

# More Than the Sum of Its Parts: Building our Social Service Ecosystem

Ravi Menon

Ambassador for Climate Action

Chairman, ImpactSG

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Ladies and gentlemen, good afternoon.

## ***This is an important gathering.***

- Five hundred leaders of Singapore's social service sector are in this room today. I am especially glad to see our "40 under 40": the next generation of leaders.
- In eleven days, on 1 August, the National Council of Social Service (NCSS) will take on+ a formal statutory mandate as a developer of the social service sector in Singapore.
  - Not only to fund and to coordinate, but to develop the ecosystem as a whole – for better service delivery and deeper impact.
  - NCSS is consulting the sector on a ten-year roadmap to give that mandate shape.
- So the question before us this afternoon is bigger than "how is my agency doing?" It is: "what kind of sector do we want to become, together"?

## A SECTOR OF STRONG PARTS BUT NOT YET A STRONG WHOLE

## ***Let me begin with a personal note of humility.***

- Almost everyone in this room knows the social service sector better than I do.
- What I hope to contribute is what I have learnt from my years in the public service and financial sector, and more recently, from conversations across the social service and philanthropy sectors.
- After I retired from public service in 2024, I reached out to many people active in these sectors, to understand how best I could contribute.
- I was struck by ....
  - the generosity of Singaporeans;
  - the vibrancy of many of our social service agencies;
  - the reservoir of sheer goodness in the sector; and
  - the passion and the commitment to make better the lives of others.
- But I was also struck by ....
  - how fragmented the sector remains;
  - how suboptimal fundraising can be;

- how uncoordinated service delivery often is; and
- how unsophisticated impact measurement still is.

***If the problems facing our communities are inter-related, then so too must the solutions.***

- Social needs in Singapore are not only rising, they are becoming more complex and multi-faceted.
- Many vulnerable families face multiple challenges:
  - a sole breadwinner stuck in a low income job;
  - an unmotivated child struggling in school;
  - an elderly parent coping with dementia;
  - financial distress; mental health; the list goes on.
- Yet our response is still largely organised agency by agency, each addressing part of the problem but not always the whole.
  - And each competing for the same pool of donors and talents.

***We have an opportunity to transform the social service sector from good to great.***

Let me describe three shifts that I think we need to make:

- ***from entities to ecosystem***
- ***from grants to broader mix of capital***
- ***from outputs to outcomes***

I will outline nine specific suggestions to illustrate these shifts.

## SHIFT ONE — FROM ENTITIES TO ECOSYSTEM

***The first shift is from thinking about individual entities to thinking about the ecosystem.***

- In the financial sector, MAS did not try to improve each institution in isolation – that is for boards and management.
- Instead, MAS focused on working with the industry to co-create what no single institution could build alone: a national digital payments rail, a shared data infrastructure, common standards, and skills frameworks.
- The common thread is this: identify what is too big, too risky, or too unrewarding for any one player to build — and create a shared resource that all can draw on.
- Let me suggest four shared resources for a stronger social service sector.

***One, shared data infrastructure.***

- The data and research ecosystem supporting Singapore's social service sector can be further strengthened.
- ***Suggestion: build a one-stop repository of all official statistics, agency reports, and research papers pertaining to social needs, social services, and social financing in Singapore.***
- We could consider pooling anonymised data on needs across income, housing, health, and family service touchpoints into a single map of compounding vulnerability, down to the neighbourhood level, and pair it with relevant research.

- This means ....
  - no agency has to start from scratch; and
  - as a sector we can direct effort to where the needs are greatest.

### ***Two, integrated case management.***

- Singapore has built some solid foundations here.
- *Case Connect* enables more than 80 agencies across government and beyond to connect, make referrals and coordinate cases.
- Suggestion: ***extend this logic of integrated case management across the entire social service sector.***
- In fact, some of the Nordic countries are doing this.
  - Estonia's *X-Road* data exchange layer enables more than 900 government and private sector institutions securely exchange data while each keeps its own database.
  - No citizen has to submit the same information twice.<sup>i</sup>
  - Finland and Iceland have since adopted the same approach.
- The equivalent for Singapore's social service sector is within reach: a shared, privacy-protected infrastructure on needs, referrals, and outcomes ....
  - that every agency can contribute to and draw on, so that
  - as a sector we can understand a distressed family as one and help it as a whole.

### ***Three, centralised reserve management.***

- Boards and management of many social service agencies spend an inordinate amount of time overseeing the management of their financial reserves.
- Many of the smaller agencies hold their reserves in cash or fixed deposits:
  - a safe choice for boards without expertise in asset management but one that quietly loses real value over time.
- Suggestion: ***create a single, professionally managed investment structure into which agencies can pool their reserves while retaining beneficial ownership of their own capital.***
- Pooled at scale, the social sector could access professional stewardship and disciplined governance that no single agency could negotiate on its own.
  - Agencies with larger reserves could contribute into the pool and access liquidity under pre-agreed rules.
  - Agencies with smaller reserves could benefit from an investment infrastructure they could never build alone.
  - We could even explore some form of principal protection.
- This is not about seeking yield for its own sake. It is about turning idle precautionary capital into resilience capital, prudently and collectively stewarded.
- The Majority Trust, where I am a board member, has an interesting strawman proposal that could be a useful starting point for discussion.

### ***Four, capacity building in people and technology.***

- None of these infrastructure ideas will succeed if we do not strengthen organisational capabilities and talent pipelines.

- NCSS has put in place useful resources.
  - The *Organisational Health Framework for Social Services* provides a diagnostic tool to evaluate an agency's capability-building needs.
  - The *Skills Framework for Social Service* provides a standardised benchmark for building both core capabilities and technical competencies.
- But there is scope for greater uptake, especially among smaller agencies. They need simpler compliance gateways, more customised help, and better digital enablement.
- **Suggestion: use digital technologies more purposefully to transform capacity building across the sector.**
- We could train case workers to use diagnostic AI, client data dashboards, and predictive risk models as part of their case management toolkits.
- We could attract mid-career tech talents into the social sector while attaching promising social sector talents to tech companies or GovTech for exposure.
  - These are the talents we need to overhaul legacy IT systems and build data-driven intervention models.
- We can do this well only if we organise ourselves as a sector and collaborate.
- At the same time, investing in people and technology to enable organisational transformation must be a priority of all agency leaders.

## SHIFT TWO — FROM OUTRIGHT GRANTS TO BROADER MIX OF CAPITAL

### ***The second shift is from outright grants to capital stacks.***

- Singapore's social service sector today runs almost entirely on grant capital: either institutional grants — from government, foundations, and corporates — or individual giving.
- We need different types of capital, to meet the different needs of social service agencies and to meet the different risk appetites of funders.
- From the perspective of agencies, we need both charities and social enterprises.
  - A charity meets needs the market cannot pay for.
  - A social enterprise meets needs the market can partly pay for.
  - Their financing needs are quite different.
- From the perspective of funders ...
  - some may be prepared to give outright grants;
  - some may be prepared to lend; and
  - some may be prepared to take small equity stakes.
- We need an ecosystem that caters to a broader mix of capital.
- Let me suggest three ideas.

### ***One, repayable grants.***

- To grow a more vibrant ecosystem of social enterprises and charities, we must explore different kinds of financing.
- **Suggestion: broaden the use of repayable grants so that the same dollar can fund more than one enterprise over time.**

- Repayable grants fund a programme or enterprise upfront. If clients can pay for the service, part of the grant is paid back, in full or in part. This allows donor capital to be recycled for more purposes.
- In match-trading models, grants can be matched to the amount of fees collected by the charity or social enterprise. The more an agency collects, the more support it unlocks.
- Both recoverable grants and match-trading models are already being piloted here.
  - The suggestion is to make this more common, not the exception.
  - And to create the right incentive structures for it.

### ***Two, blended finance.***

- Social enterprises generate revenues but often not enough to compensate commercial funders for the risk of failure.
- ***Suggestion: promote the use of blended finance where public or philanthropic capital takes on the risk of covering the first tranche of any loss, making the programme or social enterprise investable for private or commercial capital.***
- I draw this logic from climate finance, where Singapore's own Financing Asia's Transition Partnership, or FAST-P, has shown that a dollar of concessional capital can catalyse several dollars of private investment.
- Of course, the social sector's version will look different — smaller cheques, longer horizons, less standardised deals — but the principle holds. And right here in Singapore, there is a good example:
  - The Impact Investment Exchange has grown its Women's Livelihood Bond series to mobilise close to \$320 million across seven issuances.
  - It is listed on the Singapore Exchange and each bond has a first-loss tranche that is protected by guarantees from development finance institutions, so that private investors can follow.<sup>ii</sup>
  - The bond proceeds are pooled and disbursed as loans to high-impact social enterprises, small and medium enterprises, and microfinance institutions across South and Southeast Asia, to help low-income, rural women transition from subsistence living to sustainable livelihoods.
- The direction of travel is instructive: Singapore's social enterprises could benefit from a judicious mix of grants, debt, and blended structures.

### ***Three, ecosystem intermediaries.***

- A vibrant social service sector is, in some ways, a market — matching sources of funds with uses of funds.
- And this is why market-making intermediaries matter:
  - no individual donor has the time to do due diligence on hundreds of charities and social enterprises; and
  - no small charity has the finance or legal expertise to structure a repayable grant or a blended deal.
  - Intermediaries exist to close that gap — on both sides of the equation.
- ***Suggestion: promote the growth of effective ecosystem intermediaries to better connect potential donors with charities and social enterprises.***

- A mature ecosystem needs at least three kinds of intermediaries:
  - first, donor-matching intermediaries — who administer donor-advised funds, vet charities, and connect givers to causes;
  - second, capacity-building intermediaries — who get organisations investment-ready;
  - third, capital-structuring intermediaries — who design the blended, de-risked instruments that draw private capital to follow philanthropic capital.
- Singapore is well served on the first kind: the donor-matching intermediary.
  - The Community Foundation of Singapore has, since 2008, raised \$386 million in donor-advised funds, including legacy gifts, and disbursed \$244 million in grants.<sup>iii</sup>
  - Newer entrants like the Asia Community Foundation and Temasek Trust Foundation Advisors are extending this further, including cross-border giving.
  - And, if I may add, declaring an interest as chairman of a small philanthropic intermediary, ImpactSG.
- What is thinner on the ground is the second and third kind of intermediary.
  - for charities, someone to translate “impact narratives” into language donors recognise; and
  - for social enterprises, someone to fund the technical assistance needed to move from being merely revenue-ready to being investment-ready.
- If we can close these gaps, we could have a more vibrant and effective ecosystem.

### SHIFT THREE — FROM OUTPUTS TO OUTCOMES

#### ***The third shift is from focusing on outputs to focusing on outcomes.***

- In a resource-constrained sector, it is natural to count what is countable ...
  - ... dollars raised, programmes run, beneficiaries served.
- These matter. But they are not the same as outcomes.
- The harder, more important question is whether a life trajectory changed.
  - Did the child stay in school and improve her grades?
  - Did the senior citizen stay connected?
  - Did the family climb out of debt — and stay out?
- Mistaking outputs for outcomes can even be counter-productive.
  - Take a charity that raises \$10 million in a year but deploys only \$3 million.
  - The \$10 million is an input; the \$3 million is an output; the impact on the ground is the outcome.
  - By raising \$10 million and deploying only \$3 million, the charity has effectively taken \$7 million off the market — money that another charity could have used.
- Let me make two suggestions.

#### ***One, impact measurement.***

- Central to a focus on outcomes is impact measurement.
- Singapore has good frameworks in place, for example:
  - the NCSS *Sector Evaluation Framework* for social service agencies;
  - the NVPC-Tote Board *Guide to Impact Measurement* for non-profits; and
  - the raISE *Social Value Toolkit* for social enterprises.
- But many charities and non-profits are still struggling to measure outcomes well.

- Suggestion: ***build a sector-wide impact verification capability which provides funders a credible baseline for their due diligence of agencies' proposals.***
- The aim is to harmonise as much of the due diligence as possible leaving room for necessary customisation.
- A word of caution though. Some funders who have developed rigorous impact measurement frameworks run the risk of expecting too much precision and certainty in outcomes.
- The solution is not to abandon rigour but to appreciate that, as with financial investments, the outcomes of philanthropy are uncertain and fraught with risk.
- Impact measurement should be exacting about what changed, and humble about how neatly it can be forecast.

### ***Two, qualitative not just quantitative outcomes.***

- Even as we get more sophisticated in measuring impact, let us not forget that some desired outcomes are inherently difficult to count.
- This is where social service is fundamentally different from financial markets.
  - Financial markets are ultimately organised around a single, measurable objective: risk-adjusted return. Capital moves toward it.
  - Social service is organised around something harder to price: dignity, trust, and a life changed for the better. Capital, data, and structure are means here — never the end.
- So, when funders demand rigid, standardised metrics upfront, they can distort the very behaviour they are trying to encourage — organisations start managing to the metric, not to the beneficiary.
- Suggestion: ***adopt a learning mindset when it comes to evaluating outcomes by both funders and agencies alike.***
- This means flexible, co-created, definitions of success that stay close to what beneficiaries actually experience.
  - And these are revisited and updated as understanding deepens, not a scorecard imposed once and left unexamined.

### **AT THE HEART OF IT ALL - HUMANITY**

We must make the whole more than the sum of its parts.

We must learn how to make a fragmented set of well-meaning players function as a more effective ecosystem.

*But at the heart of this ecosystem must be the human dimension.*

*It is about commitment, cohesion, compassion; a sense of purpose; a higher calling.*

The most effective ecosystem is one ...

- where agencies trust one another enough to share a challenging case;
- where a donor sits with a family before writing a cheque;
- where a caseworker's judgement is trusted as much as a dashboard.

In all that we do, the person or family we are helping must be at the centre.

- A family in difficulty does not have an “education problem” or a “health problem.”
- It faces several at once — schooling, health, nutrition, employment, the quiet erosion of confidence.
- Let us start with the beneficiaries and work outward, rather than slotting them into whichever silo we happen to champion.

The work we do is not only about solving social problems. It is as much about fostering community.

- Giving strengthens something larger than any one beneficiary: it strengthens our social compact – what we do for one another.

Ultimately, what we are seeking to build is not just a more effective social service sector, but a more compassionate and inclusive Singapore.

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<sup>i</sup> Information System Authority of Estonia (2024). "X-Road", e-Estonia.

<sup>ii</sup> International Finance Corporation (2025). "IFC Invests in IIX's Women's Livelihood Bond 7 to Fund High-Impact Women Enterprises in South and Southeast Asia", IFC Press Release, 18 July 2025.

<sup>iii</sup> Community Foundation of Singapore (2026). "Who We Are", CFS.