

Social Capital Conference

Conference: SoCap Europe, Amsterdam

Panel Topic: Lessons from the World of Microfinance for Social Investment

Panel Description: Venturesome – an impact investor, researcher, and thought leader – recently came out with a report on the history of the microfinance industry, and the lessons from that history for the social investment market. Join a discussion on how the social investment market will evolve over the next 20 years, and how our respective institutions might evolve too.

Moderator & Panelists: Paul Cheng, Venturesome (Moderator)
Investment Manager of the CAF Initiative Venturesome
<http://www.cafonline.org/default.aspx?page=18929>
Vivian Kotun, responsAbility (Panelist)
Senior Investment Officer, www.responsability.com
Antony Ross, Bridges Community Ventures (Panelist)
Executive Director, <http://www.bridgesventures.com>
Harry Hummels, SNS Asset Management (Panelist)
Managing Director, www.snsam.nl

Design, Methodology, Approach: Panelists discussed aspects of the topic from their own experiences.

Main Panel Discussion Points: Paul Cheng of Venturesome described the first microfinance fund that was floated by Venturesome. He explained that the growth experienced by Venturesome has been tremendous. It was agreed that while microfinance can deliver massive impact, it may not generate market rates of return. Investors need to understand that up-front. One benefit of microfinance is that it has a long track record, whereas other areas of social investing do not. Some panelists expressed the opinion that returns in other areas of social investment will be riskier than microfinance. Panelists described three categories of investors:

- (1) those who want near-market return (social venture fund)
- (2) grants
- (3) investors who want their money back (these investors want a significant social impact but do not care about returns)

Outcomes & Analysis: This session demonstrates that impact investment can benefit microfinance groups and mainstream investors by achieving social impact and monetary returns. Thus, the social investment market has the potential to expand considerably in future years, especially in the US and Asia.

Keywords: microfinance, social investment

Paper type: Review of conference panel.

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