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Sustainable finance for impact social innovation: a mutual trust

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Summary

Through the prism of Individual Principles for the Responsible Investor we are analysing how relevant sustainable finance vehicles such as sustainable responsible investment and impact donation can support some specific sustainable innovations projects. Indeed, some economic and monetary innovations have a high potential for social and environment impact and offer a response to financial systemic and current crisis by bringing resiliency. Appropriate impact assessments, strategic partners and networks, and hybrid legal structure are essential to bring viability, credibility and legitimacy to these projects and thus consideration, quality and impact to donors. This is how this intercessor creates a mutual trust between these two sectors.

Keywords

Socially responsible investment, venture philanthropy, impact assessment, monetary innovation

INTRODUCTION

Sustainable finance gathers practitioners and analysts who integrate sustainable development stakes through a pragmatic approach in various domains such as Socially Responsible Investment with shareholders' engagement and thematic investment (clean technologies, alternative energies), project finance, trade finance, microfinance, impact investing, and philanthropy. Different initiatives have been made at an international, Swiss and Geneva levels thanks to innovative practices. One of them is the IPRI-Individual Principles for the Responsible Investor proposed by Sustainable Finance Geneva.

These Individual Principles for the Responsible Investor aim to provide a framework for analysis and discussion that will enable professionals to launch actions consistent with the requirements of a responsible financial sector that benefits a sustainable economy. In order to assist finance professionals in their thought process, the Principles were designed around three successive actions which are structured as follows: 1) expanding personal awareness, 2) developing and implementing solutions, 3) sharing experiences (IPRI, 2012). Here is a synthesis of these principles:

- Principle 1: I know. Inaction, like ignorance, carries a price. Thinking about consequences and asking the right questions in terms of sustainability and responsibility allows seizing new opportunities and limits not only risks but also the potential external negative effects of an investment decision.
- Principle 2: I apply. Investing is making choices. While possible solutions may be numerous and complex, weighing up options, questioning the socio-economic risks of one's investments or acquisitions leads to the construction of balanced solutions.
- Principle 3: I share. Sharing stimulates learning. The learning process rests not only on « acting » but also on the common assessment of practices and the sharing of knowledge. To give the questions surrounding sustainable finance a wider audience, it is important to be able to define best practices together.

In this paper we will apply these principles to a concrete case with a particular focus on social and environmental impact, financial performance and communication. Indeed, we will study how we can use sustainable finance vehicles, especially impact finance and venture philanthropy instruments and services, to serve, promote and social innovation, particularly sustainable impact projects such as monetary and economic innovation. To do this research study about creating a mutual trust, link, bridge between these two fields, we will use the prism of Individual Principles for the Responsible Investor. Firstly, thanks to awareness and knowledge, we will study the opportunity, clients and solutions of such issue. Furthermore, we will analyse and conceive good practices by defining a service offer, focusing on social and environmental impact, financial performance and communication. Finally, we will evaluate and share our experience through open information and constructive feedback process.

1. AWARENESS AND KNOWLEDGE

The first principle focuses on knowledge and awareness about opportunities and limits in the field of sustainable finance. This is what we will do, by presenting an opportunity and analyse it through a client and value proposition perspective.

1.1. Opportunity

On one side, sustainable innovations need resources to reach viability, credibility, and legitimacy such as human resources (leader, manager, jurist, economist, designer, engineer, programmer, public relation,…), management process (best practice, guide, standards, certificate,…), and impact tools (collective vision, open governance, progress indicators, incitation system, collaborative tools, soft skills,…). On the other side, venture philanthropy needs information to get consideration, quality, and transparency such as image (branding, promotion,…), control (monitoring and evaluation,…), impact (performance, efficiency, creativity,…) and engagement (participation, co-creation,…).

That's why, taking into account this opportunity to create a confident bridge between venture philanthropy and sustainable innovation, it's important to understand that to receive donation and support, it's necessary to give back assessment and optimization process (PLACE, 2011a).

Moreover, to support innovations, financially and technologically in an open and creative way of thinking, it's essential to finance these initiatives through donation, otherwise we force them to attract money and thus limit their potential of inventiveness and viability. Even better is to depend only on internal users as project's clients and no more on external financing. Indeed, credit implies a mandatory reimbursement but allows autonomy for strategic decision of the project whereas investment take the risk of a random reimbursement but ask for a variable dividend and take the power of decision making as a shareholder. However, with philanthropy, there is no property and no money recovery asked even if you need to give back information to granters (PLACE, 2012b).

Table 1: different type of strategic financing

FINANCING	Credit	Investment	Philanthropy	Client
ADVANTAGE	Strategic Decision Autonomy	Engagement Risk Random Reimbursement	Credibility Costless No Property No Money Recovery	Independence
DISADVANTAGE	Mandatory Reimbursement (Guarantee) Fixed Interest	Variable Dividend Decision Power (Exit Strategy)	Control Image Viability	Mercantile Image Purchase Desire Obsolescence

We are now aware about this opportunity of creating a mutual trust between financial sector, providing resources to innovative projects.

1.2. Client

We will now consider them as clients in a two-sided market. Granters can give money, time, competency, or gift in kind to projects organisation, team, leaders.

Granters can be divided between individual wealthy or grassroots donors, such as (Ultra-)High Net Worth Individual or grassroots private individual, and private or public foundation such as family office, private foundation, company foundation or sponsorship, charitable foundation, non-governmental organisation, government or public institution, international organisation. Projects can be divided between social enterepreneurs projects and territory or community development projects or think tanks based on collective intelligence, monetary and economic innovation, alternative finance, wealth indicators, motivation systems, impact economy and currency, complementary community currency (PLACE, 2010b).

We both need sufficient granters to attract innovative projects, on one hand, and enough projects to motivate generous donors. Nevertheless, each granters, either individual or foundation, are not looking for the same of projects. For example individual might look for projects linked with their inner values whereas company foundations are looling for projects in relation with their core business and public foundation with their mission objectives. At the same time, project leaders and team want specific donors based on different criteria. For example, some projects won't accept money from a company foundation or a public institution, others will only accept money from grassroots individuals. It is important to match those requirements in order to satisfy both clients.

As we just analysed pertinent clients of this opportunity, we can now propose a value proposition which is suitable for both side.

1.3. Solution

Both clients need a diversity of sustainable finance products as there is a multiple of value proposition for different client needs. Indeed, donors want the best sustainable finance products to insure a high social impact made from their donation. Furthermore, thanks to this diversity of financial resources, the intercessor will create a perennial business model and insure the viability of the bridge between donors and projects. However, we can also imagine that some granters may prefer to invest their money instead of giving it and thus be reticent to a pure philanthropy financing proposition.

As we integrate the philosophy of venture philanthropy and impact donation, we also propose to measure and maximize socio-environmental impact of projects, to insure financial autonomy and economic viability of projects, to develop the organizational efficiency of the project's structure, to enhance the potential and improve the competency of human resources involved in the project, to allow donors involvement in the governance of projects (PLACE, 2010c).

This solution has its own strength, opportunity, weakness and threat developed below:

Board 1: strength, weakness, opportunity, threat

STRENGHT	Innovation niche Financial resiliency Cross-disciplinary	**PRESERVE**	Research and development network Micro-donation Competency integration
OPPORTUNITY	Sustainable development Crowdfunding / Microcredit Venture philanthropy	**PRESERVE**	Social business Impact investing Impact economy and currency
WEAKNESS	Intelligibility Specialization Financial dependence	**OVERCOME**	Marketing / Communication Open source tools Fundraising diversity
THREAT	Legislation Change aversion Donation crisis	**OVERCOME**	Legal advisory Behavior consideration Donation requirement

We are aware about a pertinent way to connect sustainable finance and social innovation and we know their specific needs and how to answer them. We will now focus on some concrete aspects concerning the implementation of such solution.

2. GOOD PRACTICES CONCEPTION AND ANALYSIS

In the field of sustainable finance, it already exist a plethora of good practices, but not all are appropriate for our proposed solution, and only some of them can be applied in our case study. After an analysis we will propose and conceived a specific and concrete offer which will take into account some reflections about social and environmental impact, financial performance and communication.

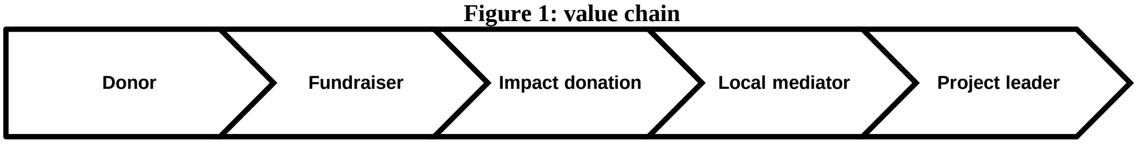
2.1. Service offer

Sustainable finance proposes different financial vehicles for each financing type. Concerning credit, we can find either solidarity loan for social inclusion and micro-credit for financial inclusion. Concerning investment, impact investing support small and medium companies with impact technologies whereas solidarity fund allocates a share for social entrepreneurs in the social and solidarity economy. Concerning philanthropy, micro-donation facilitate individual donors to give directly to project's leaders and an endowment fund give the whole profit made from an investment fund whereas a sharing fund give only a determined share of this profit.

Clients of sustainable finance are either clients with conventional values or creative cultural sharing some common values of society transformation and lifestyle such as ecology (organic food, holistic or natural medicine), feminine values (place of woman in public sphere, question of violence against women), society stakes (solidarity and individual engagement, cultural open-minded and social justice), personal development (self-awareness: be and appear, psycho-spirituality) (PLACE, 2010a).

We want to offer some impact finance instruments to serve and promote social innovation, and especially impact philanthropy services for sustainable innovation support. On a value chain, we are an intercessor of impact donation, a mediator organization, between donors and project leaders, but we need fundraiser to connect with donors and local mediator to connect with project leader.

Figure 1: value chain



We will now present strategic sustainable finance vehicles selected to support sustainable innovation and particularly monetary and economic innovation, known as complementary currency systems field or movement (PLACE, 2011a):

- Micro-donation crowdfunding platform: allow individual donors, either (Ultra-)High Net Worth Individuals or grassroots private individuals, to directly support projects through donation.
- Philanthropic endowment fund: investment fund where not only the whole profit but also its capital are used as donation to support project. Grants come from family office foundation, private company foundation, non-governmental organisation or civic association, development aid agency, public government institution.
- Sustainable sharing solidarity fund: investment fund of fund with diverse investment category which share half of the profit with shareholders and half of the profit to support sustainable innovation through donation. Investment categories are the following: developed and developing country debentures and currencies, ethical indexes, international development agency bonds, micro-finance institution investment fund, social impact bonds, social business no-profit-no-loss entrepreneur stocks, a strategic combination of Socially Responsible Investment logic fund[1]. Furthermore, each investment category and investment fund will

[1] Here are the various combined logic of Socially responsible Investment :

- Exclusion or negative selection of non-ethical investment,
- Emulation or positive selection of best-in-class investment within a sector thanks to an extra-financial analysis with environmental, social and governance criteria made by rating agencies,
- Direct support or positive selection of thematic investment,
- Shareholder engagement.

integrate a criteria based on innovative economic and monetary reform to incentive this primordial movement.
- Social-environmental investment exchange: social stock exchange where some of the profit made from a stock market are donated to support projects.

In term of complexity and visibility, those vehicles should be implemented in this order in order to insure an optimization of the proposed solution. Thanks to these four services, we are able to fulfil needs of most of our clients, investors or donors, individual or institutional donors, and either take advantage of a conventional stock market connexion.

In term of value proposition we have a sufficient diversity of sustainable finance which insure not only a response to diverse client needs but also a better risk management of financial resources of our intercessor structure. Furthermore we also propose an investment vehicle for reticent people to donation. Finally, by the diversity of investment category we insure not only better risk management of financial performance of the fund but also integrate various value proposition to satisfy diverse client demands. By creating the first investment fund for innovative economic and monetary reform, we also propose an innovative way to participate in this current and deep issue.

Nevertheless, beyond this value proposition of best and diverse sustainable finance vehicles, we need to insure a high social and environmental impact of the projects supported through donation by those financial instruments. Indeed, our financial services also include social and environmental impact, financial performance and communication issues.

2.2. Social and Environmental impact

First of all, to assure social and environmental impact within the chosen sustainable finance vehicle, it's important to respect some ethical finance references and socially responsible investment references, also known as sustainable and responsible investment, such as the following ones:

Board 2: ethical finance principles and socially responsible investment references

ETHICAL FINANCE PRINCIPLES	Carbon Disclosure Project - 2008 United Nations Principles for Responsible Investment - 2006 Equator Principles - 2003 United Nations Environment Programme Finance Initiative - 1992 Global Reporting Initiative - 1990
SOCIALLY RESPONSIBLE INVESTMENT REFERENCES	European Social Entrepreneurship Fund - 2012 Eurosif Transparency Code - 2008 Novethic SRI Label - 2009 Finansol Label - 1997

Secondly, the evaluation framework conceived to assess cultural, governance, economic, social and environmental impact of projects should aim to guidelines and principles of international goals. Furthermore, as there are not yet any international standards for impact evaluation framework[2], we should create an Impact Assessment Matrix based on the logic model of monitoring and evaluation methodology called Theory of Change (PLACE, 2013). Nevertheless, we should take our inspiration from sustainable finance, development and monetary field.

In the field of sustainable development , most of the national, regional and international agencies[3], charitable organizations, humanitarian aid organizations, both governmental or non-governmental, and both profit or non-profit organizations use monitoring and evaluation processes and the logic model evaluation of activity, outputs, outcomes in comprehensive impact assessment frameworks (PLACE, 2012 ; UNDP, 2009 ; THE WORLD BANK, 2009). Most of development field's actors are either respecting the handbook on planning, monitoring and evaluating for development results provided by the UNDP-United Nations Development Programme in 2009 or follow the guidance from the NONIE-

[2] Reaching principles, standards, or guidelines internationally known or agreed by most of worldwide institutions and verifying that such tools are efficient and effective in fulfilling those objectives is the research purpose of impact evaluation.
[3] Such as, for example, the GIZ - German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit), the SDC - Swiss Agency for Development and Cooperation (Direction du développement et de la coopération), the SECO-State Secretariat for Economic Affairs, the CIDA - Canadian International Development Agency, DFID - Department for International Development, the AFD-French Development Agency,…

Network Of Networks for Impact Evaluation from the World Bank (UNDP, 2009 ; THE WORLD BANK, 2009). There is also an inspiring initiative from the climate, community and biodiversity alliance called SBIA-Social and Biodiversity Impact Assessment (CCBA, 2011).

In the field of sustainable finance, an evaluation taxonomy is currently becoming a reference, especially in the impact investing sector including microfinance, social bonds and social entrepreneurship[4]. This Impact Reporting and Investment Standard (IRIS), proposed by the GIIN-Global Impact Investing Network, can be integrated in the SROI-Social Return On Investment evaluation process, and was created in partnership with MIX-Microfinance Information Exchange, the Aspen Network of Development Entrepreneurs, and the GIIRS-Global Impact Investing Ratings System of B Lab and is integrated with PULSE, the software of the Acumen Fund[5]. Nevertheless, actors in the impact investors, impact finance and impact philanthropy field mostly still use their own taxonomies, amounting to over 60 different methodologies around the world as shown in annexe 1 page 13 (BINDEWALD, 2012 ; SVTG, 2008 ; FOUNDATION CENTER, 2013).

In the field of sustainable monetary innovation, first impact measurement indicators and impact assessment frameworks have recently been proposed in the context of complementary currency systems (PLACE, 2013 ; INSTITUTO PALMAS *et alii*, 2013). As an example, here are some propositions of performance indicators for sustainable innovation, especially in a regional network of monetary innovation: the number of stakeholder involved, the ratio of producers over consumers, the growth of local gross domestic product, the subjective happiness and social cohesion, the ecological footprint, the percentage of organic and fair products sold,…

Board 3: impact assessment reference compliance

GOALS GUIDELINES PRINCIPLES	SDGs - Sustainable Development Goals (Rio+20) - 2012 The Earth Charter Initiative - 2000 MDGs - Millenium Development Goals (Millenium Summit) - 2000 The Global Compact - 2000 Agenda 21 (Earth Summit) - 1992
IMPACT REPORT INDICATORS	Impact Reporting and Investment Standards (Pulse, MixMarket, SROI) - 2009 Kharmax Impact Monitoring System - 2011 The Smart Campaign - 2010

Moreover some scholars are recognized about their studies on impact assessment as a link between sustainable finance and development field such as Ugo PANIZZA professor at the Pictet Chair in Finance and Development at the Graduate Institute of International and Development Studies ; Luc TAYART DE BORMS, managing director at the King Baudouin Foundation and trustee at the EVPA-European Venture Philantropy Association ; and Esther DUFLO, co-founder of the J-PAL-Abdul Latif Jameel Poverty Action Lab and professor of Poverty Alleviation at the MIT-Massachusetts Institute of Technology.

We now have an overview of how we will insure an efficient social and environmental impact. Not only by respecting some references, guidelines, principles and standards for both sustainable finance vehicles (ethical finance and socially responsible investment) and impact evaluation methodology (sustainable finance, development and monetary field) but also by aiming to some global goals internationally recognized (United Nations).

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[4] Social entrepreneurship here also includes social business, no-profit-no-loss, and "bottom of the pyramid" schemes.

[5] GIIRS – Global Impact Investing Ratings System (social and environmental impact ratings and analytics approach) developed by B Lab in conjunction with IRIS – Impact Reporting and Investment Standards of the GIIN – Global Impact Investing Network
PULSE – impact investment measurement software (portfolio data management system - saleforce metric and evaluation tracking) developed by Acumen Fund and managed by App-X in conjunction with IRIS – Impact Reporting and Investment Standards of the GIIN – Global Impact Investing Network.
KHARMAX – impact monitoring system (identify and monitor their economic, environmental, social and corporate impacts) developed by Impact Finance.
SROI evaluation – Social Return on Investment (principles-based method for measuring extra-financial value) developed by The SROI Network, Social Evaluator, The New Economic Foundation, SVT – Social Venture Technology Group, and Global Social Benefit Incubator (ROSQUETA, 2009).

Last but not least, in order to improve and validate the social and environmental impact of the projects supported, we will select specific social innovations, also called sustainable innovations, with high impact performances, thanks to an impact assessment filter. Still under evaluation, monetary innovation seems to reveal its high potential to fulfil sustainable development (PLACE, 2013).

Impact assessment provide validation and improvement of impact performance of social innovation and monetary innovation is necessary to improve project management and so its viability, to adjust tool design and its efficiency, to raise some funds and its visibility, and to bring stakeholder legitimacy and credibility as shown in annexe 2 page 14 (PLACE, 2012a).

Nevertheless, instead of environmental, social and governance performance, sustainable finance should also take care of its financial performance.

2.3. Financial performance

For our case study, most of sustainable finance vehicles are based on donation, thus indirect financial performance should focus on the economic impact and the viability of supported projects. As financial return is not expected for projects financed through donation, resources allocated to impact assessment should be substantial.

However, we also propose a sustainable investment fund, called sustainable sharing solidarity fund. As this fund invests a share in social businesses, it must insure that supported social businesses have sufficient financial performance to respect its no-profit-no-loss scheme. Also, in this fund, only half of the profit goes to the shareholder, and by consequence a low financial return is expected. That's why competencies for extra-financial impact analysis for this investment fund should be primordial in term of resource allocated to insure its improvement. Furthermore, this sustainable investment fund should have a dividend stability to provide a regular profit, even half of it, to its shareholders. To do so, an equilibrated diversification ratio of its investment category should reduce its risk of liquidity. Some analysis show the evidence of financial performance of Socially Responsible Investment and thus our sustainable investment fund of fund (ARX *et alii*, 2008)

Finally, thanks to the perennial business model of the intercessor, due to the diverse financial vehicles and resources, we insure independence and autonomy to the structure and thus longevity to the financial and extra-financial performance of both investment fund and projects supported through donation. Last but not least, innovative economic and monetary reform, supported by both sustainable investment fund criteria and innovative monetary projects selected and supported through donation, provide resiliency to systemic bank, financial and economic crisis by bringing diversity and inter-connexion to this system (LIETAER, 2010 ; ULANOWICZ, 2009 ; PLACE *et alii*, 2010). This reform may also bring social and environmental return on investment, on the limit between financial and extra-financial performance, for a positive economy (LH FORUM, 2012).

We are not dealing with financial performance but with financial stability, longevity, crisis resiliency and extra-financial competency. As we already dealt with social and environmental impact and financial performance to create confidence between sustainable finance and social innovation, moreover impact finance and monetary innovation, we will know analyse the importance of communication for our case study.

2.4. Communication

To create mutual trust as an intercessor between sustainable finance and social innovation, the selection of strategic partners, at both Swiss and international level, is essential, especially to provide the best sustainable finance vehicles for high social and environmental impact. Concerning the Swiss sustainable finance area, we will look for recognition from the pertinent Sustainability Forum Zürich (TSF) and Sustainable Finance Geneva (SFG). To participate in the enhancement of this Swiss sector in the international field, we will create partnership mostly with Swiss organization to promote Swiss quality.

Consequently, for our Socially Responsible Investment fund of fund rating we may look for the sustainability controlled label of Care Group a global sustainable and ethical management company based in Zurich. For the extra-financial rating agencies we may use the services of INRATE, Covalence Ethical Quote and RepRisk respectively based in Fribourg, Geneva and Zurich. In relation with our microfinance investment fund, the services of Symbiotics, Blue Orchard and ResponsAbility respectively based in Geneva, Geneva and Zurich are full of interest. Linked with our asset management part, we may look for the offer of Lombard Odier, Pictet, and Sarasin respectively based in Geneva, Geneva, and Basel. In the area of venture philanthropy, we may partner with Wise, the CEPS-Center for Philanthropy Studies and the SPF-Swiss Philanthropy Foundation respectively based in Geneva, Basel and Geneva. Finally, for our banking services, we may use the services proposed by the Alternative Bank Schweiz, based in Olten, especially because it's the only Swiss bank both part of the Global Alliance for Banking on Values and the European Federation of Ethical and Alternative Banks and Financiers.

At an international level to reach international and European recognition, strategic networks are just as much important. Consequently, for venture philanthropy network, we may integrate the EVPA-European Venture Philanthropy Association and use the service of TGE-Transnational Giving Europe to insure the transfer of donation among Europe. The EFC-European Foundation Center and the DAFNE-Donors and Foundations Networks in Europe are useful networks to integrate also. The Center for High Impact Philanthropy from the School of Social Policy and Practice of the University of Pennsylvania seems to be an interesting partner too. Concerning impact investment fund and Socially Responsible Investment fund, being part of respectively the database of Impact Base and the members of Eurosif, the European Sustainable Investment Forum, is primordial.

The scheme of the legal structure of the intercessor between donors and project leaders is as important as strategic partners and networks. Indeed, a profit maximizing business, only looking for financial profit maximization and repayment of invested capital won't be appropriate in the area of philanthropy. A not for profit organization which doesn't look for the recovery of invested capital but look only for the social profit maximization won't be appropriate neither. That's why a Social Business scheme based on a no profit, no loss principle and reinvest its benefit for the improvement and replication of its structure sounds adequate.

As we are dealing with donation, a non-profit foundation, with its incentive of tax exemption for donors, associated with a for-profit company to sell other services seems to be a suitable hybrid structure. The foundation could even be the owner of the company.

Finally, in term of communication and confidence, competencies, both soft and hard skills, of the project leader of this intercessor are relevant: his professional and academic experience about sustainable finance and development innovation on one hand and his research and development expertise about impact evaluation and finance for social and monetary innovation on the other hand[6] (PLACE, 2011b ; PLACE, 2010a).

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[6] Experience and education on sustainable finance and development innovation: social innovation diploma (2013); projects coordinator for local development (2010-2011); experts program on monetary innovation and development (2010); strategy and development consultant (2009); entrepreneurship assessment research fellow (2008-2010); Master of Business Administration in sustainability management and social business certificate (2008-2009); sustainable and philanthropic investment fund (2009); sustainable leadership (2005).
Research and development expertise on impact evaluation and finance for social and monetary innovation: 2nd international conference on complementary currency systems (2013); Observer of the Community Currency in Action European (2013); United Nations Research Institute on Social Development conference an international symposium on social and solidarity economy (2013); Tesla conference an international conference on social transformation (2012); International Journal on Community Currency Research Volume 12 Special Issue on community currency state of the art (2011); 1st international conference on monetary innovation (2011).

3. EVALUATION AND SHARING EXPERIENCES

We raised our awareness and knowledge about sustainable finance for social innovation and analysed a way to apply some good practices to our case study in term of social and environmental impact, financial performance and communication. We will now evaluate and share these experiences thanks to an open information process and some constructive feedback.

3.1. Open information

By sharing information, we participate in the process of collective intelligence. The best way to share information is to let it open. To do so, we may apply this philosophy to some stage of the case study:

- Impact assessment: using an inclusive and bottom-up approach with a stakeholder co-creation and incrementation process.
- Governance: implementing collaborative tools for election and decision making process through a participative approach such as sociocracy.
- Project support: every projects can be proposed to the crowdfunding platform and after a selection based on impact assessment, each individual donation made to support a project will be leverage by insitutional donations with a determined ratio.
- Crowfunding platofrm: freemium business model to offer some part of the application and some part of the basic code may be in open source.

Politic, economic, financial, banking, accountancy, monetary reform might pass through this philosophy of open information (PARK, 2011).

3.2. Constructive feedback

As the emergence of creativity can be taught systematically through step by step design thinking, we always learn from failure and active constructive feedback is essential in the process of innovation (SCHWARTZ, 2007). As we are trying to match venture philanthropy with development innovation to reach a sustainable prosperity for our society, some elements of this case study still need deepen analysis to resolve some questions such as:

- Which value proposition to genuinely improve confidence between clients?
- Which sustainable finance vehicle is the most efficient to implement?
- Which legal structure is possible?
- Which Socially Responsible Investment reference is the most pertinent?
- Which impact evaluation framework is the most appropriate?
- Which strategic partner is the most relevant?

That’s why every criticism, remark or comment is more than welcome in this case study in order to better share our respective experiences and evaluate them through our prism of belief.

CONCLUSION

In the first part, we discovered the opportunity to create a confidence bridge, a mutual trust between two different fields: sustainable finance on one hand and social innovation on the other. To be more precise, we also focused on the link between venture philanthropy and monetary innovation. As a two-sided market, both clients which are donors and project leaders need different value proposition, respectively image, control, quality, consideration, engagement and improvement, viability, impact, efficiency, legitimacy.

That's why we proposed, in the second part, different sustainable finance vehicles and services to satisfy each kind of clients, mostly through participative financing with micro-donation, sharing the profit of a sustainable investment fund of fund, institutional fundraising with a philanthropic fund. This diversity also insures a perennial business model to this intercessor structure thanks to diverse financing resources. By integrating and respecting some standards, principles, guidelines for ethical finance, Socially Responsible Investment and impact evaluation in sustainable finance, development and monetary field we insure an efficient socio-environmental impact to our system. Financial performance purpose is replaced by financial and extra-financial stability, longevity, resiliency and competency. The importance of strategic partner and network in sustainable finance associated with a no-profit-no-loss hybrid legal structure and a pertinent project leader provide confidence in the communication process.

In the third part, we saw that sharing experience and information is part of our case study and is involved in various stage of the intercessor structure. To keep the inventiveness of this case study, a design thinking process is also integrated.

Finally, it is important to notice that this case study, by having a preference for Swiss partnership, correlate with the recent white paper made by both Sustainability Forum Zürich and Sustainable Finance Geneva. Sustainable finance to support social innovation, moreover impact monetary innovation, to efficiently reach sustainable development goals will bring a proactive response to systemic crisis the current financial sector and stakeholders are facing (TSF *et alii*, 2013).

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ANNEXE

Annexe 1: selection of impact assessment methodology in sustainable finance

Board 4: impact assessment methodology in impact investing

Organisation	Title	Description
B Lab IRIS – Impact Reporting and Investment Standards GIIN – Global Impact Investing Network	GIIRS – Global Impact Investing Ratings System	Social and environmental impact ratings and analytics approach. Setting a standard for the social and environmental performance of companies and fund. Impact Ratings assess the social and environmental impact and practices.
Acumen Fund	Pulse - PDMS -Portfolio Data Management System	Quantitative financial, operational and social Metrics. Qualitative Capabilities Assessment score. Summary descriptive context notes. For investors only
Impact Finance	Kharmax – Impact Monitoring System	Impact tracking solution. Aggregated portfolio scorecard
Global Social Benefit Incubator	SROI Lite	Management dashboard: financial, organizational and process metrics.
Social Venture Technology Group (SVT)	SROI Toolkit	Impact assessment and management system
The SROI Network	A guide to Social Return on Investment	Methodology for measuring and managing return on the social impact of an investment. Guidelines for measurement of non-financial impact
Social Evaluator	A guide to Social Return on Investment	Methodology for measuring and managing return on the social impact of an investment
The New Economic Foundation	SROI Social Return on Investment	Analytic tool for measuring and accounting social, environmental and economic costs and benefits into decision making
University of Pennsylvania – School of Social Policy and Practice – The Center for High Impact Philanthropy	Measuring what matters. Social Return on Investment	Overview of SROI methodology
SROI London	SROI Primer	Compendium on Social Return on Investment: Organisations & Networks, Measurement Tools, Publications, Social Accounting and Audit SROI Calculation process. Conventional monetary valuation
REDF	Social Return on Investment (SROI) Collection	Collection of SROI research, methodology and case study

Source: PLACE Christophe. Impact assessment of economic and monetary innovations for their financing and improvement: why is it necessary for social transformation projects management? In: INTERNATIONAL SOCIAL TRANSFORMATION CONFERENCE, 10th to 12th of July 2012. Split. Article. Split: TESLA CONFERENCE, 2012.

Annexe 2: legitimacy of monetary innovation

Board 5: legal status of currencies

Legal status	**Unregulated**	Certain types of local currencies	Virtual currency
	Regulated	Banknotes and Coins	E-money
			Commercial bank money (deposits)
		Physical	**Digital**
		Money Format	

Source: EUROPEAN CENTRAL BANK. Virtual currency schemes. Frankfurt am Main: European Central Bank, October 2012.

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