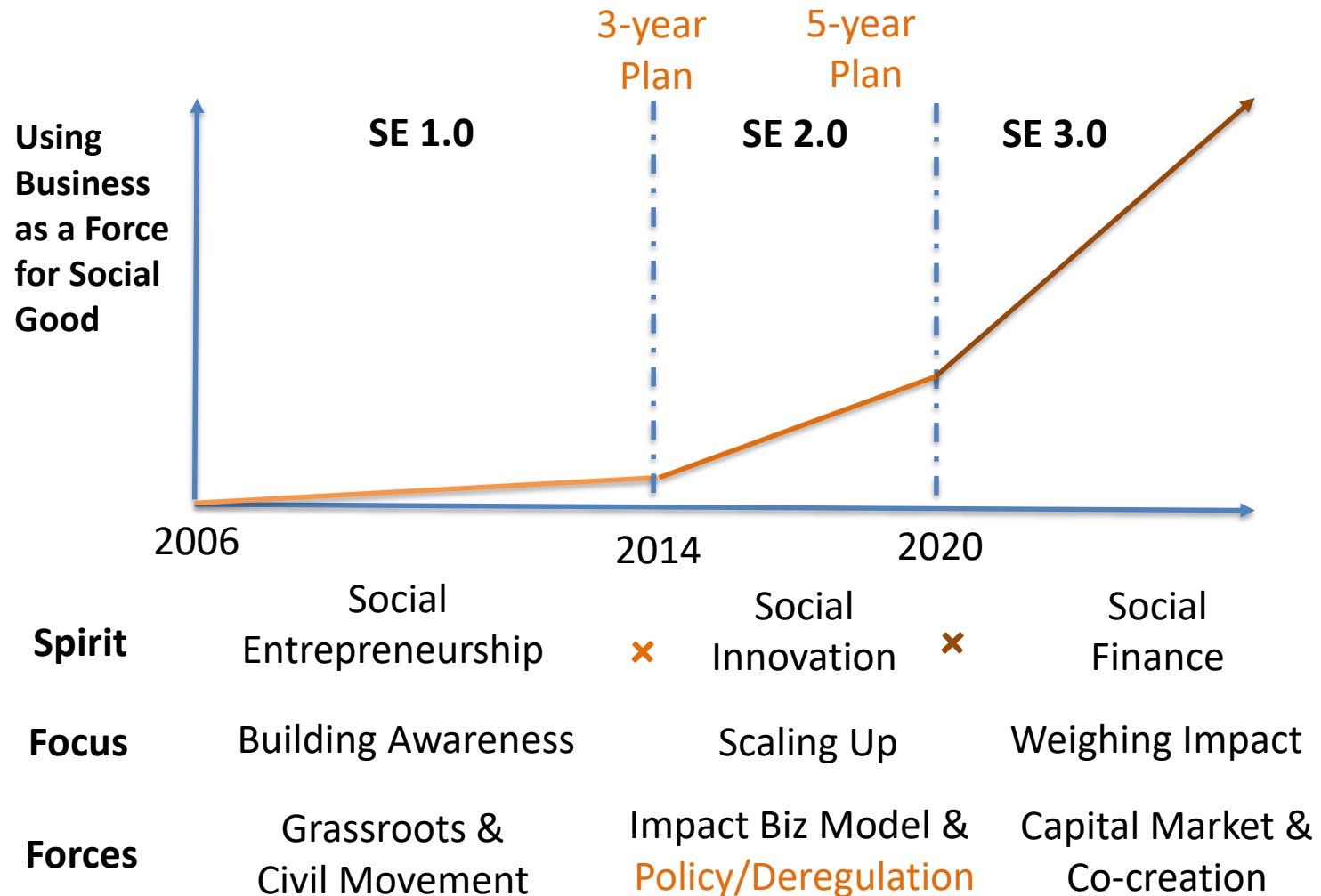


Taiwan - A Living Social Innovation Lab for Asia

- 23M people
- Democratic system
- Civil society - NGOs
- Flourish SMEs
- Typhoon + earthquake
- Coming silver tsunami
- Old Money to New Gen.
- Limited govt. budget

...and increasing social problems

Paradigm Shift – Taiwan’s Social Innovation Ecosystem



Policy Initiatives by Central Government

(Taiwan's 5-year Social Innovation Action Plan: 2018-22)

1. Improve the Legal Environment

- Company Act Amendment in Article 1: “The company may behave in a manner that promotes public interests, so as to properly fulfill its social responsibilities.” (2018)
- First Reading: Benefit Corporation Law (2016), Social Enterprise Promotion Act (2018)
- Executive Order: Social Innovation Organization Registration Directions (2019)

2. Create Legal Flexibility for Innovative Start-ups

- Regulatory Sandbox Platform for innovative start-ups to test new business models and get law and regulation clarification consultation services.
- NPOs setting up subsidiary companies – e.g. a civil association incorporates closely-held co.
- Initial Discussion: Social Impact Bond (SiB)

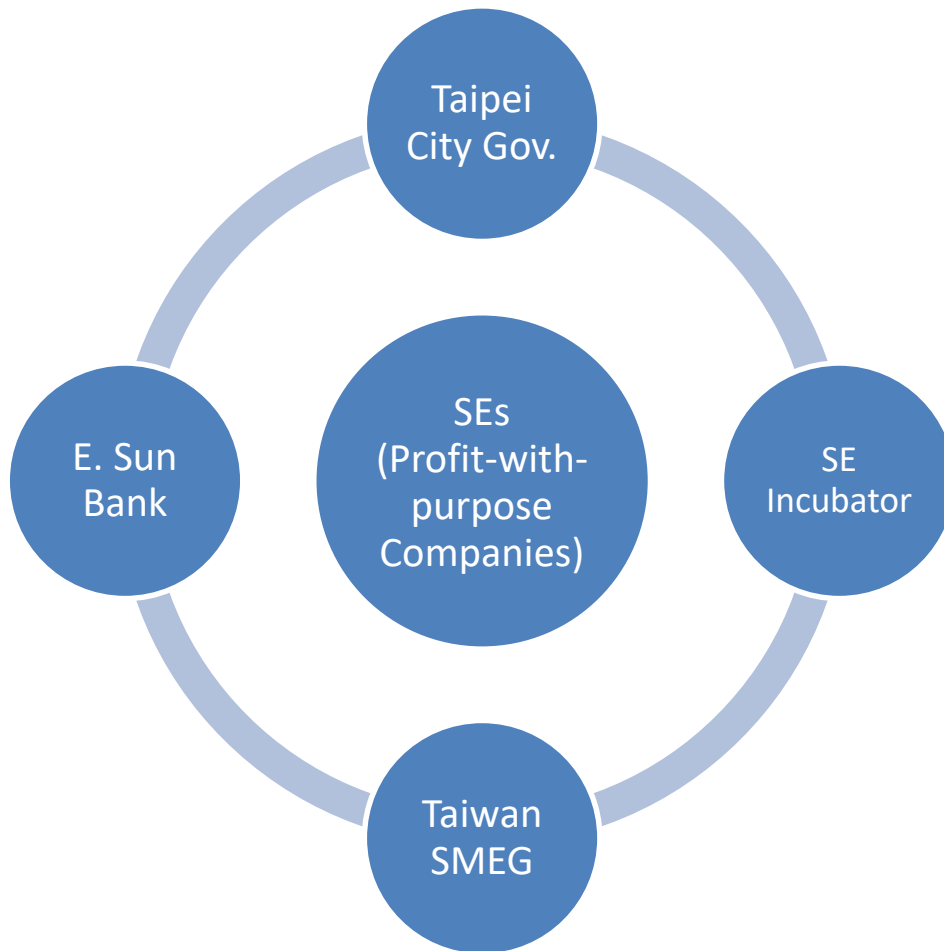
3. Increase Social Enterprise Visibility

- Social Innovation Labs launched at 6+ major cities since 2017
- Asia-Pacific Social Enterprise Summit (APSES) since 2017
- President's Cup Social Innovation Hackathon since 2018
- Asia Pacific Social Innovation Partnership Award since 2019
- Public awareness: 19.9% (2017) up to 30.6% (2018) with 53.8% growth

Total Budget in 5 Years ~ USD300M

Policy Initiatives by Local Government

(e.g. Taipei City's Social Enterprise Financing Program in 2019)



- **Initiator** - Taipei City Gov.
- **Loan Provider** - E. Sun Bank up to USD3.3M for 30 SEs at an interest rate of 1.6% for 5 years
- **Guarantee Offers** – Taiwan SMEG (Small and Medium Business Credit Guarantee Fund): up to 90% of credit guarantee
- **Trustee** – 4 SE Incubators
 - Social Enterprise Insights
 - B Lab Taiwan
 - Taiwan NPO Self-regulation Alliance
 - B Current Impact Investment



Lessons Learned for Policy Making

- **Providing SEs patient + smart + timely money** (e.g. Taiwan SMEG, incentives for impact investment from private sector)
- **Aligning the ecosystem** with multi-stakeholder + cross-sector collaboration (e.g. Trustees, NAB Taiwan)
- **Building a “market” for public trust** thru duty to disclosure + accountability (e.g. Benefit Corporation Legislation)

...Transforming Heartwarming Power to Social Impact

B Current – A Social Experiment thru Club Funding

Past



Fund I - 2014

- Fund size: USD1.6M
- Evergreen / 63 investors

Fund II - 2017

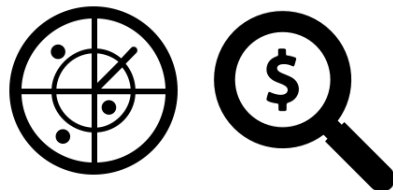
- Fund size: USD2.8M
- 7+2 years / 16 investors

Present



- **2 asset classes** based on scalability
- **11 Investees** - all profit-with-purpose
- **USD3.0M + USD7.0M** co-invested

Future



- **Fund III** with NDF? for Asia ?
- **ESG/Sustainable Investing** ?
- **Social Impact Bond (SiB)**?