GSEF WEBINAR SERIES

3rd Round
Power of Community: SSE and Financial Systems to Fight Against the COVID-19 Crisis

21 July 2020
MODERATOR

LAURENCE KWARK
SECRETARY GENERAL
GLOBAL SOCIAL ECONOMY FORUM (GSEF)

English: Please choose “Off” in the channel. 한국어: "Korean"을 선택하십시오.
INTRODUCTION

• This webinar is part of GSEF Webinar Series co-organized with the Local Organizing Committee of GSEF 2021 for preparing our virtual forum in October 2020

• The series between May and July illustrate the major impacts of COVID-19 on SSE, our societies and economies, and the creative actions undertaken by local governments and SSE stakeholders in the fight against COVID-19.

• Upcoming webinar in English
SPEAKERS

Patsian Low  
Chief of Staff, Asian Venture Philanthropy Network (AVPN)

Jongduk Jung  
Engagement Manager, Social Value and Solidarity Foundation (SVS Fund)

Dr. Frank Aswani  
CEO, Africa Venture Philanthropy Alliance (AVPA)

Clifford Rosenthal  
Author, Democratizing Finance: Origins of the CDFI Movement

Daniel Sorrosal  
Secretary-General, European Federation of Ethical and Alternative Banks (Febea)

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GET READY

Remarks of the seminar today

• **5 presentation (10 mins each)** + 1 Q&A Session

Please mute your video to avoid any background noise during the session

• Get engaged with others! You may leave your questions to the speakers in “Chat”

• The Powerpoint presentation will be available in GSEF website later: [www.gsef-net.org](http://www.gsef-net.org)

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한국어: "Korean"를 선택하십시오.
• If the speaker is presenting in English, you can choose “Off” to listen to the original presentation in English
• If the speaker is speaking in Korean, you can choose “English” in the channel
• Please mute the original audio
• 연사가 한국어로 발표하는 경우에는, 통역 표시를 클릭하신 후에 고기 off 버튼을 누르시면 연사의 발표를 바로 들으실 수 있습니다.
• 연사가 한국어 이외 언어 (영어,)로 발표하는 경우, 통역 표시에서 Korean 버튼을 누르시면 한국어 동시통역을 들으실 수 있습니다
• 원본 오디오 음소거 클릭해주세요
POWER OF COMMUNITY: SSE AND FINANCIAL SYSTEMS TO FIGHT AGAINST THE COVID-19 CRISIS

PATSIAN LOW

CHIEF OF STAFF, ASIAN VENTURE PHILANTHROPY NETWORK (AVPN)
POWER OF COMMUNITY: SSE AND FINANCIAL SYSTEMS AGAINST THE COVID-19 CRISIS

Patsian Low
Chief of Staff and Policy Advisor

21 July 2020
BUILDING THE SOCIAL IMPACT ECOSYSTEM IN ASIA
Why It Matters

BIG FINANCING GAP TO ADDRESS COMPLEX IMPACT ISSUES

USD 1.5 trillion required per year to meet the SDGs in Asia-Pacific by 2030.

GROWING CONCENTRATION OF WEALTH

- Asia is set to have over one-third of the world’s billionaires by 2023
- 86% of HNW Asian millennials find more opportunities to tackle societal issues through investing

LACK OF ENABLING ENVIRONMENT

A need to
- Cultivate leaders
- Bolster funding channels, capacity building & impact management
- Alleviate funding wastes
THE AVPN AGENDA
Moving Capital Towards Impact

A leading ecosystem builder that is increasing the flow of capital into the social sector and ensuring that resources are most effectively deployed.

The Power of the AVPN Network

AVPN REACH
380,000
WEBSITE VISITS ANNUALLY

25,900
BLOG READERS ANNUALLY

11,200
NEWSLETTER SUBSCRIBERS

AVPN DIVERSITY
600+
MEMBERS ACROSS THE WORLD

380+
LISTED INVESTABLE DEALS

13
MARKET REPS

18
POLICY FELLOWS
AVPN POLICY
A Collaborative Platform for Policymakers and AVPN Members

Policy can intervene at different levels

Policy action has wide-ranging effect across impact areas

New cadre of policymakers who innovate and collaborate

EMBRACING ALL FORMS OF SOCIAL INVESTMENT CAPITAL
GRANT, DEBT, EQUITY
HUMAN
INTELLECTUAL

BREAK DOWN SILOS TO ENCOURAGE CROSS-SECTOR COLLABORATION

MAXIMUM IMPACT
LEADING SUPPORT FOR COVID-19
AVPN COVID-19 HUB - Projects and Initiatives
Over USD10B mobilised by AVPN members

Catalyse Scalable Solutions

Join the Asian Funders pledge
Provide immediate relief in India
Tackle critical needs in Indonesia
Reduce hunger in the Philippines
Partner governments to scale efforts

Catalyse Scalable Solutions

FRONTLINE INITIATIVES BY POLICY FELLOWS

Accelerate impact on the ground with government-led initiatives

The COVID-19 pandemic has disproportionately affected Asia’s most marginalised communities. Fostering local innovation and authentic partnerships is key to scaling solutions. AVPN Policy Leadership Lab is leading frontline response efforts with local governments to provide villages with support in daily necessities, healthcare, security and education.

Learn more and partner with them initiatives:
1. Voices of the Community for COVID-19 Relief in Pune, Maharashtra, India
2. Emergency Relief Resources Initiative for Ranchi District, Jharkhand, India

Explore all Policy Initiatives

COVID-19 Asia Mapping

Funding
Capacity-building tools and insights
Consultancy & Advisory
Awards & Competition
Legal Resources
Others

Enhanced Funding Programme (EFP)
Enhanced Fundraising Programmes for Non-Profit Organisations
Investee Peer-to-Peer Lending Platform
COVID-19 Emergency Fund for Journalists

Toteboard
Investree
Temasek Trust
National Geographic

Toteboard
Investree
Temasek Trust
National Geographic

Dispatch from the Ground

AVPN Webinar: Integrated-Collaboration - A Key to Effectively Address COVID-19 Needs in Indonesia

Share your initiative
LEADING SUPPORT FOR COVID-19
AVPN Member Initiatives

Scale Preventive Measures in Uttar Pradesh and Bihar
- Scale local solutions that promote awareness and preventive measures in communities
- Address systemic issues including WASH, health, nutrition or education

AVPN Gotong Royong Movement
- An integrated collaboration which stimulates a more effective forces in addressing social issues in Indonesia
- Collaborated with over 10 foundations and organisations across Asia

Project Ugnayan
- The single largest private sector-led fundraising collaboration to aid households displaced due to community quarantine efforts in the Philippines
- Reached 5.44 million families, totalling to 7.6 million people
LEADING SUPPORT FOR COVID-19
Initiatives from Our Stakeholders

Me.reka Makerspace - Impact driven business in Malaysia
- Developed a COVID-19 platform, connecting hospitals and social enterprises with the community of makers
- Over 20,000 face shields produced and successfully delivered to grateful front-liners and hospitals across Malaysia

Emergency Relief Resources for Ranchi District, Jharkhand
- Ensuring the delivery of essential commodities to the community through various initiatives
- Partnered with local and national convenience stores, medical establishments and textile factories for face mask manufacturing
- Established a dedicated phone line to help distressed locals cope with anxiety and fear

COVID-19 Enterprise Resilience
- Developed a framework to identify areas which businesses can address to build a structured and comprehensive approach to crisis management and business resilience, with case study examples, articles and virtual wavespace sessions to support businesses
CONSIDERATIONS FROM SOCIAL INVESTORS ON PANDEMIC IMPLICATIONS

Information Sharing and Transparency

Lack of data and transparency in the pre-existing social investment environment is exacerbated during the pandemic.

Survey by WINGS - Members’ responses to COVID-19 crisis

Over 75% surveyed noted Resource Sharing and Information are the most urgent need for them to support their stakeholders.

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination on pooled funds</td>
<td>39.22%</td>
</tr>
<tr>
<td>Data gathering and sharing</td>
<td>45.30%</td>
</tr>
<tr>
<td>Resource sharing and information dissemination</td>
<td>72.05%</td>
</tr>
<tr>
<td>Advocacy</td>
<td>45.30%</td>
</tr>
<tr>
<td>Peer Learning</td>
<td>41.18%</td>
</tr>
<tr>
<td>Capacity building/ Online Training</td>
<td>47.06%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>9.80%</td>
</tr>
</tbody>
</table>

Accelerating sustainable finance in times of a pandemic

Investors are seeing a surge in social bonds (particularly those targeting the health sector) in 2020, compared to other funding mechanisms.

<table>
<thead>
<tr>
<th>Green, social and sustainability bond issues (US$B)</th>
<th>2020*</th>
<th>2019*</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social bonds</td>
<td>11.58</td>
<td>6.24</td>
<td>16.70</td>
</tr>
<tr>
<td>Sustainability bonds</td>
<td>25.62</td>
<td>13.84</td>
<td>43.40</td>
</tr>
<tr>
<td>COVID-themed social bond</td>
<td>6.95</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>COVID-themed sustainability bond</td>
<td>12.29</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Green bonds</td>
<td>53.54</td>
<td>84.09</td>
<td>260.81</td>
</tr>
</tbody>
</table>

Data as of May 15, 2020.

COVID Alliance for Social Entrepreneurs by the World Economic Forum

A platform that consists of crowdsourced resources available for social entrepreneurs worldwide to tide thru the crisis.
NAVIGATING THROUGH THE FUNDING STRATEGIES FOR COVID-19
Short-term, Urgent Need vs. Long-term Impact

Survey by WINGS - Members’ response to CV19 Crisis

Top challenge encountered by Grantmakers are providing new/changed programming:

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing new/changed programming to your members on COVID-19</td>
<td>60.78%</td>
</tr>
<tr>
<td>Building alternatives to meetings</td>
<td>56.86%</td>
</tr>
<tr>
<td>Adjusting the time management</td>
<td>35.29%</td>
</tr>
<tr>
<td>Data gathering and sharing</td>
<td>35.29%</td>
</tr>
<tr>
<td>Equipping staff with the right tools or technology to continue operating</td>
<td>33.33%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>25.49%</td>
</tr>
<tr>
<td>Dealing with cancellation fees</td>
<td>13.73%</td>
</tr>
<tr>
<td>IT and communication issues</td>
<td>11.76%</td>
</tr>
</tbody>
</table>

GIIN Reports on the Impact Investing Market during CV19

The Impact Investing Market in the CV19 Context: An Overview

- Draws on challenges faced by impact investors in navigating CV19 investment environment while preserving the rigour and integrity of investment process, without sacrificing impact

The Impact Investing Market in the CV19 Context: Due Diligence

- Accentuated on the importance of partnerships, trust and empathy to overcome these challenges in constrained environment.
ENABLING SOCIAL INVESTORS TO EFFECTIVELY SUPPORT THE SSE Collaborative Platform and Network

(e.g. AVPN Social Investment Landscape)

What will the Social Investment Landscape in Asia look like after the pandemic?
ENABLING SOCIAL INVESTORS TO EFFECTIVELY SUPPORT THE SSE
Integrate Pandemic Recovery Strategies with Pre-Existing Strategies

Creating opportunities for deeper work in the different thematic areas

1) AVPN-PAHAL Health Platform

2) Gender Platform

3) Climate Action Platform
ENABLING SOCIAL INVESTORS TO EFFECTIVELY SUPPORT THE SSE  
Collaborative Actions for more Sustainable Impact

- Partnerships help to reduce risks in fast evolving circumstances, leverage on each other’s due diligence and ground experience.
  - WINGS survey noted ‘Thought Leadership’ and ‘Data Gathering and Sharing’ as 2 ways that grantmakers can support through the pandemic

- Enable multi-disciplinary solutions to complex problems

- Crowd in solutions and resources to enhance global adaptability

AVPN is exploring with Impact Funds and Institutional Investors how MSME liquidity support and financing is made available to preserve entrepreneurship, a key pillar of Asian economies.
PLAYING OUR PART IN THE GLOBAL MOVEMENT

AVPN is present in the following initiatives:

- R3 Coalition
- WEF Alliance
- Members of WINGS

Collaborating with the following Organisations and their global partners in the Social Investment Sector

Asia-based investors who are keen to pledge collaborative efforts to build resilience amid the pandemic may reach us at the AVPN Asian Funders Pledge page.

AVPN welcome partners who are seeking a pan-Asian platform to better leverage support for SSE in Asia in Pandemic recovery to contact us at policy@avpn.asia.
Thank You.

Engage us: policy@avpn.asia
At AVPN, we see social investment as a continuum that encompasses everything from philanthropy and venture philanthropy to impact investing, CSR and sustainable investment. We call this the “Continuum of Capital”.
POWER OF COMMUNITY: SSE AND FINANCIAL SYSTEMS TO FIGHT AGAINST THE COVID-19 CRISIS

JONGDUK JUNG
ENGAGEMENT MANAGER
THE KOREA SOCIAL VALUE AND SOLIDARITY (SVS) FOUNDATION

- The first social finance wholesale fund established in Korea (2019)
- Committed 12 million USD to provide patient capital and to invest in social impact projects
- Builds a social finance ecosystem by fostering intermediaries in different regions

In charge of international relations (SVS Foundation)
IMPACTS OF COVID-19 TO YOUR MEMBERS/ TARGET GROUPS/REGION

- Nation wide, 64% of SEEs experienced a drop in their revenue more than 40%
- Labour expenses as the most challenging issue SEEs face under COVID-19
- SEEs seek support from the government mainly through procurements, loans and subsidies.

<table>
<thead>
<tr>
<th>Revenue fall (%)</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>15%</td>
</tr>
<tr>
<td>80%</td>
<td>28%</td>
</tr>
<tr>
<td>40%</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Most urgent issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>Labour expenses</td>
</tr>
<tr>
<td>51%</td>
<td>Rents</td>
</tr>
<tr>
<td>46%</td>
<td>Taxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Most required public support</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
<td>Public procurements</td>
</tr>
<tr>
<td>31%</td>
<td>Emergency loans</td>
</tr>
<tr>
<td>11%</td>
<td>Emergency subsidies</td>
</tr>
</tbody>
</table>

Survey of 365 SEEs (10~19 Mar 2020) conducted by the Korea Central Council of Social Enterprise
MAPPED OUT INITIATIVES UNDERTAKEN

• Altogether crisis response fund joined by 20 partner social finance intermediaries, SSE supporting organisations, private companies and public institutions.
  - The bottleneck in the provision of government emergency loans
  - 1 year duration, 1.5% interest rate, renewable (10,000 USD for each SEE)
  - Crowdfunding platforms to make advance payments of SEE’s’ products and services (civil)
  - A voluntary pay cut of major public institutions to make donations (public)

• Global crisis response fund jointly organise with KOICA
  - Emergency grants to SEE to restore production and employment capacity
  - The total size of the fund: approx. 830,000 USD (10,000 USD for each SEE)
  - Global solidarity to recover from COVID-19 in partnership with GSEF, YMCA, KFTO and MerryYear Foundation (consortium)
POST COVID-19: INNOVATIVE FINANCING STRUCTURE FOR ACCESSING FINANCE / OVERALL STRATEGY

• Financial products including mutual aids for temporary workers, platform workers and freelancers who are outside of institutional protection in times of crisis
• SEEIs not just a subject of support/help but as an active provider for community COVID-19 response
• Institutionalization of the crisis response fund, strengthening the solidarity among SSE actors
• Opportunity for rethinking the way we finance and structure economic / social system in the post COVID-19 era
AVPA has convened 3 communities of response during this CV-19 crisis in Kenya, Nigeria and South Africa. We have over 400 organizations on these platforms. Over 70 partnerships have emerged from these communities and some have made significant impact in a very short time like the Digital Food Voucher program (Mthunzi Network) in South that has attracted ~$700k in just over 3 months and will be able to distribute close to 28,000 food vouchers. Since April, AVPA has also run 10 webinars in partnership with Sankalp focusing on solutions to challenges facing the most vulnerable.
IMPACTS OF COVID-19 ACROSS AFRICA

• Communities
  – Healthcare challenge has been manageable so far
  – Rising unemployment
  – Lack of access to food
  – Inability of Kids to access education especially for kids in Rural and Informal settlements

• NGO’s
  – Reduced access to Finance
  – Inability to reach their beneficiaries and communities

• Donors
  – Have all had to get involved in emergency CV-19 response work
  – Depleted their 2020 budgets
  – Greater collaboration - Increased formation of communities of response
  – No new investments

• Governments
  – Increased Funding via Stimulus packages
  – Growing public debt
INITIATIVE 1 - SAFE HANDS - KENYA

INPUT SUPPLY CHAIN

PRODUCTION

DISTRIBUTION

CONSUMER EDUCATION

LEADERSHIP & PROJECT MANAGEMENT
## Initiative 1 - Safe Hands Kenya - Impact

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Progress</th>
</tr>
</thead>
</table>
| **Soap**                       | • Supplied 142.25 T of soap, to partners and CBOs, of which 87 T has been distributed to last-mile beneficiaries  
                               | • 65 Low Income locations reached  
                               | • 5,131 Coalition Partners retail shops reached  
                               | • 55,700 Households reached  
| **Public sanitation**          |                                                                                                                                 |
| **HWS (Hand washing stations)**| • Distributed 243 HWS to partners and CBOs in low in communities  
                               | • Recruited 12 local staff to monitor utilization of HWS across Dandora to date  
                               | • Mapped existing HWS in target low-income urban areas ([Link](#))  
| **Public disinfectant**        | • 3,709L of Surface Disinfectant used  
                               | • 587,235 Population served (Dandora + Kawangware)  
                               | • Jobs created 245  
                               | • Total Wages paid for cleaners **Kshs.1,315,128**  
| **Masks**                      | • Delivered 300,000 masks to beneficiaries in slums/Informal settlements in Nairobi  
|                                |                                                                                                                                 |
INITIATIVE 2 – SOLIDARITY FUND - SOUTH AFRICA

- Launched by the Government in partnership with the Private Sector
- About $180m raised so far vs a target of ~$240m
- >95% of the fund has been from Finance players

| Prevention | • # of COVID-19-related communication campaigns (through newspapers, magazines, social media, TV, radio, etc.)
  |   | • Reach of COVID-19-related communication campaigns
| Detection  | • # of testing kits purchased
  |   | • # of tests completed (including location data)*
| Care       | • # of PPE/essential medical equipment purchased
  |   | • # of PPE/essential medical equipment delivered (incl. location data)
  |   | • # of healthcare workers provided with PPE*
| Support    | • # of food parcels delivered (incl. location data)*
  |   | • # of households provided with basic health and hygiene supplies (incl. location data)*
  |   | • # of people accessing GBV support services (incl. location data)

- Impact
  - 280,000 food parcels distributed so far vs a target of 250,000
  - >2.2m tests done to date. The highest in Africa
POST COVID-19:
INNOVATIVE FINANCING STRUCTURE FOR ACCESSING FINANCE / OVERALL STRATEGY

• Innovative Finance in Africa is still nascent and where applied Blended Finance is applied to big projects in deals >$10m
• Innovative Finance more applicable in the Recovery and Resilience phases of the Pandemic
• Discussions ongoing in setting up Outcome based finance and Loan guarantees for SMEs
• Advice to public authorities, finance actors in SSE and community actors
  – Time is now to review policies that limit social investments.
  – Philanthropists should offer more risk capital to crowd in new capital and test new recovery models
  – Private investors and Philanthropists should collaborate to build back more sustainably.
  – Community actors – Think of testing new approaches to financial sustainability e.g. Commercialize IP and also build back more resilient communities by addressing root causes.
  – SME support – Offer both Financial and non-financial support
  – Build data collection and Impact measurement infrastructure
POWER OF COMMUNITY: SSE AND FINANCIAL SYSTEMS TO FIGHT AGAINST THE COVID-19 CRISIS

CLIFFORD ROSENTHAL
Author
Democratizing Finance: Origins of the CDFI Movement

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United States of America Today: Not Just Covid-19--Crises in Five Dimensions

- **Health Crisis**: Covid-19
- **Economic Collapse**
- **Inequality**: Racial Wealth gap
- **Political Crisis**
- **Police Repression**: "Black Lives Matter"

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RESPONSES TO THE CRISSES

• Federal Government: TRILLIONS$
  – $$$ to individuals
  – Loans – partly forgivable – to businesses, including self-employed and cooperatives
  – BUT: many Black-owned businesses did not get loans because they didn’t have banking relationship

• Cities: Tens of millions to fight hunger, temporary halt to evictions

• Community development financial institutions (CDFIs)
  – They make loans that banks did not.
  – Often: low interest rates, deferrals, forbearance
  – Greatly increased support coming from impact investors

• Investors
  – New funds and investments in Black-owned businesses
  – Increased in investment in CDFIs to reach businesses
TO CHANGE THE FINANCIAL LANDSCAPE AND DYNAMICS

• **Investment Sector**: “Flip the investment paradigm”– Wealthy investors should bear greatest risk, get lowest return. Community investors: least risk, highest return. [Boston Impact Investment Fund]

• **Community Sector**: Exciting new examples of community-owned, democratically organized and owned investment funds. (Boston Ujima Fund, REAL People’s Fund)

• **Public Sector**
  - **Cities**: Policies to **protect against displacement** of People of Color (POC)
  - **Federal**:
    • Increase access to loan guarantees, equity investments for businesses owned by POC
    • Huge increase in investment in **Community Development Financial Institutions (CDFIs)**
POWER OF COMMUNITY: SSE AND FINANCIAL SYSTEMS TO FIGHT AGAINST THE COVID-19 CRISIS

DANIEL SORROSAL
SECRETARY-GENERAL
EUROPEAN FEDERATION OF ETHICAL AND ALTERNATIVE BANKS (FEBEA)
Please leave your questions in “Chat” section.
Reminder for upcoming sessions in English:

– **29 September:**
  
  New SSE Ecosystems: Health, Education, Informal Economy, and the 4th Industrial Revolution

If you want to find out the PPT and video of the previous webinars:


And, of course, our GSEF virtual forum in October 2020
For more information about GSEF:

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https://www.gsef-net.org/

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