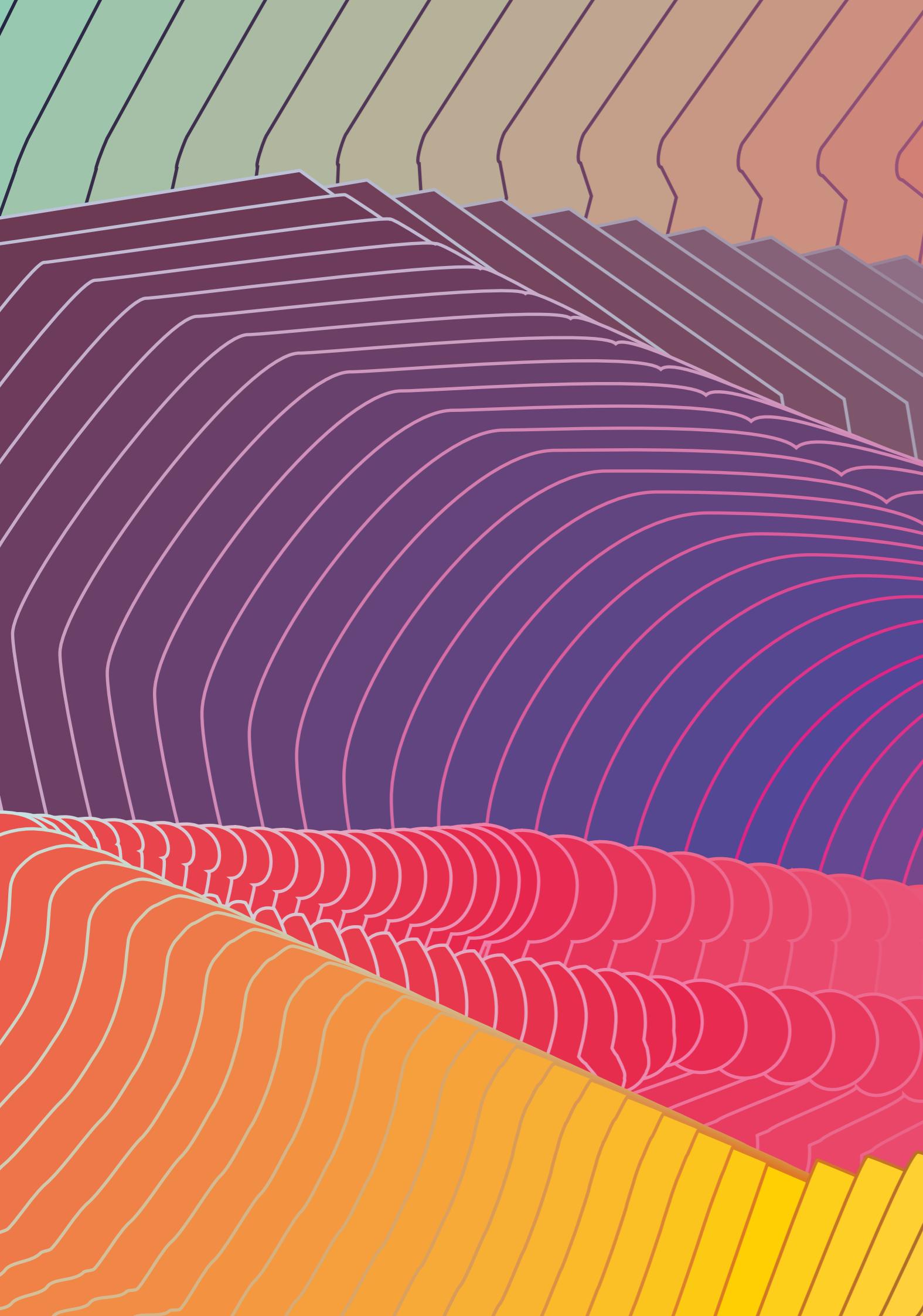




OUR IMPACT 2019



Unleashing the power
of social entrepreneurship
& innovation
to create a better world
for children and youth



“ I have won numerous competitions and awards and that is all because I can easily and quickly explain the problem I’m solving. This is because Reach for Change helped me define my solution and put my ideas and my thoughts in the right boxes.”

— Baiba Blomniece, Latvia

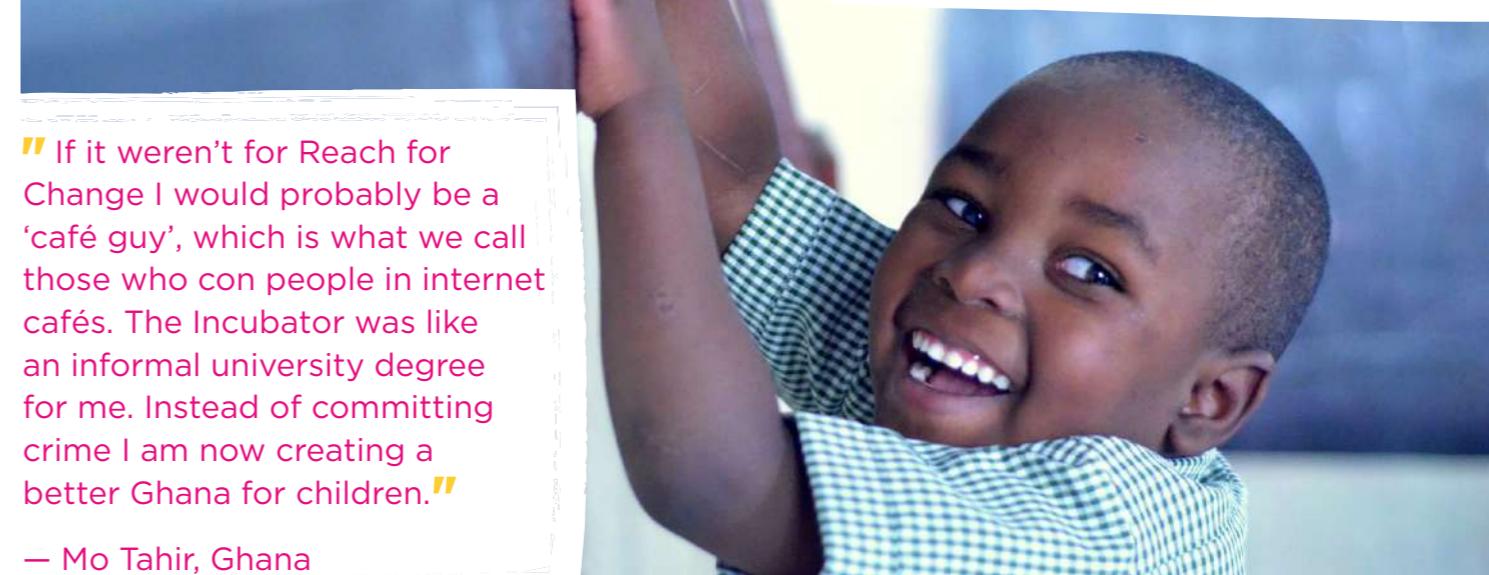


“ Reach for Change were the ones who believed in us the most, who gave us a chance to get here and get started. Without them, there would be no Life with Down Syndrome at all. No change was going to happen because, despite our strong desire, we didn’t know how to do it.”

— Silvena Hristova and Krasimir Lambov, Bulgaria

“ If it weren’t for Reach for Change I would probably be a ‘café guy’, which is what we call those who con people in internet cafés. The Incubator was like an informal university degree for me. Instead of committing crime I am now creating a better Ghana for children.”

— Mo Tahir, Ghana





ENTREPRENEURS FOR CHILDREN

Since 2010, Reach for Change has been empowering social entrepreneurs to develop innovative solutions that improve the lives of children.

Who we are

Reach for Change is an international non-profit founded in Sweden. Our vision is a world where all children reach their full potential. We are working towards this vision by finding local social entrepreneurs and empowering them to develop and scale innovative solutions that help children to better lives. We were co-founded by successful entrepreneurs in the non-profit and the business sector in 2010, and since then we have supported more than 1,000 social entrepreneurs in 18 countries across three continents.

ABOUT US

What we do

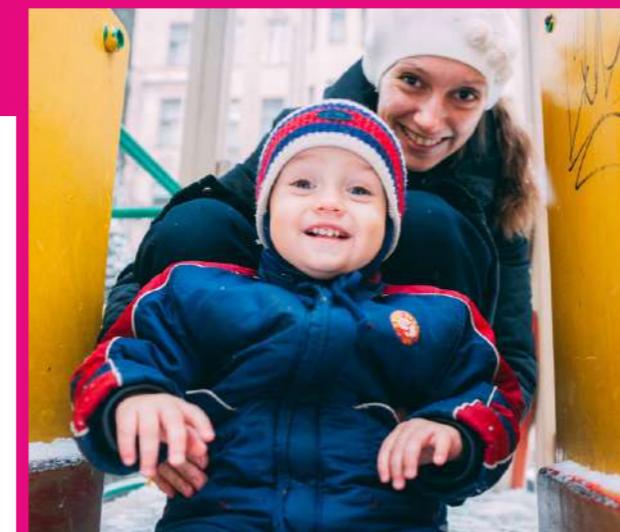
We run development programs for social entrepreneurs, tailored to their specific developmental stage. The social entrepreneurs are supported to develop, then scale, their innovations through capacity-building, network connections and funding, all in partnership with multiple sectors.

About this report

You hold in your hand our 10th Social Impact Report. It is a summary of the impact we had in 2019, what we did to achieve our vision, and some of the things we learned on the way. The impact reported covers all markets where we supported social ventures, and the financial statements cover all markets but Russia which is an independent franchise. You can also find this information on our website, reachforchange.org.

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This impact report adheres to the Swedish Fundraising Council (Giva Sverige) Quality Code.



TRANSFORMING SOCIETIES THROUGH SOCIAL ENTREPRENEURSHIP

Sofia Breitholtz
CEO, Reach for Change

2019 has been a special year in the Reach for Change journey. Gearing up for our ten year anniversary in 2020 we have been prompted to evaluate what we have learned on this journey. We have also gotten started with the very important task of deciding what kind of impact we want to have as an organisation during the next ten years.

One of the most critical lessons we have learned is the need to pave the way for our social entrepreneurs through developing and contributing to the ecosystems around us. This year we organised our first high-level delegation trip to the Social Enterprise World Forum in Ethiopia, where we were a key partner. In organising co-collaboration events such as a Round Table attended by Ethiopia's State Minister of Industry, key Ambassadors and key high level representatives from UNIDO and the IKEA Foundation, we are able to build a strong case for the power of social enterprise as a change agent. We are also able to advocate for the critical support our entrepreneurs need to be able to scale their innovations.

This year, we also presented the final recommendations and findings from our Innovation for Integration programme in

Sweden to the Minister of Business, Industry and Innovation together with our partner — the Stenbeck Foundation. We are convinced that social entrepreneurship can be the catalyst that changes systems for the better, and transforms our economies and societies to become more green, equitable and just — especially for those most vulnerable.

On International Women's Day this year we launched our first global programme. We selected eleven outstanding female founders from nine countries from our portfolio who were all working on closing the gender divide in tech. Our BRIDGIT programme celebrates the fact that social entrepreneurship can be a powerful tool in tackling structural barriers and inequalities. We are especially proud to have 67% female led ventures in our portfolio.

While continuing to drive impact across all our geographies through our pre-incubator, incubator and business readiness programmes, I am excited to see how our team continues to push new boundaries — with critical advocacy work and ecosystem work. I am also proud of how we have been able to push the needle on some of the key structural inequalities in our society today through unleashing the power of social entrepreneurship.

IN 2019

WE INCUBATED
120*^{*}SOCIAL
 ENTREPRENEURS
 WHO IN TURN SUPPORTED
501,987 CHILDREN
 AND YOUTH



PROBLEM addressed

Around the world, **millions of children's needs are not being met**, and social entrepreneurs who are eager and able to help **lack the support they need to scale their impact**. Reach for Change is helping to bridge this support gap to empower high-potential social ventures to develop faster, better and with lower risk of failure.

[Page 08](#)

ACTIVITIES to achieve impact

To help the social entrepreneurs develop and scale their solutions to impact more children, we offered:



Capacity building



Network connections



Grant funding



Stamp of approval

In addition to running development programs, we cultivated the ecosystem for social entrepreneurship.

[Page 10](#)

RESOURCES used for our activities

In 2019 we invested **4.6M USD** in support programs for social entrepreneurs in 13 countries

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4.6M USD
13 COUNTRIES

OUTPUTS for social ventures in our incubators

We incubated in total **120** social ventures, of which**:

99% were capacity-built

91% were connected to useful people or opportunities

46% received a grant from Reach for Change

81% experienced increased credibility

[Page 18](#)

SHORT-TERM OUTCOMES

for social ventures
in our incubators

We aim for our incubator participants to build the **organizational and financial capabilities to scale**.

In 2019, the SEs in our incubator program achieved

67% of Reach for Change targeted development milestones

[Page 20](#)

LONG-TERM OUTCOMES

for our alumni

Our long-term goal is that our alumni **scale their impact** to a significant share of their target group, contributing to the fulfillment of the **Sustainable Development Goals** for children and youth.

90% of our alumni are still in business,
95% have continued to grow



[Page 23](#)

*Including 9 rapid scale program participants

**Output results are exclusive to incubator participants and do not include the 9 rapid scale program participants

WHAT WE DO AND WHY



PROBLEM AND SOLUTION

Problem

No country in the world is adequately protecting children's health, their environment and their futures. It has been estimated that around 250 million children under five years of age in low- and middle-income countries are at risk of not reaching their developmental potential and every child worldwide faces existential threats from climate change and commercial pressures.¹

If we are to change this alarming trend, fulfill the SDGs for our children and youth and create a sustainable future, we need to act now and we need to act together.

¹ www.thelancet-press.com/embargo/childhealth.pdf

Solution

Our core belief is that human innovation and entrepreneurship are powerful and necessary tools for addressing many of the pressing issues faced by children. However, social entrepreneurs today lack the support they need to realize their solutions and scale their impact. A study conducted by the Swedish Agency for Economic and Regional Growth observes that "**The undoubtedly largest [unmet] need among social entrepreneurs is access to funding and markets. Thereafter follows a need for advisory and business development to start and to grow, followed by a need for support on impact measurement and reporting.**"² We see these needs not only in Sweden, but across the world.

Reach for Change helps bridge the support gap for social ventures who are contributing to the fulfillment of the Sustainable development Goals for children and youth. We identify those with the highest potential, then support them to develop effective, sustainable and scalable solutions by providing them a mixture of capacity building, network connections and funding support. We also work to build more supportive operating environments for social entrepreneurs by helping to strengthen the ecosystems around them. All our work is powered by our broad, cross-sector network of partners.

² www.news.o2.co.uk/wp-content/uploads/2014/12/O2_WAYRA_Report_121214.pdf

OUR PROGRAMS

Reach for Change runs three primary direct support programs, Investment Readiness (concept to proof of concept stage delivered within our search & selection process), Incubators (proof of concept to early growth) and Rapid Scale (early growth to growth).

Core principles on how we design our programs:



Local expertise. We find local entrepreneurs who are closest to the problems in the community, and support them with local teams.



Impact scale. Our programs focus on different growth stages, but all are geared to the end goal of scaled impact.



Co-creation, partnering for change. We work with local and international partners who are brave enough to innovate together and to invest in new ideas and people.

INCUBATOR PROGRAMS

RAPID SCALE PROGRAM

INVESTMENT READINESS

ECOSYSTEM DEVELOPMENT

To reach our goals, investing in the right social ventures is as important as providing them the right support. More than 800 social ventures from around the world applied to our 2019 incubator. Only the very best 38 were selected, joining the 82 selected in previous years.

SEARCH AND SELECTION

Who are we looking for?



Passionate and committed leaders and teams with strong ethics



Working towards one of the nearly 40 SDG (Sustainable Development Goals) targets for children and youth



Clear understanding on how the solution leads to the targeted impact goals



Potential for financial sustainability and strong impact scaling



For selection to the 2019 incubator, we screened **848** social enterprises and selected **4%** for the Incubator

***Investment readiness** is the extent to which a social enterprise is ready for Reach for Change investment, by way of access to our incubator program.

We assess investment readiness through the *Investment Readiness Diagnostic*, an assessment tool with 12 investment criteria for the applicant to fulfill e.g. "**The problem addressed is clearly defined, and**

the scope and severity of the problem are backed up with data from a reliable source".

Meeting all 12 criteria means that the entrepreneur is 100% ready for Reach for Change investment. Among the entrepreneurs selected to the 2019 incubator, the average investment readiness was **91%**.

*The 2019 investment readiness assessment was used in the selection of 23 candidates from 5 countries. In total, we selected 38 candidates from 8 countries for our incubator in 2019.

OUR INCUBATOR SUPPORT

Our incubator is designed to support local social enterprises through the proof-of-concept and early-growth stages. We help social entrepreneurs maximise and effectively measure their social impact, strengthen their operations and increase revenues. The support typically lasts up to three years.



Capacity building

We offer advisory support, technical training, mentoring, coaching and peer-to-peer exchange across five key development areas: effective solution, financial sustainability, leadership and team, impact scaling and systems change.

Network connections

We connect our social entrepreneurs to our local and international network of experts and funders, with the aim of creating new learning opportunities, partnerships and sources of revenue.

Stamp of approval

Beyond our other support, a place in our incubator acts as a stamp of approval for many of our social entrepreneurs, due to our highly competitive selection process and our reputation in the market.

Grant funding

Selected social entrepreneurs are offered unrestricted financial support for developing and delivering their solutions and for strengthening the capacity and capabilities of their team.



OUR RAPID SCALE SUPPORT

In 2017, Reach for Change and the IKEA Foundation announced a new partnership in Ethiopia. The intention was to put social entrepreneurship on the map and to support outstanding entrepreneurs build social enterprises that would improve the health, education and protection of children in Africa's second most populous country.

The Rapid Scale program is a unique initiative in Ethiopia. Whilst incremental growth is common, scaling requires a totally different mindset and approach. Through a mixture of intensive coaching, mentoring and advisory support, the Rapid Scale program targets more established entrepreneurs,

helps them adopt a scaling mindset and then supports them to develop and initiate a comprehensive strategy that can take their impact to scale. In 2019 we supported 9 social entrepreneurs in the Rapid Scale Program with an additional 12 receiving support in the immersion week prior to program start.

A total of **183,172** children and youth were supported by those **9** entrepreneurs.

Meet one of our rapid scale entrepreneurs

Ellita Products, led by Emnet Mersha and Nebiyu Haile, is one of the Ethiopian enterprises in our Rapid Scale program. They provide former sex workers with rehabilitation and job opportunities. Ellita trains women to create artisan jewelry, clothing and other fashion products which are sold in global and local markets, enabling them to earn a good living

and support themselves and their families. In addition, they offer healing support to women to help them recover from abuse and to prevent them from returning to the streets. The Ellita team is being supported through the program to develop a new product line, increase production efficiency and open up new markets locally and overseas.



BRIDGIT

In addition to incubator and rapid scale support described on the previous spread, we provide global

The digital revolution has transformed the way we interact with one another, opened the doors for innovation we only ever dreamed of and is tackling issues and making the world a better place in ways we've never seen before. But there is a big problem in the digital sector. All around the world, whether in Stockholm or Accra, digital tech is a field almost entirely dominated by men. The absence of female talent means that the digital world that is being built is missing women's perspectives, talent and ingenuity. And a digital world built exclusively by men will inevitably become a digital world built for men. It will be a world that falls short of its potential. When women are left out of the equation, we all lose.

IN 2019

BRIDGIT welcomed

10

social

entrepreneurs from

9 countries in Europe and Africa into the 12 month program.

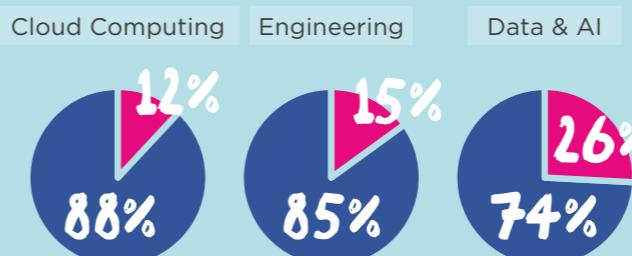
initiatives to support both current Change Leaders as well as alumni within a specific theme. In 2019, that initiative was called BRIDGIT.

We know this is a problem that social entrepreneurship can fix. That is why we partnered with Hogia and Kivra to design BRIDGIT, a one-of-a-kind program and global network that empowers female social entrepreneurs in the tech sector. BRIDGIT challenges the structural barriers women face, provides opportunities to learn from one another, connects them with female leaders across various sectors, and ultimately, will help them scale solutions that bridge the digital divide.

The women of BRIDGIT are passionate, disruptive and determined to turn the tech sector on its head – from a boys' club to a field full of the best and brightest leaders, both women and men!

In the global tech workspace, women are greatly underrepresented compared to their male counterparts:

Global share
of tech sector jobs by gender³



Looking at some of the countries where we work, there are similar gender imbalances in the tech industry:

Percentage of
women in tech workforce by country⁴

Bulgaria	30.3%	Sweden	20.8%
Latvia	24.9%	Denmark	20.0%
Lithuania	24.9%	Croatia	13.2%

³ www3.weforum.org/docs/WEF_GGGR_2020.pdf

⁴ www.honeypot.io/women-in-tech-2018

" I'm truly thankful for having the opportunity to be an advisor in BRIDGIT. Throughout it's been an exchange of knowledge and experiences that both inspired and motivated me to lengths I didn't know where possible."

— Alexandra Karnig, Kivra

Mashresha empowers girls with coding skills

Mashresha Beniam is the founder OmniTech Consultancy, a training center that provides interactive, practical and real time training in programming and coding. The centre promotes

skills in software and mobile app development among youth — especially girls — to bring about quality products to the world and fill the digital gap, while empowering youth to solve real world problems.

" I learned a lot during the BRIDGIT program, especially in the one week in Stockholm. The most important thing for me was the "have-needs" challenge, where we identified what we have and need from others in a systematic way. I always used to struggle when trying to make new partnerships. But through this process, I was able to identify what I can offer and what I need from others in a better way."

— Maresha Beniam



STORY



START UP SUPPORT

With local program teams on the ground in all our markets, we are well positioned to identify emerging and evolving needs.

Beyond our primary programs, unique needs and opportunities in different markets mean we are

always running a number of additional niche offerings. These start as one-offs but always lead to new insights and innovations that can then be brought into our primary programs. In 2019, these unique offerings included:

In **Ethiopia** we run a **Business readiness** program that helps early stage social enterprises navigate the process of launching a business in Ethiopia. The program provides these social entrepreneurs with legal, operational and financial set-up support, all tailored to Ethiopia's unique social enterprise landscape.

The **Senegal Start-Up Accelerator** is an intensive twenty-six week program for early stage social entrepreneurs specializing in the agriculture and fishing sectors, made possible by the Kosmos Innovation Center. The program helps turn innovative ideas into high potential social ventures, by guiding social entrepreneurs through the early and fragile stages of business growth. Participants are provided with expert individual and group trainings, organized visits to established businesses and professional mentoring.

5 entrepreneurs supported in Senegal Start-Up Accelerator pilot

25 entrepreneurs supported towards business readiness

CULTIVATING THE ECOSYSTEM

Beyond our direct programs, in all the markets where we operate we also undertake work to help cultivate the social entrepreneurship ecosystems in which the social entrepreneurs we support are operating. Due to the importance of this work we have taken an increasingly active role over the past few years. Here are some of the highlights from 2019.



Sweden

In Sweden we are involved in the development of social enterprise policy and the wider sector in a number of ways.

As a board member of the newly formed National Advisory Council Board for Impact Investing, we are contributing to the development of this part of the sector.

Through our Partnering for Change event we brought together 200 decision-makers and practitioners from across Sweden to share learnings on impact measurement, scaling and partnership.

We presented findings and outcomes from the Innovation for Integration program to a cross-sectoral audience including representatives from corporates such as Kinnevik and Tele2, foundations such as Stenbeck Stiftelse, INGOs such as Save the Children and government institutions such as Vinnova (Sweden's innovation agency under the Ministry of Enterprise and Innovation)

In partnership with Vinnova, we are also taking the next step in the work to unleash the power of social innovation in Sweden by developing new tools to support early stage social entrepreneurs to achieve key development milestones. We have taken a cross-sector approach here too, developing the tools in cooperation with corporate partners and with peers and experts from the social entrepreneurship ecosystem.



Ethiopia

In 2019, Ethiopia was host to the Social Enterprise World Forum (SEWF), a leading global exchange and collaboration forum around social entrepreneurship. As a member of the technical steering committee, Reach for Change played a key role supporting the development of the program content. To foster cross-cultural learnings we invited a diverse international delegation of actors from corporates, philanthropic foundations to government institutions to attend SEWF, and organized a round table event with speakers including Ethiopia's Minister of Trade and Industry, the director of UNIDO's regional office in Ethiopia, the Swedish Ambassador to Ethiopia and the COO of IKEA Foundation.



Ghana

As part of our ecosystem work in Ghana in 2019, Reach for Change undertook a project (funded by GIZ and executed by the British Council) to develop an open source entrepreneurship curriculum and then to train trainers at seven entrepreneurship hubs across the country in its delivery. The curriculum was then used to train over 3000 youth at risk of migration and the curriculum will be made available to the rest of the ecosystem to use freely.

WHAT WE ACHIEVED IN 2019

OUR OUTPUTS IN 2019

120 social ventures received support in our Incubator and Rapid Scale programs in 2019. Support is tailored to each venture's needs, spread across our five targeted development areas. The overall usefulness of connections was identified as an area for improvement so we are pleased to see efforts here reflected in the results (90% compared to 71% the previous year).



91% report that Reach for Change **connected** them with at least one person and/or opportunity (on average **five**)
90% found the connections overall useful:

- ▶ **79%** gained **knowledge**
- ▶ **44%** formed **new partnerships/collaborations**
- ▶ **39%** acquired **new tools**
- ▶ **15%** gained **new funding**



46% of our social entrepreneurs were selected to receive a grant, amounts ranging from **\$900** to **\$69,000 USD** (totaling **\$979,000 USD**).

Funding was commonly used for program development, program delivery, and hiring more staff.

76% report that the grant was largely or extremely important for sustaining their operations.



81% report that they were **promoted** through a Reach for Change communication channel

91% felt that incubator participation helped increase their **credibility**



99% of the social entrepreneurs report that they received some kind of capacity-building support:

- ▶ **89%** – measuring their **social impact**
- ▶ **84%** – developing their **financial sustainability**
- ▶ **86%** – strengthening their **leadership and team**
- ▶ **90%** – **scaling their impact**
- ▶ **86%** – progressing towards **systems change**

AMONG
OUR SOCIAL
ENTREPRENEURS



*84 out of 120 social entrepreneurs were surveyed, excluding (a) 9 social entrepreneurs who followed a different program and (b) 27 social entrepreneurs who had participated in the Incubator less than 8 months

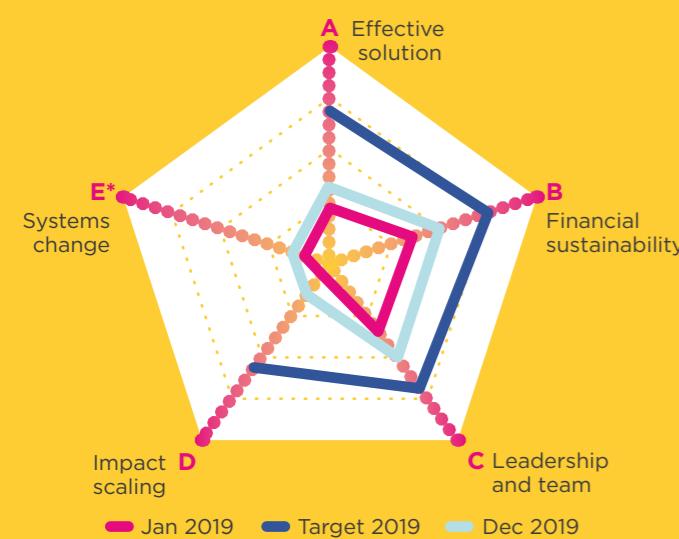


HOW OUR ENTREPRENEURS DEVELOPED: SHORT TERM RESULTS

Targeted outcomes

Our medium-term goal is that our social ventures develop effective solutions for children and youth and become ready to scale. More specifically our goals are that, by the end of their third year in the incubator, our social ventures:

- A Have proven an effective solution for children and youth
- B Are ready to financially sustain their operations at scale
- C Have strong leadership and a team ready for scale
- D Have initiated impact scaling
- E Have begun carrying out systems change activities (if applicable)



Results

91% of our social ventures developed** within at least one of the five areas during 2019, and 38% developed within four or five areas. They were able to check off on average 10 new milestones and achieved on average 67% of the targeted milestones across all areas.

How we measure

Each year, we monitor our social ventures' development towards the targeted outcomes through a before and after assessment i.e. at the start and end of each incubator year. The indicator we use is *Number of milestones achieved*, where a milestone is an activity to complete or a result to achieve on the path towards the targeted outcome. In the graph below, milestones are symbolized by the pink boxes.

Milestone achievement is assessed in dialogue between our in-country Program Manager and the social entrepreneur. For several of the milestones our global Impact Team validates the assessment by reviewing empirical evidence (read more on page 34 in the section *How we measure impact*).

The results below are results for our short-term outcomes. Our ambition for the upcoming year is to set proper indicators for our medium-term outcomes, mentioned under targeted outcomes above, so that we can effectively monitor and evaluate them as well.

- Pink line — The “before assessment” (baseline) i.e. the average number of milestones achieved by our social ventures in January 2019
- Dark blue line — The target, i.e. the average number of milestones that we aimed for our social ventures to reach in 2019*
- Light blue line — The “after assessment” (endline), i.e. the average number of milestones reached by our social ventures in December 2019

Note: If all our social ventures had achieved 100% of the targeted milestones, there would have been a perfect alignment between the dark blue and light blue line in the spider chart.

We observe that the area where social entrepreneurs achieve the most new milestones (on average 3 new milestones) is area A *Effective solution* and the fewest (on average 0.8 new milestones) in area E *System Change*.

*For area E Systems Change we did not set targets in 2019 since we wanted to first gain a better understanding of what targets will be realistic in relation to the stage of development of the SEs entering our programs.

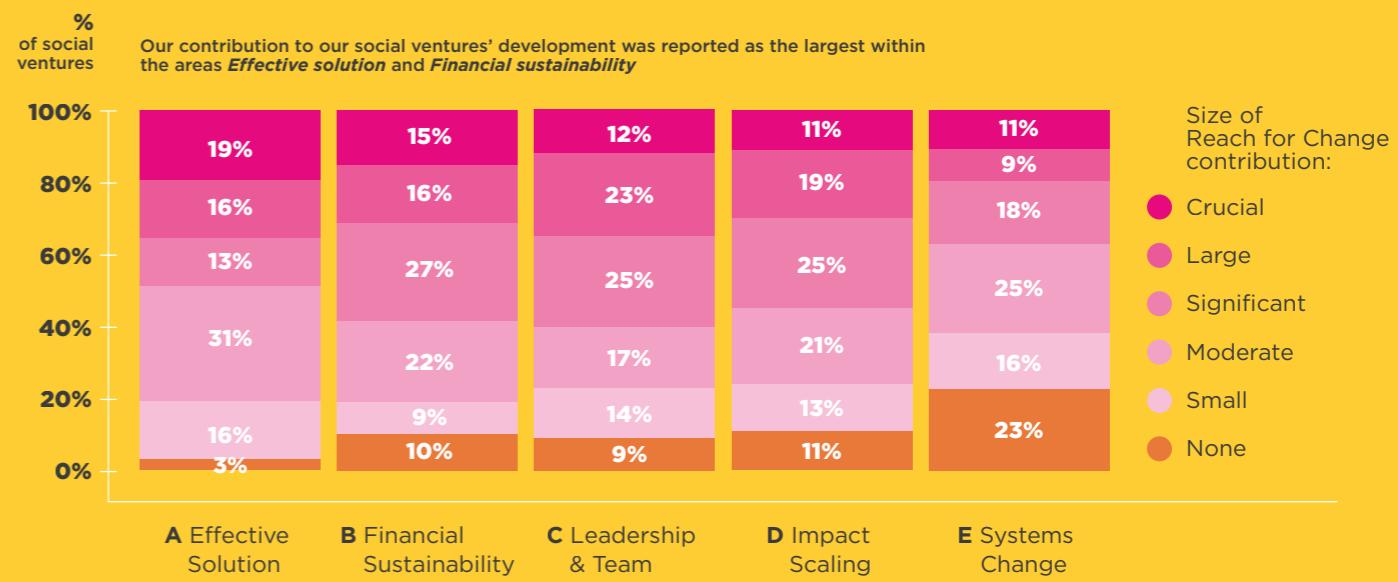
**91 of 120 SE assessed, excluding (a) 13 SE who participated in the Incubator less than 8 months, (b) 9 SE who followed a different program and (c) 7 SE who submitted data after deadline. Distribution between incubator years: 35 SE in their 1st year, 35 SE in their 2nd year and 22 SE in their 3rd+ year.



On the previous page we report on how our social ventures developed during 2019. In an attempt to capture how much of this development would not have happened without our support — **our impact** — we surveyed our social entrepreneurs anonymously at the end of 2019*.

96% of our social entrepreneurs believe that they would have developed less without support from Reach for Change, and 41% believe that they would have developed significantly or far less, or stopped operating/never started operating.

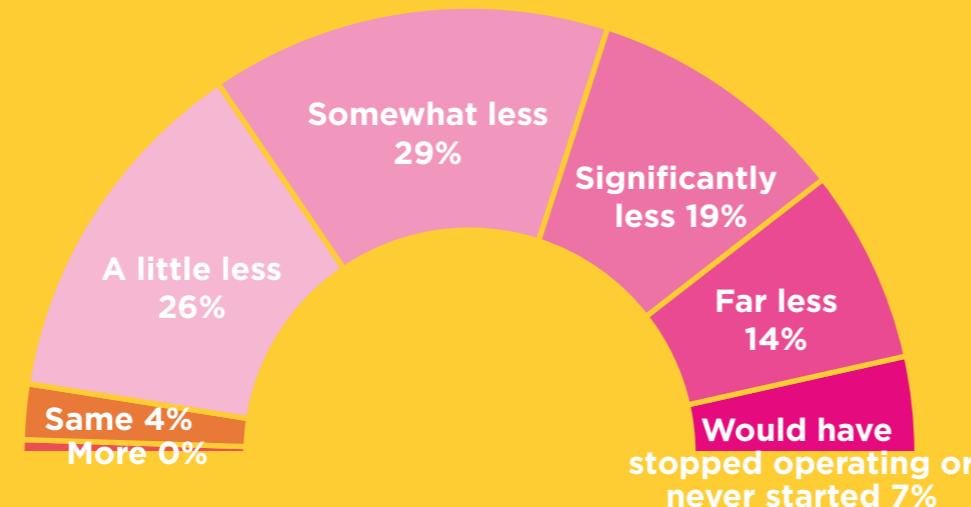
Our contribution to our social ventures' development was reported as the largest within the areas *Financial sustainability* and *Leadership and team*. Our contribution was reported as the smallest within the area *Systems change*.



*The survey was sent to those who had participated at least 8 months in the core incubator (84 of 111 social ventures), of which 82% (n=69) responded.

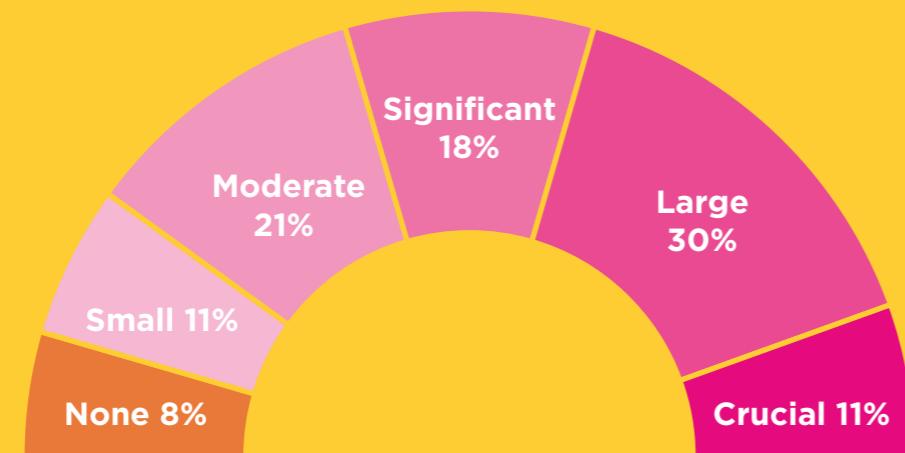
96%

report that they **would have developed less** without Reach for Change



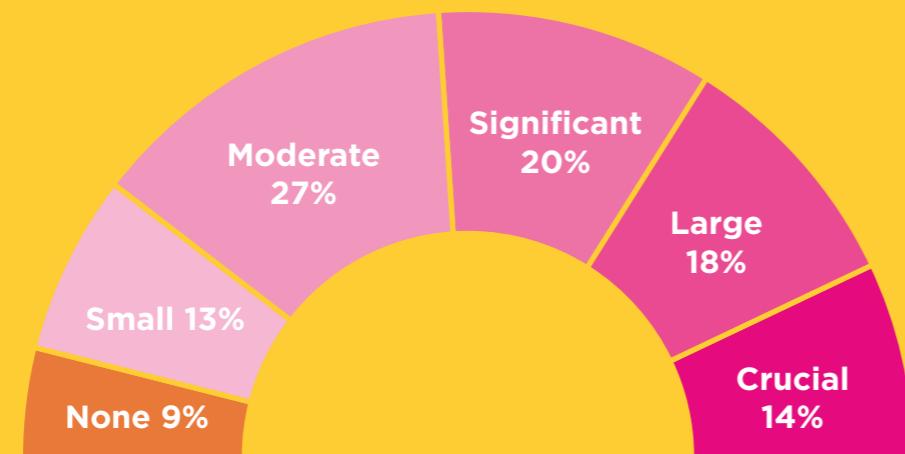
92%

report that Reach for Change made a contribution to improving how **effectively** they addressed children's needs**



91%

report that Reach for Change made a contribution to increasing the number of children they **reached***



*The percentages are based on the survey respondents who reported that they increased their effectiveness (n=61) and reached more children (n=56).



HOW OUR ENTREPRENEURS DEVELOPED: LONG TERM RESULTS

Our targeted long-term outcome is that our alumni (the social ventures that have graduated from the incubator) scale their impact to a significant share of their target group and contribute to fulfillment of the Sustainable Development Goals for children and youth. Based on the results of our most recent alumni survey, we see that 9 out of 10 continue to operate*.

The 3-year survival rate of supported social entrepreneurs after graduating from our Incubator program is 88%. This is comparable to the average 3-year survival rate of incubators and innovation centers in the European Business and Innovation Centre Network (EBN, 89%**).

90% are still in business

93%

reached more children and youth

81%

increased their revenues

80%

expanded geographically

94%

report that they would have developed less had they not participated in the Reach for Change incubator

*Data regarding survival rate for 156 out of 184 Alumni gathered between Dec 2019-Feb 2020. 52 Alumni responded to our Alumni survey in Dec 2019.

**EBN is an established not-for-profit international association of incubators, innovation centres, clusters and other intermediaries who help innovative startups and SMEs develop their innovative businesses. Their data includes 122 incubators and innovation centers. Source: The EU|BIC Impact and Activity Report 2018, <https://ebn.eu/eubic-impact-study/>

THE IMPACT ON CHILDREN

During 2019, our social ventures supported **501,987 children and youth** contributing to the fulfilment of mainly four SDGs.



184,593
children and youth reached by **21 social entrepreneurs**

274,211

children and youth reached by **48 social entrepreneurs**

Age. 98% of the beneficiaries reached were children (under 18 years old) and 2% were youth (18-24 years old)

Support channel. Approximately 10% of the children and youth were reached face to face and 90% through a digital tool, through parents or professionals, or through a product.

Our social ventures aim to impact children and youth in many different ways. The below split is based on the impact that our social ventures aimed to achieve in the short term, i.e. during activities carried out in 2019, ranging from **lives improved** to **lives changed** to **lives protected**.

A life improved in the short term can mean a life changed or protected in the medium term or long term. For example, the Bulgarian social venture Love Guide provides sex education to youth with

one of the purposes being raised awareness about the importance of using protection during sex. In the short term this improves lives but in the medium and long term, for a share of the youth, this is likely to mean that unwanted teenage pregnancies are avoided (lives changed) or that serious STDs such as HIV are averted (lives protected).

In the split below, the impact targeted and potentially achieved beyond 2019 is not accounted for, so the largest slice of the graph is lives improved.

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Another 12,413 children and youth were supported within **SDGs 1, 2, 8 and 16 by 12 SEs**.

27,172

children and youth reached by **25 social entrepreneurs**

3,598

children and youth reached by **4 social entrepreneurs**

501,987

children and youth supported

Lives improved

450,031 children and youth (**89%**) received support to empower them with useful knowledge, awareness, attitudes, etc.

Example

Love Guide (Bulgaria) provides sex education to youth

Lives changed

48,120 children and youth (**10%**) received support to reroute them onto a better path.

Example

Ordblindetræning (Denmark) which teaches children with dyslexia to read

Lives protected

3,836 children and youth (**1%**) received support to protect them from a dangerous situation.

Example

Eagle Social Consultancy Service (Ethiopia) which protects children from abusive teaching methods

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR CHILDREN

SDG 3. Ensuring healthy lives and promoting the well-being of all children at all ages is essential to sustainable development. All children around the world should have access to the best healthcare possible, safe water to drink, nutritious food, a clean and safe environment, as well as information to help them stay healthy.



It has been estimated that around 25 million Ethiopians suffer from some form of mental disorder. However, only 10 percent of those 25 million receive any kind of treatment and only as few as 1 percent receive specialist care.⁵ If this problem goes unaddressed, Ethiopia runs the risk of increasing suicide rates, higher unemployment rates and an increased number of street children because parents are unable to care for their children.

Tigist Waltenigus, Endalkachew Assefa and Ephrem Bekele run Erk Mead, an organization that provides psychological care to individuals, families and children who did not have access to it before. This organization conducts very popular radio shows with guest psychologists and psychiatrists to raise awareness about mental illness and to discuss topics ranging from anxiety to trauma. In combination with this they also provide an integrated counseling, training and therapy program in schools and health care centers.

In 2019, Erk Mead supported 516 children and youth. One of them was Meseret:

Meseret is a health professional that we came across due to her issues with her boyfriend. One night, when he came to visit her, he started accusing her of cheating on him. She tried to explain what really happened, but he did not want to accept her explanation and started to attack her with a metal bar. The neighbors heard her screaming and fortunately came to her rescue. After the attack, Meseret started

suffering from a deep depression, left her job and stayed at home. After 3 months of suffering from both the physical wounds and psychological trauma, she heard about our radio show and she came to our office. We started individual therapy sessions as well as a community based trauma healing program for her. She completed everything in four months and she even did a radio show about her case and how she processed the pain she had gone through. She is now employed again and doing well with our support group follow up program.

⁵ www.omicsonline.org/open-access/primary-mental-health-care-services-in-ethiopia-experiencesopportunities-and-challenges-from-east-african-country-2472-095X-1000113.php?aid=79293#4

ENSURE INCLUSIVE AND QUALITY EDUCATION FOR ALL CHILDREN

SDG 4. Obtaining a quality education is fundamental to improving children's lives. All children should have the right to a good quality education that helps them use and develop their talents and abilities. Children should be encouraged to go to school at the highest level that they can reach.



In Latvia, it is estimated that less than 8% of secondary school graduates choose exams in chemistry and physics.⁶ This problem can lead to consequences such as threats to productional and economic growth and decrease Latvia's competitiveness in the world economy, especially if the problem of secondary school students goes on to affect the share of youth who chooses science in higher education.

Since joining the incubator in 2018, Laboratorium has supported more than 600 children and youth. One of them is Janis:

Janis is a 12 year old boy. He started to participate in our regular classes from 7 years old. Nikita's mother said that from 3 years of age, Janis was interested in science and tried to do experiments at home. However, his parents quite soon started struggling with giving him deeper knowledge and the possibility to do experiments in a safe way. After Janis started coming to our classes, he found answers to many of the questions his parents could not answer.

In response to this, Mārtiņš Gubis founded Science School Laboratorium. Science School Laboratorium offers summer science camps as well as a program with weekly lessons in physics and chemistry. Mārtiņš firmly believes that one of the reasons why so few children choose science as their educational field is because of a lack of exciting, practical experience. Through tailoring his lessons to be informative, cognitively challenging and practical all at the same time, his aim is for children to fall in love with science and choose a profession connected to this field in the future.

He started to read a lot of scientific literature, to make different constructions and find mistakes, to safely do experiments by himself and also involve his friends and family in his interest. Now Janis's mother says: "He asks me to go to the construction and electronic shop every weekend to buy different things in order to make his own radio or metal detector or whatever he can think of. Despite the fact that he still doesn't have physics and chemistry at school, he is already fluent in subject matters such as mechanics, electricity, kinematics and electromagnetism. I really believe that the regular classes in physics and chemistry at Laboratorium helped him a lot in achieving this."

⁶ www.visc.gov.lv/vispizglitiba/eksameni/statistika/2017/dokumenti/!visi_skaits_3g.png



EMPOWER GIRLS AND MAKE THEM EQUAL

SDG 5. Gender inequality continues to deprive girls of basic rights and opportunities. To prevent the divide between the sexes from growing even larger, social norms and attitudes surrounding girls and boys need to be addressed, and legal frameworks that promote equality between women and men need to be developed.



Even though Sweden is ranked one of the most equal countries in the EU (score of 83.6 out of 100 on the Gender Equality index 2019),⁷ the progress towards gender equality has been slower than other countries in the union. Violence in close relationships⁸ remains one of the most prominent types of abuse crimes, and more than one in ten women have experienced sexual offence.⁹

In response to this, Shanga Aziz and Rogerio da Silva founded Locker Room Talk. Locker Room Talk offers training and tools in equality, fair attitudes and masculinity. Through innovative interactive methods they aim to create a new form of masculinity that breaks the norm and unhealthy expectations on what it means to be a man. It is their strong belief that this will lead to improved mental health among men, a reduced rate of violence in close relationships and sexual offenses as well as an increased acceptance for the LGBTI community.

Since joining the incubator in 2018, Locker Room Talk has supported over 2000 children and youth.

One of them is Adam:

Adam is 13 years old and loves to play handball. When he is not training, he usually hangs out with his friends and plays computer games. At school, there have been those who have said that Adam isn't "man enough" because he has long hair. He also tells us that he becomes annoyed and sad about the fact that many teachers refer to him as a girl. This has also lowered his self-esteem and it has been tough because he has not known how to tell them to stop. Locker Room Talk came to Adam's team,

⁷ www.eige.europa.eu/publications/gender-equality-index-2019-sweden

⁸ www.bra.se/statistik/statistik-utifran-brottstyper/vald-i-nara-relationer.html

⁹ www.bra.se/bra-in-english/home/crime-and-statistics/rape-and-sex-offences.html

REDUCE INEQUALITIES TO GIVE ALL CHILDREN A FAIR CHANCE

SDG 10. No child should be treated unfairly — no matter who they are, where they live, what their parents do, what language they speak, what their religion is, whether they are a boy or girl, what their culture is, whether they have a disability and whether they are rich or poor. All children have rights and should feel included in society.



When Silvena Hristova and Krasimir Lambov, founders of Life with Down Syndrome, had a daughter with Down syndrome, they were advised by their doctor, like many other parents in Bulgaria, to place the child in foster care and move on with their lives without her.

Silvena and Krasimir were shocked, not only by the fact that they were given this advice, but also about the doctor's lack of knowledge on the expected healthy development of a child with Down syndrome. With an estimated 100 children born with Down syndrome in Bulgaria each year, Silvena and Krasimir decided to act to change society's view of these children so that other parents would not have to make decisions for their families that are rooted in the prejudice and misinformation of others.

In 2019, Life with Down Syndrome supported 163 children and youth. One of them was Mihail and his mother:

Two months ago, Petya, a Bulgarian woman living in Greece, gave birth to Mihail, who was born with Down syndrome and a heart defect. Petya is 22 years old and knew nothing about Down syndrome and she was very scared when she learned about his diagnosis. Her doctors advised her to abandon her son. Instead, Petya started searching the internet for information and came across the videos on our YouTube channel. She spent a few days watching all our videos, before leaving us this message on our Facebook page:

"Hello. First of all, thank you! I didn't even know what Down syndrome was before coming across your videos. While watching, I was filled with happiness. I decided, just like you, to not leave my child but to fight for him. I want to do my best with Mihail, but I need a lot of advice and information. Will you help me?" We answer every question and every message on our Facebook page very quickly, especially if they are from parents with a newborn and that have just received the diagnosis. Thanks to our support, Petya is now a little more relaxed. She has a lot of information about what to do and what to expect when Mihail starts working with the specialists. They have a long road ahead of them, but more importantly, Mihail now has a family environment where he will get the love and the care that he needs.

DID WE SUCCEED?



Are our alumni performing better over time?

All ventures we invest in must have what we believe to be the potential to scale their impact to a significant portion of the target group. However, achieving this takes time (5-10 years assuming things go well), and the ventures we support are right at the beginning of their journeys. Because of this, we realistically expect somewhere between 10-20% of our investments to achieve impact at scale.

That's not to say that we expect the other 80-90% to fail. In fact we still expect the overwhelming majority to keep growing beyond the incubator, but there's a difference between incremental growth and scale, and scale is not easy to pull off.

Key results from our 2019 Alumni Survey included:

- 1** 88% are still in business 3 years after graduating (81% still in business after 5 years)
- 2** 93% have increased the number of children & youth supported, 81% have increased revenues, 80% have increased geographical footprint, 60% have increased number of staff.
- 3** 15% state they have reached a significant or major share of the target group

Did we succeed?

When considering success, there are many things we could look at, but ultimately what we care most about is the extent to which we are seeing improvements in our targeted short and long term outcome results.

For us this means we look at three things:

- 1** Are we getting better at finding high potential ventures to bring in to our programs?
- 2** Are we getting better at supporting ventures to strengthen their operations?
- 3** Are the upstream improvements we make reflected in the downstream performance of our alumni over time?

We are very happy with the first two results. 88% survival after 3 years is on a par with ventures incubated by other organizations and the growth metrics paint a picture of the majority of the ventures' impact still growing. The growth metric results also represent a significant improvement on the results from our previous survey in 2016 (71%, 69%, 66% and 60% respectively) which is very encouraging.

The third result falls right in the middle of our realistic expectation range of 10-20% which is also good, but "realistic expectations" don't really do it for us, so we are motivated to drive this number higher as we move forward.

Are we improving our support to our current portfolio ventures?

By combining our **development tracker data** with the data we receive from the annual **Change Leader survey** we are now able to build quite a rounded picture of the extent to which our support is improving. Three data points worth reflecting on here are:

- ▶ **Overall Milestone Achievement:** On average the ventures passed 10 new development milestones during the year, representing around 67% of the "targeted" milestones. We consider this a sign of strong general development across the portfolio.
- ▶ **Effective Solution (ES) & Financial Sustainability (FS) Milestone Achievement:** It was good to see that new milestone achievement in these two prioritized support areas averaged the highest across the portfolio (3.1 milestones (ES) and 2.9 milestones (FS)). However we also know that financial sustainability remains the number one challenge across the portfolio, so there is plenty more to do here.
- ▶ **Attribution of development to Reach for Change.** 96% of our social entrepreneurs say they would have developed less without our support. The more interesting data point here however was that 41% of the ventures felt they would have developed at least "significantly less", without our support. This result suggests we can still add significant value by further tailoring our support to the needs of each individual venture.

When looking at the year-end results in conjunction with the overall **satisfaction score** (up to 87% from 84% in 2018) and the **net promoter score** (up to 88% from 84% in 2018), we're confident that our support took a positive step forward in 2019, though of course only time will tell whether the program changes we implemented will lead to the longer term impact we are pursuing.

Are our search & selections continuing to improve?

In 2017 we set a target that ultimately all social entrepreneurs being brought into our Incubator should receive a **100%** score on our Investment Readiness Diagnostic prior to selection.

At the end of 2017 the average score was 79%. In 2018 it was 89% and in 2019 it was **91%**.

We are pleased with the improvement here, but even if the result were 100% we would still continue to invest significant effort in trying to drive improvements here. In terms of levers of change, the initial investment decision is probably the most critical part of the puzzle. Great decisions here yield disproportionate benefits at every further step of the journey. Similarly, suboptimal decisions here yield suboptimal results down the line.

Final Thoughts

In last year's impact report we said that the value of impact measurement really comes down to the extent to which it produces results that are useful for learning and development.

At the micro level, our 2019 results have helped shine spotlights on what is working well and on where there are needs and opportunities for development.

At the macro level, they have helped raise a number of new questions, each of which we look forward to exploring in 2020.





PARTNERING FOR CHANGE



Marcus Hedén
Partner, Roschier

We would like to give our thanks to our ecosystem partners, investors, corporations, institutions, foundations, organizations, advisors, experts, academics and social entrepreneurs for joining forces to strengthen the social entrepreneurship sector and improve the lives of children and youth around the globe.

"It's very rewarding to be able to meet such motivated people with great ideas. You are also faced with questions and issues that you perhaps normally don't encounter, meaning you really understand both the importance of your advice and the value of being able to tailor it."

Georgi Ganev
CEO of Kinnevik



"Through the partnership with Reach for Change we get to work closely with social entrepreneurs who are dedicated to changing the outlook for vulnerable children. It is an opportunity for us not only to support them in their entrepreneurial journey and help accelerate their impact, but also to be inspired and to learn from them."

Erik Wotrich
Head of Sustainability,
Tele2



"We now only have 10 years left to meet the UN Sustainable Development Goals. In order for it to be possible to achieve this we will need all sectors in society to maximize their contribution. Social entrepreneurship plays a crucial part in reaching the goals, as they are joined by a unique vision of tackling societal issues through their businesses. Through their often unique knowledge of the target group or the local environment where they are present, they are able to reach people that other actors often are unable to reach. Both the private and the public sector have a lot to learn from these inspirational social entrepreneurs."

The impact highlighted in this report would not have been possible without the support of our incredible partners:

CHAMPIONS FOR CHANGE



CATALYSTS OF CHANGE



OTHER PARTNERS



HOW WE MEASURE IMPACT

MEASURING IMPACT ON SOCIAL VENTURES

Outputs

Incubator support received by our social ventures.

In 2019 we measured outputs by surveying our social entrepreneurs at the end of the year about what incubator support they received from us. For example, we asked about which areas they received capacity-building support within, and how many useful connections were made for them. 80% responded and

participation was anonymous — you can read about the results on pages 18-19. In addition to this, in 2019 we also piloted monitoring output results for each individual social entrepreneur, to enable us to perform a more granular analysis to see which outputs most effectively drive the achievement of our targeted outcomes. Results from this are still to be reviewed.

Short-term outcomes

Strengthening our social ventures' organizational capabilities. By organizational capabilities we mean the structures, strategies, processes, culture and know-how that our social ventures need in order to develop effective solutions and become ready to scale. We monitor organizational capabilities within five areas: **A Effective solution, B Financial sustainability, C Leadership and team, D Impact scaling and E Systems change.** To understand our social ventures' development in 2019, we compared their organizational capabilities in January and December (read more on page 20).

We measure a social venture's organizational capabilities by counting the number of milestones reached. A milestone is either a completed activity (e.g. Theory of Change mapped) or a result accomplished (e.g. Positive outcome results achieved). Milestones are predefined by Reach for Change and are the same for all social ventures participating in the incubator.

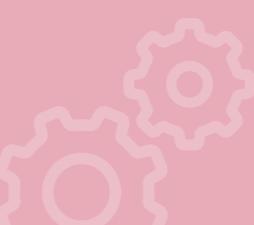
Long-term outcomes

Survival and scaling of our alumni.

By strengthening the organizational capabilities of our social ventures while they are in the incubator, we prepare them to scale their impact to a significant share of their target group after they have graduated.



The targeted milestones vary with the incubator year. During the first incubator year, for example, the target is for our social ventures to reach milestones A1-A7, B1-B9, C1-C7, D1 and E1-E3. Milestone achievement is assessed through dialogue between our in-country program managers and our social entrepreneurs. For several of the milestones, our global impact team validates the assessment by reviewing empirical evidence.



To gain an improved understanding of our impact, we surveyed our social entrepreneurs at the end of 2019 on how much less they believe they would have developed during the year without support from Reach for Change (read more on pages 21-22).



MEASURING IMPACT ON CHILDREN AND YOUTH

Outputs

Number of children and youth supported.

A child is defined as under 18 and youth is defined as 18 to 24 years old. "Supported" means that the child or youth has received support towards the outcome(s) targeted by the social venture, e.g. improved



literacy. In 2019, the number of children and youth supported was submitted by our social ventures as part of their triannual reporting. They also submitted documentation that verified the number reported, which was audited by our global impact team. On pages 24-25, we have clustered the total number of children and youth supported by our social ventures in 2019 based on: age, support channel, targeted short-term outcome and Sustainable Development Goal.

Outcomes

How the lives of children and youth were improved, changed and protected.

In addition to monitoring the number of children and youth supported, we want to find out how the support resulted in change — the outcomes. Our social ventures all work to create a better world for children and youth, but the outcomes they target differ. We encourage our social ventures to try to capture not only outcomes (what changed for the children and youth supported) but also impact (how much of the change would not have happened without the support of the social venture).

For social ventures participating in their first incubator year, our focus is on helping the social entrepreneur and their team to qualitatively explore outcomes.

We build their capacity to interview children and youth about how they were impacted by the social venture's support, and we guide them on how to capture what they learned in impact stories. In 2019, our social ventures submitted impact stories as part of their triannual reporting. Our global impact team audited all impact stories and shared feedback for the social entrepreneur and their program manager to reflect on together.

For social ventures participating in their second and third incubator year, our focus is on helping the social entrepreneur and their team to quantitatively measure outcomes. The outcome "Improved literacy," for example, could be measured through the indicator "number of words that a child can read correctly during one minute". In 2019, our social ventures reported quantitative outcome results annually. Results were audited by our global impact team.

STRENGTHS AND LIMITATIONS TO OUR METRICS

Strengths

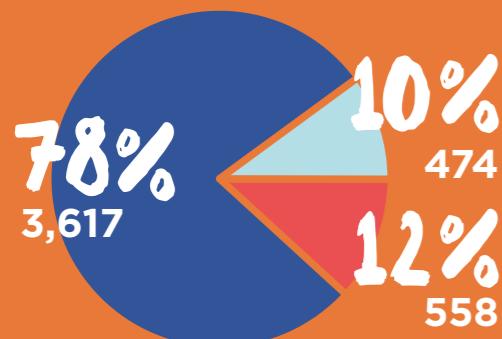
We see several strengths with our way of measuring impact. Firstly, requiring the social ventures in our program to measure impact on beneficiaries in both quantitative and qualitative ways gives us a wide range of different kinds of data. Secondly, measuring development of the social ventures as they move through the program, rather than just at the beginning and end of the program gives us a more reliable way of following their progress and allows us to be able to follow our impact on their development more closely.

Limitations

There are of course certain limitations with how we have chosen to measure our impact. First and foremost, enterprise development is not always linear, so when we talk about development in terms of milestone accomplishment, and milestone targets, it has limitations and might not show the full picture. Secondly, not all milestones are of equal importance, some are more important than others. Counting the number of milestones achieved gives a good overall sense of progress, but achieving more milestones is not necessarily an indicator of more progress. Finally, we believe that our current set up would be strengthened by including other data points across the development tracker areas beyond our current growth metrics, e.g. cost per impact, customer acquisition etc. We are currently looking into these as part of a project to develop a more comprehensive toolkit to accompany our Development Tracker.

WHAT DID IT COST?

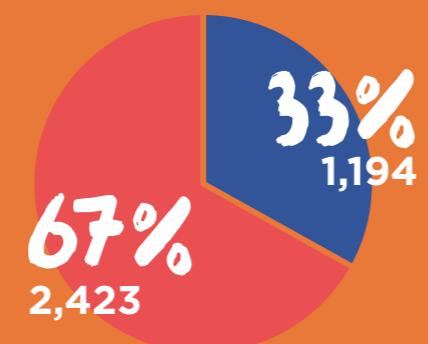
FINANCIAL RESOURCES



78% is cost for the charitable cause

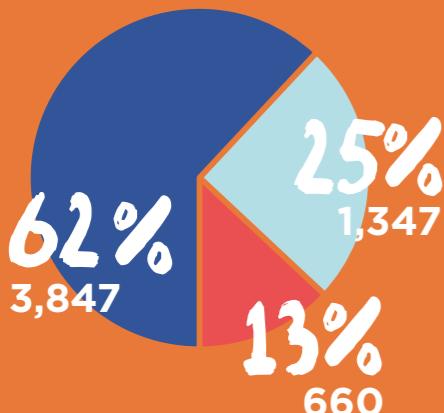
- Costs for the charitable cause
- Administration cost
- Fundraising costs

In 2019, we invested 4.6M USD, 78% of which was spent on the charitable cause.



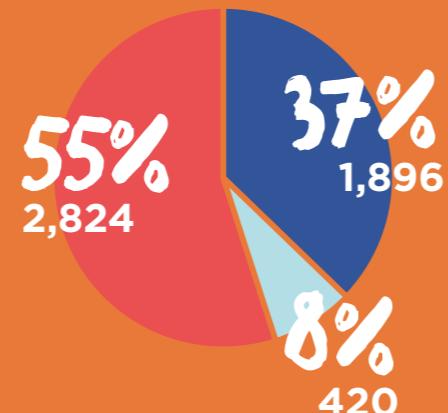
Cost for the charitable cause split on type of support

- Financial incubator support (grants)
- Non-financial incubator support



Revenues split by source of income

- Foundations
- Corporations
- Institutions



Investment per region

- Northern Europe
- Central Europe and Kazakhstan
- Africa

*All numbers are in USD (thousands)

**Currency conversion rate from SEK to USD on 12/31 2019: 0.10717

NON-FINANCIAL RESOURCES

STAFF

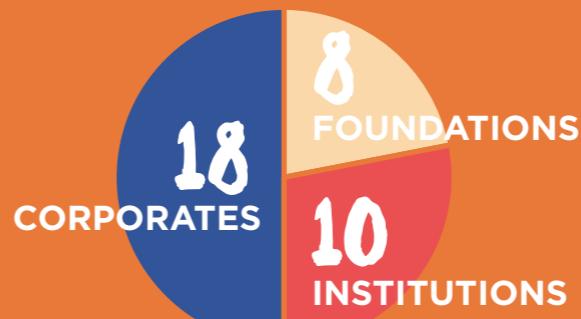
In 2019, Reach for Change's staff consisted of 55 full-time equivalents, 11 interns and 1 volunteer spread across 13 markets. The implementation of the program was carried out by 13 on the ground Program Managers with local knowledge, expertise and networks, supported by regional and central function staff. Together they all contributed to evaluating and improving the programs further.

55 FULL-TIME EMPLOYEES

13 LOCAL STAFF IN MARKETS

19 INTERNS & VOLUNTEER
1

36 PARTNER ORGANIZATIONS:



PARTNERS

Reach for Change's programs were delivered in close collaboration with partners from the corporate and public sectors who, alongside funding, brought invaluable resources to our social ventures. This included elements like business expertise, networking contacts, and media exposure. These partners are an integrated part of delivering our programs. In addition, we were supported by 8 pro bono partners.

METHOD

The methodology of the incubator program centers around the *Development Tracker*, a tool consisting of development milestones that like a map or curriculum sets out what is to be achieved during the program. In addition to our direct support to help our incubator participants achieve these milestones, we offer support through our online Resource Centre, which in 2019 contained 117 resources in the form of lectures, tools, quizzes, articles and homeworks.

ONLINE RESOURCE CENTRE WITH **117** RESOURCES to guide social entrepreneurs towards sustainably scaling effective solutions

18 LECTURES

40 TOOLS

9 ASSIGNMENTS

4 QUIZZES

46 ARTICLES

FINANCIAL STATEMENT



This section consolidates Reach for Change's financial performance for 2019 for all foundations. The figures include the Reach for Change Swedish Foundation (including the branch in Ghana and Norway), and the separate foundations in Ghana, Ethiopia, Kazakhstan and Bulgaria.

Reach for Change operates as one organization with one global strategy across all our markets. Reach for Change's Global Board of Directors is the highest governing body of Reach for Change. Figures for Reach for Change Russia are not included since they are an independent franchise.*

Income statement

AMOUNTS IN MSEK**	2014	2015	2016	2017	2018	2019
Revenues	36,7	47,6	50,9	55,2	55,0	48,3
External operating expenses	-23,3	-31,5	-31,1	-31,7	-30,2	-23,2
Personnel costs	-13,0	-16,1	-19,2	-22,2	-24,3	-24,6
Depreciation	-0,1	-0,1	-0,1	0,0	0,0	0,0
Operating result	0,4	-0,1	0,5	1,3	0,5	0,4
Interest income	0,1	0,0	0,0	0,1	0,1	0,0
Interest expense and other financial expense	0,0	0,0	0,0	0,0	0,0	0,0
Result after financial income & expenses	0,4	-0,1	0,5	1,4	0,6	0,4
Tax expense for the period	-0,1	-0,1	-0,2	-0,1	-0,1	-0,1
Result for the period	0,3	-0,2	0,3	1,2	0,5	0,3

*For more information on how we are governed and our internal controls, visit: www.reachforchange.org/en/who-we-are/our-governance

**Since 2019, the financials are reported in SEK

Balance sheet

	AMOUNTS IN MSEK	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
ASSETS							
Fixed assets							
Intangible fixed assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Tangible fixed assets	0,3	0,2	0,1	0,0	0,0	0,0	0,0
Total fixed assets	0,3	0,2	0,1	0,0	0,0	0,0	0,0
Current assets							
Accounts receivable	1,4	2,3	2,5	1,6	10,2	0,8	
Other current receivables	2,5	0,8	3,7	2,0	2,1	3,4	
Prepaid expenses	1,3	0,4	6,4	0,3	0,3	0,3	
Cash and bank	12,4	13,8	14,7	23,9	25,3	25,2	
Total current assets	17,6	17,2	27,3	27,8	37,9	29,7	
Total assets	17,9	17,4	27,4	27,9	38,0	29,7	
EQUITY AND LIABILITY							
Equity							
Foundation funds	2,8	2,1	1,7	2,1	4,9	5,1	
Result for the period	0,3	-0,2	0,3	1,2	0,9	0,3	
Total equity	3,1	2,0	2,0	3,3	5,8	5,4	
Current liabilities							
Accounts payables	0,8	0,6	0,8	0,8	2,9	4,1	
Tax liability	0,6	0,7	0,9	1,3	0,9	0,9	
Other current liabilities	1,2	3,2	3,5	10,6	2,5	2,7	
Accrued expenses and deferred income	12,2	11,0	20,1	11,9	25,9	16,6	
Total current liabilities	14,8	15,4	25,3	24,5	32,3	24,2	
Total Equity & Liabilities	17,9	17,4	27,4	27,9	38,0	29,7	

