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philanthropy, which was complemented by a case study of *Impetus Trust* and a profile of *The Sutton Trust's* Sir Peter Lampl.

Other EVPA member contributions to the Guide include:

- **New Philanthropy Capital** on factors that NPC considers most important in a donor's decision-making;
- **Pilotlight** on key principles of giving time effectively to charities;
- **Skoll Centre for Social Entrepreneurship** on how social entrepreneurs create social value in their communities;
- **UnLtd**, a case study, on how UnLtd Ventures supports social entrepreneurs; and
- **Venturesome** on new financing options available to charities and social investors.

The Guide is available free of charge in an interactive online version and as a downloadable document. Hard copies are available for £20. You can access the Guide at:

[www.philanthropyuk.org/guidetogiving](http://www.philanthropyuk.org/guidetogiving)

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## EUROPEAN VENTURE PHILANTHROPY FURTHER AHEAD THAN ITS US COUNTERPART?

Venture philanthropy may have started out from a position of strength in the United States - a high profile and early impetus were supplied by "new philanthropists" during the boom years of the 1990s - but it is in Europe that its

momentum is now greater and perhaps more lasting. So suggests NESsT's Lee Davis in an article in the most recent edition of *Philanthropy in Europe*.(1)

In September 2004, some 250 venture philanthropy fund managers and academics attended a Venture Philanthropy Summit at Stanford University, California. The self-confidence of the title notwithstanding, the general tone of the gathering was one of uncertainty, says Davis. Summit organisers rightly observed that, despite more than 10 years of practical experience, venture philanthropy in the USA "has no formal structure beyond Venture Philanthropy Partners' annual report of the venture philanthropy landscape". Participants concentrated on articulating the rationale for venture philanthropy. Most panellists seemed conscious of their marginal position in the world of philanthropy and were keen to demonstrate their relevance. Moreover, venture philanthropists themselves, whose money is managed or allocated by the "leading" venture philanthropy fund managers at the Summit, were conspicuous by their absence.

Curiously, however, one of the problems is too much rather than too little money, believes Davis. He quotes a recent New York Times article which talks of the "eye-popping" levels of money currently being raised by venture philanthropy funds in the US and cites a comment made in the article by a venture philanthropy fund manager to the effect that he'd like his fund to "raise more money than any other non-profit organisation." The remark illustrates what he describes as two potentially detrimental trends in US venture philanthropy:

a focus on raising more money as an indicator of effectiveness; and a competitive, rather than cooperative, relationship between venture philanthropy funds (and fund managers) themselves.

### **The European position**

Now, contrast this with the situation in Europe. Nine months after the Stanford event the EVPA hosted its first annual conference in London. The event attracted an impressive number of participants - over 150 - but more striking was their diversity. Attendees included members of the private equity community, foundations/trusts, banks, professional service groups and the non-profit sector. EVPA, says Davis, has made great progress in a short space of time. How?

EVPA's Doug Miller, who was at the Stanford Summit as an observer, spoke there of the "extraordinary success" of the early venture capital/private equity funds. This was not due solely to raising a large investment fund, argues Davis, but to the quality of return on investments realised by fund managers. Likewise, in venture philanthropy, legitimacy and effectiveness will be measured not by how much money is raised but by the social return on the investment.

Much of the early success and momentum of the EVPA, he suggests, is due to the ability of its five founding trustees to leverage their networks, reputations and resources. They have also adopted a pragmatic approach, showing themselves determined not to raise false expectations. What's more, EVPA has adopted a collaborative approach and has stressed promoting effectiveness in the field. Its

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commitment to share and promote best practices among its members through three member working groups (performance measurement, funding/financing, and capacity-building) also helps to ensure that lessons learned are shared and that common mistakes are avoided.

It is still too early to tell, says Davis, how far the early promise of venture philanthropy in Europe will be fulfilled. However, while the US venture philanthropy “industry” may have experience and financial advantage, its younger European sister has already invested far more in defining a compelling rationale and vision for venture philanthropy and strengthening the foundation of the field itself through collaboration and shared learning.

1 This article is based on one written by Lee Davis, “Venture philanthropy in Europe: The quiet revolution” which appears in *Philanthropy in Europe*, Issue 22, 09/2005.

2 *Fund Managers Raising the Ante in Philanthropy*, by Jenny Anderson (New York Times, Wednesday, August 3, 2005).

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## **EVPA INVESTIGATES VENTURE PHILANTHROPY IN ESTONIA**

Responding to an invitation from The Charities Foundation (TCF) a young Estonian non-profit, EVPA Chairman, Doug Miller and advisor Rob John made a 3-day fact-finding visit to Estonia in August. The core of the visit was a seminar convened by TCF to promote the organisation and to launch a business plan competition for

social entrepreneurs. The seminar was attended by some 25 high level participants from charities, foundations, businesses and the media. Doug and Rob each gave presentations to the seminar, which was subsequently reported in Estonia’s leading business newspaper.

TCF was founded in 2003 by Artur Taevere, an Estonian social entrepreneur whose mission is to help build the effectiveness of the emerging Estonian charity sector. He has a small and dedicated team of volunteers and an energetic board of trustees, chaired by Hannes Tamjarv, who in his thirties created what is today Estonia’s largest retail bank, Hansabank.

The Republic of Estonia regained its independence in August 1991 and became an EU member in 2004. Culturally and geographically it faces both the Nordic countries and northern Europe. Its small population (1.4 million) is highly urbanised, with one third living in the capital, Tallinn. Rural life is harsh, with high unemployment and social problems which include drug and alcohol abuse. According to a 2001 survey, there are over 14,000 registered charities in Estonia, although only an estimated 1,200 are public benefit organisations delivering social assistance to the needy or marginalised. The Soros Foundation has been instrumental in helping build a healthy non-profit sector in Estonia.

Artur’s first project was the launch of a web portal [www.heategu.ee](http://www.heategu.ee) (“good deed”) which matches volunteers and donors with charities. Through this, TCF saw the need to build the capacity of charities in Estonia. Their second project, Desk-mates, matches business executives with charity leaders to advise on

management issues and in 2004, TCF and Hansabank launched The Recycling Centre in Tallinn, which recycles furniture and clothing for low income families.

TCF now wants to develop a venture philanthropy-type programme and encourage social entrepreneurship in Estonia through the business plan competition. Both Doug and Rob were impressed with TCF’s professionalism and high levels of energy, and EVPA will continue to explore ways in which this exciting initiative can be supported through the EVPA network

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## **CONFERENCE TITLE SUGGESTS ‘FALSE DICHOTOMY’ SAYS BRODIE**

The title of the UK’s Association of Charitable Foundations’ (ACF) Conference Cash Machine or Development Agency: the role of foundations in the 21<sup>st</sup> century suggests a dichotomy that doesn’t exist, says Impetus Trust director Judith Brodie. Speaking at the conference, an event also attended by other EVPA members NPC, Esmee Fairbairn Foundation, Sutton Trust, UnLtd, Pilotlight and the Rayne Foundation, she said: ‘What we’re looking for is a diversified social capital market. A small grant could be right for a charity at one stage and a venture philanthropy grant further down the line.’ The need now, she feels, is some analysis to determine what combination of support works and when.

Clare Thomas of Bridge House Trust agreed that it was not a case of either-or and that the knowledge that came from good reactive

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from initial screening and assessment through to investment. The Trust is also in the process of appointing two new trustees, one with experience in the financial services industry, the other with experience as a chief executive of a charity or social enterprise.

In addition, Impetus' first independent evaluation characterised the Trust as "cutting edge, dynamic and innovative". Social Solutions Ltd who undertook the evaluation also commented that Impetus was "well on the way to developing an organisation that has the potential to not only lead the sector but also to deliver real and valuable change within it."  
For more information, see [www.impetus.org.uk](http://www.impetus.org.uk)

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## NEWS IN BRIEF

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**HUNTER PREACHES 'VENTURE PHILANTHROPY'** Sir Tom Hunter, the Scottish entrepreneur and philanthropist, who pledged \$100m to help poorer nations at the Clinton Global Initiative in New York in September, said he hoped to encourage other entrepreneurs into 'venture philanthropy', where philanthropy was treated as a business, with projects rewarded if they met key performance indicators and penalized if they did not. "We really do see this as an investment," he said in an interview with BBC Radio's Today Programme on 15 September, "from which we expect a return." The Clinton-Hunter Development Initiative (CHDI), which has been formed by Sir Tom's pledge, will initially identify two countries to take part in a pilot programme to assess and improve their education system, health, infrastructure, agriculture and offer entrepreneurial support.

Local communities will help form and implement actions plan to combat poverty and improve prosperity.

Sources: FT.com (16/9/05),  
<http://news.bbc.co.uk/1/hi/scotland/4246252.stm>

**VAN LEER PART OF PARTNERSHIP TO DEVELOP THAI COMMUNITY FOUNDATIONS** The Van Leer Group Foundation is working with US-based Synergos Institute to develop a network of community foundations in Thailand, particularly in the areas affected by the Tsunami. The partnership, which will also work in conjunction with Thai NGOs, follows allocations of an additional €1 million by the Van Leer Group Foundation and the Bernard Van Leer Foundation, to support post-tsunami reconstruction efforts in the affected countries, including India, Indonesia and Thailand. Grants will also be made to initiatives promoting the development of civil society in the countries in question.

For more information,  
[www.vanleergroupfoundation.nl](http://www.vanleergroupfoundation.nl),  
[www.synergos.org](http://www.synergos.org)  
Source: Philanthropy in Europe

**EVPA LEADS VENTURE PHILANTHROPY ROUNDTABLE IN BRUSSELS** EVPA's Rob John led a European Foundation Centre (EFC) roundtable on venture philanthropy in Brussels on 30 September. The twelve participants, 7 of them from foundations, who came from 6 countries heard presentations on the definition of venture philanthropy; case studies of the UK's Impetus Trust and New Profit Inc in the US; on EVPA and the European expansion of Venture Philanthropy practice; and the uses of venture philanthropy as a means of financing social business.

**SIR PETER LAMPL ADDRESSES EVPA ANNUAL CONFERENCE** Sir Peter Lampl, founder of the Sutton Trust, told the European Venture Philanthropy Association Annual European Conference in June that the Trust was "neither a think-tank, nor a straightforward charity. It's a 'do tank'". He talked about his experiences in philanthropy and how he had moved from straightforward giving to social enterprise. "Social entrepreneurs," he told the conference, "are like the venture capitalists of social change. They identify an idea, put the ingredients together to make it work, get someone with deep pockets, preferably the Government, to take it up and run with it, and then move on."

The full text of Sir Peter's speech is on the EVPA website at: [www.evpa.eu.org](http://www.evpa.eu.org)

**NESST LAUNCHES BOAT** The Nonprofit Enterprise Self-Sustainability Team (NESST) has published an electronic version of All In The Same Boat: an introduction to engaged philanthropy, a primer for donors contemplating an engaged approach to giving. The 24-page primer (available in printed form in August) looks at the growing interest in engaged philanthropy worldwide, the difference between engaged and 'classical' philanthropy, and the pros and cons of an engaged approach. It also includes a resource section. It was produced with support from the Philanthropic Advisory Service of the Citigroup Private Bank. For more information (and ordering information), see the NESST Publications link at [www.nesst.org](http://www.nesst.org)

**SEVENTH TBLI CONFERENCE TO BE HELD IN NOVEMBER** (Frankfurt November 2-4, 2005) is the seventh annual Triple Bottom Line Investing conference on sustainable and triple bottom line investment

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will be held in Frankfurt on 2-4 November. Topic areas include: public equity, private equity, debt financing, project financing, microfinance, and many others. Among the speakers will be Winston Hickox from CalPERS, Roderick Munsters from ABP, Hanns Michael Hölz of Deutsche Bank, and Barbara Krumsiek of Calvert Investments. For more information, see [www.tbli.org/content/conf\\_program.html](http://www.tbli.org/content/conf_program.html)

**NEW STAFF AT VENTURESOME** Venturesome's work in social investment continues to gather pace with the appointment of a third member of staff. Joe Ludlow joins John Kingston (Director) and Sarah Thomas. Venturesome is a risk capital fund that was launched by Charities Aid Foundation in January 2002 to explore social investment mechanisms primarily in the voluntary sector. The Fund is now worth almost £5 million and since launch, Venturesome has

worked with over 90 client organisations, making available £4.5 million of support. £2 million of that support has been recycled, leaving a current portfolio of £2.5 million offered to 40 clients. Our focus is on building the social investment market and on demonstrating that the risk capital model can be beneficial for charities and other voluntary sector organisations. See [www.venturesome.org](http://www.venturesome.org) for more details.

**EVPA WORKING GROUPS** The three working groups have now been launched. For more in formation please contact Rob John or a working group chairman:

Finance Working Group - Lee Davis  
[ldavis@nesst.org](mailto:ldavis@nesst.org)

Non-financial Advisory Services Working Group - Patrick Dunne [patrick\\_dunne@3i.com](mailto:patrick_dunne@3i.com)

Performance Measurement & Impact Assessment Working Group - [peter@scholtenfranssen.nl](mailto:peter@scholtenfranssen.nl)

Rob John - [rob.john@oba.co.uk](mailto:rob.john@oba.co.uk)

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EVPA NEWS appears quarterly. If you have comments or article suggestions, please contact Andrew Milner, EVPA NEWS Editor, at [am@andrewmilner.free-online.co.uk](mailto:am@andrewmilner.free-online.co.uk).

The European Venture Philanthropy Association is registered in the UK as a Charity, Registration No. 1105785