

Social Outcomes Contracting in the Netherlands

12 April 2023

SOCIAL FINANCE NL

WE DESIGN AND IMPLEMENT MORE EFFECTIVE SOLUTIONS FOR SOCIETY'S MOST PRESSING CHAILENGES BY CONNECTING AND ENABLING THE RIGHT STAKEHOLDERS



Social Finance NL is a social enterprise with the mission to mobilise capital and talent for impact. Starting at the core: how can we help those who are in the most vulnerable positions in society



We work on new solutions and partnerships that fit the social issue at hand. In order to deliver those we use our breadth of experience with outcome based financing, Social Impact Bonds and outcomes funds

DATA-DRIVEN

Based on analysis and research on the target population, we bring insights into the current situation as well as understand the needs. For this we can also rely upon previous work and research on thematics such as youth care or employment

CONNECTING

As Social Finance NL we play a bridging role where we connect governments, social enterprises, investors and others in order to solve society's most pressing challenges more effectively

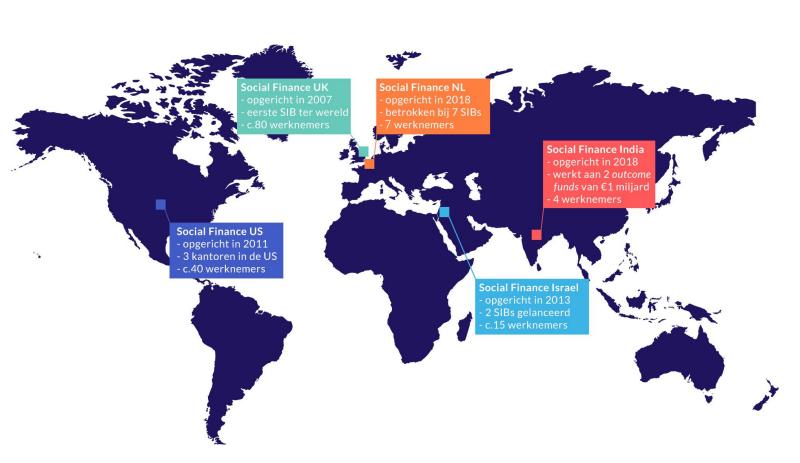


SOCIAL FINANCE GLOBAL NETWORK

SOCIAL FINANCE NL IS PART OF A STRONG INTERNATIONAL NETWORK

Social Finance NL is part of the international Social Finance Global Network. A network of mission-oriented organizations gathered around a shared vision. This started with Social Finance UK that launched the first Social Impact Bond in 2010. In the following years the unique methodology of Social Finance UK grew globally and led to the start of Social Finance US, Israel, India and the Netherlands as new organizations in the Social Finance Global Network.

The Global Network works closely together. Through knowledge sharing on tackling social challenges, with Social Impact Bonds and other innovative financing options, and by building upon our shared commitment to the Social Finance mission and vision.



OUR PERSPECTIVE ON SOCIAL IMPACT BONDS

A SOCIAL IMPACT BOND IS A COLLABORATION BETWEEN PRIVATE AND PUBLIC PARTNERS TO ENSURE BETTER SOCIAL OUTCOMES

working capital to achieve the predefined social

Target group

results

Based on a social challenge a contract is signed Based on the extent to which between government, the predefined results are met, social entrepreneurs and Outcome payer as determined by the investor(s). The government independent assessor, the agrees to pay a return to government pays the investors the investors if predefined through the intermediary social results are met Based on the contract, the investors make their The social entrepreneur investment receives the necessary



NO LONGER PAYING FOR EFFORT, BUT PAYING FOR RESULT:

SOCIAL OUTCOMES CONTRACTING



Insight into the effectiveness of activities



Strong public-private partnerships to solve social challenges effectively

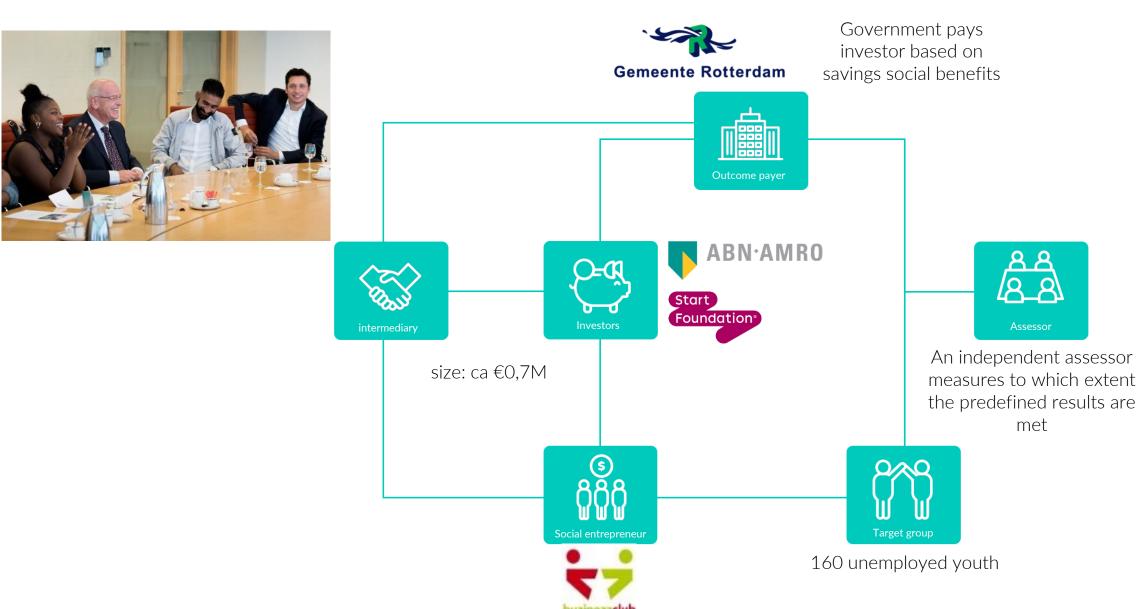


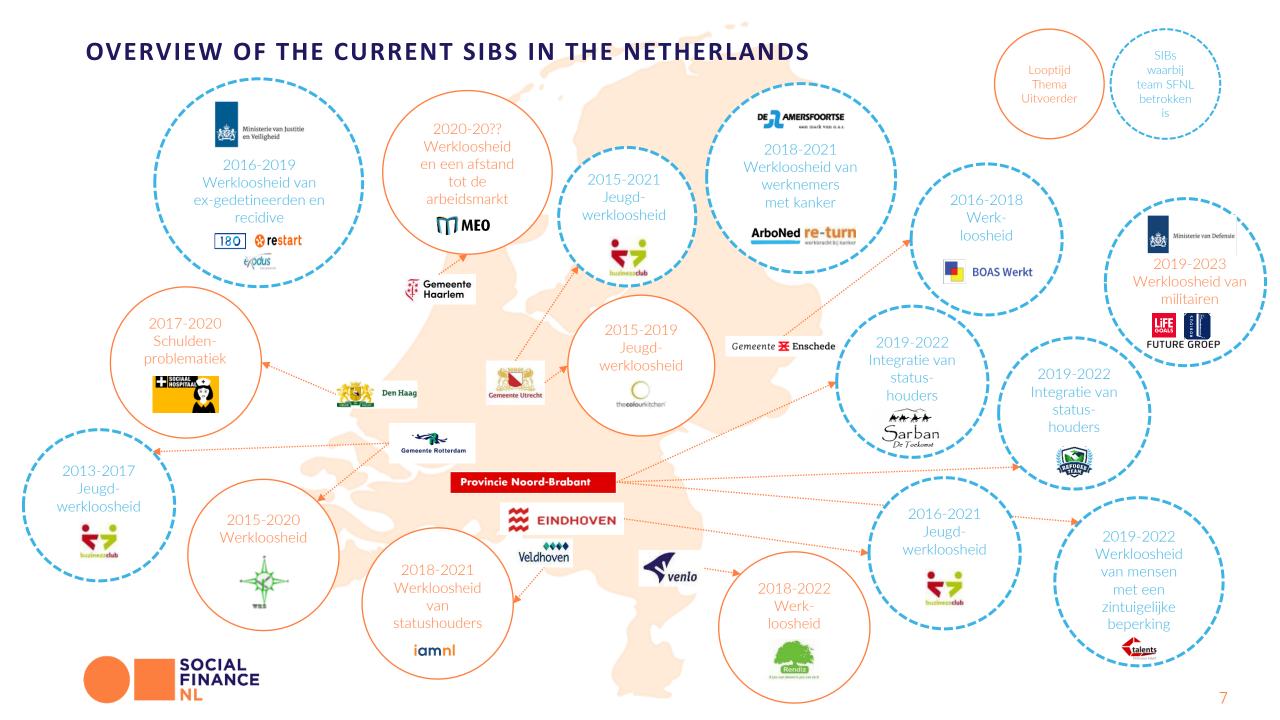
Financial risk transferred to private investors



Room for prevention and innovation

THE START OF SOCs IN THE NETHERLANDS: SIB YOUTH UNEMPLOYMENT ROTTERDAM





THE LATEST SOCIAL IMPACT BOND

WITH THE HEALTH IMPACT BOND STANDING STRONG, WE FOCUS ON HEALTHCARE PREVENTION

100,000

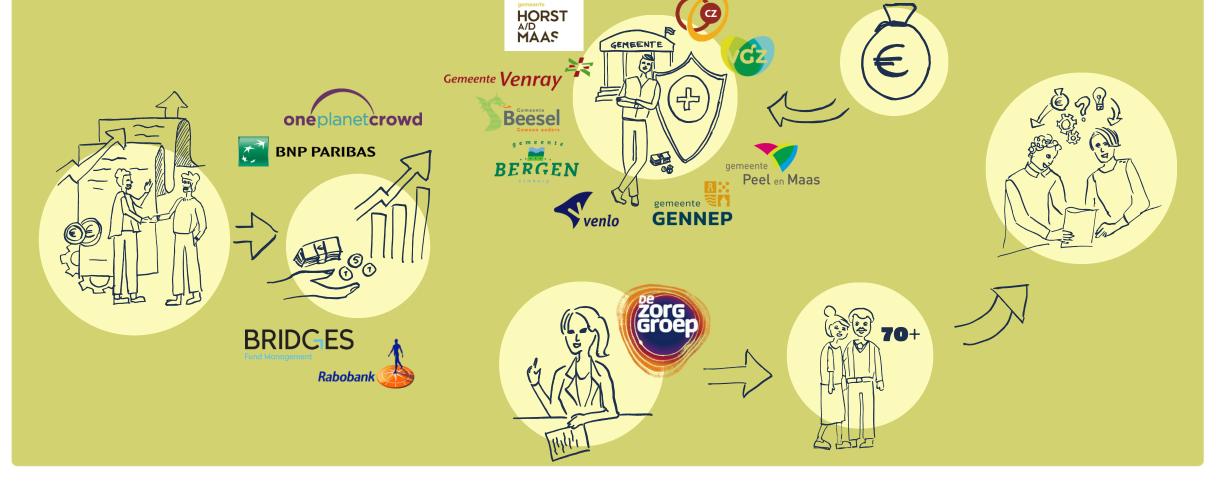
Seniors every year have to go to the Emergency Room due to a fall incident

- 2 Stakeholder groups are responsible. Municipalities are responsible for prevention, but are reluctant to act as Health insurers are responsible for healthcare.
- Outcome payers have combined forces, 7 municipalities and 2 health insurers, to pay for outcomes of a fall prevention programme
- 2,500 Seniors in the region will receive training based on balance and strength over the course of five years
- 3,940

Fall incidents are expected to be avoided over the course of the impact bond

THE STRUCTURE OF THE HIB VALPREVENTIE

In the HIB valpreventie Social Finance NL works together with multiple outcome payers in the form of health insurers, care office and seven municipalities



MAIN CHALLENGES FOR SOCS IN THE NETHERLANDS

WHAT CAN FINLAND LEARN FROM DUTCH EXPERIENCES AND MISTAKES?



SIB for the sake of SIBs



Decentralisation (size)



Lack of transparancy

HOW TO TAKE SOCIAL OUTCOMES CONTRACTING FORWARD: THE SOCIAL FINANCE APPROACH

WE BELIEVE IN AN OUTCOMES-BASED AND DATA-DRIVEN APPROACH TO FINANCE, MEASURE AND SCALE SOCIAL IMPACT

