


# Engaging with Venture Philanthropy in South Korea

Seoul, January 29th  
2015

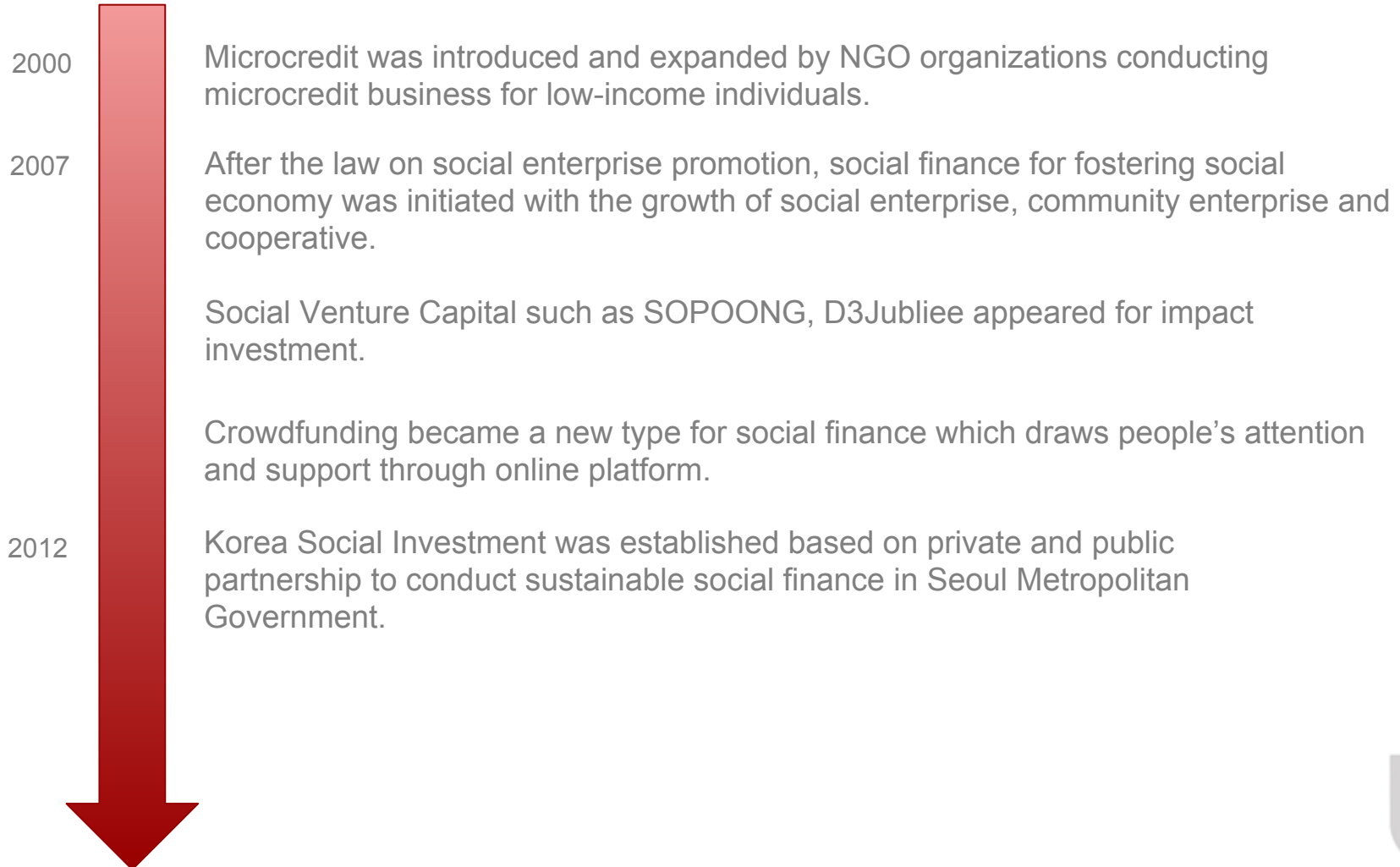


## History of Venture Philanthropy in the West

A large, thick, red arrow pointing downwards, serving as a timeline indicator, is positioned on the left side of the table.

1969	Venture philanthropy mentioned by John D. Rockefeller.
1988	Bill Drayton establishes Ashoka and coined the word “social entrepreneur”.
1996	Venture philanthropy takes off in the US.
1997	New Profit VPP, Social Venture Partners and REDF established.
2005	European Venture Philanthropy Association (EVPA) established.
2006	The term “impact investment” is developed.
2007	GIIN established through joint efforts of Rockefeller Foundation, USAID and Omidyar network.
2011	Asian Venture Philanthropy Network (AVPN) established.
2013	G8 under UK leadership focuses on VP/Impact investment

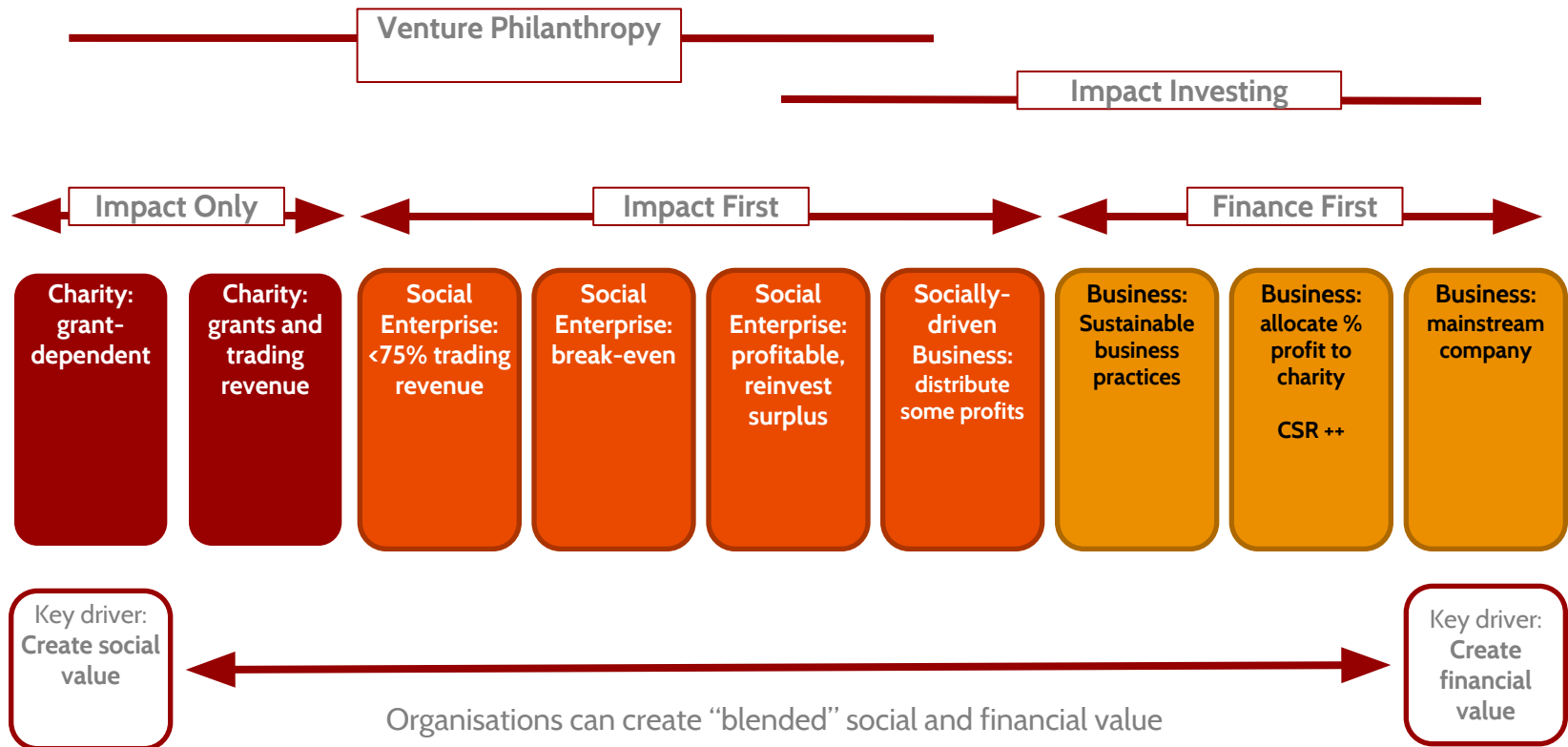
## Major events in the Social Investment sector in South Korea



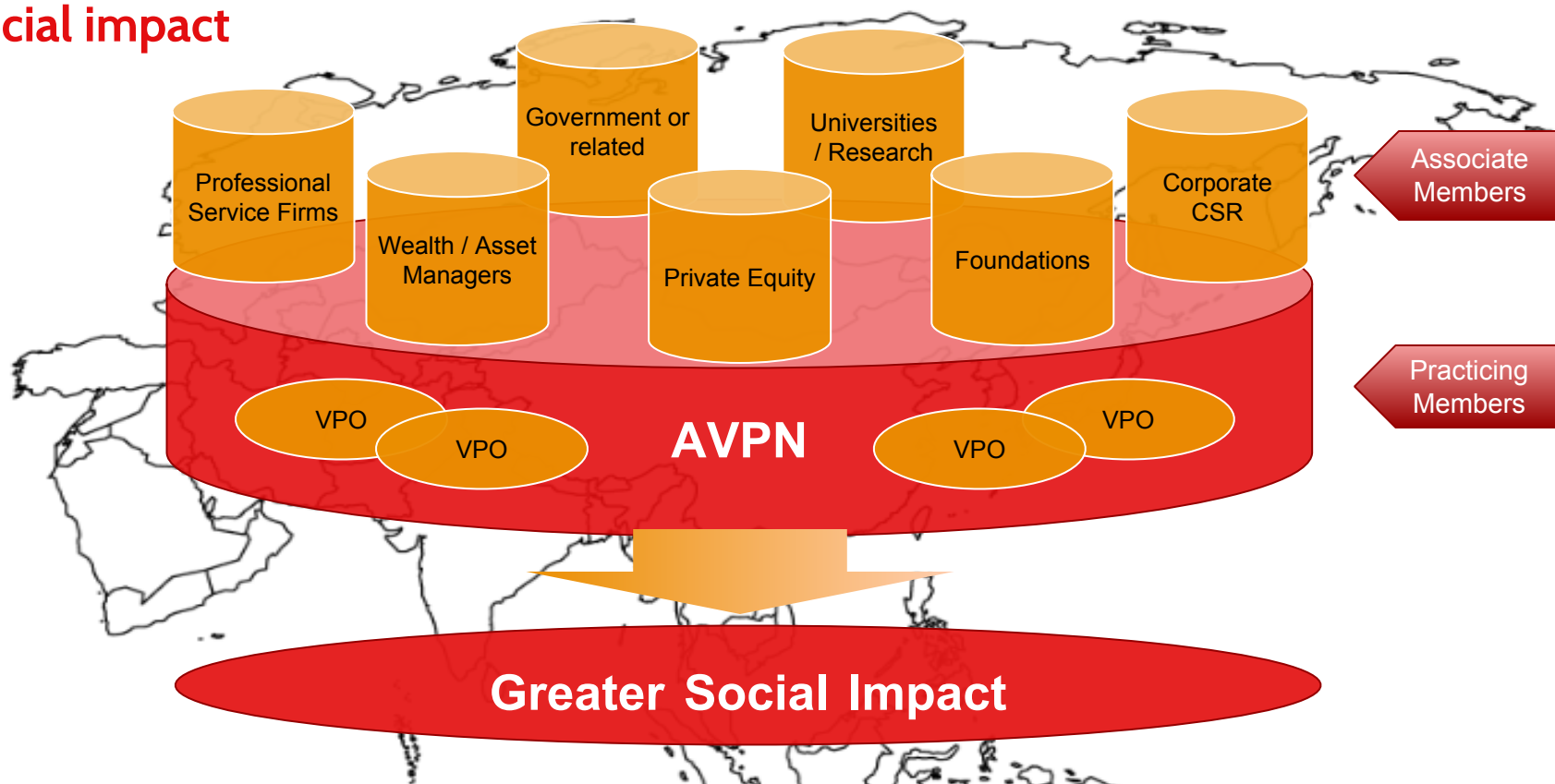
## Some Statistics on Social Economy in S. Korea

- In 2007, the Law on the Promotion of Social Enterprises was enacted by Korean government. 1,251 enterprises were certified and 27,923 were employed according to KOSEA.
- In 2012, the Basic Law of Cooperative was enacted and currently the number of registered cooperatives are 6,507 (239 Social cooperatives, Dec 2014)
- Ministry of Labor analysed business performance of 116 social enterprises which participated 'Public Announcing System' in 2014 and announced the increase in sales and employment. (23.8%p in employment of the socially disadvantaged, 29.8%p in sales average)
- Korea Social Enterprise Promotion agency presented the research result showing big difference between total public fund from government (1478억원) and private investment (appx. 300~400억원) in 2011.
- The [World Giving Index](#) in 2014 ranked Korea 60 out of 135 countries ranked by the percentage of people who give money to charity, volunteer or have helped a stranger.

## Venture Philanthropy Organisations invest across a spectrum of Social Purpose Organisations



**AVPN's platform brings together practitioners and supporters of venture philanthropy to deliver greater social impact**



AVPN is Breaking Silos, Encouraging Collaboration, Facilitating Sector Knowledge and Best Practice within Asia



## **Examples of Corporate Engagement in addressing serious challenges**

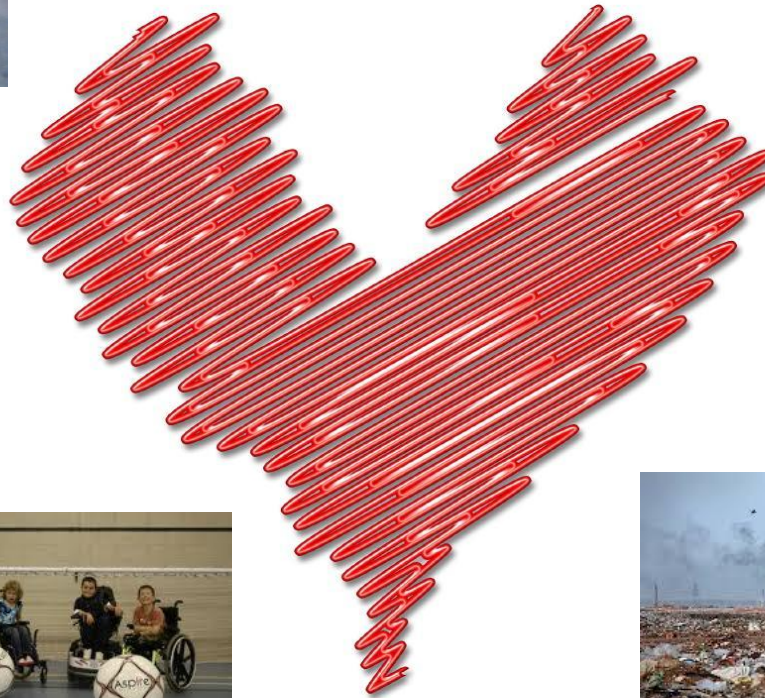
- Yes bank- E-waste
- Lloyd TBS- Inspiring Scotland
- Shell- Clean Energy
- Unilever – Hygiene and Nutrition
- Starbucks – Ethical Sourcing and Fair Trade

## Why do Corporates Join AVPN?

- Networking with Multi-nationals and Mature Foundations
- Awareness of Funding Opportunities
- Engage Key Staff in Community
- Learn About Social Impact - Better Evaluation
- Governmental Relations - Partnerships
- Leverage .....



## Where does Social Investment begin?



## The main ingredients of Social Investment - The Capitals

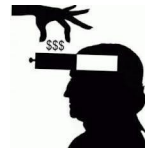
- Financial Capital



- Human Capital



- Intellectual Capital



- Social Capital



## The Players - Its Tri-Sector

- Foundations
- Universities and Researchers
- Corporates
- Investment Sector
- Governments
- Philanthropists

## The Stages of Social Investment

- Base-lining - Understand the Issue
- Due Diligence - Finding the Right Social Enterprise/NGO/Investee
- The Money
- Portfolio Management - Introducing the Human and Social Capitals
- The Results - Outcomes - Making the Case - Socially and Financially

## Applications for Social Investments

- Social Programmes which need to scale
- Understanding Value of Preventative Spend
- Building Sustainability

## Types of Social Investment Funds

- VP Funds
- Revolving Funds
- Social Impact Funds
- Impact Investing
- Socially Motivated Investing

## **Business and VP/Social Investment - Why?**

- Compatible with business objectives
- Emergence of Socially Motivated Investing
- Building Tri-Sector presence
- Attract and Retain Best Staff - Skilled Volunteering
- Leverage Organisation IP/Assets
- Meeting Regulatory Goals/Requirements
- Establishing Foundations - Reputation Enhanced

**Thank you!**