SOCIAL IMPACT INVESTMENT: CHALLENGES AND OPPORTUNITIES FOR LATVIA

Madara Ūlande // 5 September 2017 // Riga
SOCIAL ENTREPRENEURSHIP ECOSYSTEM IN LATVIA

- 100-150 social enterprises in total (associations, foundations, limited liability companies)
- Social entrepreneurship law in the making – will be in force starting from January 2018
- Ministry of Welfare/ALTUM social entrepreneurship financial support program (12m in grants, 2017-2022)
- 2 successful accelerator programs
- One national-level advocacy organization
- Growing interest from all level stakeholders

Madara Įlande // 5 September 2017 // Riga
Most of SEs in Latvia:
Less than 2 years old,
0-1 employee,
Not yet financially sustainable

Some SEs:
1-2 employees;
Break even

A few SEs:
2-5 employees;
Break even

< 5 SEs:
10+ employees;
Work with profits

- Small & medium enterprises
- Mostly local products/services
- Conventional industries
- A few can show profits AND social impact
- A few export their products/services
WHAT KIND OF INVESTMENTS SOCIAL ENTERPRISES NEED (AND ARE READY FOR)

- Business skills and knowledge, business mentoring
- Contacts, access to markets
- Financial investment for infrastructure development; equipment & technology; new products and services; prototyping; branding and marketing etc
- A few are ready for loans and/or sharing ownership
AVAILABLE FINANCIAL TOOLS

• Ministry of Welfare/ALTUM grant program
• Crowdfunding
• FFF - «Friends, fools, family»

IN THEORY BUT RARELY HAPPENS

• Private investors
• Bank loans
SOCIAL IMPACT INVESTMENT: QUESTIONS FOR THE DISCUSSION

Madara Ūlande // 5 September 2017 // Riga
• What are the preconditions for social impact investment development in Latvia?

• What is already there, and what needs to be done in order to create a functioning social impact investment ecosystem?

• What can intermediary organizations and public institutions do in order to drive this forward?