



INNOVEST ADVISORY



New Trends in Giving: Broadening the Spectrum of Giving - Philanthropy Workshop Report

Prepared for The Pearl Initiative

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Executive Summary

This report provides an overview of the recent Giving for Impact - Next Generation virtual workshop titled “New Trends in Giving | Broadening the Spectrum of Giving” that Innovest Advisory delivered for the Pearl Initiative on the 16th of February 2023.

The participants of the workshop were individual Next-Gen philanthropic donors and institutional donors who are members of the Circle network.

Overview of Next Generation Philanthropy Workshop and Objectives

Innovest Advisory designed and delivered an interactive and informative workshop on emerging trends in venture philanthropy and impact investment with a focus on emerging themes and investment approaches in impact investing for the Pearl Initiative and its Next Generation Philanthropy members and Institutional donors on 16th February 2023.

The objective of this workshop was to introduce participants to emerging trends in venture philanthropy and impact investing. The learning objectives of the workshop were as follows:

- Provide participants with an overview of the driving forces behind Next-Gen philanthropy and approaches to engaging cohort
- Provide participants with a deeper understanding of venture philanthropy and impact investing
- Introduce participants to emerging trends and funding themes in venture philanthropy and impact investing
- Provide participants with an overview of new approaches to investing
- Provide practical examples of these new themes and approaches through a number of practical case studies

The workshop was delivered virtually via MS Teams with around 20 participants attending

The main themes of the workshop were as follows:

- Unpacking Next Generation Philanthropy
- Engaging the Next Generation
- Introduction to venture philanthropy and impact investing
- Introduction to new investment themes
- Introduction to new investment approaches
- Case studies

Unpacking Next Generation Philanthropy

Engaging the Next Generation

Introduction to Venture Philanthropy and Impact Investing

After providing an overview of the key characteristics of Next Generation philanthropists and key strategies for engaging, Innovest provided a high-level overview of venture philanthropy and impact investing and explained the differences and core characteristics of each model.

New Investment Themes

Innovest provided participants with insight into trending investment themes in venture philanthropy and impact investing. These investment themes include: Climate Finance, Climate and Environment Litigation, The Just Transition and Justice, Equity, Diversity and Inclusion (JEDI). Innovest provided an in-depth explanation of each theme, why it is important and provided case studies to provide participants with an idea of how one could invest in these trending themes.

New Investment Approaches

Innovest then introduced participants to new and trending investment approaches. The first of these was the adoption of a Systems Change approach to philanthropy whereby funders seek to target the root causes of the problem they are trying to solve for instead of funding solutions to the symptoms of the problem. Systems Change funding seeks therefore to alter the underlying structures such as policies, mindsets and power dynamics, which enable the system to function in a particular way.

Innovest then went on to describe the increasing use of Innovative Finance models by philanthropic funders. Innovative finance can be defined as a set of financial solutions and mechanisms that create scalable and effective ways of channelling both private money and public resources towards solving pressing global problems. Innovest then further broke down the concept of innovative finance through describing a number of different approaches and instruments including:

- **Results Based Finance** - any program or intervention that provides rewards to individuals or institutions after agreed-upon results are achieved and verified such as Social Impact Bonds and Development Impact Bonds
- **Impact Linked Finance** - any program or intervention that links financial rewards for market-based organisations to the achievements of positive social outcomes such as Impact Linked Loans and Social Impact Incentives (SIINCs)

- **Blended Finance** - The use of catalytic finance from public or private philanthropic sources to increase private sector investment in sustainable development through instruments such as First Loss Capital, Guarantees and Catalytic Grants

Innovest then shared a number of case studies to demonstrate how these investment approaches can be applied.

Case Studies

The final session of the workshop covered practical case studies that were both geographically and thematically relevant to participants. For each case study, a representative from the organisation joined the workshop to engage participants on how the models of their organisations operate. The represented organisations were:

- **The Near East Foundation, United States of America:** The Near East Foundation helps build more sustainable, prosperous, and inclusive communities in the Middle East and Africa through education, community organising, and economic development. The NEF interventions highlighted included their Refugee Impact Bond in Jordan, Their revolving credit facility - Siraj Financial Services - in Syria and their women's agricultural cooperative initiative in Sudan. The Near East Foundation was represented by its Co-President, Simona Ceci
- **KIMS Microfinance, Somalia:** KIMS is Somalia's first and only dedicated and privately-owned microfinance institution. KIMS operates on a commercial basis providing enterprise financing and linked savings services to low income but economically active Somalis and Somali micro and small enterprises (MSEs). KIMS has provided more than 30,000 Somali MSEs with over \$32 million in finance since 2014 creating more than 20,000 new jobs in the process. KIMS was represented by its Founder and Chairman of the Board, Mustafa Ali
- **Serendib Assets, Sri Lanka:** A carbon and renewable assets company which delivers projects which aim to facilitate climate resilience, empower women and safeguards richly biodiverse forests across Sri Lanka. Serendib is incubating a range of innovative projects including tree plantations which sequester carbon and nitrogen and rice paddy farming techniques which significantly reduce methane emissions. Serendib Assets was represented by its Founder and CEO, Lucky Dissanayake

Testimonials

"Thank you so much for this workshop, it was extremely insightful and interesting." **Tamara Ghandour, CEO of The HerMeNow Accelerator**

"Thanks for such an inspiring workshop and showing us these innovative approaches. I hope that this event inspires the creation of more impact investment examples in the region" **Sofiya Oshchebska, Manager, Global Grant Management - Expo Live at Expo 2020 Dubai**

Key Takeaways

The participants came away from the session with the following key takeaways:

- Deeper understanding of venture philanthropy and impact investing
- Understanding of emerging trends and funding themes
- Application of new approaches such as Systems Change Funding and Innovative Finance
- Exposure to real life case studies and interaction with philanthropic leaders in the region