

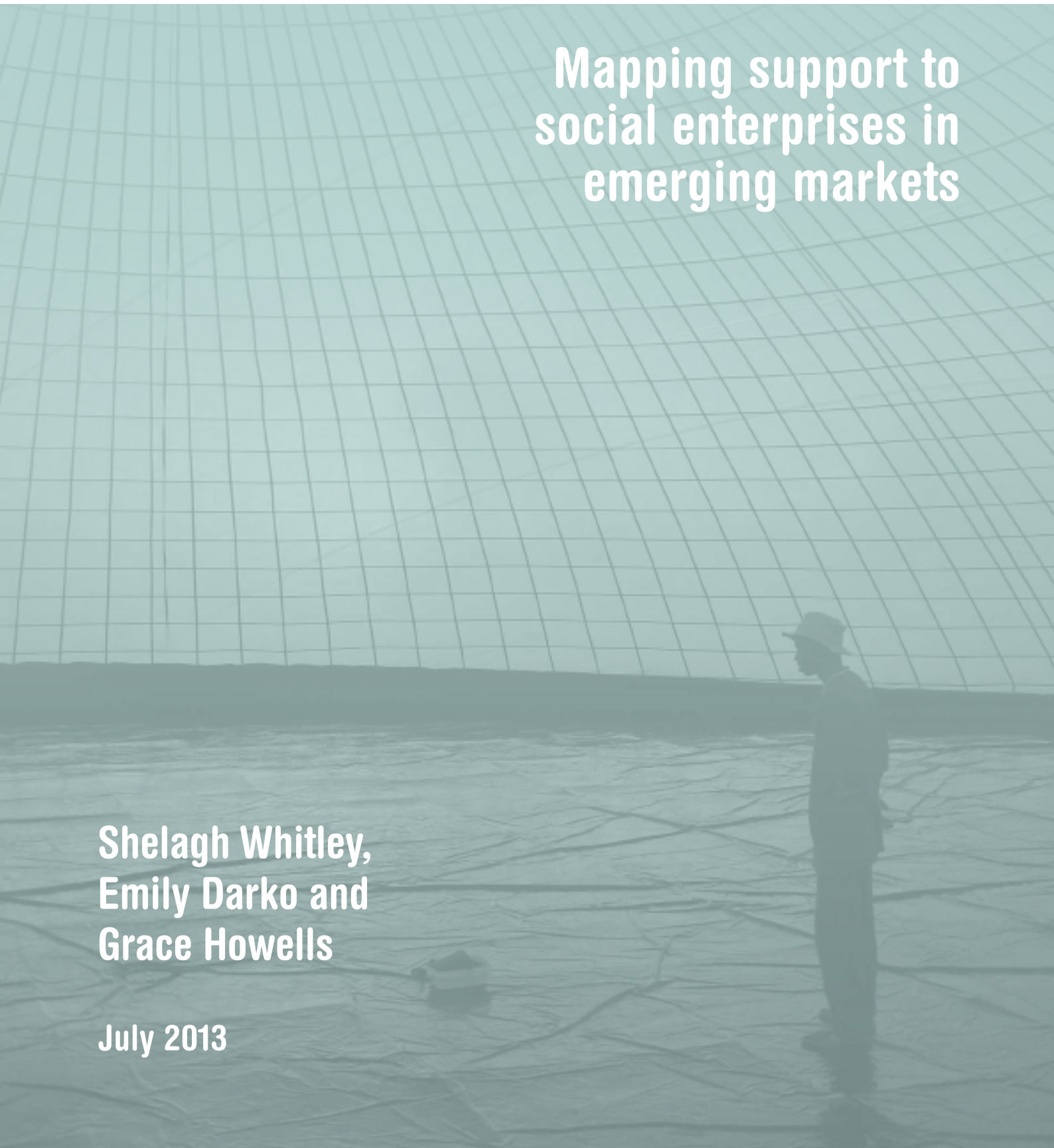


Impact investing and beyond

Mapping support to
social enterprises in
emerging markets

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Acronyms

ANDE	The Aspen Network of Development Entrepreneurs
BoP	Bottom of Pyramid
CGD	Center for Global Development
CDFI	Community Development Finance Institutions
DFID	Department for International Development
DFI	Development Finance Institution
GIIN	Global Impact Investor Network
NGO	Non Governmental Organisation
ODI	Overseas Development Institute
PCV	Pacific Community Ventures Insight
R&D	Research and Development
SE	Social Enterprise
SEGP	Social Enterprise Growth Path
SEMI	Social Enterprise Market Infrastructure
SGB	Small and Growing Business
SME	Small and Medium Enterprise

Executive Summary

Recent years have seen a significant increase in support to social enterprises in emerging markets. This is reflected in a growing body of research on this issue. But there is no comprehensive data on the support provided to social enterprises or to the markets in which they operate.

Based on the mapping of existing data and a literature review on support to social enterprises, the goals of this research were to determine:

- whether it is possible to collect and present useful information on direct and indirect support to social enterprises in emerging markets, and if so,
- whether various stakeholders would support the development and/or deployment of an annual or bi-annual survey to capture the full spectrum of such support.

To this end, we developed a survey to yield the following data:

- The volume of funding and other support provided to social enterprises in emerging markets.
- The level of support for each stage of the social enterprise growth path, including the crucial ‘start-up’ phase.
- The amount of support given to developing the wider market infrastructure, crucial to the success of any social enterprise.
- The key characteristics of support for social enterprises, such as the actors providing support and their geographical and sector focus, expected returns and duration of support and the instruments used to deliver it.

On the basis of a small pilot sample (10 respondents) we concluded that it would be feasible to design an annual survey that could collect data from a range of organisations. The scale is significant: the support provided just by respondents to the pilot survey amounted to over US\$500 million between 2010 and 2012. Finally, the sample permitted us to analyse and present the data in a way that was useful to market participants.

Survey respondents were generally interested in the aims and approach of the research, and workshop participants echoed the broad need for data that the Overseas Development Institute (ODI) could generate through its survey approach.

A comprehensive survey of the majority of organisations supporting (or providing the most significant support to) social enterprises is possible, and will need to build on the key findings from this research. This includes targeted outreach to relevant actors and potential respondents, balancing survey content in terms of detail and accessibility, and ensuring widespread dissemination of the findings.

This research supports the development of a full survey that would collect comprehensive information on support to social enterprises, thereby facilitating investment, partnerships and further research in this field.

1

Introduction

Support for social enterprises in emerging markets¹ has expanded significantly in recent years. This is reflected in the growing research on the subject. But there is no comprehensive data on the levels of support to such enterprises or to the markets in which they operate.

A survey by JP Morgan Social Finance and the Global Impact Investor Network (GIIN) (Saltuk et al., 2013) found that US\$8 billion was committed in 2012 and that investors planned to commit another US\$9 billion in 2013. While this research provides a useful indication of the level of support from ‘impact investors’, it represents only one element of the broad spectrum of support to social enterprises.

Most research to date has focused on specific elements of support, such as the overall role of impact investors or donors, the support committed in particular countries or regions or through specific instruments. It is important to develop a full picture of such support in order for the disparate investors in social enterprises, and the enterprises themselves, to have a clear understanding of the sector in which they are operating, and to identify opportunities for new interventions and partnerships.

This research aimed to establish a methodology to map the full spectrum of support (financial and non-financial) for social enterprises in emerging markets, and to the markets in which they operate.

Building on existing research and data-collection exercises, the Overseas Development Institute

(ODI) developed a pilot survey to address the following four questions:

- How much funding and other support is currently provided to social enterprises in emerging markets?
- How much support is delivered at each stage of the social enterprise growth path, including the crucial ‘start-up’ phase?
- How much support is committed to developing the wider market infrastructure, which is crucial to the success of any social enterprise?
- What are the key characteristics of this support? For example, which actors are providing support, what is their geographic and sector focus and what are the expected returns and duration of support and instruments used to provide it?

This report presents the research findings, which included a literature review, interviews with key actors and stakeholders, the development and dissemination of a pilot survey and a workshop to discuss the potential for an annual survey to provide a comprehensive map of support to social enterprises in emerging markets (see Appendix 1).

1. Emerging markets include upper-middle income countries (UMIC), lower-middle-income countries (LMIC) and low-income countries (LIC) as defined by the World Bank (http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Lower_middle_income).

2

**Research
methodology**

The broad hypotheses of the research were that:

- There is no comprehensive picture of current support provided to social enterprises and their market infrastructure in emerging markets, and that
- It would benefit the wide range of actors currently seeking to support social enterprises and social entrepreneurs if this data could be collected and disseminated as a global public good.

The research sought to collate and build on existing information on the current forms of investment and support, the various actors supporting social enterprises, the sectors in which they are engaging and the geographical destination of support. It aimed to highlight areas where support is currently focused on social enterprises and identify where new interventions or partnerships could be beneficial.

2.1 Literature review and stakeholder interviews

In order to build on existing research on social enterprises we conducted a literature review to identify existing work and data sources, and to determine key stakeholders who could inform

our research and potentially collaborate over the longer term. We sought to identify gaps in current research regarding the full spectrum of support to social enterprises.

The literature review identified over 60 papers and data-collection projects (see Appendix 2 for a complete list), and aimed to establish which aspects of support for social enterprises are already being captured, key actors conducting research and data collection, and relevant primary data. The literature review also informed aspects of our research approach and survey design, as well as key definitions.

We analysed the 'Category A' reports and projects to determine whether these existing resources and primary data might align with our own research objectives and methodology (see Table 1).

TABLE 1: SUMMARY OF LITERATURE REVIEWED

Category	Reports and projects	Number identified & reviewed	Next steps
A. Research presenting relevant primary data	Papers presenting primary data on support (financial and/or non-financial) for social enterprises.	12 papers and projects	Interviewed authors to review data in more detail, and interviewed wider research teams to discuss future research agendas
B. Research which informed our approach	Papers reviewing support for social enterprises but not presenting primary data, e.g. secondary data, case studies of a small sample of organisations offering support, justifying this research or informing its methodology. These papers are often referenced in category A and provided useful lists of potential survey participants.	17 papers	Used to inform survey questions, definitions and overall research approach
C. Other research	Papers discussing social enterprise and impact investment, but not directly relevant to this research.	40 papers	No action taken

Organisations involved in this research and other stakeholders were interviewed in order to assess the data and methodologies in greater detail (see Table 2).

2.2 Research rationale and aims

Data gaps

Interviews with stakeholders (see Table 2) and the literature review helped to determine the scope and nature of our research. Interviewees noted that there is data on specific areas of the market (sub-sectors, regions, and investor types) but that to date there is no comprehensive mapping of support for social enterprises in

There isn't a lot of data out there to show what's happening – we still don't know where the white spaces are...it would be a great service to the industry to have the kind of data you're intending to collect.'

TABLE 2:
STAKEHOLDERS INTERVIEWED

Organisation
The Aspen Network of Development Entrepreneurs (ANDE)
Ashoka
Citi Microfinance
Dalberg Group
Department for International Development (DFID)
European Venture Philanthropy Association (EVPA)
Envirofit
Global Impact Investing Network (GIIN)
Grofin
infoDev
JP Morgan Social Finance
MKopa
Monitor Inclusive Markets (Monitor Deloitte)
Pacific Community Ventures Insight (PCV Insight)
Shell Foundation
Total Impact Advisors
Zeppelin Universität gemeinnützige GmbH

emerging markets. One respondent commented that there are still 'numerous data gaps to fill in this space', while another felt that data is particularly lacking on non-financial support for social enterprises.

Interviewees stressed the need for data akin to what is available on commercial investments, to help compare investments, track activity and know where funds are being directed. One respondent stated that: 'It is not useful to say "US\$4billion was invested for impact last year" if we don't know what this includes – we need a data set with regularity and granularity to assess what's actually happening'. Finally, one respondent felt that more investors would be interested if there was clearer evidence and details of investments in social enterprises.

This is further supported in the literature. For instance, Simon and Barmeier (2010) argue that the lack of data prohibits the flow of capital, with too much reliance on 'anecdotes and case studies', and that while private investors have traditionally kept investment information confidential, 'for the impact investment sector [...] any advantage of such secrecy is likely lost to reduced capital flows'. Furthermore, Harji and Jackson (2012) suggest that '[a]s the industry evolves in the years ahead, it will be important for leaders to build, share, deepen and continuously update a comprehensive, global map of all the actors in the field and to use this map to facilitate collaboration and lever innovation to maximize and accelerate the field's aggregate impact'.

‘This is a very ambitious research project, but there is a gap here. Not many are looking at the ecosystem more broadly.’

Data beyond impact investing

Much of the research on social enterprises has focused on impact investing – where capital is invested with the expectation of a financial as well as a social or environmental return. Koh et al. (2012) highlight the value of support that does not necessarily seek commercial or indeed any financial return on investment (e.g. grants), especially in the start-up stages of a social enterprise: ‘enterprise philanthropy can play an important role in [...] turning the promise of inclusive business impact into reality [...] (it) is the essential but often overlooked catalyst that unlocks the impact potential of inclusive business and impact investing’.

Data on support at different stages of social enterprise development

Interviewees supported the need to capture data on the levels and sources of support provided at various stages of social enterprise development.

Existing research shows the lack of finance for social enterprise at the earlier (riskier) stages of development. Koh et al. (2012) found that most of the impact funds and advisers surveyed ‘expressed a strong preference for investing in the later stage, certainly after commercial viability had been established and preferably once market conditions were well prepared for sustainable scaling’. Kohler et al. (2011) stress the risk that only ‘mission-aligned’ investors support social enterprises in their most crucial stage of development, and that grant funding often runs out before the business is either sustainable or able to qualify for debt finance.

Data on support to market-building activities

Existing research on support for social enterprises has focused primarily on activities and finances directed to individual organisations. There is now increased demand for information on the market infrastructure in which social enterprises operate. This would build on existing research on the importance of enabling environments for private-sector development.

Herstveldt et al. (2012) emphasise that companies operating at the base of the pyramid (BoP) (including social enterprises) need to overcome challenges not faced by the traditional private sector, including understanding new markets and developing new systems or business processes. A Monitor (2012) study entitled ‘The Landscape of Donor Support for Impact Enterprises’ found that donors supporting ‘impact enterprises’ consistently focus their financial and technical assistance on individual enterprises, as opposed to on market-building activities.

2.3 Research questions

As a result of the findings from the interviews and literature review, we focused our research on the following areas:

- Reviewing support beyond ‘impact investing’ to also include support from organisations not seeking financial return, and those providing grants, technical assistance and non-financial (including pro bono) support.
- Seeking to disaggregate support at various stages of the social enterprise growth path in order to validate anecdotal evidence that different actors and forms of support currently focus on social enterprises at different stages of development.
- Looking to identify indirect support to the different elements of the market environment for social enterprises, such as regulation and legal frameworks, supply chains, access to finance and the development of and demand for products and services at a sector or industry level.

We therefore aimed to design a survey that would allow us, over the longer term, to collect the following data:

- The total financial value of support to social enterprises in emerging markets
- The proportion of support provided at different stages of growth and across the market infrastructure for social enterprises
- The proportion of support provided by different types of organisation (including investment funds, foundations, aid agencies and charities)
- The proportion provided through different instruments, including financial and non-financial support
- The proportion of support provided in different regions and to countries with different levels of income
- The proportion of support for different sectors
- Expected returns and the average duration of support

2.4 Links with existing data sets

Having established our key research questions we then assessed the data sets identified in the literature review to determine where relevant primary data was already being collected.

Initially, it appeared that some of the key data sought for this study already existed. A more detailed review revealed, however, that very few data sets capture financial values for existing support to social enterprises or disaggregate them according to stages of enterprise growth and elements of their market infrastructure (see Tables 3 and 4). Stakeholder interviews confirmed that backwards-looking financial data is not often collected. Much of the existing data is concerned, for instance, with committed capital and is based on projections rather than on prior or existing support to social enterprises. Interviewees also stressed that they have not sought to capture information on support for market infrastructure.

Most of the key stakeholders and researchers interviewed (see Table 2) were open to partnership in data collection if it could lead to a more detailed mapping of support to social enterprises. Since the majority of financial data is confidential, interviewees were keen to explore how to aggregate or anonymise data to allow for dissemination. (For further discussion of potential collaboration with existing data-holders see Section 6.)

TABLE 3: EXISTING DATA SETS

	ANDE	CDG	DALBERG	EVPA	JP MORGAN/ GIIN	MONITOR DELOITTE	PCV INSIGHT	GIIN
	Coordinat- ing Impact Capital	More than Money	Impact Inv in West Africa	Annual Survey	Annual Survey	Landscape of Donor Programmes	Impact inv through private equity	Impact Base
Sample Source	Impact Investors (~40% ANDE members)	Social Enterprises	Impact Investors in West Africa	EVPA members	Impact Base Members	Global donors supporting impact enterprises	Impact Base, GIIRS, Impact Assets	Impact Investors
Sample size	150	200	207	50	99	29	300	?
To be repeated annually				√	√			√
Focus on social enterprise	√	√	SMEs	√	√	√	SMEs	√
Financial support expenditure value	Average investment size	√	'Asset under management'		'Committed capital' and planned inv	Fund annual budget	US based	'Committed capital'
Non-financial support value				√				
Growth stage of investment					Growth stage preference	Quotes from interviews		
Market infrastructure investments						# of progrs infrastructure dev		
Respondent type	√		√	√	√	√		√
Investments by region	# of respondents	√	# of respondents	√	# of respondents	# of respondents		
Investments by sector		√	# of respondents	√	# of respondents	# of respondents		
Investments by instrument	# of respondents		# of respondents	√	# of respondents	√		
Direct vs. indirect investments					# of respondents			
Return expectation	√	√	√	√	√			√
Investment duration	√			√				
Income category of country focus								

TABLE 4: LINKS BETWEEN EXISTING DATA AND RESEARCH OBJECTIVES

Research objectives	Existing approaches and data sets
Mapping the full landscape of support	Most mapping exercises have focused on specific regions or used the membership base of industry associations. Although such data may be indicative of the wider market of support, they depict a sub-set of all sources of support to social enterprises.
Mapping all forms of support and the full spectrum of actors providing support	Existing research looks at sub-sections of the market, with some focusing on impact investors, some on major donors, and some on business incubators. Much of the data focuses on support delivered through equity or debt investment, with separate studies looking at programmes providing grants.
Focus on social enterprise	Some research uses definitions such as ‘Small and Medium Enterprise’ (SME) or ‘Small and Growing Business’ (SGB). Such enterprises are often deemed to achieve ‘impact’ because they contribute to economic growth and create jobs in low-income countries or regions and serve ‘bottom of the pyramid’ (BoP) consumers.
Looking at support in terms of volume of finance provided rather than ‘number of respondents’	Existing research on the details of support focus on respondents’ preferences rather than the scale of financial support. For example, the number of respondents committing to invest in a certain region or sector is recorded, but the proportion of support channelled to each region or sector is not.
Collecting backwards-looking data	Despite collecting information in the key categories of this research, some data is forward-looking and based on projections rather than on the support already provided.
Collecting primary data from organisations’ records	Some mapping exercises use secondary data to estimate the size of the market (a mixture of primary and secondary data) rather than ask providers of support to supply primary data.
Collecting quantitative data	Several papers discuss the concentration of support to social enterprises in the growth stage but do not collect quantitative information on the scale of support dedicated to social enterprises at different stages of development.

3

Pilot survey design

As a next step, we sought to undertake an online survey of providers of support to social enterprises to determine if it was possible to collect the data identified in Section 2.3. We believed that a pilot survey would also allow us to understand how such data could be analysed, presented and used were there to be an annual or biennial exercise to capture the full picture of support to social enterprises.

3.1 Survey format

From discussions with stakeholders it was decided that the length, clarity, ease of completion and confidentiality of the survey would need to be balanced against the goal of compiling a comprehensive map of support. Since the survey aimed to capture relatively complex data, it was designed to be as user-friendly as possible:

- Diagrams were used to make the survey shorter and easier to understand.
- The survey was divided into four sections, using survey logic, so that participants would be asked questions relevant for their organisation type.
- Respondents were given a list of survey questions and a guidance document before completing the survey to enable them to prepare data and reduce collection time.
- A 'save' function was included to allow respondents to complete the survey over a period of time, rather than enter all data in one sitting.
- Respondents and a group of social enterprises were also asked to provide input on the clarity and usefulness of frameworks and definitions.

Sample size

Representatives from the Shell Foundation and a small number of social entrepreneurs were given a preliminary version of the survey to obtain feedback on terms, definitions and frameworks. Their feedback was then incorporated into the pilot survey, which was distributed to a sample list of 25 organisations known to be active in supporting social enterprises in emerging markets. Organisations were selected to ensure that each actor type was represented (see Table 5). In view of the tight timeline for survey completion, priority was given to organisations already known to the research team. The sample was intended to validate the survey format, not to be representative of all support

to social enterprises. The target response rate for the pilot survey was 40%, i.e. 10 completed surveys.

Confidentiality

In order to maintain confidentiality each respondent was given a unique password to enter the survey, which meant that only the person completing it and the survey administrator could see the data. It was agreed to publish only aggregate values of support, so that each organisation's data remained confidential.

3.2 Survey definitions and frameworks

Social enterprise – definition

This research sought to focus on enterprises that have a positive impact on development in emerging markets by creating jobs, and that also seek to have a broader positive social or environmental impact. The survey aimed to capture the full spectrum of support available for social enterprises in emerging markets. In the pilot survey, respondents were asked to record 'the total value of the support committed to social enterprises'. Since the research included support in the form grants and non-financial assistance, the definition also stressed that enterprises receiving such support should at least aspire to financial sustainability.

ODI'S DEFINITION OF SOCIAL ENTERPRISE

A social enterprise is an organisation committed to social and/or environmental returns as part of its core business while seeking profit or return on investment. The legal structure of the organisation may be for-profit or non-profit, but it must aspire to financial sustainability. (Derived from Professor Muhammad Yunus.)

Figure 1: Social Enterprise Growth Path (SEGP) framework

Seed/blueprint Business ideas developed	Validate Business models tested and refined	Operationalise/grow Business operational and in growth phase, moving to scale	Break even/sustainable Business established and financially sustainable
Identify market opportunity An opportunity has been identified and initial market analysis is underway.	Detailed business plan operational Business plan agreed and put into practice. Evidence includes: financial statements.	First 2-3 years of operation Early stage of business operation. Evidence includes: Financial statements and business plan audited by third party.	Financially stable business model established Achieving break-even financial results. Evidence includes: Financial statements and break-even point audited by third party.
Initial business plan Business idea developed into basic plan. Evidence includes: Business plan.	Refining and testing business model Market trial, test/refine business model. Modify and improve product/technology. Evidence includes: Market opportunity identified and operational business plan.	Track record achieved Business achieving strong customer base and effective supply chains. Evidence includes: Financial statements and business plan audited by third party.	Moving model to new geographies and client groups (where relevant) Seeking commercial finance to develop into new geographies and client groups. Evidence includes: Audited by a third party.
Demonstration technologies and product prototypes developed Basic and applied research, initial products and technologies created and tested. Evidence includes: Feasibility studies etc.		Building capacity Business developing assets, talent, manufacturing capabilities, support functions, systems and processes, links to market and establishing firm networks.	
Business registered/incorporated Business legally registered. Evidence includes: Certificate of incorporation etc.		Building demand Consumer demand for the business' goods or services is growing.	

Derived in part from Koh et al., 2012

Figure 2: Social Enterprise Market Infrastructure (SEMI) framework

Supporting development of products/services (at industry level)	Supporting demand for products/services and access to customers (at industry level)	Supporting access to finance (for all aspects of the supply chain, from social enterprises to distributors)	Supporting creation of legal, political and regulatory frameworks
Market research	Social marketing campaigns and other marketing links to customer base	Piloting and scaling new types of consumer financing	Policy research
Research and development (R&D) and transfer of R&D (technology/products)	Supply chain development (physical infrastructure)	Piloting and scaling new financial instruments (including carbon finance)	Establishment of industry bodies/groups to support coordination, advocacy and outreach
Workshops or training on external issues: navigating statutory and regulatory requirements and accessing finance	Supply chain development (distribution channels etc.)	Working capital facilities (for distributors, etc.)	Establishing industry/product standards
Workshops or training on internal issues: human resources, governance business processes and operational tools	Product piloting or testing with consumers		Establishing assessment or monitoring and evaluation procedures (including ratings etc.)

Survey frameworks

The survey used two frameworks to facilitate the collection of data on support to social enterprises, and to include direct support to social enterprises and indirect support provided to the environments in which they operate. We sought to review the financial and non-financial support provided along the Social Enterprise Growth Path (SEGP) (based on four stages of enterprise development) and across the Social Enterprise Market Infrastructure (SEMI) (based on four elements of the enterprise 'ecosystem') (See Figures 1 and 2)'.

Social enterprise growth path (SEGP) framework

The SEGP framework used in the survey builds on Monitor's four 'stages of pioneer firm development' (Koh et al., 2012) including the first two stages, 'seed/ blueprint' and 'validate'. The third Monitor stage 'prepare' refers to preparing market conditions, ranging from consumer education to expanding the capabilities of suppliers and building new distribution networks. This was addressed separately in the pilot survey under the SEMI framework, so the third stage looked at businesses beginning to 'operationalise and grow'. The fourth stage of the SEGP, 'break-even/sustainable', is

included since financial sustainability is deemed to be a key factor distinguishing social enterprises from other forms of 'non-profit' venture.

Social enterprise market infrastructure (SEMI) framework

The SEMI framework was developed by ODI and used in the pilot survey to capture support provided at a sector or industry level to facilitate enterprise development. This ranges from support in the development of products and services to support in creating regulatory frameworks conducive to the establishment of social enterprises.

Providers of support – typology

Existing research on support for social enterprises tends to focus on one or a small number of types of provider. Since this research aimed to map the full landscape of support, the survey sought to include a more diverse range of categories than for-profit investors in order to represent all those providing financial and/or non-financial support to social enterprises. Each respondent was therefore required to define their organisation against the categories listed in Table 5.

TABLE 5: ACTOR CATEGORIES

Actor	Definition
NGOs and charities	Non-profit organisations and registered charities
Corporate and private foundations	Endowments and organisations set to up collect and/or manage funds of individuals, families and firms
Aid agencies	Official (bilateral and multilateral) aid agencies supporting social enterprise and impact investment activities at the government level
Development finance institutions (DFI)	DFI and multilateral banks investing in social enterprises or impact investment funds
Investment funds	Boutique investment firms and funds, community development finance institutions (CDFI), carbon funds / investors, microfinance funds and institutions and pension funds
Large commercial banks	Transnational banks with small funds for social enterprise
Specialist banks	Also known as values-based banks, specialised in socially/environmentally beneficial investing
Knowledge organisations	Universities, business schools and research organisations supporting the market infrastructure through research, technical assistance, advocacy and networking

TABLE 6: SURVEY FRAMEWORKS

Instrument	Definition
Grant	Capital provided with no requirement to reimburse the donor.
Debt	Money or goods loaned at a stated interest rate for a fixed term on a secured or non-secured basis, including bonds and investment notes as well as forward payments for carbon credits, or other assets.
Equity (including mezzanine, quasi-equity and equity-like investment)	Full equity involves purchasing shares of stock in anticipation of income from dividends and capital gains, alongside voting and residual rights (share of profits or assets if the company fails). An equity-like investment is typically a long-term, deeply subordinated loan, often used in the context of impact investing where debt financing is too risky and share capital is not possible.
Guarantees and Insurance	Guarantees to take on debt should the borrower default (in the form of grant or debt), lender or third-party insurance on debt.
Non-financial business support	Non-financial support to social enterprises may include support in human resources, assistance with finance, management, systems and processes, routes to market, R&D, governance, legal issues, strategic advice and business planning, business model development and technical development.
Payment for third-party service contracts	Payments for professional services to be delivered through a third-party contract, to benefit the social enterprise. These funds are not received by the social enterprise (as then they would be classed as grants or investments) but by the third-party consultant.

TABLE 7: SECTOR CATEGORIES

Sector	Description/additional information
Agriculture	General agriculture, crops, agricultural research, irrigation and drainage
Education	Technical and vocational training
Energy and clean technology	Energy generation, transmission and distribution
Financial services	Microfinance and SME development
Forestry	Planting, forest management and maintenance
Health	Disease control, access to affordable health care, nutrition, health related training, etc.
Housing	Construction and real estate
Infrastructure	Mobility and transport
Water and sanitation	Waste management, water supply development and waste water collection

Instruments used - Typology

The typology of instruments used in the survey aimed to cover the full spectrum of financial and non-financial instruments used to support social enterprise, ranging from pro bono support to that provided through equity investments. Respondents were asked to estimate the level of support provided to the SEGP and the SEMI, and the proportion provided through each instrument type.

Respondents were also asked to include estimates of the monetary value of non-financial support. Suggested methods for estimating this included: time value of delivering services (based on salary), value of the service if the social enterprise had paid for it, or total expenses of support provided in a given year (net of overheads).

Role of investment funds

There was a risk of double counting since support is often provided indirectly through investment funds. To avoid this, respondents were asked to give an overall figure of support and to separate the amount given between the SEGP and SEMI. For SEGP support, respondents were requested to report on only contributions made directly to social enterprises, not on those made via third parties (e.g. funds). The survey also asked respondents identifying themselves as investment funds to state the proportion of support provided using proprietary and non-proprietary capital, and details of the origin of non-proprietary capital (actor types investing through the fund).

An additional series of questions was requested at the aggregate level across total support to both the SEMI and SEGP. The pilot survey used a set of definitions drawn from the existing literature to determine support provided in terms of:

- Sectors (see Table 7)
- Regions (World Bank definitions - see footnote 1)
- Country income category (World Bank definitions)
- Investment duration (see Table 8)
- Expected returns (see Table 9)

TABLE 8: DURATION OF SUPPORT

3 years
3- 5 years
5-7 years
7-10 years
10+ years

TABLE 9: EXPECTED RETURNS CATEGORIES

No return expected
Return of capital invested/capital preservation (zero loss, zero gain)
Below market rate (concessional) return
Market rate return
No return expected

Duration of support

Respondents were asked to give the average duration of individual investments or contributions committed to social enterprise against the categorisation shown in Table 8. The survey specified that this would include a broad definition of duration: 'this might be the number of years after which you expect to see your initial investment returned, the number of years over which you normally disburse an individual grant/ loan, or the time period over which you deliver a specific programme of non-financial support'.

Expected returns

The pilot survey used JP Morgan and the GIIN's distinction between 'market rate' and 'below market rate' returns, and the notion of 'capital preservation' in asking respondents to record their expected returns. The option for 'no return expected' aimed to reflect the possibility of grants being used as a means to support social enterprises (see Saltuk et al., 2013).

4

**Pilot survey
data analysis
and presentation**

This section presents findings from the pilot survey. The small sample size (10 responses) in no way represents the full spectrum of support for social enterprises across emerging markets, but the findings can be used to determine whether it would be possible to collect the relevant data, and to illustrate how such data could be presented, analysed and used in a full-scale survey.

4.1 Response rate and financial years

Response rate

We asked 25 organisations to participate in the survey, of which 19 agreed, 12 attempted the survey and 10 provided complete data that could be included in these findings. Two organisations provided only partial data since not all of the relevant teams or programmes were able to respond. Owing to the small sample, actor categories have been further aggregated to ensure confidentiality.

Although no firm conclusions can be drawn across the actor types, the high response rate from investment funds appears to be linked to their high level of participation and engagement in supporting social enterprises. The failure to obtain data from commercial and specialist banks is also noteworthy. Banks did, however, provide comprehensive feedback, which is discussed in Section 5.

Financial years

The survey requested that respondents aim to provide data for two financial years. This was in order to have slightly more data for analysis, based on the assumption that if an organisation compiled data for one year it would be quicker to do so for a second year.

Seven organisations provided data covering two years and three for a single year. Data was grouped across three years (financial or calendar) starting in 2010, 2011 and 2012. For example, all data provided for a period starting in 2010 was classified as 2010. Forty-seven per cent of data was provided for 2011, 41% for 2012 and 12% for 2010. The high response rate for 2012 indicates that it is possible to request data reasonably quickly after the close of a financial year. Given the small sample size, data was not disaggregated by year – findings include total data covering the 2010–2012 period.

TABLE 10: ACTOR CATEGORIES AND RESPONSE RATE

Actor	Contacted	Aggregated actor categories (for anonymity)	Response rate
NGOs and charities	1	NGOs, charities and corporate and private foundations	3 (43%)
Corporate and private foundations	6	Aid agencies and DFI	3 (60%)
Aid agencies	1	Investment funds	4 (44%)
Development finance institutions	4	Large commercial banks*	0 (0%)
Investment funds	9	Specialist banks*	0 (0%)
Large commercial banks	2	Knowledge organisations*	0 (0%)
Specialist banks	1		
Knowledge organisations	1		

Note: None of the categories marked * returned a full set of data that could be included in the findings.

4.2 Total support

The total amount recorded across 10 respondents for 2010-2012 was over US\$520 million (see Figure 3).

4.3 Support through investment funds

For the given financial years, respondents were asked to confirm their support (i) directly to social enterprises along the SEGP; (ii) to the SEMI; and (iii) to investment funds to invest on their behalf. Within the small sample most financial support is provided directly to social enterprises and a very small proportion to the social enterprise market infrastructure and through intermediaries.

Investment funds were asked an additional set of questions about the sources of their capital (see Figure 5). Among the four funds responding, non-proprietary capital comes from a range of sources, mostly (for these funds) from NGOs and charities, foundations, and aid agencies. The lack of capital from banks and other investment funds is possibly a reflection of the mandates of the four funds that completed the pilot survey.

4.4 Support along the social enterprise growth path (SEGP)

Respondents were asked to divide the support they provided directly to social enterprises along the SEGP (see Figure 1).

The respondents provided over US\$450 million directly to support social enterprises. Almost 80% of this support is at the 'Grow' stage. This appears to be consistent with our interviews and literature review, which suggested that the track record of an enterprise is important to providers of support – be it pro bono, grant-based or commercial. Only 3% is provided at the 'Seed' stage, and 15% at the 'Validate' stage. Again, this is consistent with anecdotal evidence in existing studies, which indicate that initial support for organisations to get off the ground is very limited.

In terms of which types of organisation provide support at the different stages of the SEGP it was assumed that those more likely to provide concessional or free support (grants, pro bono assistance) would provide most of this in the earlier stages, with more commercially-focused actors (certain categories of funds and banks) playing a larger role as social enterprises

Figure 3: Breakdown of total support by actor type for all years

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

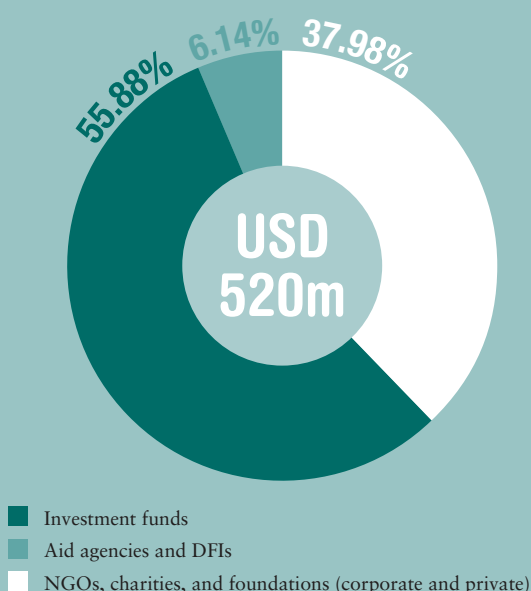
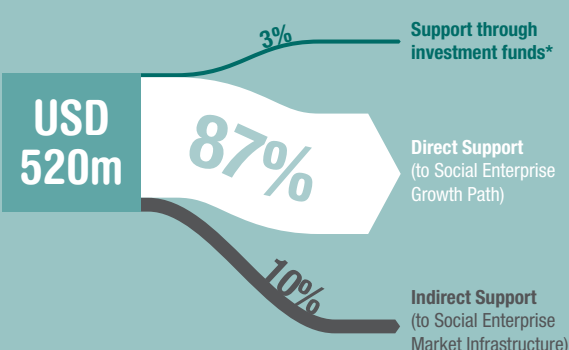


Figure 4: Disaggregation of support through investment funds

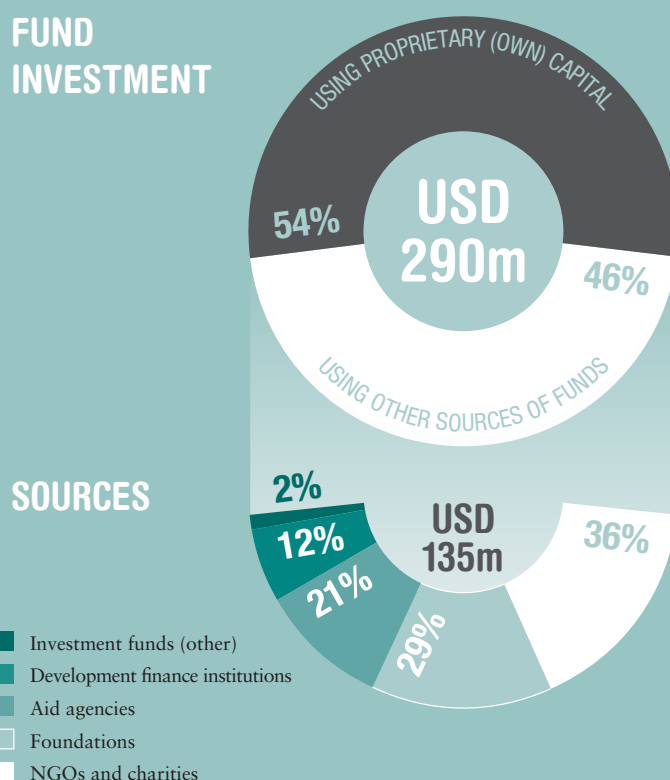
SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS



* Reported by actors that are not investment funds

Figure 5: Investment funds – sources of non-proproprietary capital

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS



become financially sustainable. With the exception of aid agencies and DFIs, which provide consistent support across the SEGP, most support is given at the ‘Grow’ stage. It is important to raise the caveat that the small sample size, and lack of data from banks in the pilot survey limits findings (see Figure 6). As is the case for all of the aspects discussed below, a broader survey would provide more robust data on the role of different actors along the SEGP.

Of total support going directly to social enterprises, 61% was debt, 18% grants, 16% equity, 5% non-financial support and less than 1% in the form of third-party contracts. No support was recorded in the form of a loan guarantee. We had anticipated that of all the instruments used, grants would be more likely at the earlier stages of the SEGP. Our findings from this small sample broadly corroborate this assumption with 75% of support at the ‘Seed’ stage coming from grants, while debt constitutes over 65% at both the ‘Grow’ and ‘Sustain’ stages (see Figure 7). Again, a broader

survey would provide more robust data on the role of different instruments along the SEGP and make it possible to analyse these against actor types (see Figure 8).

4.5 Support to the social enterprise market infrastructure (SEMI)

Respondents were asked to divide the total support they provided along the social enterprise market infrastructure (SEMI) (see Figure 2). The aim was to determine where and how different actor types are supporting the development of the SEMI, and to identify gaps.

Support is distributed fairly evenly across the different elements of the SEMI, with NGOs, charities and foundations providing almost 98%. The small pilot survey sample found that support from investment funds is almost exclusively focused on access to finance, and that aid agencies and DFIs focus on the development of products/

Figure 6: Support along SEGP by actor

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

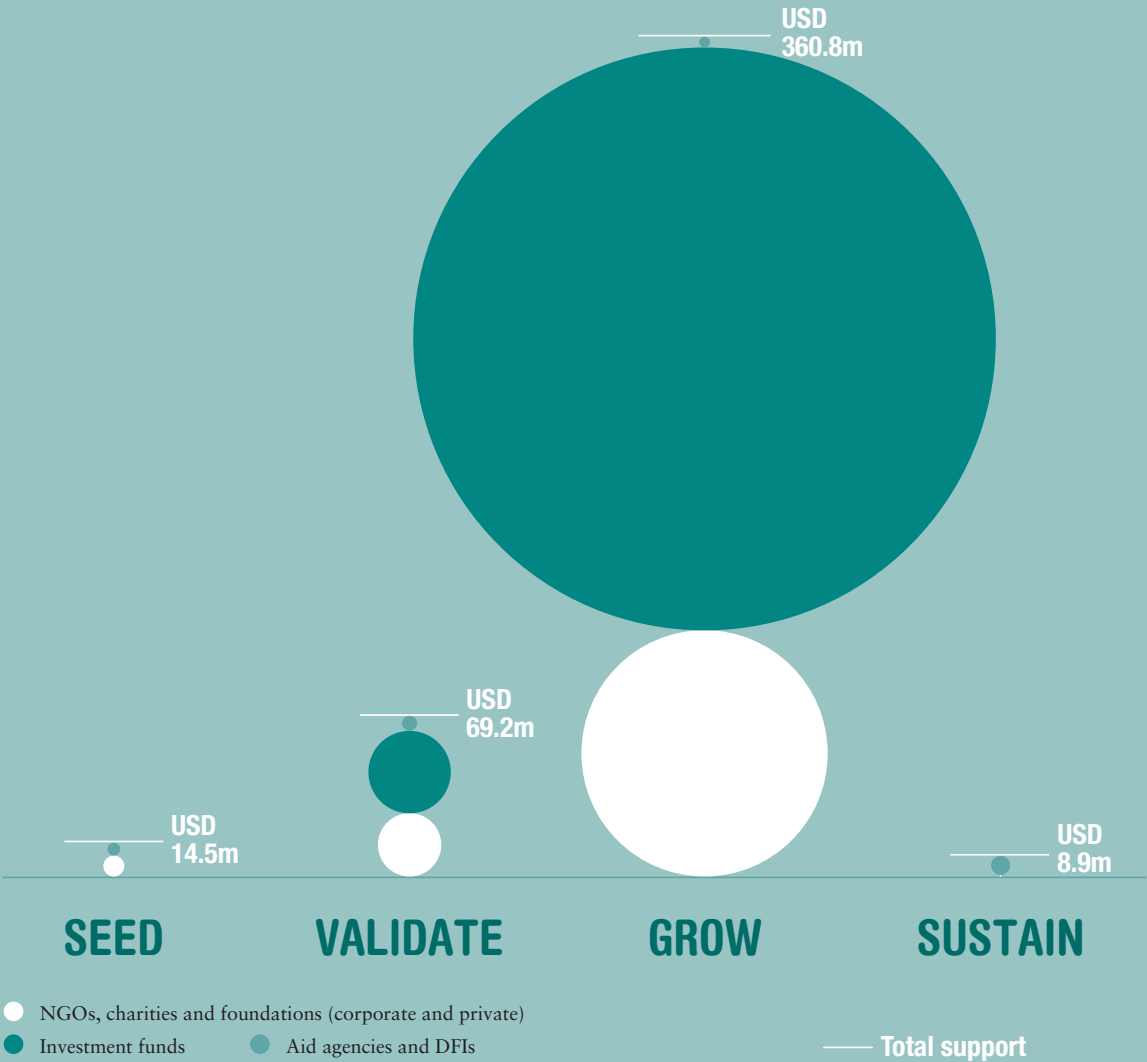


Figure 7: Support along SEGP by instrument

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

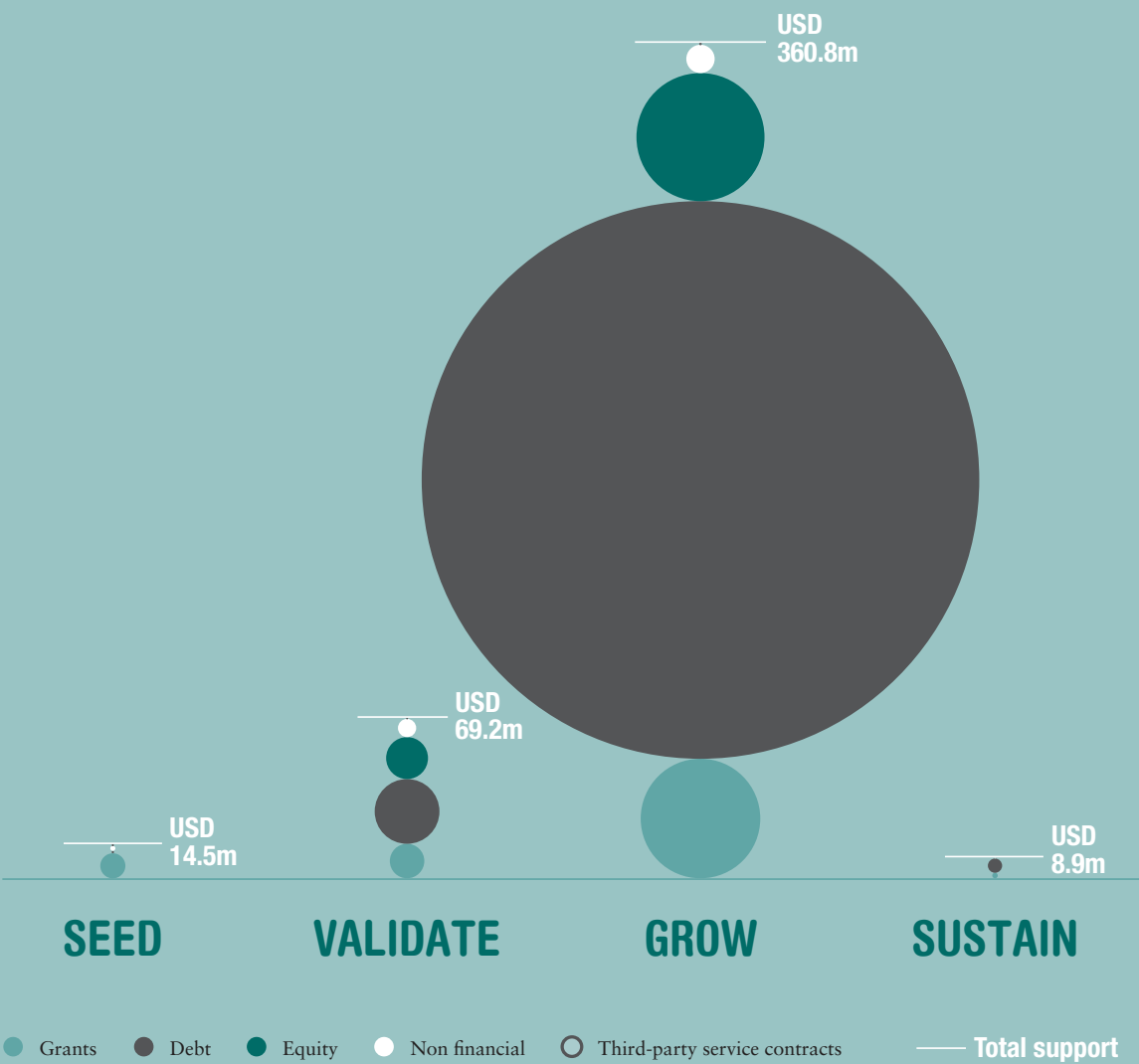


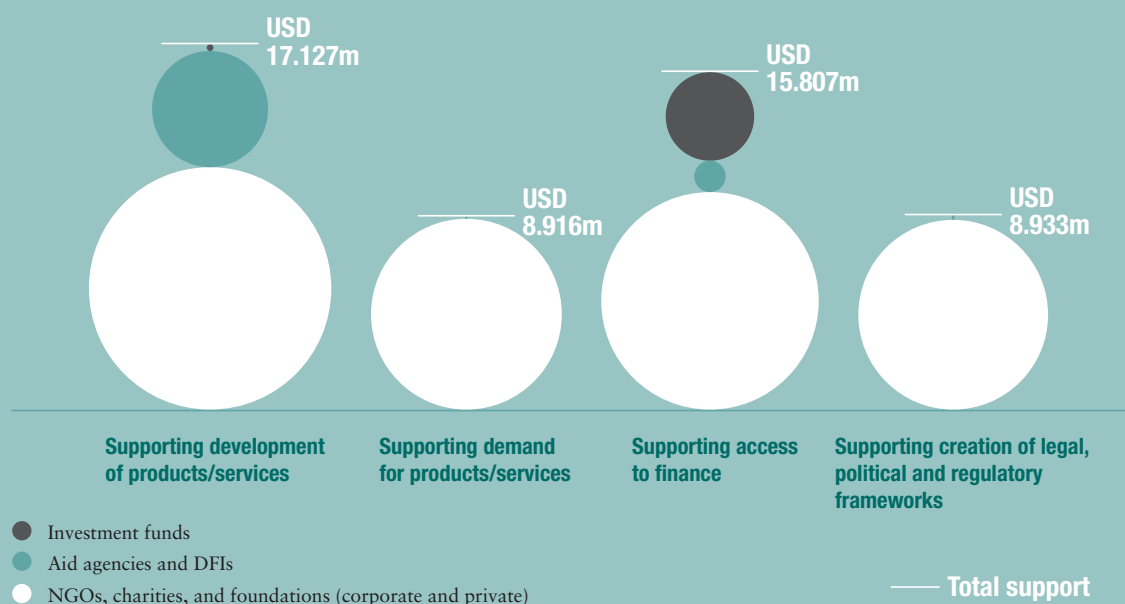
Figure 8: Financial support to SEGP – actors and instruments (US\$ thousands)

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

	NGO, charity, corporate or private foundation	Investment fund	Aid agency or DFI
Grant	71,642	0	8,124
Debt	4,967	257,430	13,662
Equity	61,998	11,438	0
Guarantee	0	0	0
Non financial	2,842	16,980	2,853
Third-party service contracts	1,361	0	150
Total	142,811	285,848	24,789

Figure 9: Support across the SEMI by actor

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS



services. A broader survey would provide more robust data.

The pilot survey sought to obtain an initial understanding of which instruments are used to support different elements of the market infrastructure. The small sample found that 82% of overall support to the SEMI is in the form of grants, and 8% provided through debt, which is exclusively used in supporting access to finance. Most non-financial support is focused on the development of products/services. Again, a broader survey would provide more robust data on the role of different instruments across the SEMI, and to analyse these against actor types (see Figure 11).

support to social enterprises, but they do permit the testing of initial approaches for enquiry, data analysis and representation.

4.6 Portfolio-level data – returns, duration and destination

Survey participants were asked questions referencing their entire portfolio of support to social enterprises. The questions included the expected rate of return and the duration and destination of support (regions, sectors and country income levels) (see Figures 12-16). Given to the small sample size, the findings cannot be seen as representative of the overall landscape of

Figure 10: Support across the SEMI by instrument

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

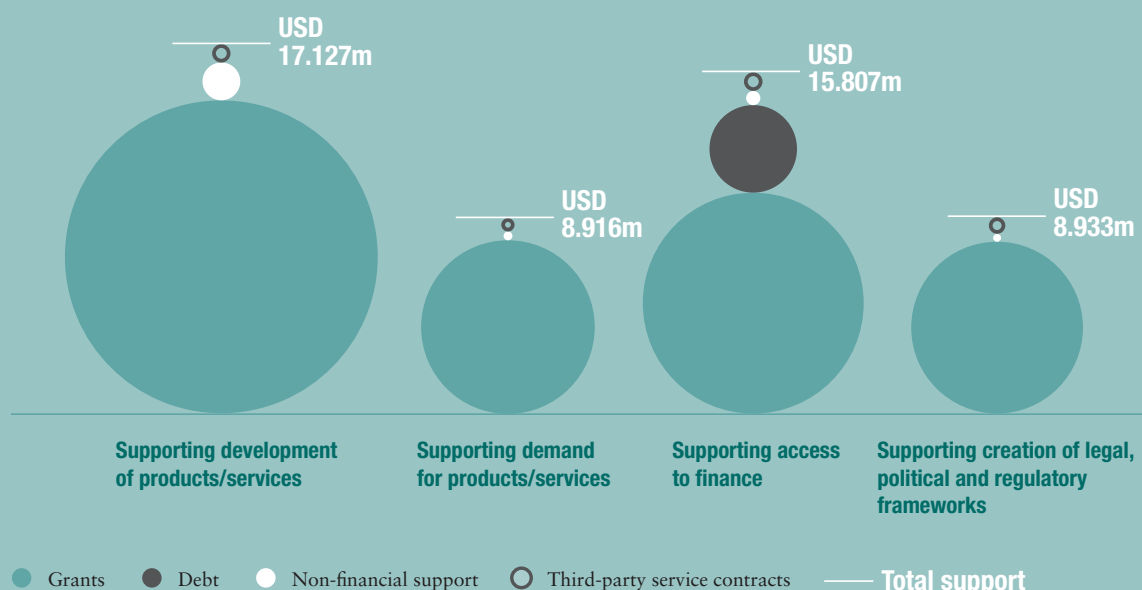


Figure 11: Financial support to SEMI – actors and instruments (US\$ thousands)

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

	NGO, charity, corporate or private foundation	Investment fund	Aid agency or DFI
Grant	36,043	10	5
Debt	0	4,145	0
Equity	0	0	0
Guarantee	0	0	0
Non financial	956	378	1,209
Third-party service contracts	2,101	0	350
Total	39,101	4,544	7,159

Figure 12: Expected return by actor type

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

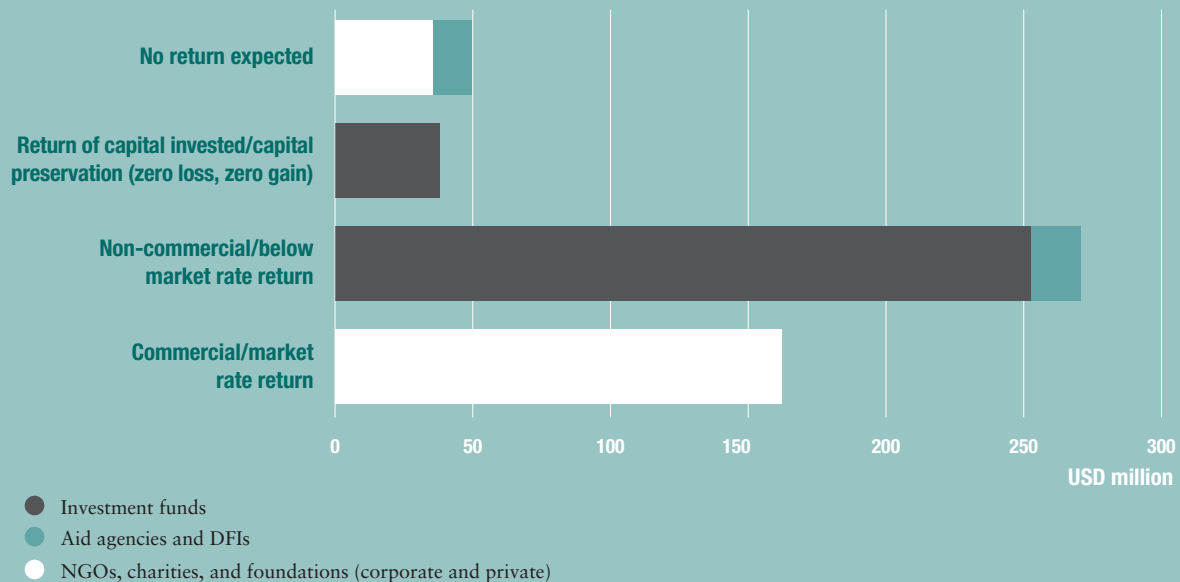


Figure 13: Duration of support by actor type

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

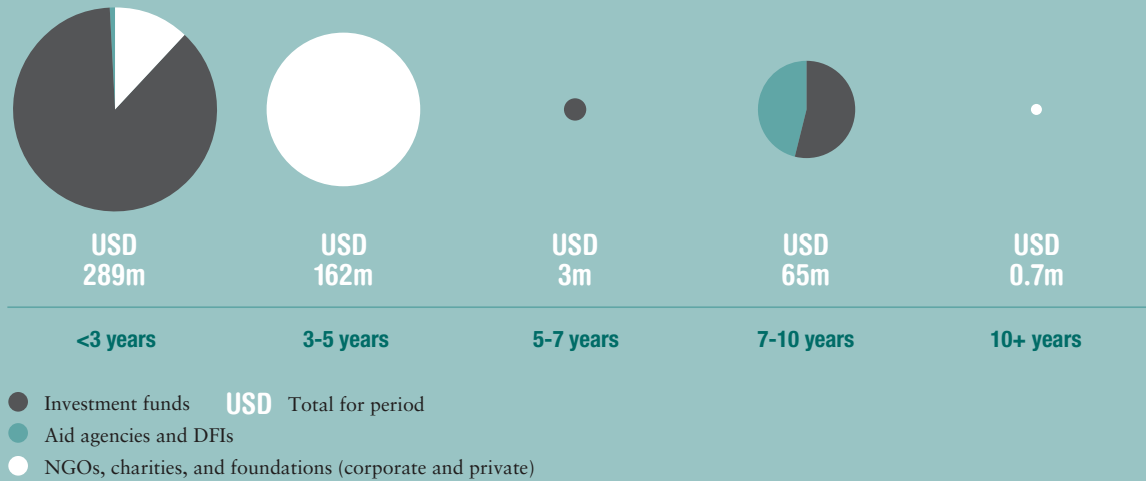


Figure 14: Support by region

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

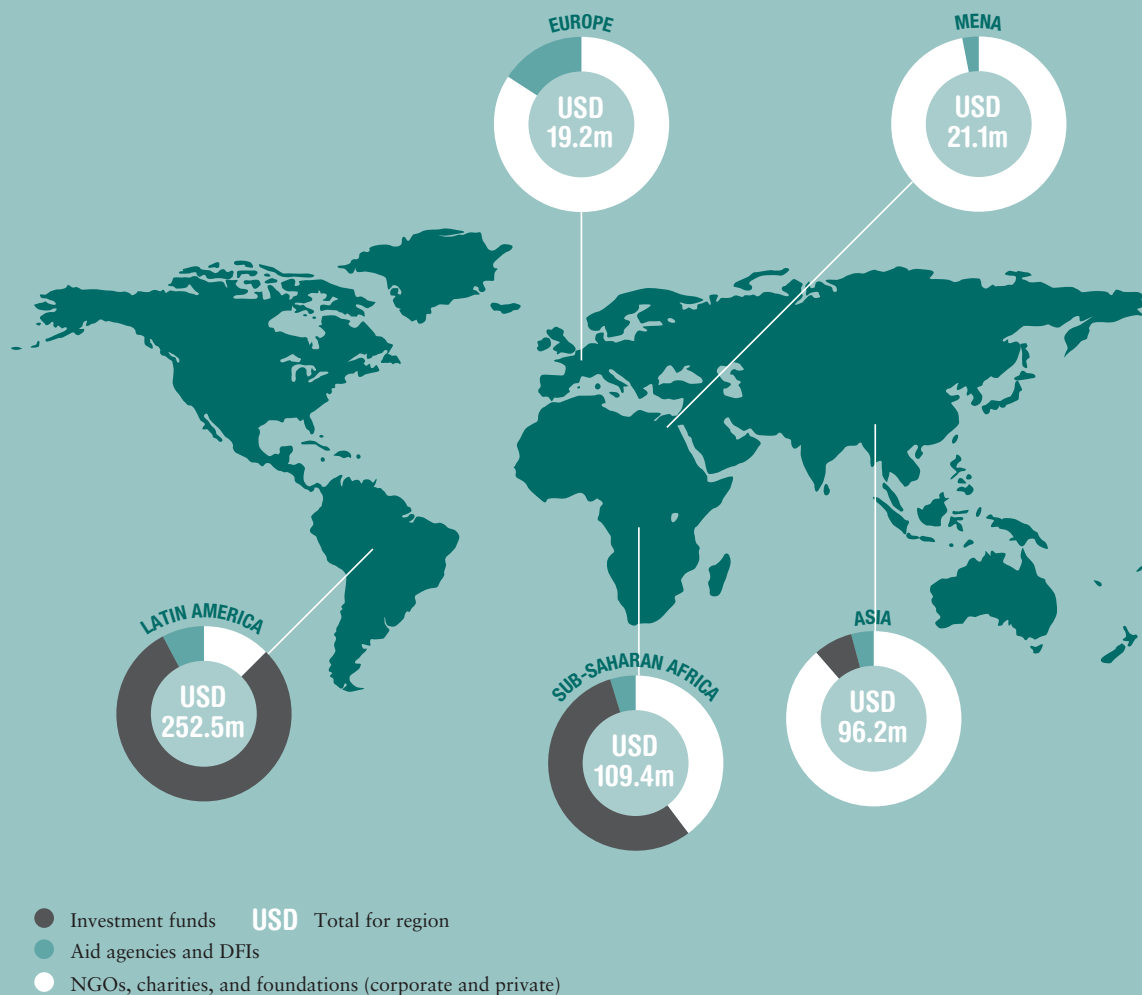


Figure 16: Support by country income and actor type

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

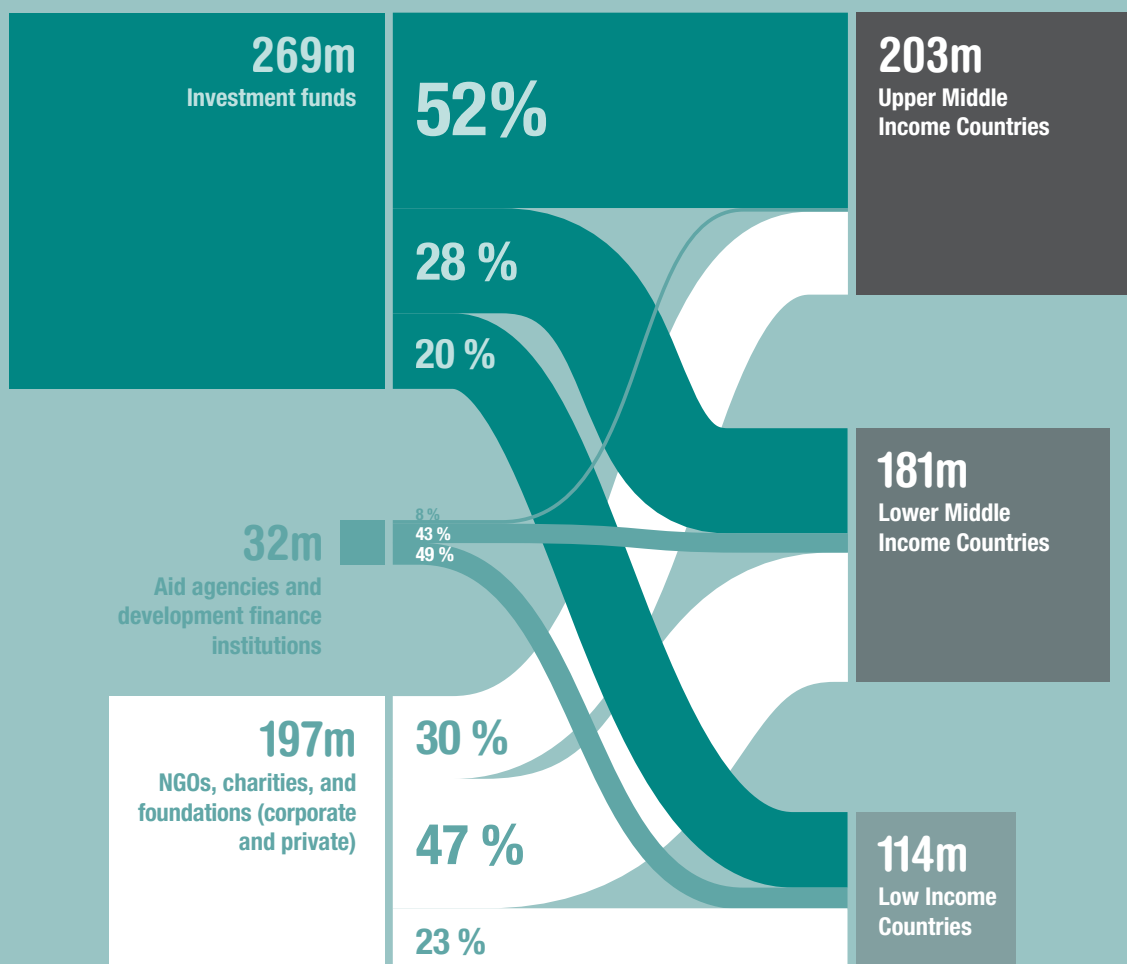


Figure 17: Support by sector and actor type

SOURCE: FINDINGS ARE BASED ON RESPONSES FROM 10 PILOT SURVEY PARTICIPANTS

	NGOs, charities and foundations (corporate and private) %	Investment funds %	Aid agencies and DFIs %
Other*	2%	88%	19%
Water and sanitation	56%	3%	19%
Infrastructure	18%	<1%	36%
Housing	11%	4%	18%
Health	7%	<1%	<1%
Forestry	4%	2%	7%
Financial	<1%	2%	-
Energy	2%	-	-
Education	<1%	<1%	<1%
Agriculture	<1%	<1%	<1%

* Fisheries and aquaculture, ecotourism, handicrafts, food and nutrition, consumer mobile and internet, ICT, incubator (mixed), retail manufacturing consumer goods, government transparency, property rights

5

**Key findings
– pilot survey
and stakeholder
outreach**

In addition to mapping the existing literature and data sources, a key component of this research was to test the survey approach and obtain feedback from respondents and a wider group of stakeholders through interviews and workshops.

To add to inputs from initial interviews with stakeholders and representatives of social enterprises, survey participants were asked to complete a brief feedback form or to send comments and suggestions via email. A few organisations that did not participate in the survey provided feedback on the barriers to survey completion.

Two workshops were held on 9 May 2013, in the morning (in person) and in the afternoon (by video conference). Over 100 participants were invited from 52 organisations, and 36 people attended from 18 organisations (excluding ODI and Shell Foundation). The workshop engaged a wider set of actors than the initial stakeholder interviews and survey respondents, although they were also invited to attend. The objectives were to discuss the research objectives and methodology, share findings from the study, obtain feedback and explore next steps, including potential partnerships with others working in this sector.

This section describes the key feedback received from survey and workshop participants. As with the stakeholder interviews, quotes and comments are anonymous. See Appendix 3 for a list of workshop participants. The workshop presentation, survey questions and guidance document are available at:

<http://www.odi.org.uk/events/3214-impact-investing-beyond-support-social-enterprises-emerging-markets>

ODI definition), as opposed to other enterprises operating in emerging markets.

Other research has focused on SMEs, 'Small and Growing Business' (SGB)² or 'impact enterprise'.^{3, 4} These businesses are considered as generating impact due to the consumer base they serve (BoP consumers), their contribution to local economies, and their job-creation prospects.

The reason for addressing support to social enterprises specifically, as opposed to the wider field of SMEs and 'bottom of pyramid' (BoP) businesses, is that their core intention is to improve social and environmental conditions. There is an important distinction between job-creating businesses in poorer areas of the world, and enterprises that use business approaches to tackle social and environmental issues.

One interviewee commented that it is hard to quantify anything in the impact sector, even more so in emerging markets, and that their organisation's own research found that the term

5.1 Definition of social enterprise

A key challenge for this research was the lack of an agreed definition of the term 'social enterprise'. ODI is currently completing a more detailed research project on this topic, and for this study deliberately used ODI's broad definition (see above). For that reason, the study did not restrict the definition to social enterprises that re-invest all profits into their own business or in socially and environmentally beneficial external activities.

Several stakeholders suggested that organisations might not know what proportion of their overall support is directed to social enterprises (using the

2. ANDE (2011) states that its 'members are the vanguard of a movement focused on small and growing businesses (SGBs) that create economic, environmental, and social benefits for developing countries....The community is focused on small and growing businesses (SGBs) and for the purpose of this paper, SGB is synonymous with social enterprise. The reason impact investors support SGBs is to establish commercially viable businesses that have significant potential for growth and social impact in the area where they operate'.
3. For example, Monitor (2012) defines Impact Enterprises as those as enterprises that serve the 'Bottom of the Pyramid', are 'financially self-sustainable, scalable, and actively manage toward producing net positive changes in well-being'.
4. For Dalberg (2012), 'Impact Enterprises' must 'seek to tackle social issues at scale through supply chains, production of needed goods and services, environmental preservation, provision of jobs, training and development opportunities'.

‘Trying to put a specific number on what is invested in social enterprises will be a real challenge’

‘social enterprise’ is not used at all in some regions and organisational contexts. This question of definition is critical in order for respondents to be able to isolate their investments in social enterprise from their broader portfolio.

Some suggestions for how to address this concern in undertaking a wider survey included:

- Provide guidance and examples of what is included in the ODI definition of social enterprise.
- Use a broader definition of organisations seeking to achieve ‘impact’ rather than restricting this to social enterprises. The term ‘impact’ would need to be defined which could be supported using Environmental, Social and Governance (ESG) criteria.
- Provide more detail about the type of social enterprise receiving support in terms of whether it is a finance or impact first organisation and how it re-invests profits. This would mean including further survey questions to allow respondents to disaggregate their support in terms of types of social enterprise, specifically:
 - ‘for-profit’ vs. ‘not-for-profit’ social enterprise
 - organisations with a primary mission of return, organisations with a primary mission of impact, or organisations with a balanced mission between return and impact

Finally, it was suggested that it was unrealistic to attempt a universally acceptable definition, and that a larger survey should set out its own clear definition and support respondents to ensure it was consistently applied.

5.2 Actor and instrument typologies

Various suggestions were raised concerning the actor categories, including:

- Adding a number of categories such as corporates, diaspora groups, project aggregators, retail finance providers, accelerators/incubators and angel/informal support providers (e.g. from entrepreneurs, friends and family).
- Certain categories could to be further disaggregated in terms of their degree of commercial mandate. This would be particularly relevant for investment funds. Disaggregating types of social enterprise could address this issue (see Section 5.1).
- Presentation of data on investments through investment funds should be divided between proprietary and non-proprietary capital, with the latter shown by respective actor type (rather than grouped as fund investments – see Figures 6 and 9 above).
- Further consultation with social enterprises in order to ensure all organisations that are providing support to social enterprises are represented.

A final point on actor categories was that some social enterprises also provide support **to other social enterprises**. A research team assessing incubator support for small businesses found that several organisations they reviewed both support social enterprises and define *themselves* as a social enterprise. Our interviews with social enterprises confirmed this. This presents a potential **double counting** issue that will need to be considered when collecting data in the next phase of this research. Any large-scale survey will need to recognise that investment funds are not necessarily the only type of intermediary.

There were no major questions or issues raised on the instrument typology, other than that participants stressed the significance of the survey’s role in capturing non-financial support, and that there was a need for more clarification on how it was **defined, what the category might include or exclude**, and suggestions of how organisations should calculate it. It was also suggested that organisations could provide data on their preferred instruments as well as the ones they actually used.

5.3 SEGP and SEMI frameworks

On the SEGP (see Figure 1), feedback concerned two issues – the structure and terminology of the framework, and how easy it is for support organisations to report against it. On the former, feedback from stakeholder interviews was that the SEGP generally makes sense to their business development, with one interviewee stating that ‘the social enterprise growth path is fundamentally no different to that for mainstream private businesses’. In terms of reporting against the SEGP, one stakeholder commented: ‘I’m not sure how easy it is to have a clear breakdown by instrument by stage of business since a particular company might have transitioned to the next stage within timeframe of a particular type of support given’. A larger survey would need to take into account the dynamic aspect of social enterprises and the SEGP.

Suggested amendments to the SEGP included:

- The break-even/sustainable stage might be reached more quickly than three years, depending on the type of business (size, sector etc.); manufacturing firms take longer than retail firms to become sustainable because of high initial capital outlays.
- Some of the activities categorised as ‘Seed’ (business plan, registering the business) would in fact happen at the second stage, ‘Validate’.
- It would be simpler to distinguish between three rather than four categories: seed/start-up, approaching viability and fully viable/reaching scale.

Feedback and stakeholder interviews suggested that the SEMI framework is broadly appropriate but needs further refinement so that it can be universally understood and also include all non-financial contributions.

Definitional issues raised by respondents regarding the SEMI framework included:

- Clarify that this support does not relate to pro bono assistance provided to individual social enterprises, for example alongside grants or loans.
- Facilitate the distinction between support to the SEMI and that provided to private-sector development more broadly (or to SMEs or BoP businesses). ‘The question about our support for social enterprise market infrastructure is [tricky] because we do invest in a lot of the support activities that you define, but do not

specify that they must benefit social enterprises, just micro and small enterprises’.

- Capture support to ‘first movers’ within the SEMI, such as entering new regions, markets and organisation types. Such support might be incremental through other activities and so very difficult to define in financial value terms, but is important for advancing the social enterprise market infrastructure.

5.4 Sector definitions

The responses indicated that the survey had not provided enough sector categories, or described them in sufficient detail – 51% of support was reported as going to sectors not listed in the survey (see Figure 17). More detailed definitions with examples could have avoided this proliferation of sectors and, although not always consistent with a given organisation’s own definitions, could be reasonably easily applied to provide survey data. Additional categories suggested included:

- Agriculture and fisheries
- Food and nutrition
- Services (tourism and ICT)
- Manufacturing (retail)

5.5 Duration of support and return expectations

In terms of capturing information on **duration of support**, participants suggested further disaggregation to enable respondents to provide data on the term over which capital is deployed, the duration of non-financial support, and the period over which returns are sought or achieved (exit timeframe), as opposed to capturing this information at the level of the entire portfolio of support.

Similarly for return on investment, it was suggested that it might be interesting to compare information on expected⁵ returns (as captured by the survey) and realised returns. Although it was recognised that this might be difficult initially in the context of collecting

5. GIIN and JP Morgan’s surveys capture data on realised returns by asking whether the portfolio overall is outperforming, in line with or underperforming against financial expectations (Saltuk et al., 2012).

annual financial data, it could eventually allow for comparison.

5.6 Barriers to survey completion

In general, there was no significant feedback that the survey was prohibitively complex or time-consuming. Organisations reported that once the full requirements were understood (based on the list of survey questions and guidance document) half a day was required to gather information, and gathering data for subsequent years was straightforward.

Participants who reported that they were unable to complete the survey primarily identified difficulties in disaggregating their own data to match its requirements. To address this problem, several organisations had sub-programmes complete the survey separately, and ODI then aggregated the data.

The survey did not capture data from banks or knowledge organisations. A solution might be to add questions and specific terminology tailored to capture data from certain types of actor (particularly those with a commercial focus, such as banks).

6

**Recommendations
and next steps**

The goal of this research was to determine:

1. Whether it was possible to collect and present useful information on direct and indirect support to social enterprises in emerging markets, and if so,
2. Whether industry stakeholders would support the development and/or deployment of an annual or biennial survey to develop a comprehensive picture of support to social enterprises.

Despite the small size of the pilot sample (10 respondents) we were able to design a survey that could collect key data (see Section 2.3) from a range of organisations. Moreover, the support represented in the pilot survey was significant, with over US\$500 million identified over the 2010–2012 period. The sample also enabled us to analyse and represent the data.

Stakeholders were generally interested in and supportive of the aims and approach of the research, suggesting that ODI's independence in assessing the range of support to social enterprises was valued. The workshop participants echoed the findings of the initial stages of this research on the broad need for data, that could be generated through ODI's survey approach.

Undertaking a comprehensive survey of the majority of actors supporting (or providing the

most significant support to) social enterprises will depend on applying the key findings from this research (see Section 5), in addition to addressing a number of considerations regarding how organisations are identified, outreach to potential respondents, survey content, technical issues and dissemination.

Actor identification

From the literature review, we compiled an additional list of over 500 organisations (see Figure 17) that could be included in a broader survey, all of which provide some form of support to social enterprises, ranging from technical assistance to risk capital. This list could further expanded to include the additional categories identified in Section 5.2.

FIGURE 17: ORGANISATIONS IDENTIFIED FOR FULL SURVEY

Organisations identified supporting social enterprises 511		
Total organisations categorised (by type) 398		
	Count	% Categorised
Investment firm or fund (inc. advisers)	177	44%
Foundation	68	17%
Others (inc. consultants /intermediaries)	57	15%
DFI, aid agency or development bank	43	11%
Charity or NGO	31	8%
Specialist or commercial bank	22	6%
TOTAL	398	100%

Survey outreach

Stakeholders consulted in the course of this research raised the issue of needing to reach a sufficiently representative set of actors in a wider survey. Clearly, gathering a large (ideally comprehensive) data set on support to social enterprises would require different and greater resources than those deployed in the pilot survey. As stated earlier, the pilot survey sample was predominantly based on organisations known to the study team. The response rate of slightly below 50% is broadly consistent with comparable surveys.

Respondents suggested that undertaking a full survey of support to social enterprise in emerging markets will depend on establishing effective partnerships with key stakeholder organisations, using existing data and networks, and ensuring the approach is relevant to a diverse set of organisations. . Those that have already conducted surveys stressed their reliance on existing networks and membership bases for collecting data. Often the data were drawn exclusively from their own members. One organisation said that the main reason for focusing its research entirely in one region was to capitalise on the networks it had developed over many years.

Relationships will be critical to ensuring a solid response rate for a larger survey, as participants will need to value the resulting data in order to justify the time and resources required to complete it. As suggested by stakeholders the key for outreach regarding any larger survey will be to establish relationships with different industry associations and networks that can in turn provide links to the full range of groups engaged in supporting social enterprise. This will require the investment of significant resources early in the process to establish and foster links with groups that can support outreach to potential respondents.

Content

Although stakeholders suggested various types of additional data that could be included in a larger survey, they also indicated that given the broad scope of the proposed study it might prove difficult to compile a comprehensive data set. Indeed, the challenge of collecting comprehensive data on support for social enterprises might explain why research to date has focused on specific components of the market (e.g. particular investment modalities, specific countries).

In addition to the new potential questions or content highlighted in Section 5, stakeholders expressed particular interest in data on partnerships across

different types of organisations and different partnership models. The broader survey could include additional questions to explore partnerships among actor types in terms of cooperation along the SEGP and the SEMI. This could be supported through developing a typology of different models for partnership or cooperation (e.g. co-investment, shared resources and knowledge). It was suggested that such evidence could help to inform partnership development.

An important next step in developing a full survey would be to revise the questions, addressing feedback from stakeholders (see Section 5) while ensuring a streamlined and manageable questionnaire.

Technical issues

The study team used Survey Gizmo to design and build the pilot survey. This tool allowed for logic functions and graphics to present reasonably complex questions in a user-friendly format, but its analytical and reporting functions are limited. A full survey would ideally use a tool with additional automatic functions for analysis and error checking. This would probably call for a closer relationship with a provider of survey tools as well as additional human resources to undertake data analysis for a larger data set.

Dissemination of findings

Finally, one of the most critical elements of a comprehensive survey will be to communicate and disseminate the survey findings. Beyond disseminating these through one or more reports, media channels and public presentations, ODI proposes to develop a dedicated website and interactive online tool through which survey data could be searched. This would also permit other interested parties to access survey data in order to inform their own analyses.

Next steps

ODI will be seeking support and partnerships to develop a broader survey based on this pilot exercise. This would allow for the establishment of a comprehensive data set on support to social enterprises, and the provision of information critical to current and potential funders. Mapping of financial and non-financial instruments by actor type could foster best practice and facilitate partnerships. Levels of support to different components of the market infrastructure could also inform donor programmes, national and regional social enterprise networks, and enterprise incubators. Data can help establish opportunities, overcome gaps and identify the need for more detailed research and analysis.

Appendix 1:

Project schedule

Activity	Schedule
Finalise work plan, methodology, definitions and research framework	December 2012
Review of literature and primary data sources	December 2012
Interviews with primary data-holders, researchers and ‘thought leaders	January 2013
Survey design, preliminary testing and review	January 2013
Selection of pilot survey participants and outreach	February 2013
Interviews with social enterprises	February 2013
Pilot survey completion	March 2013
Survey data analysis and conclusions	April 2013
Workshop to present findings	May 2013
Dissemination of findings	June-July 2013
Outreach - support / partnerships for an annual survey	June-September 2013

Appendix 2:

Literature reviewed

Research presenting relevant primary data

Aspen Network of Development Entrepreneurs (ANDE) (2013a) 'Ongoing research project mapping the incubator support for small and growing businesses globally'. Washington, DC: Aspen Network of Development Entrepreneurs.

Aspen Network of Development Entrepreneurs (ANDE) (2013b) 'Ongoing research project mapping capital flows in the impact investing space'. Washington, DC: Aspen Network of Development Entrepreneurs.

Dalberg (2011) 'Impact Investing in West Africa'. Washington, DC: Dalberg Global Development Advisors.

Dalberg & JP Morgan (2012) 'The Small and Medium Enterprise (SME) Sector — Catalyst for Growth in South Africa'. Washington, DC: Dalberg Global Development Advisors and JP Morgan Chase Foundation.

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Appendix 3:

Workshop participants

Accenture

Acumen Fund

CDC

Citi Foundation

City of London

D Capital Partners

DFID

Eco Capital

EVPA

Gatsby Foundation

GIIN

IADB

Omidyar Network

ODI

Oxfam GB

PwC

Root Capital

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