Social Impact Fonds Rotterdam

fi-compass Showcase 2025

Constructive collaboration with Social Impact Funds in The Netherlands, a case study from Rotterdam

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Demonstrating Constructive Collaboration

Social Impact Fonds
Rotterdam

Social Impact Fund Rotterdam (The Netherlands)

- Social Impact Fund Rotterdam (SIFR) started in 2019, aiming at new loans for social enterprises.
- Social enterprises use commercial strategies to achieve their primary **social mission**, such as solving a local social problem or improving community well-being.
- Main targets: support local inclusive employment, bringing unemployed citizens to the labor market, especially in deprived urban areas.
- Funded by **€ 4,75 mln** private funds, **€ 3 mln** ERDF-money, **€ 2,5 mln** by the Municipality of Rotterdam, and **€ 0,25 mln** of private donations. Total fund is now **€ 10,5 mln**.
- More that 22 deals already done, over € 5,3 mln spend, average multiplier is 2,5. So already € 12,5 mln is invested in local social enterprises. This is **place-based impact investing**.
- The fund is providing loans and **closely works together** with the Rotterdam Impact Coalition network, a network organization of local banks, institutes and the local municipality; this coalition helps to train entrepreneurs and to prepare their business cases. This coalition aims to join people and disseminate knowledge. It is all about the challenge to make social enterprises more "**bankable**".

Project example: LUNCH BUNCH

- Lunch Bunch is a new local social lunch caterer that combines an **inclusive labor** market with a **sustainable food** chain.
- Recently, this local company raised an investment of over € 565,000 to further scale up, from the Social Impact Fund Rotterdam and the Impact Fund Sustainable Food Chain.
- Lunch Bunch aims for a society in which everyone has access to a job with the mission: 'Bread on the table for everyone'. They make lunches for companies and offer catering solutions.
- Most employees are people with **mental issues** or a **traumatic past**. Lunch Bunch offers them a new future by employment, training and coaching.

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Benefits and targets

- In addition, Lunch Bunch only uses **sustainable packaging materials**, a procurement aimed at maximum use of sustainable and **locally grown, healthy ingredients**. All meals are delivered with **sustainable transport** - for a fair and future-proof food system.
- Since its inception in 2022, Lunch Bunch has created more than 30 paid jobs, trained over 40 people and made 90,000 sandwiches for lunch for the Dutch business community. This has saved a total of € 453,260 on social benefits.
- Lunch Bunch has a significantly lower relapse rate than regular solutions in the market and is therefore a solution for the local municipality and its public labor organizations to save costs.
- Lunch Bunch aims to create **100 paid jobs** within five years.

Financial instrument information

Category: constructive collaboration

Name of financial instrument:	***Social Impact Fund Rotterdam***	
EU Fund(s)	Program contribution / Total size	Product(s)
ERDF (Kansen voor West Program)	***€ 3 million ERDF, total size € 10,5 mln***	***Mainly loans***

Description:
The Social Impact Fund Rotterdam is **very successful**. Following this example, new place-based impact funds are now created in the Dutch cities of The Hague, Amsterdam, Utrecht and Haarlem. Total envisaged combined fund volume in these cities is **€ 55 million** within a few years (of which about € 8,4 mln ERDF money). At fund level, these funds will raise over € 40 mln of private money. At deal level, this leverage even adds up, as social enterprises will also bring in their own money and other external capital. These local social impact funds can and will **exchange** a lot of useful information, e.g. on setting up the right business models, how to integrate policy goals and budgets of local authorities, how to get local communities involved, etc. The results of the companies are not only monitored in terms of financial revenue, but also on social impact. The ERDF money is used as a subsidy at fund level, to cover risks and first losses at fund level. Herewith, this fund is using a system of **asymmetric loss-sharing** between public and private investors (at fund level). This is also known as **Blended Finance**. A new future development could be to combine **ERDF** money (subsidy) and **EIB** money (loan), to increase volume and impact.

Country / Managing Authority:	*The Netherlands – Kansen voor West: www.kansenvoorwest.nl*
Implementing bodies:	*Social Impact Fund Rotterdam: www.sifr.nl*

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