is probably more based on gut feel. This causes confusion between the investors and the entrepreneurs.
With that said, typically we have seen that many entrepreneurs are not good in presenting their business. They are not able to clearly describe the problem, their plans to address it, or what they will need and what kind of impact they want to create.
Also, what is impact to an investor vis-a-vis what is impact to the entrepreneur? Is it more impactful to deal with small-scale farmers or operate at a large scale? It is so hard to understand the context, so you find a lot of deals getting rejected because of contextual misunderstandings. Expat entrepreneurs running a business have a clear advantage in Africa because they are clearly able to communicate this context given they often share the same cultural background as investors, and they are able to explain that context in ways that the investor understands.

SIEMENS STIFTUNG:
Where are the limits of entrepreneurship as a path to development in terms of sectors, topics or even countries? Where do you see limits?

PATRICIA:
Of course there are limits. Regardless of what we think about governments in Africa, there are some things that government is better positioned to do and there are things that corporations are better positioned to do. If you are thinking of policy change and regulation, that can only come from corporations and governments because they have the manpower. From what we have seen in terms of entrepreneurship, I think it is in a different context; from my perspective, of course we want to grow Africa and our vision is to exponentially increase the rate and scope of success of businesses in Africa. So, what we wake up for every day is to see how we can change the statistic that every year, 80% of the companies in Africa are shutting down.
Of course, it is my personal belief that entrepreneurship can solve everything, but we really should think about it from an African perspective. If we do skills training with people and empower them to be employable, where are they going to get those jobs? Where are the jobs and who can create them? Who can raise incomes and initiate original opportunities?

SIEMENS STIFTUNG:
Thank you very much for these valuable insights, Patricia.

Patricia Jumi
Patricia Jumi has been holding the position of Managing Director and Co-Founder at GrowthAfrica for the past 11 years. She is advising and assisting early-stage entrepreneurs to accelerate and grow their businesses through provision of seed capital. Herein she acts as a mentor, supporting the development of scalable business models.

"The supporting ecosystem should worry more about how to invest in collaboration processes between organizations and governmental institutions, so that both parts can incentivize each other more effectively and find and introduce more investment tools."

— Amanda Epting
MIT D-Lab

Round table 3
Public Private Partnerships (PPPs)

Overcoming Ideological Differences through PPP Frameworks

Public Private Partnerships are an established tool in international development work, describing collaborative arrangements between public and private actors.

Different forms of PPP arrangements can be distinguished: the most prominent is the contracting of a private service by a government body. This concept is widely spread, e.g. in the construction or the consultancy industry. Another form are Public Private Community Partnerships (PPCP), a concept which became prominent in recent years where the local population is prominently involved in an initiative and becomes a party to the contract e.g. waste management of a city. The field of development cooperation offers some innovative types of public private partnerships. Impactful realization, however, remains a challenge. The discussion in roundtable 3 pointed to needs for action with regard to the following topics:

1. Relationships of trust

Over the last decades, the importance of private sector involvement in development work has been emphasized in multiple gatherings, frameworks, and/or agreements. For decades, international development or civil society organizations have repeatedly claimed that private companies need to assume their responsibility in reducing international inequalities. However, a new trend is observable, where private companies are increasingly attracted by the innovative potential that developing and emerging economies harbor. Be it in the form of corporate social responsibility initiatives, as the base of the pyramid market strategies, social business models, or collaborations with non-governmental organizations, companies have adopted a wide spectrum of approaches in emerging economies and have thus evolved into new drivers for development.

In order to leverage their social impact, relationships of trust between public and private actors need to be deepened. Ideological differences between the public and private sectors remain a significant obstacle. Rooted in history, they are hard to overcome and materialize in structures that, in worst cases, conflict with each other. Adequate support mechanisms and PPP frameworks that align return expectations and metrics, for instance, need to be developed in order to ensure project success.

2. Policy regulations

Private sector engagement in development requires appropriate regulations that focus on long-term effects. The example of waste management in Egypt was discussed. Realizing sustainable development in Egypt would require resources from the private sector, the Egyptian government (more than a decade ago) started to improve the industry by developing a robust

Spotlight:
Social Impact Bonds

Social impact bonds (SIBs) describe a governmental funding mechanism that targets preventive interventions through social service providers such as social enterprises while shifting risks away from the public sector towards impact investors.
Intermediaries and assessors take the role of contracting and monitoring progress as well as meeting final performance targets. Investments of impact investors are only repaid by the government if performance targets are met.

So far, social impact bonds have raised significant interest across the globe. However, first experiences have shown that the administrative burden of monitoring and evaluation rather causes more complexity. With the high transaction costs of operating social impact bonds, smaller ticket sizes, which are highly needed among social entrepreneurs, remain difficult to realize.
Measures that increase the efficiency of these vehicles are thus of high importance.

PPP scheme in order to promote partnerships in priority sectors. For instance, in June 2009, the Egyptian government awarded a concession for a wastewater treatment facility to improve sanitation services in New Cairo to Egypt's Orascom Construction Industries and Spain's Aqualia (Orasqualia). The PPP included the rights to build, operate and maintain the treatment plant, which will service nearly three million people over the project's lifetime. The International Finance Corporation supported the government in developing and implementing this PPP model so that it could be replicated for other large scale infrastructure projects. The wastewater plant has been heralded as the first successful PPP project in Egypt. Residents have benefitted from an increase in the availability of freshwater leading to improved public health. According to one review of the project, good PPP features were present in the competitive bidding process, bundling of construction with operations, and in efficiencies through the partnership with an experienced multinational enterprise and a local operator. The project received a number of awards, including: Water Deal of the Year by Global Water Intelligence, PPP African Deal of the Year by Euromoney/Project Finance magazine in 2010, and the Bronze Award – Middle East and North Africa by Emerging Partnerships in 2013.

3. Supporting functions and tools

To date, governments support the establishment of PPPs in various ways, including through incentive schemes for enterprises engaging for public causes, the provision of market knowledge about BoP markets, reduction of investment risks through blended finance mechanisms, as well as policy regulations facilitating collaborative approaches and providing private actors with a license to operate in specific fields. On the flipside, there are also various ways that private players can contribute to setting up successful PPPs, including by providing financial resources, competences in developing particularly effective and innovative solutions, and - although there is no general validity to this - in increasing the efficiency of public approaches.

Yet, setting up successful PPPs remains a challenge since it is a matter of capacity on both the public and private sides. Governmental bodies particularly need support in designing the right structures, and companies often struggle to gain so-called "investment readiness." Administration, human resources, and accounting are all topics that need to be effectively managed by companies in order for them to become eligible for governmental support. Special agencies or non-governmental organizations that assume a supporting function, including consulting and moderating, are needed. Their expertise should include systematic analyses of success factors as well as failures of previous PPPs and build on these results in the design of future frameworks.

In addition, new tools such as social impact bonds are promising tools that not only provide a structure for public-private collaborations but also act as incentives for private players to focus on activities that support public causes.

Expert Statement

"Increased public-private sector collaboration to advance development outcomes is a positive trend so long as the resulting partnerships remain inclusive and above all focused on impact. For instance, are there opportunities to include in or co-create partnerships alongside additional key stakeholders, such as NGOs, social ventures, and communities, to ensure the resulting investments are appropriate and impactful?

In particular, how can these different actors build meaningful relationships and networks of trust for collaboration towards a shared objective? One way we've found that the supporting development ecosystem can add tremendous value is through sharing lessons and practitioner-focused tools across institutions and convening these diverse sectors through workshops, working groups, and events to build trust.

The opportunity to share and exchange ideas and challenges in forums such as this epN (epNetwork) event and to hear from the perspective of investors, foundations, and governments alongside those of entrepreneurs and NGOs is of great value in advancing not just the conversation around PPPs but real outcomes."

Amanda Epting
MIT D-Lab

An Interview with Gagandeep Bakshi (Intellecap)

Pools of Capital Allow for Customized Support and Larger Impact Creation

SIEMENS STIFTUNG:
One topic that repeatedly came up during the round table discussion is the need to customize supporting programs that are targeted towards social entrepreneurs. Obviously this is not easy for cost reasons. What are your thoughts on how we can address the need for more customization?

GAGANDEEP:
With our work at Intellecap, we specifically realized in India and Africa that the enterprises don't necessarily follow the same pattern and they don't necessarily have the same kind of challenges or problems. The single problem that they all face is capital, right? And to that extent, you cannot say that any kind of capital fits them all because their problems and challenges are all very different. So, one of the things we have always been pushing for is the appropriate distribution of capital instead of giving a grant. Let's create pools of capital that are long term, and have the ability to give them different kinds of capital. So when we work with ecosystems, we try to address the capital challenge by coming up with broader or more innovative vehicles that address the capital needs of the entrepreneur.

SIEMENS STIFTUNG:
When you say "capital", are you talking about equity investments, or is it a specific type of (patient) capital that you have innovated?

GAGANDEEP:
What we do at Intellecap is design vehicles that allow innovative capital to come to enterprises. I would call it patient capital in the sense that the outcome should be patient for sure, but the intention is to give different types of capital to the same enterprise (or different enterprises) based on their growth journey and capital requirements. There are many agribusinesses that need short-term working capital for a tight seasonal demand and/or supply. And there are maybe healthcare companies that might need long-term capital because the healthcare structure or the enterprise takes a lot more time to break even than an agribusiness, which is based on a season.

So giving every enterprise the same kind of capital does not make sense. It should be patient capital but it should have the ability to give different kinds of equity, debt or a returnable grant,

if I can call it so. In those pools of capital, I could have long-term debt from OPIC, but I could also have large foundations that have also put in some capital which does not require any return but just the principle back. The idea is that you should keep your cost of capital for the enterprise as low as possible, but only to the extent of how low your cost of capital is that you are taking from the limited partners or from the funders across the globe.

SIEMENS STIFTUNG:
You participated in the round table about public private partnerships. Regarding the pools of capital that you just described, could they also be put within a framework of public private partnerships?

GAGANDEEP:
Absolutely. One needs to understand that public private partnerships have to be used in a certain way. Many entrepreneurs who have a dependency on the government for revenues have failed for some time and that's a major learning even for companies in India. So we need to work with the government to better utilize the existing infrastructure that the government has, rather than depending on the government to give you revenues, because in many cases the government has actually failed in delivering in terms of the milestones of the revenue payments to the enterprise and enterprises have suffered a lot in the last 10-15 years.

SIEMENS STIFTUNG:
What is your experience with social impact bonds as a vehicle that provides enterprises with public sources of revenue? What are the crucial success factors?

GAGANDEEP:
The intent of social impact bonds is very good, but we see a bottleneck in emerging countries regarding the size of social impact bonds. While providers of capital (by way of impact bonds) have made a significant amount of capital available, we see challenges in the deployment of such capital because most impact enterprises are very small in size. We need to work towards this and one idea is that we can create a pooling asset, where we have all early-stage enterprises pool their demand of capital into one vehicle which is able to raise large amounts of social impact capital. The providers save the cost of managing each enterprise's capital, and the entity which has pooled the capital will be able to do that job on behalf of the providers of capital.

SIEMENS STIFTUNG:
Thank you very much for these insights, Gagandeep!

Gangadeep Bakshi

Gangadeep Bakshi is the Director and Head of the investment banking company, Intellecap, located in Mumbai. His 18+ years of expertise encompass the areas of corporate finance, capital raising and M&A advisory, covering experience in sectors like financial services, healthcare, agriculture, cleantech and infrastructure.

"Foundations play a huge role in building up the right ecosystems to address root causes by making sure that social ventures are not incentivized to drift away from their mission."

— Alexander Baic
Boston Consulting Group, Social Impact

Round table 4
New paths for philanthropy and foundations

A Bird’s-Eye Perspective for Philanthropists and Foundations

Social entrepreneurship has certainly arrived at the international development debate. Mentorships, accelerators and funding programs targeting social enterprises are growing in numbers, in part due to the increasing engagement of foundations in this sector, including Skoll Foundation, Schwab Foundation, BMW Foundation or Siemens Stiftung (Foundation) with its epNetwork.

Still, the supporting ecosystem for social enterprises remains patchy. How are existing programs working and where do (funding) gaps remain? What are common goals between social enterprises, investors and foundations/philanthropies and what are the measures to be taken in order to reach these goals?

This fourth round table identified 3 areas in which foundations and philanthropic players should focus on when seeking to improve the supporting ecosystem for social enterprises.

building up another platform is not the solution if the basic prerequisites of good investment relationships are far from being fulfilled. These prerequisites include, among others, access to unbiased

1. Systemic financing and cluster approaches
While the creation of social impact is the explicit objective of various players in the field of social entrepreneurship, systematic approaches that try to bundle their approaches in order to systematically create synergies and a larger social impact are scarce. For instance, funding for social entrepreneurship is currently largely utilized in a one-to-one model. Individual foundations support individual enterprises rather than pooling their resources with peers to drive a bigger system change. Furthermore, few investors focus on one sector in one region to drive change there, and instead, diversify their portfolio in order to minimize risk.

Building clusters of ventures that work on closely-related topics may help to develop a more holistic approach and really focus on societal change rather than on the opportunities of individual companies. For instance, an educational cluster in a region with high youth unemployment could include various social enterprises providing educational services, stipend programs, mentoring for entering the job market, etc., with the dedicated objective to reduce youth unemployment in a specific region within a defined time frame. Philanthropic players could pool their resources to jointly fund the organizations in this cluster, provide them with advisory services of education or social enterprise

Expert Statement

“Funding after the early stage remains a huge challenge. (Social) investors want to gain a more thorough understanding of the social enterprise. Therefore, the cost for both – the social entrepreneur and the social investor – increases. Investors conduct more detailed due diligences. That means the entrepreneur has to provide them with more data and information. While the due diligence approach is rather standardized in the for-profit sector, it varies widely, depending on the investor, in the non-profit sector. This imposes additional requirements on social entrepreneurs if they are in contact with several investors.
Foundations could play a crucial role in reducing this cost by acting as an intermediary between social enterprises and social investors. They could standardize the due diligence process and thus reduce the resources required. At the same time, they could offer a strong set of investment opportunities for investors.
In addition, foundations could lobby to ensure investors also invest in the so called “middle gap” instead of splitting funds across several entrepreneurs at early stage. Finally, foundations could also ensure outcomes and impact KPIs are included in the due diligence process to make sure that is captured early on.”

Alexander Baic
Boston Consulting Group

Expert Statement

“Blended finance, formerly used in large-scale development projects, today is more and more considered a powerful approach for mobilizing private investment for high impact enterprises. Why is blended finance needed for these organizations? Many of the innovative business solutions to pressing social problems simply do not make enough money to attract investment needed to scale. Others manage to attract commercial sources of capital but might risk leaving behind the ones who need their solutions most. Public funders and philanthropic foundations can address this market failure by providing catalytic capital in the form of guarantees, grants, or smart subsidies, and partner up with private investors. However, making a real difference by engaging in blended finance transactions is an art. It is about aligning public or philanthropic funding with the intended outcomes to create maximum ‘impact leverage’.”

Björn Struewer
Roots of Impact

experts and make sure the program is built to last even after philanthropic support finishes.

Yet, changing the perspective from single investment opportunities to a bigger picture entails adopting a longer-term perspective with - at least in the short term - less tangible, that is, less demonstrable and communicable outputs. For many investors - including foundations - this would require a considerable shift in their mindset.

2. Continuity of support

Many social enterprises get some kind of support from incubation or accelerator programs in the early stages. As repeatedly stated by participants, the incubation and acceleration sector is to some extent “over-resourced” when compared to support programs targeting subsequent phases in the life cycle of social enterprises. For many social enterprises, this is a serious threat to their growth process. As soon as incubation programs stop, the search for follow-up financing is often tedious, and

sometimes even desperate. Harmonizing and aligning the resources and expectations of different types of players with the aim to design a continuous growth journey for social start-ups should be the objective. For foundations and other philanthropic players, two necessary actions were highlighted in the round table discussion; first, a systematic analysis of the post-acceleration phase to identify the exact gaps, and, second, the development of (financial) products that help bridge the time until investors are found.

3. Customized support reduces the risk of mission drift

While the group pointed to the need of adopting a more systematic approach to social change, there was also a large consensus that more customized supporting programs are required. Often, funding programs have a pre-defined curriculum that fails to meet the specific needs of single social enterprise. This is mainly a consequence of measures that try to design support programs that are as cost efficient as possible. However, the heterogeneity of the field of social entrepreneurship is high and providing supporting schemes that do not fit the organizations is not only ineffective but can even be dangerous. As mentioned earlier, academic research has shown that organizations tend to adapt their structures and even their missions to the type of funding they are able to access. In the worst case this could result in a social enterprise that accepts rather commercially-oriented funding and starts diverting

Expert Statement

“I believe that having a clustered approach may help small start-ups have a bigger impact where they are able to contribute to the so-called Systems Change. There’s not one single start-up or social enterprise that can, by itself, move the needle significantly when it comes to Systems Change. That’s why it’s imperative to concentrate efforts on creating clustered or bundled solutions that can work together to solve common challenges, be it education, sanitation, etc. These bundled solutions may benefit from not only funding but also business opportunities. Sometimes a start-up is working on a sale opportunity but it lacks other elements that could be provided by fellow entrepreneurs to build a more appealing case that could ultimately lead to a successful sale. So, I believe the many benefits of having this clustered approach to solve common challenges go beyond just funding a pool of social enterprises.“

Carlos Pereira
Livox

from its social mission due to the pressure of having to perform financially. However, even if funders have good intentions, they work according to their rationale which is often historically rooted in the commercial finance sector. Social impact investors need to be very clear about their expectations, and carefully select the social enterprises they want to support making sure they provide them with additional support that truly fits their specific needs to be able to meet their performance targets. In their role of co-shapers of the supporting ecosystem for social enterprises, philanthropists and foundations should thus act as advocates of social impact and assume a certain supervisory role by making sure the measures they take protect organizations against pressures that would divert from their mission.

Expert Statement

"Foundations and philanthropists have a critical role to play in the funding and development of social enterprises. This funding is most relevant in the creation of strong ecosystems that can support multiple social enterprises in their development while creating a movement of businesses that are changing the world in different sectors and geographies. However, this would need to be coordinated to avoid dilution of outcomes, especially when different financiers of the ecosystem have different outcome expectations which may dilute the ability for the recipients to adequately tackle any single issue.

Direct funding is also quite important; where foundations and philanthropy can play a catalytic role is by investing in the very early stages of ideas and validation of business models for social enterprises. The objectives of these grants and investments will also need to be aligned to the expectations of private capital players if the crowding effect is to be realized."

Martin Kiilu
Seed 2 Growth Advisors

"If impact measurement is a pain point, it is already a problem. Because it means that you are not well resourced as you are growing your business."

— Patricia Jumi
GrowthAfrica

"Our goal is to further the sustainable financing dialogue between all players within the social development sphere. What we need right now are strong alliances that take a chance to advocate and realize new ideas and approaches."

— Carola Schwank
Siemens Stiftung

It is all about collaboration

Final word

Enpact e.V. (enpact) and Siemens Stiftung have collaborated on many initiatives for a few years now. By co-hosting the round table 'Innovative Financing for Social Entrepreneurs,' it became even clearer that our missions are closely aligned. The Startup Haus in Cairo, Egypt, is a collaborative hub run by a highly-motivated local team which acts as a meeting space for innovative entrepreneurs in Cairo and beyond.

The epNetwork events were a fantastic opportunity to dive into the work of players that focus on similar missions. The events in Cairo provided new insights on ways we can support entrepreneurs in addition to the things we are already doing. One highlight was to learn from participants about how foundations are, in some cases, acting as capital providers. We were also able to analyze our new scholarship program for start-up founders; our focus here was to get projects to become more financially independent from donor funding. There was a lot to learn on this front, and we are very keen on diving deeper here to see how we can mutually learn from our experiences.

Of course, time is always limited at these events, and my wish would be to have some sort of retreat with epNetwork participants over a longer period of time - great things would start happening there! But I am confident that Siemens Stiftung and enpact will continue working together - be it in the area of investing or in terms of entering joint projects, I think we can complement each other in fruitful ways. Full of inspiration after the epNetwork event in Cairo, we discussed the idea of creating our own platform and network of like-minded support organizations. We at enpact have recently started doing this by working with start-up ecosystem players from Iraq, Ghana, Kenya, South Africa, Tunisia, India, Uzbekistan, and Indonesia. We have already seen the huge impact such a support network could create - let us think bigger and bring it to the next level!

Round table Participants

TABLE 1:

Arnold Archiri Nji	Traveler Inc
Parker Chastain	Technology Exchange Lab
Emil Damholt	Bluetown
Jackie Kameel	Nahdet El Mahrousa
Mark Mutaahi	BID Network
Barnaby Nelson	The Value Exchange
Leonhard Nima	Studio Nima
Franziska Reh	Uncap - Unconventional Capital

TABLE 2:

Lennart Budelmann	aQysta
Mahmoud Darawesh	Mind Rockets Inc.
Dr. Wessam El Beih	Drosos Foundation
Mahmoud El-Refai	PricewaterhouseCoopers
Christoph Günter	Knorr-Bremse Global Care e.V.
Patricia Jumi	GrowthAfrica
Deepak Menon	Village Capital
Oliver Nachevski	Engineers Without Borders International
Dr. Nathalie von Siemens	Siemens Stiftung

TABLE 3:

Gagandeep Bakshi	Intellecap
Dr. Thomas Cieslik	BMZ
Amanda Epting	MIT D-Lab
Rasha Kamal	Egyptian Angels Investors Association
Hani Kozman	Farouk Kozman & Co. SFAI Egypt
Jochen Moninger	Siemens Stiftung
Ratul Narain	Bempu
Ayman Shehata	Impact Investing and Purpose Driven Organizations
Germán Sturzenegger	Nilus

TABLE 4:

Alexander Baic	Boston Consulting Group
Sanssi Cisse	GreenTech Capital Partners – GreenTech Foundation
Rolf Huber	Siemens Stiftung
Yasmeen Khamis	Doodle Factory
Martin Kiilu	Seed 2 Growth Advisors
Marah Köberle	Siemens Stiftung
Madiha El Mehelmy Kotb	Engineering for Change
Odin Mühlenbein	Ashoka
Carlos Pereira	Livox
Dr. Sebastian Rubatscher	enpact e.V.

About Siemens Stiftung and epNetwork

About Siemens Stiftung
As a non-profit foundation, Siemens Stiftung promotes sustainable social development, which is crucially dependent on access to basic services, high-quality education, and an understanding of culture. To this effect, the foundation's project work supports people in taking the initiative to responsibly address current challenges. Together with partners, Siemens Stiftung develops and implements solutions and programs to support this effort, with technological and social innovation playing a central role. The actions of Siemens Stiftung are impact-oriented and conducted in a transparent manner.
www.siemens-stiftung.org

About empowering people. Network
Siemens Stiftung's *empowering people. Network* (epNetwork) connects inventors and entrepreneurs who have developed simple technical solutions, and supports social enterprises on their way to scale, replicate and expand. With a strong focus on organizational development and improved internal processes and structures, it offers a range of interactive training formats, expert knowledge, and individual consulting to its member organizations worldwide.

The recent 'Innovative Financing for Social Entrepreneurs' round table and *empowering people. Workshop* (epWorkshop) took place in parallel to the *empowering people. Award* (epAward) ceremony in Cairo in July, 2019. The latest epAward celebrated 11 new enterprises that have developed technical solutions to remove some of the biggest development roadblocks around the world. While the round table focused on tackling specific financial challenges faced by social entrepreneurs, epWorkshop focused on the benefits of peer learning and coaching within diverse international teams. Given its design, the workshop provided a good basis for onboarding the winners of the epAward to the epNetwork ecosystem.
www.empowering-people-network.siemens-stiftung.org.

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