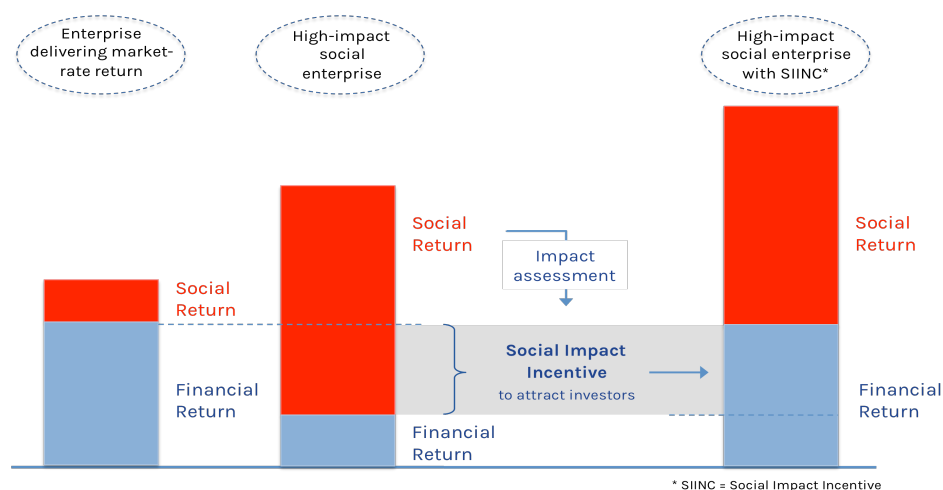


Social Impact Incentives

A performance-based approach to catalyzing impact investment and encouraging entrepreneurial solutions for pressing social issues

- Preview -

The Social Impact Incentives [SIINC] model is an innovative and catalytic instrument for bringing together high-impact social enterprises, impact investors and public or philanthropic funders. An outcome payer (e.g. a philanthropic organization, development agency or other donor) agrees to make premium payments to the enterprise based on the social contribution generated by their operations. These premiums are paid in parallel to the revenues the enterprise generates through its activities. In this way, **impact is incentivized with the social performance of the enterprise being directly linked with its levels of profitability and thus its attractiveness for investors.**



* SIINC = Social Impact Incentive

The SIINC model is therefore an effective means of **leveraging public or philanthropic funds to catalyze private investment (blended finance)** in areas where there is high social impact, but where current conditions would provide below market-rate financial returns. Based on valid and trackable impact related metrics SIINC provides the social enterprise with a means for establishing itself. The temporary payments will accelerate the process of **achieving long-term financial viability** (either via public sector contracts or market-based revenue streams) while offering the outcome funder and impact investor strong and on-going social returns on the resources they invest.

The first use of the SIINC model will be in Latin America and the Caribbean, where Roots of Impact has launched a Public Private Development Partnership (PPDP) with support from Ashoka and in collaboration with the Swiss Agency for Development and Cooperation (SDC) and the Inter-American Development Bank (IDB). The project partners are seeking to establish the SIINC model as a game-changing innovation in development finance and impact investing.

For more information on Social Impact Incentives, please feel free to contact:

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