Social Investment Manifesto

BUILDING SOCIAL FINANCE THAT WORKS FOR SOCIAL ENTERPRISES

Why this Manifesto?

The potential of social enterprise is extraordinary.

Access to suitable finance determines whether we realise it.

Contents

Current context

Social enterprise is critical to reimagining business to create better and more sustainable outcomes for people and planet.

> *"At a time when the world is grappling with unprecedented social, environmental and economic issues, the scope and scale of social enterprises are underrecognized while their contributions have never been more critical."**

Through decades of practical experience, the sector has developed a compelling alternative to conventional models of value creation: one that uses business to advance social and environmental wellbeing rather than merely maximise profit.

There are already 10 million social enterprises globally, generating around $2 trillion in revenue each year and creating nearly 200 million jobs.*

> *"Although they are still underrecognized, social enterprises have emerged as pivotal actors able to develop highly innovative solutions to critical social and environmental challenges – and significantly accelerate progress towards the SDGs [Sustainable Development Goals]."**

The global impact investing market has grown significantly and is now estimated at about US$1.57 trillion AUM (Assets Under Management).** However it is widely recognised that the majority of impact investment assets do not directly reach mission-locked social enterprises. While the funding potential is there, the two ecosystems - social investment and social enterprise - remain disconnected. There is a significant untapped opportunity to fund, support and harness the potential of innovative social enterprises that prioritise people and planet as key drivers of inclusive and sustainable economic growth.

* World Economic Forum, The State of Social Enterprise: A Review of Global Data 2013–2023

** The Global Impact Investing Network, Inc. (GIIN), Sizing the Impact Investing Market 2024

What needs to change

There is a structural mismatch between the types of funding available and the financing models that mission-locked social enterprises need to thrive.

While our financial systems continue to evolve and innovate, investment instruments remain largely designed for organisations pursuing either profit maximisation or philanthropy - not hybrid value creation.

In practice, this structural issue leads to misalignment between funders/investors and mission-locked social enterprises around aspects of the instruments such as time horizons, risk-return expectations, impact measurement and other institutional requirements. Such misalignment limits the flow of finance through mission-locked social enterprises that are closest to the communities they serve. Downstream, this means opportunities for innovation are not realised for communities the world over and our collective capacity for economic transformation remains untapped.

This needs to change.

"SOCIAL FINANCE"

The wider range of capital (grants, patient and blended instruments, guarantees and repayable finance) deployed primarily to advance social and environmental outcomes rather than to maximise financial return.

It is the broader field within which social investment sits, and the framing this Manifesto calls for.

"SOCIAL INVESTMENT"

The use of repayable finance (loans, equity or bonds) to generate a social as well as a financial return.

In practice, the term has come to carry an expectation of near-market-rate returns and conventional risk criteria, which often sit poorly with the realities of mission-locked social enterprises.

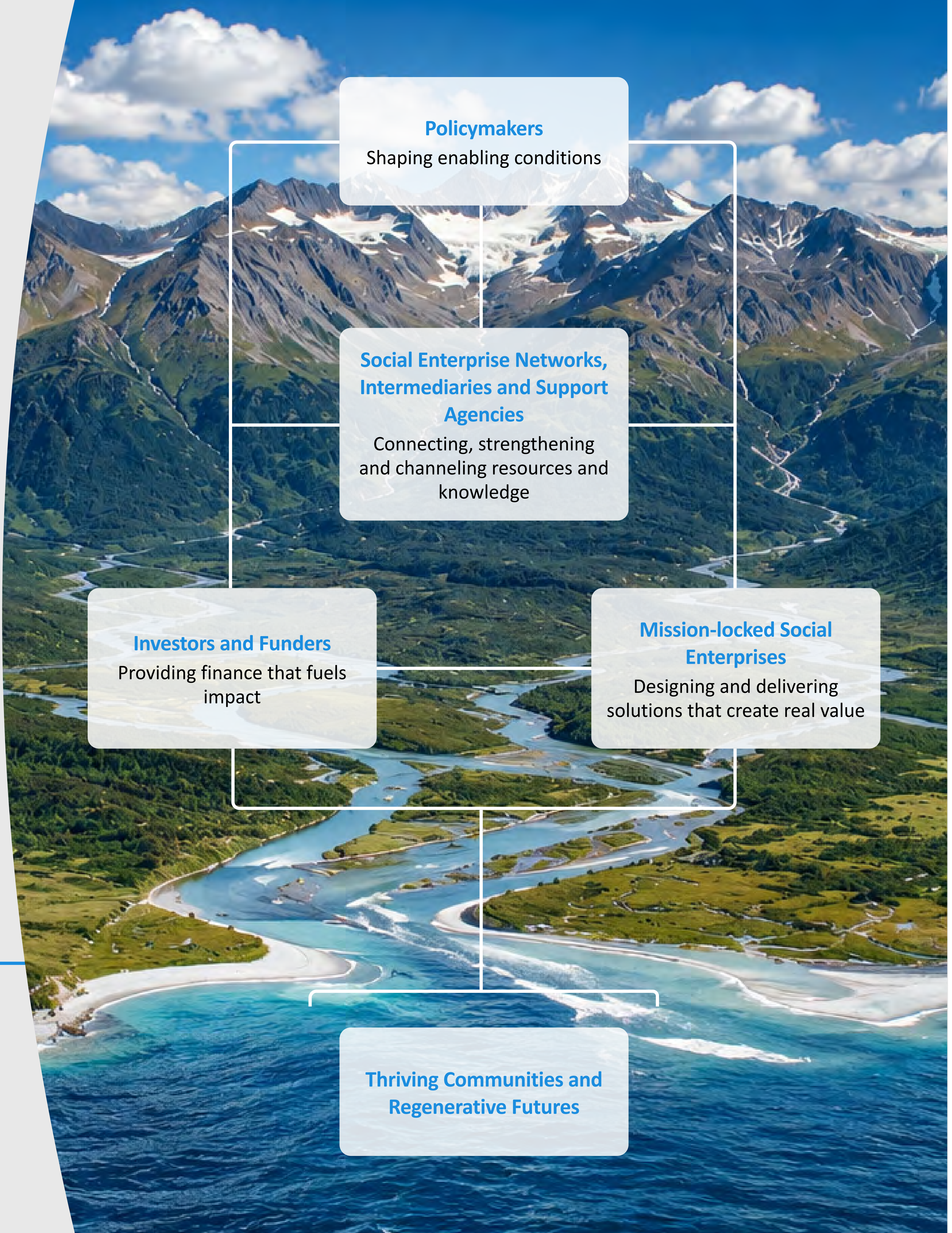
Who this Manifesto is by, and for

This Manifesto is the outcome of consultation with and input from representatives of the following stakeholder groups:

- Mission-locked social enterprises
- Social enterprise networks, intermediaries and support agencies
- Social investors and funders with an interest in social and/or environmental impact
- Policymakers with a brief for social economy or impact economy

They are the people who have created the social investment ecosystem to date and will continue to be involved in evolving it by acting on the recommendations that we have shaped together.

The social investment ecosystem stakeholders connect, relate and cooperate like a watershed with Policymakers shaping the riverbanks and flow conditions, Investors and Funders providing tributaries and resources, Networks, Intermediaries and Support Agencies channelling and distributing flows, and Practitioners cultivating communities downstream.



What we can do

We believe that together, as practitioners, supporters and enablers of social enterprise, we can shift the structural issues, transform blockers into enablers and create the conditions to improve the flow of suitable social investment towards mission-locked social enterprises.

To do so, we must act across the system. We need to innovate upstream: shifting the very nature of the funding vehicles, how they flow, where to and how they pool. We also need to shape the ecosystem landscape through which funding flows, by creating enabling conditions and infrastructure.

In this Manifesto, we reflect the views of social enterprise and social investment experts from across the world*. We convey their ideas for change, learn from real-world innovative examples and consider proven models for social investment innovation.

These lessons are shared under **four priorities** and **seven recommendations**.

* Appendix I: Consultation methodology

Priorities

INNOVATE UPSTREAM

PRIORITY 1

Redirect finance:

Channel investment to mission-locked, community-led and underserved social enterprises.

PRIORITY 2

Shape suitable finance:

Design investment instruments that prioritise long-term social and environmental value creation.

PRIORITY 3

Embed transparency and accountability:

Ensure investment practices are grounded in trust, shared values and accountable to the communities they serve.

SHAPE THE ECOSYSTEM LANDSCAPE

PRIORITY 4

Create enabling conditions:

Strengthen the policy, governance and support infrastructure required for a thriving social enterprise sector.

Recommendations

1. Distinguish and prioritise mission-locked models

2. Design and implement blended finance models

3. Build foundational readiness and resilience

4. Activate supportive policy levers

5. Champion community wealth building

6. Ensure transparent and values-aligned practice

7. Orchestrate system-wide infrastructure design

Distinguish and prioritise mission-locked models

RECOGNISE

Recognise and separate mission-locked social enterprises in all investment strategies, policy frameworks and reporting.

DESIGN

Design or adopt a solution that takes into consideration the specificities of the social enterprise ecosystem and conduct an assessment of the implementation pathways.

ADVOCATE

Advocate for the adoption of clear, principles-based definitions.

RECOGNISE

Recognise and separate mission-locked social enterprises in all investment strategies, policy frameworks and reporting.

Whether it is via legal status, definitions, or schemes for verification or certification, distinguishing mission-locked enterprises is a key enabler of financing and government funding.

This is because such official distinction enables:

- investment certainty and confidence;
- effective assessment and decision-making processes for investors, as well as reduced administrative burden for the investee;
- aggregation for participation in large procurement opportunities;
- ecosystem coherence.

43%

43% of surveyed social enterprise practitioners identify **ineligibility in relation to their legal structure or registration status** as a key barrier to accessing fit-for-purpose finance.

DESIGN

Design or adopt a solution that takes into consideration the specificities of the social enterprise ecosystem and conduct an assessment of the implementation pathways.

Regardless of the mechanism (legal status, official definition, verification or certification), the design and implementation of the solution requires a whole-ecosystem approach to ensure the benefits outweigh the risks and that unintended consequences (such as competing systems, weak ongoing monitoring, substituting thorough due diligence etc.) are avoided.

Standards only matter if financial providers understand, recognise and value them – in other words if they are adopted as shared due diligence infrastructure.

The voices of the movement: quotes from stakeholders

> *"Verification should function as shared due diligence infrastructure. This requires using effective policy to connect and coordinate social enterprise support systems with finance providers' requirements."*

ADVOCATE

Advocate for the adoption of clear, principles-based definitions.

Robust and meaningful verification and certification schemes help prevent socialwashing and greenwashing, increase accountability, inform government policy and support procurement. This needs to be supported by continuous monitoring or regular re-assessments.

It is worth noting that in jurisdictions where mission-lock and/or asset-lock are solved structurally (due to legal status), verification and certification schemes are less instrumental. However, they can still make a difference by reducing the administrative burden for social enterprises and increasing trust amongst investors.

Lenders and investors already perform deep due diligence and business models tend to matter more than mission lock (and verification) when it comes to assessing investability. However, given the capacity that is required of social enterprise leaders to meet due diligence requirements, verification could lessen the load.

Case study:
Ministry of Entrepreneur and Cooperatives Development (KUSKOP)

Malaysia's Social Enterprise Accreditation framework is a national recognition mechanism designed to identify and strengthen legitimate, impact-driven social enterprises. The country's formal accreditation journey was pioneered by the Malaysian Global Innovation & Creativity Centre (MaGIC), which introduced an earlier accreditation framework and subsequently supported the launch of the Social Enterprise Accreditation (SE.A) Guidelines in 2019. Following institutional and policy changes, social enterprise development and accreditation now sit under the Ministry of Entrepreneur and Cooperatives Development (KUSKOP), aligned with the Malaysian Social Entrepreneurship Blueprint 2030 (SEMy2030), with INSKEN supporting the development of Malaysia's social enterprise ecosystem.

Under the current framework, social enterprises may be recognised under three categories: **Aspiring SE**, **SE Basic (SE.B)** and **SE Accredited (SE.Ac)**. Rather than requiring every enterprise to progress sequentially through each category, applicants may apply for the category that corresponds with their level of maturity and ability to meet the relevant criteria. The framework recognises that social enterprises exist at different stages of development while establishing progressively stronger requirements for social and environmental impact and commercial sustainability. Aspiring SEs are required to generate at least **10%** of revenue from business activities and channel at least **10%** of profits or operational costs towards their social or environmental mission. For SE Basic, these thresholds increase to **25%** of revenue from business activities and **30%** of profits or operational costs towards their mission. At the highest level, SE Accredited enterprises must have operated for at least two years, generate at least **51%** of their revenue from business activities, allocate at least **51%** of profits towards their social or environmental mission and prepare a clear social or environmental impact report.

The accreditation framework provides social enterprises with formal recognition and strengthens their credibility within Malaysia's entrepreneurship ecosystem. It also helps connect recognised social enterprises with capacity-building, financing, market access, social procurement and partnership opportunities across government, corporate and ecosystem actors. The framework forms part of Malaysia's broader efforts under SEMy2030 to develop a stronger, more sustainable and impact-driven social enterprise ecosystem.

Design and implement blended finance models

LEVERAGE

Leverage grant funding for increased investability while avoiding grant dependency.

CHAMPION

Champion patient, flexible finance that works with social enterprises and that aligns with their mission.

FOCUS

Focus innovation on financing for scaling as it remains the biggest challenge for social enterprises in most ecosystems.

LEVERAGE

Leverage grant funding for increased investability while avoiding grant dependency.

Social enterprises often prefer grants or non-refundable funding. While grants are not a silver bullet, they can continue to play an important role as long as they are leveraged for longer term social investment in a way that avoids grant dependency.

Grants are necessary for capability building, start-up and R&D funding and short-term strategic intervention funding. In other words, absorbing the innovation risk.

Finance most often fails to reach social enterprises because they are: early stage or start-up (58%), small or informal (48%), led by marginalised communities (47%) and/or rural or remote (34%).

[according to surveyed social enterprise practitioners and social enterprise supporters - combined and averaged]

Surveyed social enterprise practitioners (62%) and supporters (78%) agreed that **flexible finance** is the number one missing instrument for social enterprise development.

CHAMPION

Champion patient, flexible finance that works with social enterprises and that aligns with their mission.

Social enterprises need patient, flexible finance that reflects how impact is created over time. Investment should be designed around the enterprises' realities - combining grants, loans and equity-like capital - in ways that protect mission while enabling sustainable growth. This includes longer loan terms, repayment holidays, affordable interest rates, evergreen and risk-bearing capital, revenue-based finance, working capital facilities and other blended structures. Complementary mechanisms such as payment-by-outcomes contracts, government guarantee funds, non-collateralised loans, tax incentives and dedicated funds for underserved founders can further expand access to fit-for-purpose capital.

40%

40% of surveyed funders and investors identify their **return expectations** as the second factor that explains why their current strategies may exclude grassroots or mission-locked enterprises.

[behind minimum deal size at 47%].

49% of surveyed social enterprise practitioners identify **unrealistic financial return requirements** as a barrier to accessing finance.

[behind "misalignment of expectations and mission" at 57%]

FOCUS

Focus innovation on financing for scaling as it remains the biggest challenge for social enterprises in most ecosystems.

While gaps for fit-for-purpose financing continued to be identified for mission-locked social enterprises at the start-up stage and expansion stage, the biggest challenge seems to be access to finance at the scaling stage (“Valley of Death”).

This is when mission-locked social enterprises need: patient capital, low-interest loans, recoverable grants and blended instruments.

To help smaller social enterprises access finance, intermediaries can play the role of aggregators: combining smaller deals to create investable scale and diversify investor risk.

The voices of the movement: quotes from stakeholders

> *“Social investment is a jigsaw puzzle and all the pieces are required.”*
>
> *“The more impact you create, the less you should pay for capital.”*

Case study:
Access - The Foundation for Social Investment (England)

Access – The Foundation for Social Investment provides a highly effective blended finance model designed to make finance more inclusive and accessible for charities and social enterprises.

By strategically combining grant subsidies, primarily sourced from the Dormant Assets Scheme, with traditional repayable finance, Access enables fund managers to absorb greater risk and offer smaller, unsecured and more patient loans to social enterprises.

This unique dual-funding approach directly removes financial barriers for smaller or early-stage social sector organisations that are typically locked out of mainstream lending markets or other forms of social investment. Instead of routing funds directly to frontline organisations, Access operates as a wholesaler, blending finance into specialised social investment funds to ensure the broader marketplace can sustainably deliver the exact financial products social enterprises actually need and can afford.

Build foundational readiness and resilience

STRENGTHEN

Strengthen intermediary capacity as "capital shepherds", building dialogue and capability on both the demand side and the supply side.

ADVOCATE

Advocate for the funding of investment readiness, whether it is a percentage allocation of an investment deal coming from grant providers or from government.

DEVELOP

Develop investment readiness tools that protect mission and open multiple pathways to scale.

STRENGTHEN

Strengthen intermediary capacity as “capital shepherds”, building dialogue and capability on both the demand side and the supply side.

We need to build all parts of the market simultaneously: investable enterprises, willing investors and effective intermediaries who can bridge the two. Building solid financial architecture in social enterprises is a priority so they are ready to responsibly take on repayable finance. We also need to help reframe social investing amongst investors.

The “shepherding” function of intermediaries involves structuring deals, aligning expectations, translating between investors and enterprises, coordinating blended finance stacks, de-risking transactions, helping both sides understand each other and staying involved after investment to help ensure investments actually deliver impact.

36%

36% of social enterprise practitioner respondents believe that **non-financial support** alongside finance would help them create impact. Mirroring this, 53% of surveyed investors and funders agree that **funding readiness as part of investment** would be a valuable pathway towards sharing responsibility for enterprise readiness.

ADVOCATE

Advocate for the funding of investment readiness, whether it is a percentage allocation of an investment deal coming from grant providers or from government.

Investment readiness is highly leverageable and local intermediaries have a critical role to play as trust builders before, during and after the implementation of the investment.

Beyond financial education and capability, investment readiness should be approached holistically. This should include strategic planning, operational capability and governance support, alongside long-term relationships with peers, intermediaries and investors as an integral part of the team. It also requires support mechanisms during shocks, such as the Covid-19 pandemic.

According to surveyed social enterprise supporters, key ingredients to building readiness and resilience in social enterprises are the **flexible use of funds** (50%) and **long-term accompaniment** (40%).

The voices of the movement: quotes from stakeholders

"We encourage both investors and beneficiaries to allocate around 3% of their investment towards wrap-around impact mentorship during the period being financed. The approach unlocks net positive impact, improves product innovation and increases market competitiveness, ultimately facilitating easier investment recovery."

(100i, a programme designed by Fund2740 in collaboration with the Slovenian Entrepreneurship Fund)

DEVELOP

Develop investment readiness tools that protect mission and open multiple pathways to scale.

This must include impact measurement and reporting capability, mission protection and guardrails around purpose.

Community, networks and ecosystem building also contribute to social enterprises' foundational capacity to receive and then deploy investment effectively. This includes forming and nurturing peer learning networks, founders' communities, collaborative learning spaces and similar peer support structures.

Solid funding pipelines require strong ecosystems. Investing in ecosystems mapping improves coordination and increases the visibility of pathways between programmes and towards readiness and investor access.

The voices of the movement: quotes from stakeholders

"Intermediaries could play the role of aggregators: bundling smaller enterprises together, creating investable scale, diversifying investor risk and helping smaller organisations access capital."

"Mindset is the first readiness barrier: to move beyond operational firefighting and grant dependency, funders need to be supported and equipped to raise capital."

"The biggest risk is not underfunding - it is premature scaling without operational readiness."

Case study:
Réseau Entreprendre (France)

Réseau Entreprendre serves as a highly effective model of community-driven social investment, focusing on long-term job creation and regional economic revitalisation. Founded on the principle of "by business leaders, for business leaders," the network mobilises successful, experienced entrepreneurs to provide free peer-to-peer mentoring, expertise and operational guidance to new business creators and people taking over existing enterprises. This collaborative, solidarity-based approach relies on the core values of reciprocity and benevolence, helping purpose-driven and responsible entrepreneurs navigate complex markets, adopt sustainable economic models and build robust local business ecosystems that are resilient to rapid global changes.

The structural success of this social investment model is driven by standardised tools and decentralised mechanisms, most notably the "Loan on Honour" (*prêt d'honneur*) framework. This financial instrument provides zero-interest, non-collateralised seed loans to small or underserved projects, boosting their initial equity and enabling them to safely secure traditional bank financing and open business accounts. Spanning a powerful global footprint of approximately 130 branch offices and recognised as a public-interest organisation, Réseau Entreprendre delivers concrete economic outcomes. Its targeted financial backing and intensive human-capital mentorship achieve remarkable business survival rates between 80% and 85%, directly transforming nascent entrepreneurs into major local employers capable of generating thousands of new jobs.

Activate supportive policy levers

BUILD

Build trusted relationships over time and advocate across the whole political spectrum.

ADVOCATE

Advocate for a mix of government policies that either directly reward and incentivise verified social enterprises or mandate investment into mission-locked social enterprises.

DEVELOP

Develop a sector-based investment portfolio.

BUILD

Build trusted relationships over time and advocate across the whole political spectrum.

Advocate for institutional pathways with long-term commitments that survive political cycles. Adapt and refine language and framing to continue to resonate as policy priorities change through political cycles.

Ensure that the need for social investment and infrastructure is understood across all political parties. Create opportunities for policymakers to experience social enterprise first-hand.

47% of surveyed investors and funders consider **policy incentives** as a key lever to ensure more finance flows to community-embedded models.

This is echoed by 60% of surveyed policymakers identifying **public procurement preferences** and **dedicated public funds** as two mechanisms that would help redirect finance towards social enterprises.

80% of surveyed policymakers identified **tax incentives and guarantees** (or co-investment) as effective mechanisms.

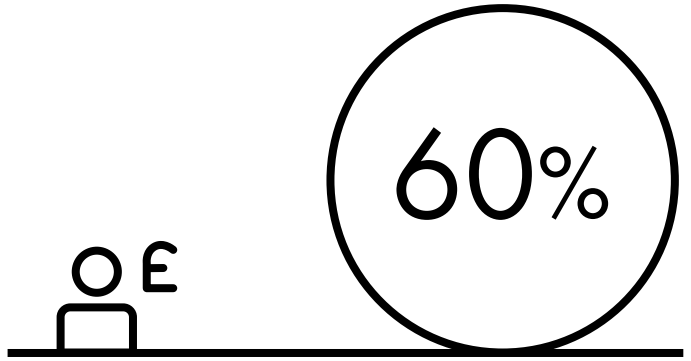
ADVOCATE

Advocate for a mix of government policies that either a) directly reward and incentivise verified social enterprises or b) mandate investment into mission-locked social enterprises.

(a) These include tax incentives, procurement preferences, public guarantees, government-backed investment products and philanthropic incentives. They encourage voluntary participation.

(b) These include community reinvestment mandates, mandatory trust/foundation allocations and required local investment obligations. They guarantee the supply of finance.

Such a coordinated policy framework contributes to de-risking and catalysing private finance.



When it comes to risk-sharing or de-risking mechanisms, 60% of surveyed investors and funders mention **public or philanthropic guarantees** as the number one factor for more finance to flow to social enterprises. **Public sector participation** is also mentioned as an incentive to deploy alternative finance instruments (33% of respondents).

DEVELOP

Develop a sector-based investment portfolio.

Coordinated public policy and investment strengthen markets and supply chains, leading to sustained social impact and greater financial viability.

Sector-based investment portfolios can be cross-cutting (e.g. work integration in France) or industry specific (e.g. coconut by-products in the Philippines).

The voices of the movement: quotes from stakeholders

"COVID-era government guarantees showed major success. They need to be long-term, stable, trusted by investors and supported by advisors."

"[We should aim for] a coordinated ecosystem approach, where government creates enabling policy frameworks, offers funding vehicles that either complement, or de-risk or trigger others."

"Public procurement shapes huge parts of the economy by creating supply chains, long-term demand and sustainable markets. This is often more powerful than funding programmes."

Case study: Queensland's Government model (Australia)

The Impact Revenue Investments (IRI) is the first initiative from the Queensland Treasury's Office of Social Impact - a revenue incentive programme that aims to support social enterprises to scale, become financially sustainable and deliver more impact. Each funding round provides up to $200,000 over two years with funding calculated based on growth in trading revenue. Successful applicants are also provided with capability support. This programme targets organisations in the "growth" stage.

The funding is untied, providing maximum flexibility for the social enterprise to apply the funding where it is needed, not where government says it is needed.

By shifting from traditional grant-giving to a structured investment approach, the Office of Social Impact aims to help social enterprises to thrive and unlock ongoing impact.

To ensure the long-term effectiveness of these social investments, the Queensland Treasury evaluates proposals through a precise, merit-based selection criteria divided across distinct organisational and operational pillars.

Applications are weighted on:

- the quality of social impact occurring in Queensland (30%), including depth and duration of impact;
- organisational capacity (20%), including leadership, governance structures and diverse board oversight;
- business model and sustainable financial management (30%), including revenue model, financial sustainability and value for money;
- innovation and scalability (20%).

This disciplined assessment matrix helps ensure funded social enterprises can sustainably grow their impact while remaining highly accountable through mandatory monitoring, evaluation and the option to undertake independent financial audits.

Champion community wealth building

DECENTRALISE

Decentralise finance by redirecting investment through local, democratic and participatory community wealth mechanisms.

EXPLORE

Explore Retail Social Investment to grow inclusive ownership, financing and community wealth.

EXPERIMENT

Experiment with value creation from land and property assets.

DECENTRALISE

Decentralise finance by redirecting investment through local, democratic and participatory community wealth mechanisms.

This may look like public procurement and localised investment that stimulate new opportunities for local businesses and social enterprises, enabling them to scale up.

The result is hardwired circulation of wealth into communities while placing the wellbeing of current and future generations at the heart of the economic model, balancing prosperity with equality, sustainability and resilience.

Community wealth building models can create dramatic economic changes across: workforce, land and property, finance and inclusive ownership. At their core, the models keep ownership and control within communities, recycling economic benefits for long-term local impact.

47%

47% of surveyed investors and funders identify the **minimum deal size** as the main factor that may exclude grassroots or mission-locked enterprises from their current investment strategies.

EXPLORE

Explore Retail Social Investment to grow inclusive ownership, financing and community wealth.

The concept of Retail Social Investment is about democratising ownership and scaling impact by unlocking the power of all citizens.

This may take the form of citizens investing through pension schemes, payroll giving, savings products, inheritance tax incentives, matched crowdfunding and more.

The voices of the movement: quotes from stakeholders

"Growth - by which we mean scaling impact - happens through distributed ownership, local processing and networked value chains, rather than through centralisation."

"Social investment should not be only for institutions. Real transformation happens when ordinary people can invest."

EXPERIMENT

Experiment with value creation from land and property assets.

Shift real estate from a divisive economic tool towards a distributive one, by reinventing land and property assets as levers for social cohesion, ecological transition and local economic resilience.

Solidarity-based real estate (sometimes called socially responsible real estate or solidarity housing) is a model of property ownership, development and/or management that prioritises social benefit and affordability alongside - or instead of - maximising profit.

Key mechanisms are: affordable rent for start-up social enterprises, legal structures that prevent excessive price increases or speculation, shared equity schemes and citizen/ community investment mechanisms.

Case study:
ATTIX Community Interest Company (Scotland)

The ATTIX Community Interest Company (CIC), established by the charity Radio City Association, has secured over £5 million in social investment to construct Scotland's first 100% community-owned, subsidy-free large wind turbine. Located in Garnock Valley of North Ayrshire, this landmark project operates commercially without relying on government price support mechanisms - overcoming previous planning failures by commercial developers and navigating grid constraints and inflationary pressures. The vital injection of finance was collectively backed by Social Investment Scotland and Thrive Renewables, with foundational support from the Scottish Government's Community and Renewable Energy Scheme (CARES).

Once fully operational, the 2.5 MW turbine is projected to generate 7,839 MWh of clean electricity annually, capable of powering more than 2,200 average UK homes while mitigating over 3,300 tonnes of carbon emissions each year. As the asset is entirely owned by the community, all subsequent commercial profits will be locked in and reinvested in local development initiatives such as upgrading recreational facilities and refurbishing the historic Knox Institute building. By delivering a continuous revenue stream, building local green jobs and fostering regional energy self-reliance, the project serves as an ideal case study for using social investment to simultaneously tackle the climate crisis and systemic local socio-economic neglect.

Case study:
Foncière Bellevilles (France)

Bellevilles is an ESUS-certified (*Entreprise Solidaire d'Utilité Sociale*) real estate company that has flipped the traditional development model on its head by turning real estate into a tool for social and ecological good. Instead of selling to the highest bidder, which often drives out local communities, Bellevilles raises impact-driven finance from regular and institutional investors to acquire, rehabilitate and protect urban spaces. By capping financial returns and taking advantage of solidarity tax incentives, they can offer stable, affordable rents to non-profits, artisans and social enterprises, effectively shielding neighbourhoods from hyper-gentrification and speculative development.

The operational results from their 2026 data prove that this model of social investment yields hard, measurable success. Bellevilles manages 28 active projects, with 97% of their portfolio deliberately targeted in priority urban areas that need investment the most. Furthermore, 98% of their tenants are purpose-driven organisations, a network that has directly supported the creation of 535 local jobs. By focusing on building rehabilitation over demolition and giving tenants a voice in governance, Bellevilles serves as a highly successful blueprint for sustainable, community-first urban planning.

Ensure transparent and values-aligned practice

ADVOCATE

Advocate for the measurement of the full, long-term value that social enterprises create and for the standardisation of impact reporting.

CHALLENGE

Challenge the concept (and reality) of "transparency". Beyond information sharing, transparency is about accessibility and shared understanding, and it requires education.

CHAMPION

Champion the benefits of trust-based lending over process-driven lending decisions.

ADVOCATE

Advocate for the measurement of the full, long-term value that social enterprises create and for the standardisation of impact reporting.

This starts with harmonisation - defining agreed outcomes and agreed standardised measurement approaches - to reduce burdensome bureaucracy.

Social enterprises are often overlooked for public funding because governments fail to measure their full return on investment, including end-to-end costs and benefits across systems, long-term outcomes, savings across different parts of government and what would have happened without the intervention.

Additionally, this leads to benefits such as higher levels of confidence, more accurate and coherent measurement of transformation and sometimes stronger financial discipline within social enterprises.

57%

57% of surveyed social enterprise practitioners identify **misalignment between investor/funder financial expectations and social mission** as the number one reason why finance fails to reach social enterprises.

"Redefining success beyond growth" is the number one systems-level change that surveyed investors and funders identified to transition to a finance system that serves people, planet and place (33% of respondents).

CHALLENGE

Challenge the concept (and reality) of "transparency". Beyond information sharing, transparency is about accessibility and shared understanding, and it requires education.

This starts before investment is implemented, for instance ensuring sector co-creation and consultation as part of the design of investment vehicles.

This continues during the process, from ensuring that lived experience is represented on decision panels and is as valued as learned experience, and practising action-learning through innovative monitoring and evaluation frameworks.

After the process, continued transparency requires more rigorous cost-benefit evaluation and shared understanding (between investors and investees) of the positive social outcomes.

80% of surveyed policymakers identified **participatory funding models** as an effective mechanism to strengthen community voice in the process of finance allocation. This is followed by **transparency and feedback requirements** (60% of respondents).

The burden of data collection (39%) combined with the frequency of reporting (23%) amount to 62% of surveyed social enterprise practitioners identifying **reporting requirements** as an issue. When it comes to impact measurement requirements, 59% of them report having challenges with **standardised indicators that ignore local context**.

CHAMPION

Champion the benefits of trust-based lending over process-driven lending decisions.

Building relationships and trust over time leads to qualified and de-risked pools of investment candidates.

This approach reflects the social enterprise community's values of growing social capital, relational capital and community capital to foster sustained social impact.

The trust-based approach also creates positive feedback loops in the form of repeat and successful investments and community building leading to community giving.

The voices of the movement: quotes from stakeholders

"Lived experience should be valued as highly as learned experience."

"Trust and long-term relationships drive finance."

"Social enterprises must operate at commercial speed because their customers do. Funders often still operate at philanthropic speed, which can kill opportunity."

"Transparency is not administrative disclosure. It is active education."

Case study:
Social Investment Scotland's relationship-based lending model (Scotland)

Social Investment Scotland (SIS) operates a relationship-based lending model that prioritises long-term partnership, trust and shared mission alignment over rigid, purely algorithmic credit scoring. Rather than relying on cold financial checkboxes, the lending process begins with a human-centered, open conversation between a dedicated Investment Manager and the organisation to understand their core social or environmental impact first. By integrating deep local knowledge and a genuine understanding of third-sector operations alongside traditional financial analysis, SIS assesses risk through a broader lens. This relationship-first approach ensures that capital is accessible to charities and social enterprises that might otherwise be locked out by conventional commercial banks, establishing a foundation built on mutual transparency and common goals.

Once financing is secured, this model transforms the traditional debtor-creditor dynamic into a supportive, collaborative safety net driven by relationships. As SIS fully understands that community organisations face unpredictable cash flows and complex operational landscapes, the appointed Investment Manager works closely with the borrower to provide flexible, tailored finance structures. The relationship model completely removes the requirement for personal financial guarantees from trustees, looking instead at the entity's long-term sustainability and capability to pay from trading surpluses. If a project encounters financial challenges, rather than penalising the borrower, SIS responds with customised repayment adjustments and immediate access to free business support and leadership training - proving that nurturing the relationship directly protects the community asset and maximises its ultimate social impact.

Case study:
Social Progress Credit (Korea)

Korea's Social Progress Credit (SPC) exists to increase capability in impact measurement and harmonise the sector's approach as a result. Launched in 2015 by SK Group and the Center for Social Value Enhancement Studies (CSES), SPC rewards social enterprises with unrestricted financial incentives based on independently verified social outcomes. Over the past decade, 468 social enterprises have participated in the programme, generating more than £260 million in independently verified social value. It has evolved from a corporate pilot into one of the world's largest outcome-based incentive systems for social enterprises, helping to mainstream impact measurement across the sector and informing new public policy initiatives in Korea.

Beyond rewarding impact, SPC deliberately invests in measurement capacity itself. Participating enterprises receive an average of around £40,000 annually in performance incentives. This level of support is often sufficient to recruit dedicated finance and impact management staff. Organisations participating only in the measurement process receive around £5,000 to help offset reporting costs. CSES also provides impact measurement services free of charge and is developing AI-enabled tools to reduce reporting burdens. The result is a virtuous cycle in which better measurement strengthens organisational capacity, enabling enterprises not only to demonstrate impact but also to manage and improve it over time.

Orchestrate system-wide infrastructure design

ADVOCATE

Advocate for government to act as an ecosystem enabler rather than a grantmaker.

EMBED

Embed complementarity, coordination and pathways as design principles for new systems-level infrastructure across policy, finance and capability building.

BUILD

Build new and innovative ecosystem infrastructure.

ADVOCATE

Advocate for government to act as an ecosystem enabler rather than a grantmaker.

Prioritise legislation that defines the sector and defines mission-locked social enterprises as the bedrock for other legislation.

Work with government so that public funding and public policy - including taxation and procurement - create a springboard from which enabling ecosystem infrastructure can grow.

Collaboration with intermediaries is identified by surveyed investors and funders as a practice change that would enable sharing the responsibility of enterprise readiness (53% of respondents). This is followed by **shared learning with investees** (40%).

This opportunity for coordination is reflected in two key policy levers for long-term ecosystem health: **supporting local ecosystems** and **building data and learning infrastructure** (60% of surveyed policymakers).

EMBED

Embed complementarity, coordination and pathways as design principles for new systems-level infrastructure across policy, finance and capability building.

More often than not, the problem is not the lack of finance available; it is often the structural weaknesses of the ecosystem itself.

Aim to cooperate at ecosystem level to organise simultaneous systems design across enterprises, investors, intermediaries and government. This includes coordinated regulatory frameworks and investment policies that together create strong scaffolding across finance, procurement, taxation and capability building.

It also includes funding vehicles that complement each other, de-risk one another and/or enable other sources of finance.

While acknowledging their role in setting clear standards, providing patient public finance, de-risking private investment and supporting intermediaries, surveyed policymakers ranked their **role in coordinating ecosystem actors** as the most crucial one to ensure fit-for-purpose social investment (60% of respondents).

BUILD

Build new and innovative ecosystem infrastructure.

Such ecosystem infrastructure may include shared funds, shared risk pools, aggregation mechanisms (sector-wide data and evidence), pipelines, development systems and general frameworks and tools.

As part of reinforcing the support infrastructure, advocate for the importance of the "backbone" work - convening, partnering, influencing policy and building shared infrastructure and capability - so it is more valued in funding models for the role it plays in driving social innovation.

The voices of the movement: quotes from stakeholders

"The problem is not only lack of money - it is lack of systems design."

"How do we build a functioning social capital market? Not one programme. Not one fund. Not one policy. But simultaneous systems design across enterprises, investors, intermediaries and government."

Case study:
Quebec's Social Economy Ecosystem (Canada)

Quebec has developed the most mature social economy ecosystem in North America - not through a single policy or funding programme, but through nearly four decades of deliberate systems building. Today, the province is home to around 11,200 social economy enterprises, generating $47.8 billion in annual revenue, employing 220,000 people and serving 13.4 million members across co-operatives, non-profit organisations and mutual organisations.

The foundations were laid by civil society. Following a 1996 economic summit, the Chantier de l'économie sociale united unions, co-operatives, women's organisations and community groups behind a shared vision for Quebec's social economy. Rather than replacing this movement, government chose to strengthen it - creating a dedicated Office of the Social Economy, embedding regional support structures, and, in 2013, unanimously adopting the Social Economy Act, giving the sector formal legal recognition and a clear policy mandate.

Alongside this legislative foundation, Quebec built a complementary financial ecosystem centred on practices that value collective ownership and provide loans without requiring changes in ownership. Institutions such as the Fonds de solidarité FTQ, Fiducie du Chantier de l'économie sociale, Caisse d'économie solidaire Desjardins, RISQ and Filaction provide finance across the full finance continuum - from microcredit to long-term growth finance. These organisations join together around CAP Finance, a hub of social finance actors, to develop new tools and skills, thus enabling collaboration while preserving institutional independence.

Quebec demonstrates that thriving social enterprise ecosystems emerge when legislation, intermediary organisations, tailored finance and public policy are designed to reinforce one another. Rather than acting as a direct provider, the government has played the role of ecosystem enabler creating the conditions for collective enterprises to scale commercially while remaining anchored in long-term social impact.

What you can do

This Manifesto belongs to all of us.

Building thriving social investment ecosystems requires every actor to move beyond isolated interventions to work together to create the infrastructure, relationships and conditions that allow mission-locked social enterprises to thrive.

QUICK LINKS

- Social enterprise practitioners
- Social enterprise networks, intermediaries and support agencies
- Investors and funders
- Policymakers

What you can do:

Social enterprise practitioners

Champion the untapped potential of social enterprises.

Use this Manifesto to start conversations, challenge assumptions and advocate for a social finance system that works for mission-locked social enterprises.

Some examples of what you can do:

- Share this Manifesto with your networks, including your local and national policymakers, using it to advocate for a more effective social finance ecosystem overall, and to illustrate the potential impact of your own social enterprise.
- Strengthen your leadership, financial capability and strategic partnerships so that you are ready to access and deploy the right finance when opportunities arise.
- Seek long-term accompaniment from trusted support partners that can help you navigate growth and financing decisions.

QUICK LINKS

Social enterprise practitioners

Social enterprise networks, intermediaries and support agencies

Investors and funders

Policymakers

What you can do:

Social enterprise networks, intermediaries and support agencies

Coordinate, connect and build the infrastructure that allows finance and capability to flow effectively.

Act as ecosystem stewards and “capital shepherds”, connecting enterprises, investors and governments while building the relationships, trust and pathways that close the gap between investable enterprises and willing investors.

Some examples of what you can do:

– Do not underestimate the role you can play as a bridge between investment demand and finance supply to reconcile needs and requirements, working directly with investors and practitioners respectively.

– Consider the most appropriate mix of interventions for your context: financial capability building, wider education on financing mechanism innovation, peer-to-peer learning, community support, etc.

– Move beyond traditional approaches to create investable propositions - whether it is through aggregation of enterprises, a sub-sector approach, or a place-based approach.

QUICK LINKS

Social enterprise practitioners

Social enterprise networks, intermediaries and support agencies

Investors and funders

Policymakers

What you can do:

Investors and funders

Align finance with mission and invest in the ecosystems that sustain long-term impact.

Deploy patient and flexible finance that strengthens social enterprises and the wider ecosystem, recognising that lasting change requires investment in relationships, readiness and shared infrastructure, to ensure effective transactions.

Some examples of what you can do:

– Adjust to the timescale that mission-locked social enterprises operate within, mirroring the ambition for long-term transformation in the design of the investment vehicles.

– Consider new forms of partnerships with other funders and investors from across the private and public sectors, aiming for blended and de-risked financing mechanisms.

– Advocate with government for innovative regulatory frameworks and investment policies that contribute to creating strong scaffolding for the social investment market.

What you can do:

Policymakers

Enable the conditions for mission-locked social enterprises to thrive through coherent, long-term frameworks and infrastructure.

Shape the policy frameworks, incentives and enabling infrastructure that are critical for social enterprises to grow, unlocking blended finance and building enduring support systems that outlast political cycles.

Some examples of what you can do:

- Raise awareness of the catalytic role that government can play in unlocking suitable finance for mission-locked social enterprises by complementing, de-risking and accelerating private social investment options.
- Prioritise long-term and holistic investment approaches with focus on a sub-sector, a Sustainable Development Goal (SDG), or a multi-faceted issue.
- Leverage this Manifesto to advocate for innovative social finance, and learn from models that are creating transformative change elsewhere.

QUICK LINKS

Social enterprise practitioners

Social enterprise networks, intermediaries and support agencies

Investors and funders

Policymakers

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Appendix I: Methodology

The SEWF Social Investment Manifesto was developed through a four-stage, iterative process designed to ensure that the priorities and recommendations reflect the lived experience and perspectives of stakeholders across the global social enterprise ecosystem.

1. **Global survey and desk research:** The process began with a global survey distributed across the SEWF network, designed to surface the key barriers and opportunities in social investment as experienced by social enterprises, funders, investors, policymakers and social enterprise networks, intermediaries and support agencies worldwide. The survey, desk research and analysis were supported by a global consulting firm. Through this work, four priority areas were identified that formed the foundation of the Manifesto.

2. **World Café at SEWF25, Taipei, Taiwan:** The four priorities were tested and refined through a World Café session held at SEWF25 in Taipei led by members of the SEWF Social Investment Working Group. This participatory format brought together participants from across the SEWF network to sense-check the initial findings, surface additional perspectives and pressure-test the framing of each priority against real-world experience. Feedback from this session led to a further refinement of the priorities.

3. **Second round of survey:** Following the World Café, a second survey round was conducted to validate the refined priorities with a broader base of respondents, ensuring the Manifesto's direction reflected consensus rather than the views of any single group or region.

4. **Stakeholder interviews:** The final stage consisted of in-depth interviews with representatives from the key stakeholder groups central to the social investment ecosystem: social enterprises, funders and investors, policymakers and social enterprise networks, intermediaries and support agencies. These interviews added depth and nuance to the survey findings, grounding the priorities in concrete examples and diverse regional contexts.

Authorship and oversight: The Manifesto was written by Hélène Malandain (Pocketknife), with support from Andy Paterson (Social Enterprise Scotland / Social Enterprise World Forum (SEWF)). The entire process was guided throughout by the SEWF Social Investment Working Group, whose ongoing input shaped both the methodology and the resulting priorities.

Appendix II: Glossary

Asset lock

A legal provision keeping an organisation's assets dedicated to its social purpose, even if it is sold or wound up.

Blended finance or blended capital

The combination of different types of capital (typically grant or philanthropic funding alongside repayable loans or equity) within a single deal or fund. Blending lets concessional or grant money absorb early risk or reduce cost, making otherwise unviable investment in social enterprises possible.

Catalytic capital

Investment deliberately willing to accept greater risk, lower returns or longer horizons in order to unlock further finance that would not otherwise flow. It is often the first money into a deal, "crowding in" more conventional investors behind it.

Concessional ("soft") finance

Finance offered on terms more generous than the market would provide, such as below-market interest rates, longer repayment periods or repayment holidays. It recognises the value social enterprises create that conventional pricing does not capture.

Equity, quasi-equity, dilution and exit

"Equity" is investment in exchange for a share of ownership; "dilution" is the reduction of existing owners' stakes as new shares are issued; and "exit" is the point at which an investor sells their stake to realise a return. As conventional equity conflicts with mission-locked models, which are committed to their purpose rather than a future sale, "quasi-equity" has emerged as an alternative. This is a hybrid instrument that behaves like equity in its risk and return (returns are typically linked to the enterprise's revenues or performance) but without transferring ownership or requiring an exit.

Grants and repayable (recoverable) finance

Grants need not be repaid; repayable or recoverable finance must be paid back, usually with interest. The Manifesto argues many social enterprises need a blend of the two rather than repayable finance alone.

Guarantees and de-risking (first-loss capital)

Mechanisms that reduce a lender's exposure to loss so finance can reach enterprises otherwise seen as too risky. A guarantee is a third party's promise to cover a lender if a borrower defaults; first-loss capital absorbs initial losses before other investors are affected.

Impact investment

Investment made with the intention of generating measurable social or environmental benefit alongside a financial return. It spans a spectrum from “finance-first” (seeking market-rate returns) to “impact-first” (accepting lower or slower returns for greater social value); social enterprises are frequently underserved by the finance-first end of this market.

Mission-locked social enterprise

Refers to an organisation whose social and/or environmental purpose is structurally embedded and legally or constitutionally protected, rather than being dependent on the discretion of current leadership, shareholders, or investors. This “lock” typically takes the form of governance structures, asset locks, or legal status that prevent the enterprise’s mission from being diluted, sold off, or overridden - even under new leadership or financial pressure. In practice, mission lock means that profits, assets and strategic decisions must continue to serve the enterprise’s social and/or environmental purpose rather than being redirected toward private gain or short-term financial return. This distinguishes mission-locked social enterprises from conventional businesses that may claim a social purpose informally but retain the flexibility to change or abandon it and it has direct implications for how they access finance, since traditional investment models built around ownership transfer, equity dilution, or exit strategies often do not align with an organisation that is structurally committed to staying true to its mission indefinitely.

Non-collateralised (unsecured) lending

Loans made without requiring the borrower to pledge assets such as property as security. As many social enterprises are asset-light or hold their assets under an asset lock, collateral requirements can exclude them even when they are creditworthy.

Patient capital or patient finance

Refers to long-term investment that gives enterprises room to grow sustainably without pressure for short-term financial returns. In the context of mission-locked social enterprises, patient capital takes on an even longer horizon: because these organisations are structurally committed to their social mission rather than a future sale or exit, investment is designed to remain in place indefinitely, or to be repaid and recycled rather than extracted through a traditional exit.

Revenue-based finance

Repayable finance where repayments flex in line with the enterprise’s income rather than following a fixed schedule, aligning the cost of finance with actual cashflow.

Social finance

The wider range of capital (grants, patient and blended instruments, guarantees and repayable finance) deployed primarily to advance social and environmental outcomes rather than to maximise financial return. It is the broader field within which social investment sits, and the framing this Manifesto calls for.

Social investment

The use of repayable finance (loans, equity or bonds) to generate a social as well as a financial return. In practice, the term has come to carry an expectation of near-market-rate returns and conventional risk criteria, which often sit poorly with the realities of mission-locked social enterprises.

Steward ownership

Ownership models in which control is held in trust or by those close to the mission rather than by outside shareholders. The specific legal forms that embed these protections vary by country. For example, Community Interest Company in the UK, Company Limited by Guarantee in Ireland, or ESUS accreditation in France.

Trust-based finance

Trust-based finance refers to an approach to investment decision-making that prioritises relationships, track record and qualitative understanding of an enterprise over rigid, process-driven due diligence and standardised risk metrics. In the context of mission-locked social enterprises, trust-based finance recognises that conventional lending criteria - built around asset security, short-term profitability, or scalability for exit - often fail to capture the real strength and resilience of organisations whose primary purpose is social impact rather than financial return. Instead, trust-based finance is built through sustained engagement between funders and enterprises over time: understanding an organisation's mission, governance and community relationships; recognising lived experience and track record as valid forms of evidence; and accepting a degree of flexibility and risk-sharing in exchange for deeper alignment with the enterprise's long-term social goals. This approach often leads to more accessible, appropriately structured finance - for example, unsecured or non-collateralised loans, longer repayment terms, or blended capital - because the relationship itself, rather than a standardised checklist, becomes the basis for de-risking the investment.

Working capital

The day-to-day finance an enterprise needs to cover operating costs (staff, suppliers, overheads) while awaiting income.

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