



# FI Campus 2023

## *Delivering Financial Instruments for Social Impact Investing*

Moderator: **Giulio Pasi**, Policy Officer, DG EMPL, European Commission

**Brigitte Fellahi-Brognaux**, Head of the Social & Inclusive Entrepreneurship Unit, DG EMPL, European Commission

**Jelena Emde**, Financial Instruments Advisor, European Investment Bank

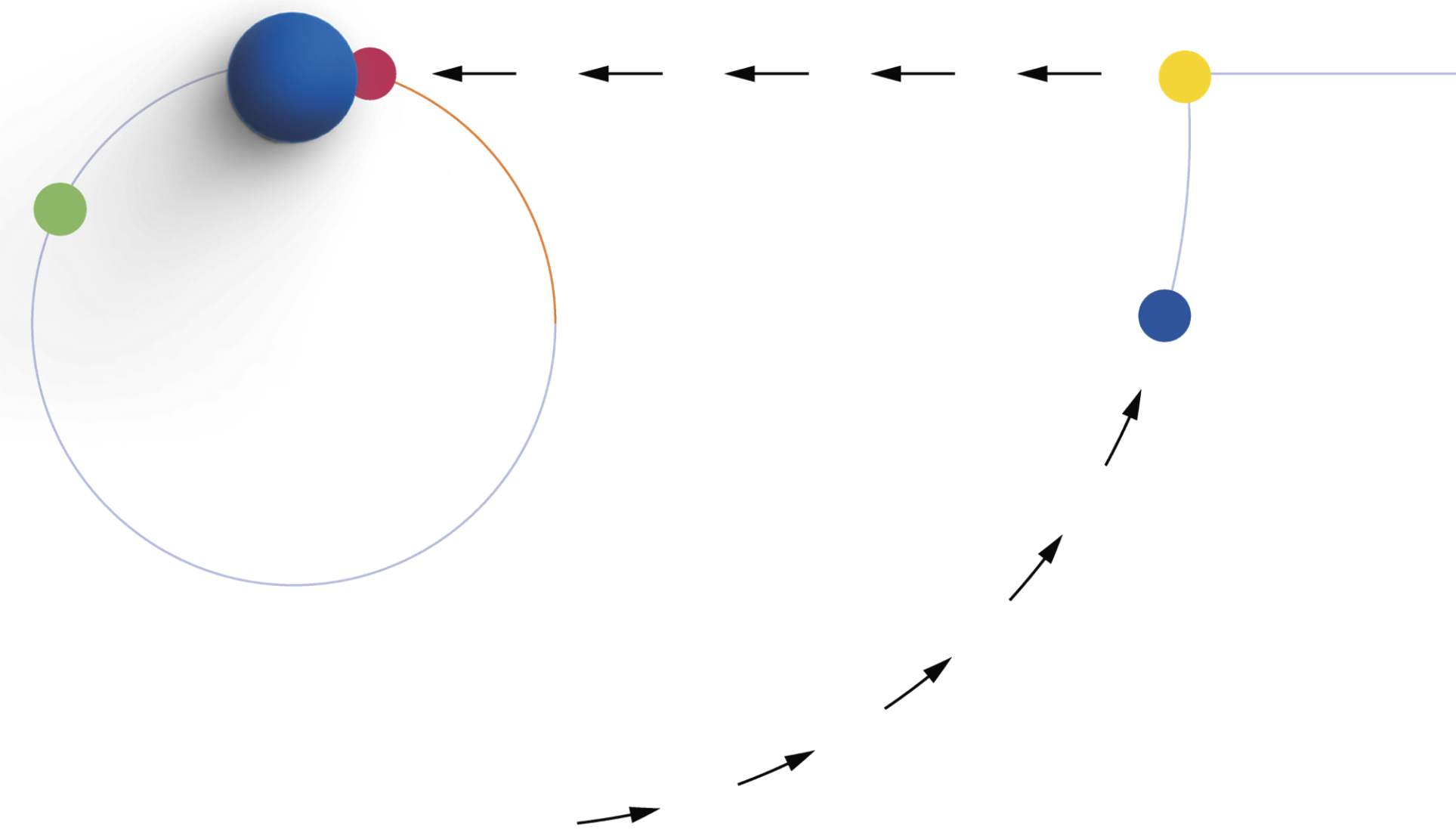
**Margarida Anselmo**, Head of Public Sector, MAZE, Portugal

**Luigi Corvo**, Founder, Open Impact, Italy

**Filippo Addarii**, CEO and Founder, Plus Value, Italy

**Julian Frede**, Co-founder and Managing Director, Evolutiq, Germany

**Mario Vottero**, Impact Director, Rethink Ireland

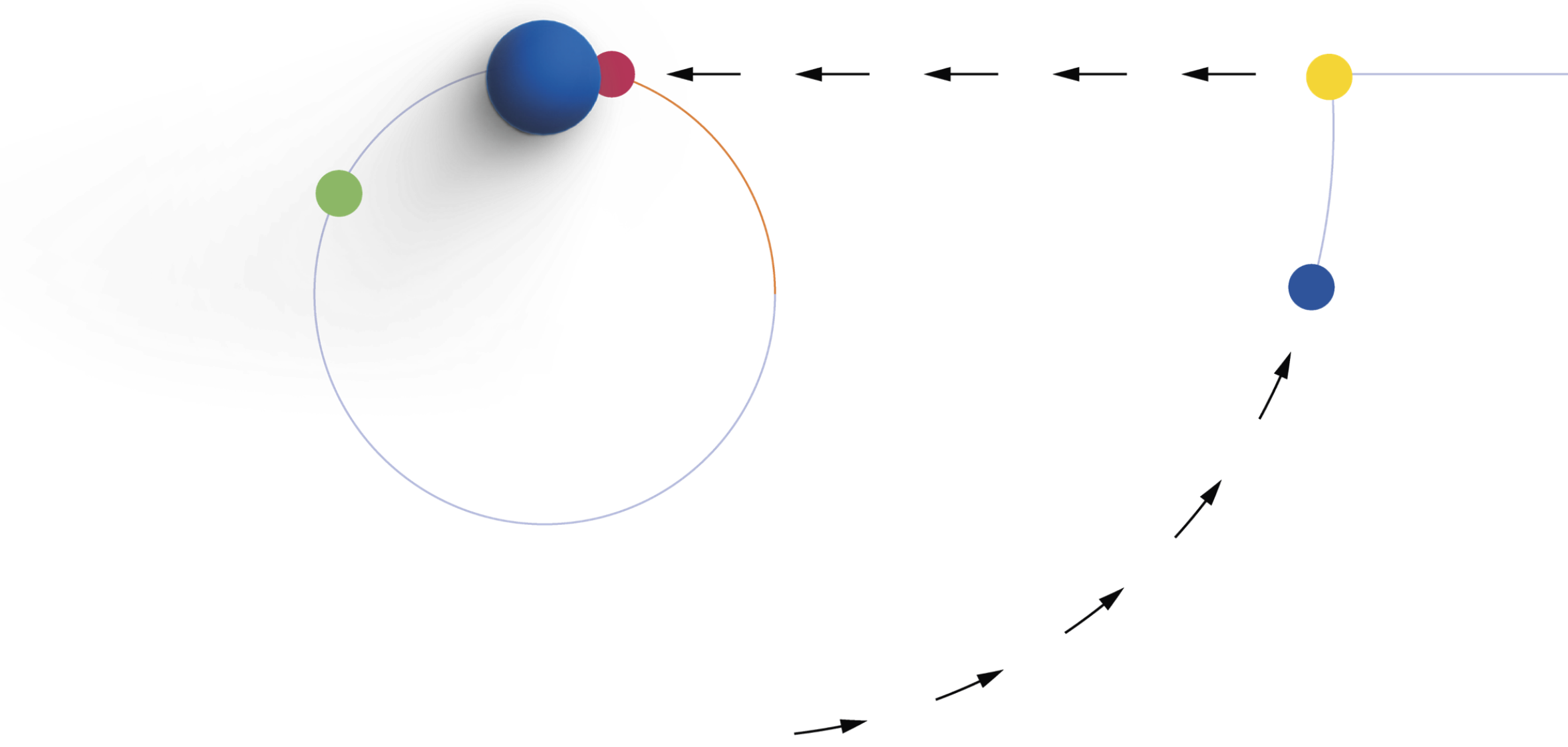




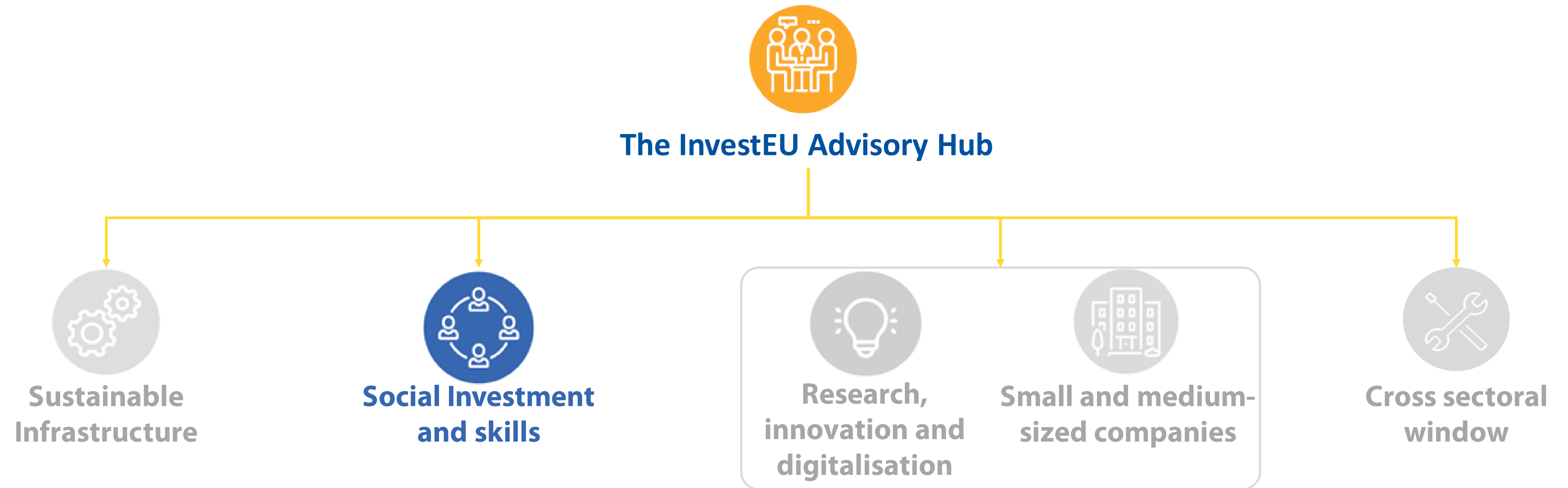
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## *InvestEU Advisory Initiatives for Social Impact Investing*

**Jelena Emde**, Financial Instruments Advisor, European Investment Bank

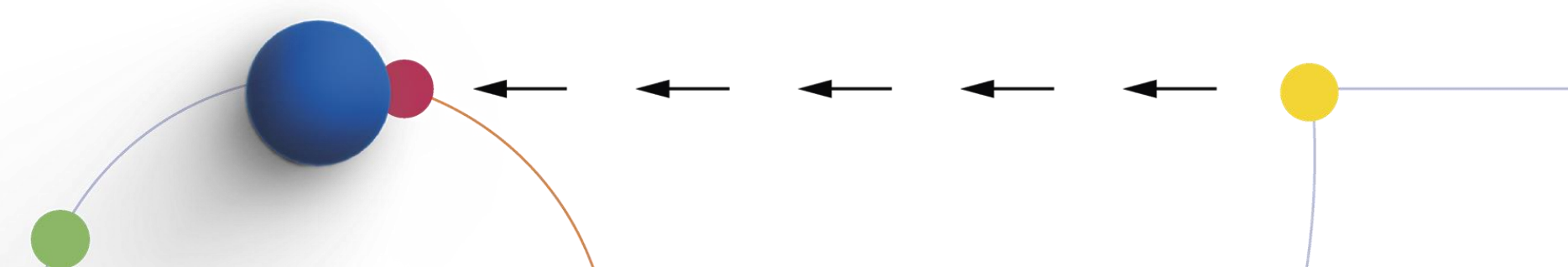


# InvestEU Advisory Hub



## Examples of Advisory Initiatives:

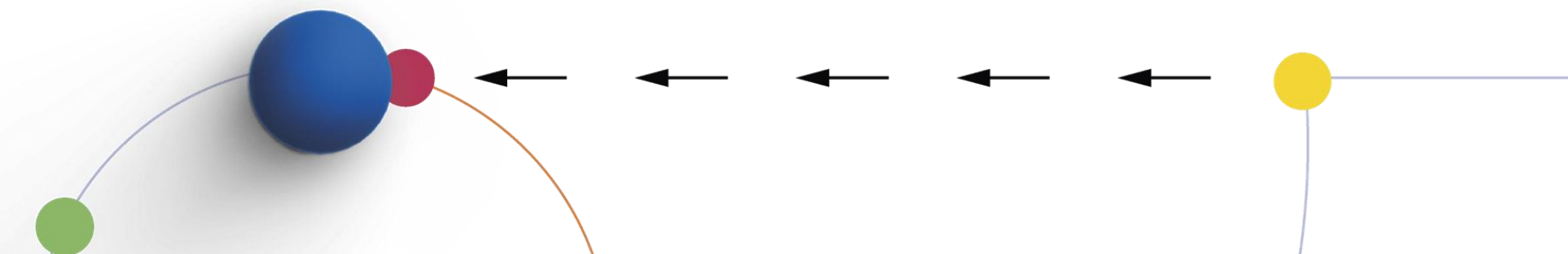
- Social Outcomes Contracting Advisory Platform (**SOC platform**)
- Social Inclusive Finance Technical Assistance (**SIFTA**)



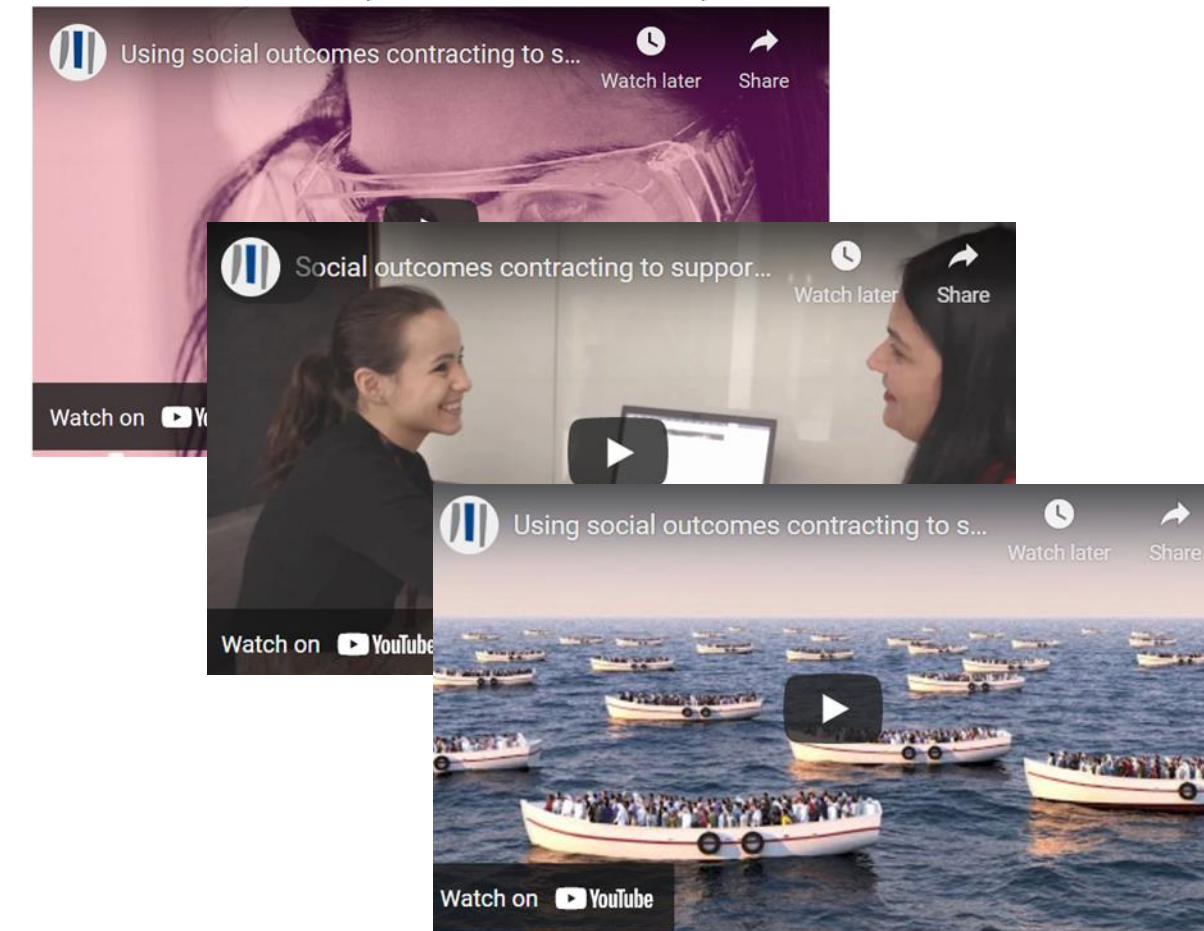
# Social Outcomes Contracting Advisory Platform (SOC Platform) (I)

## A wide range of advisory services:

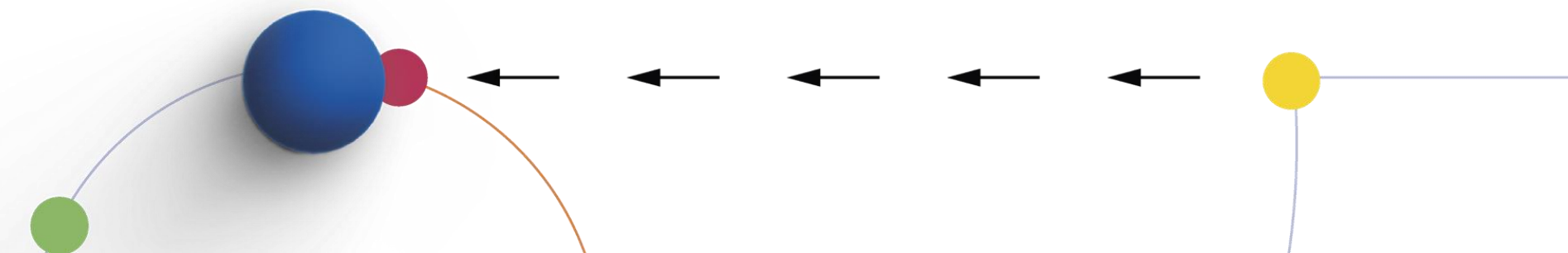
- Individual project development support
- Awareness raising and capacity building
- Developing guidance material
- Fostering peer-to-peer knowledge exchange



- Support is **free of charge** for public authorities
- **SOC topic examples:** employment and inclusion of vulnerable groups (migrants, marginalised Roma communities), prevention of reoffending by ex-convicts prevention of homelessness (e.g. SOC feasibility studies in SK, ES, IT, IE, LT)
- **Dedicated webpage** - case studies, guidance material, videos, events



<https://advisory.eib.org/about/initiative-social-outcomes-contracting.htm>



# Social Inclusive Finance Technical Assistance (SIFTA) (I)



SOCIAL INVESTMENT  
AND SKILLS

## Social Inclusion Finance Technical Assistance (SIFTA)

Project advisory,  
Capacity building  
and market  
development

Rating, Assessment  
and Evaluation

### Geographical eligibility

- EU-27

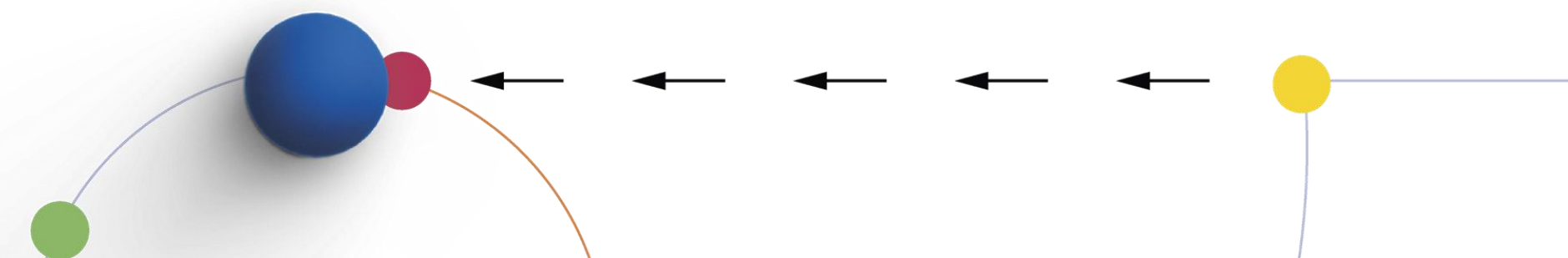
### Timeframe of the initiative

- Initial budget available until December 2024

### Beneficiaries

- **Microfinance providers** such as banks and non-bank microfinance institutions
- **Social enterprise finance providers**, such as:
  - investment funds,
  - impact investors,
  - incubators,
  - accelerators (among others)

that offer or are in the process of widening their scope with a view to providing accompanying financial support to social enterprises



## Specific services to beneficiaries

### Capacity building

- Provision of an institutional assessment, institutional rating and social rating
- Impact assessments
- Tailored trainings/coaching
- Investment readiness trainings

### Dissemination of good practices

- Peer-to peer trainings
- Study visits

### European Code of Good Conduct

- Training/coaching on the implementation of the Code
- Code Compliance Evaluation and renewals
- Post-evaluation capacity building

### Portfolio analysis and pipeline building

- Improve the capacity of MF/SE providers who are engaged with the EIB Group
- Provide expertise in building portfolios and evaluating associated risks

*to selected MF/SE finance providers*

*To selected MF providers only*

## Horizontal services

### Market development, Communication and Awareness Raising

- Organisation /participation in events, conferences and networking events
- Communication / preparation of communication materials
- Help Desk

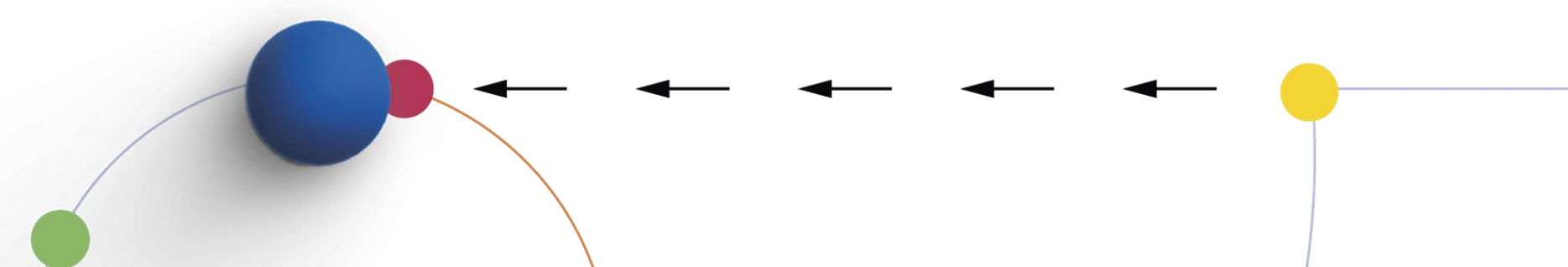
### Analytical support

- Provide guidance to MF/SE providers on funding

### Dissemination of good practices

- Workshops

*to all MF/SE finance providers*



# Further resources

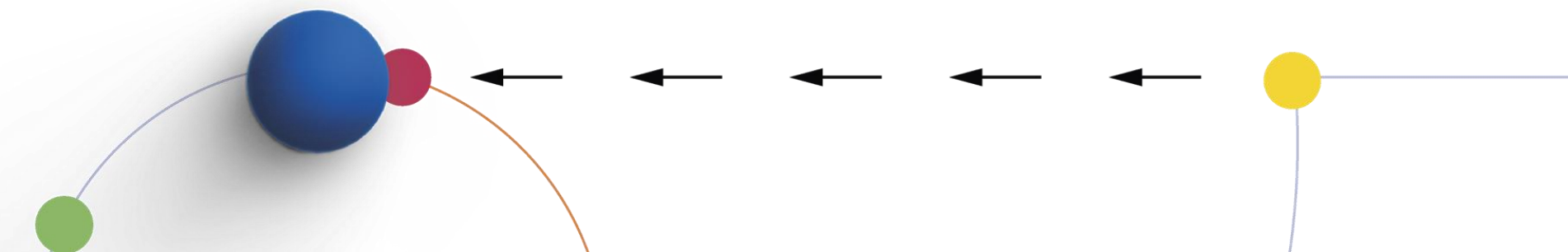


**Invest EU Advisory Hub:** <https://advisory.eib.org/about/the-hub.htm>

**SOC Advisory Platform:** <https://advisory.eib.org/about/initiative-social-outcomes-contracting.htm>

**SIFTA:** <https://advisory.eib.org/about/service/social-inclusive-finance-technical-assistance.htm>

.... more to come soon!







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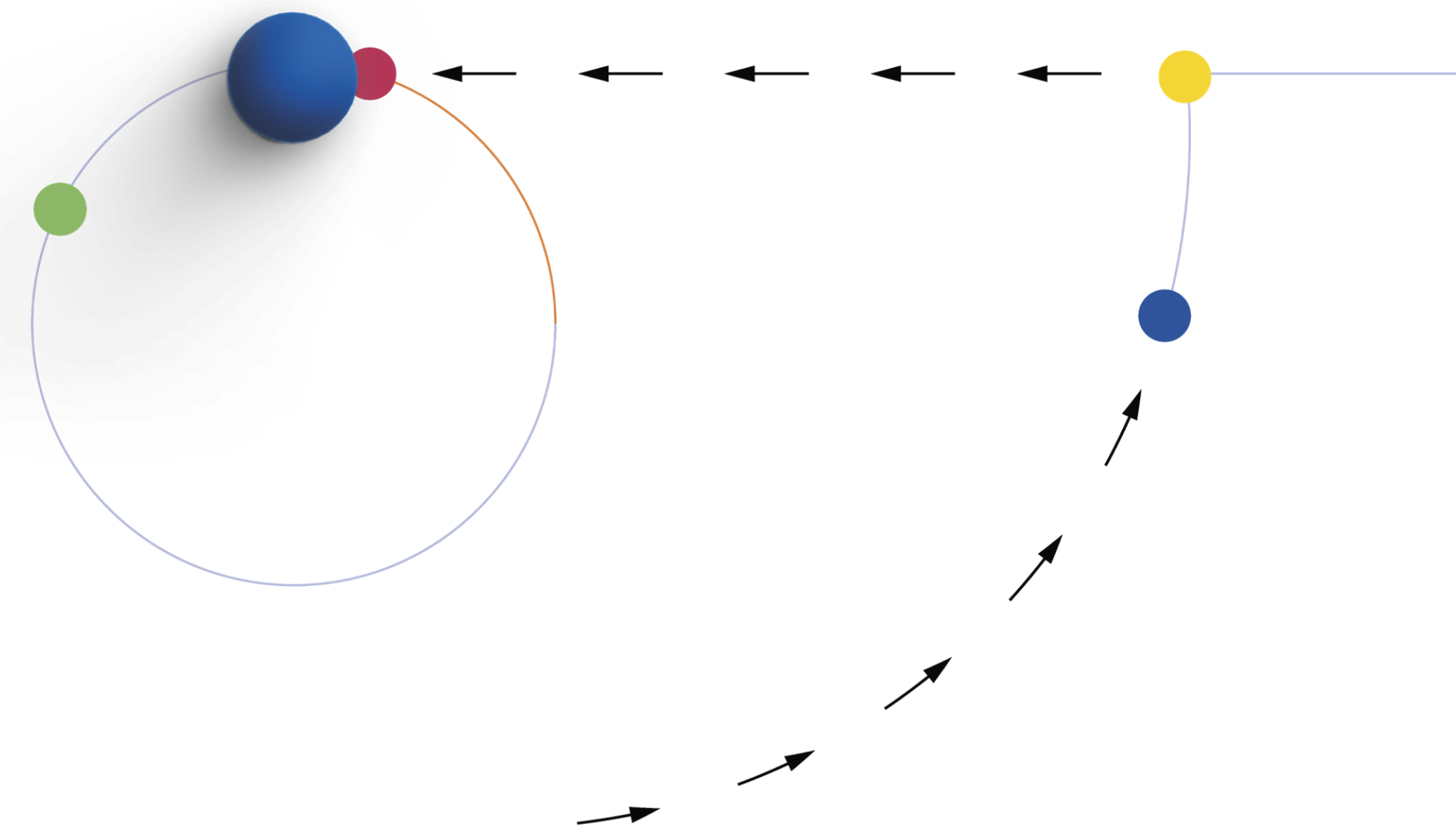
## Thank you



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## *Mobilising ESF funds towards social outcomes contracting: A case study from Portugal*

**Margarida Anselmo**, Head of Public Sector, MAZE, Portugal



**Portugal Social Innovation**, is a public initiative that mobilized over **€100M from the ESF** under the Portugal 2020 Partnership Agreement to **foster social innovation and impact investment.**

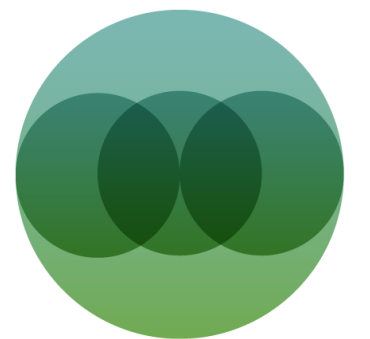


# Funds were deployed through **four funding instruments**, adjusted to the lifecycle of social innovation projects.



## CAPACITY BUILDING for Social Investment

Finances the **development** of **management skills** in teams involved in social innovation projects.



## PARTNERSHIPS for Impact

**Co-grants financing for 70%** of the funding needs of social innovation projects, with the remaining **30% provided by** public or private **social investors**.



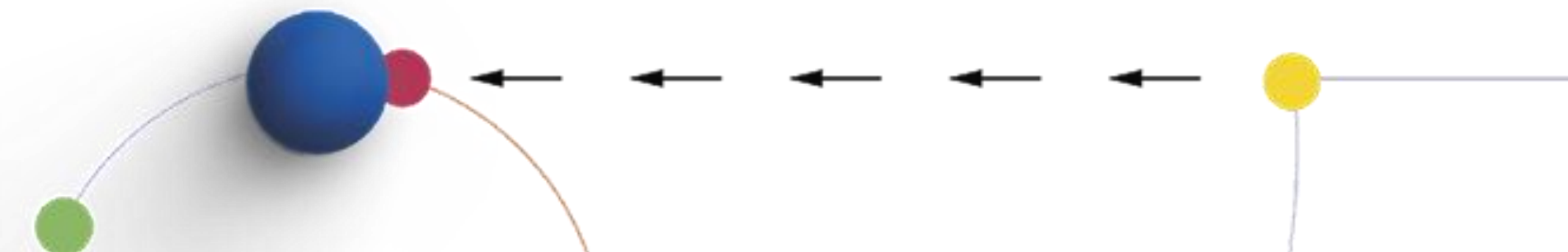
## Social Impact BONDS

Finances innovative projects in **priority areas of public policy**, against an **outcome-based contract**; social investors are fully reimbursed if previously agreed Social Results are met.



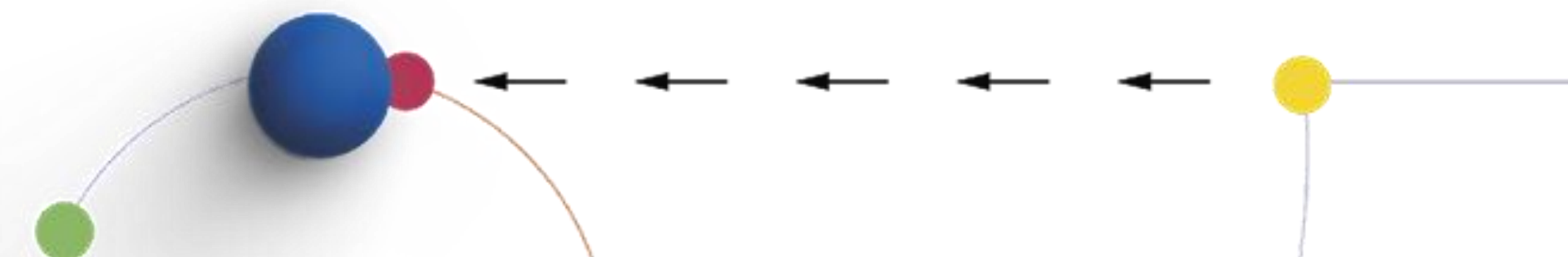
## Social Innovation FUND

**Co-invests** in **equity** alongside with **private investors** and provides **guarantees for loans**.



Entering a new funding cycle, the main **challenges and success factors identified** are informing the design of the next iteration of **Portugal Social Innovation** and its financing instruments, to be launched as part of a national agenda for impact.

The **2030 Agenda for Impact** sets **5 objectives and targets**, linked to **14 recommendations** to foster the development of innovative and effective solutions to address social challenges and **position Portugal as a European Hub for Social Innovation**.





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## Thank you

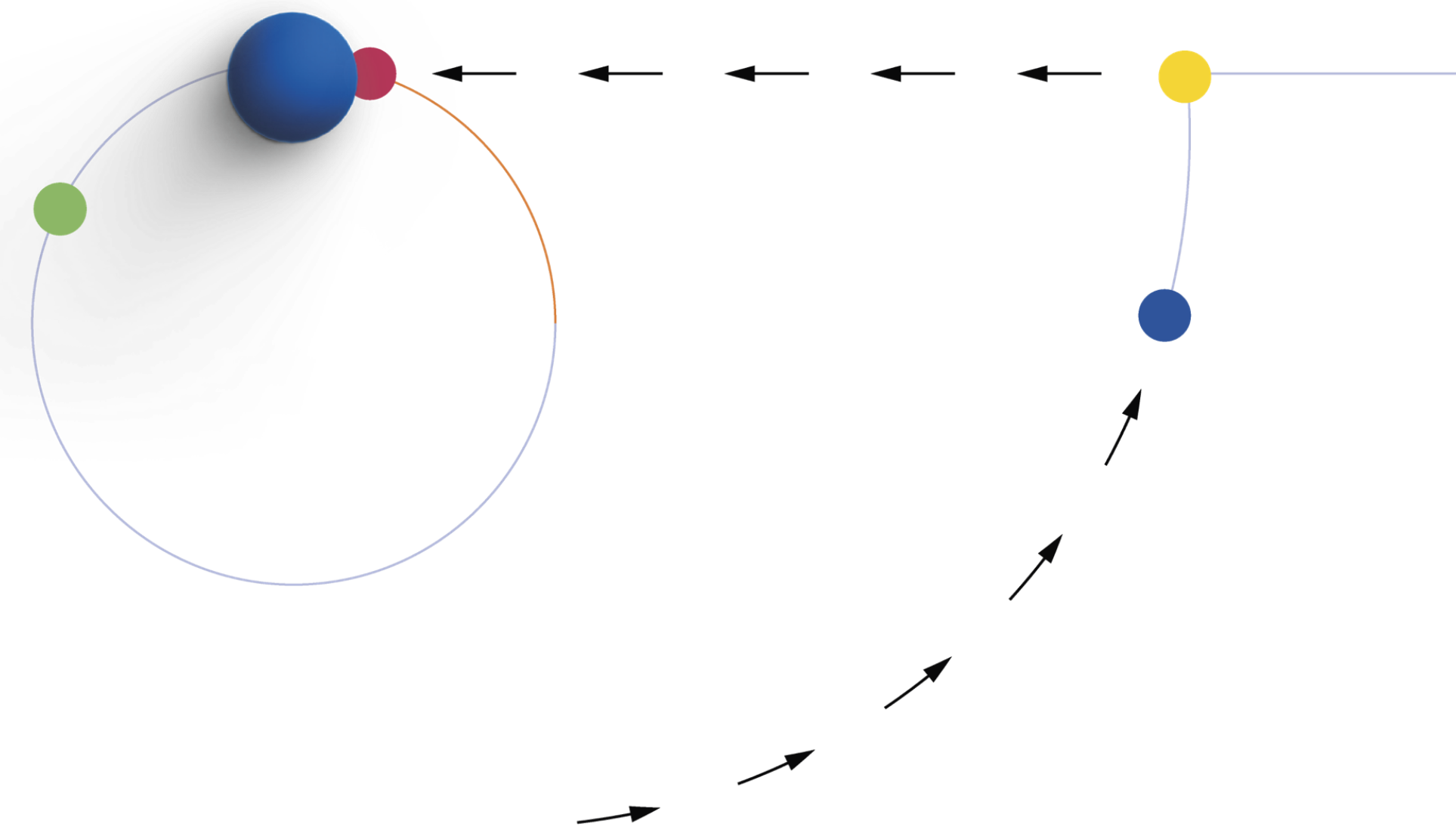
[margarida@maze-impact.com](mailto:margarida@maze-impact.com) / [maze-impact.com](https://maze-impact.com)



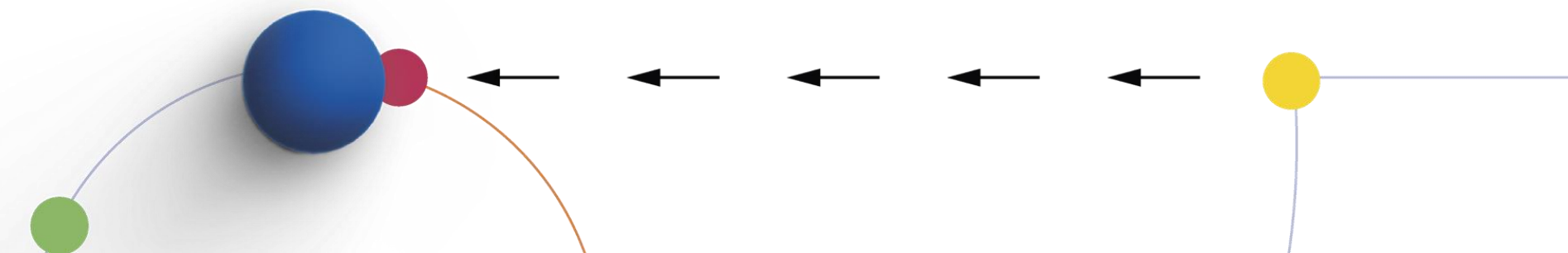
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## Framework policy initiatives

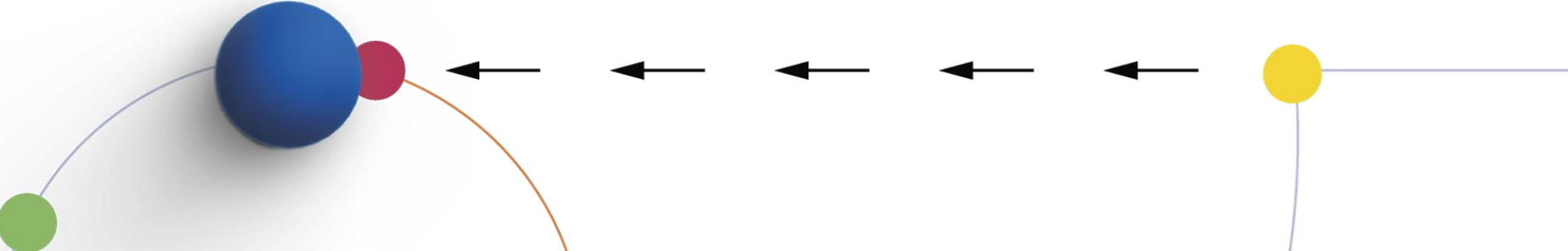
**Luigi Corvo**, Researcher at University of Bicocca Milan /  
Founder, Open Impact, Italy



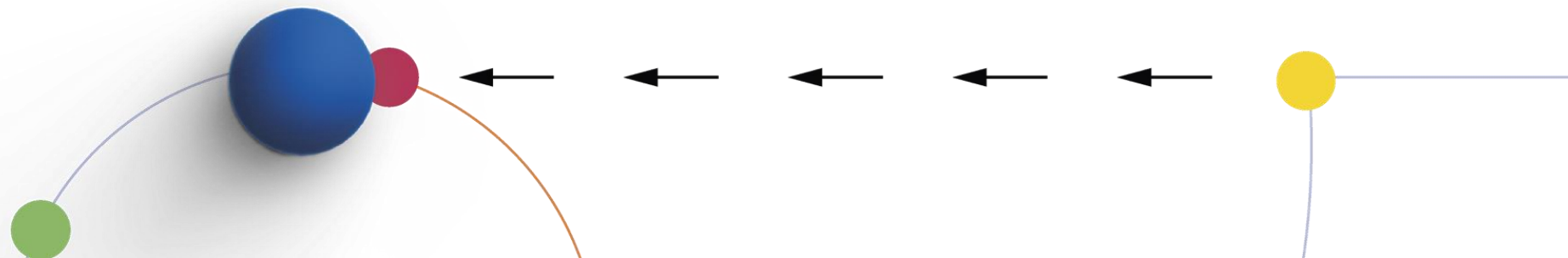
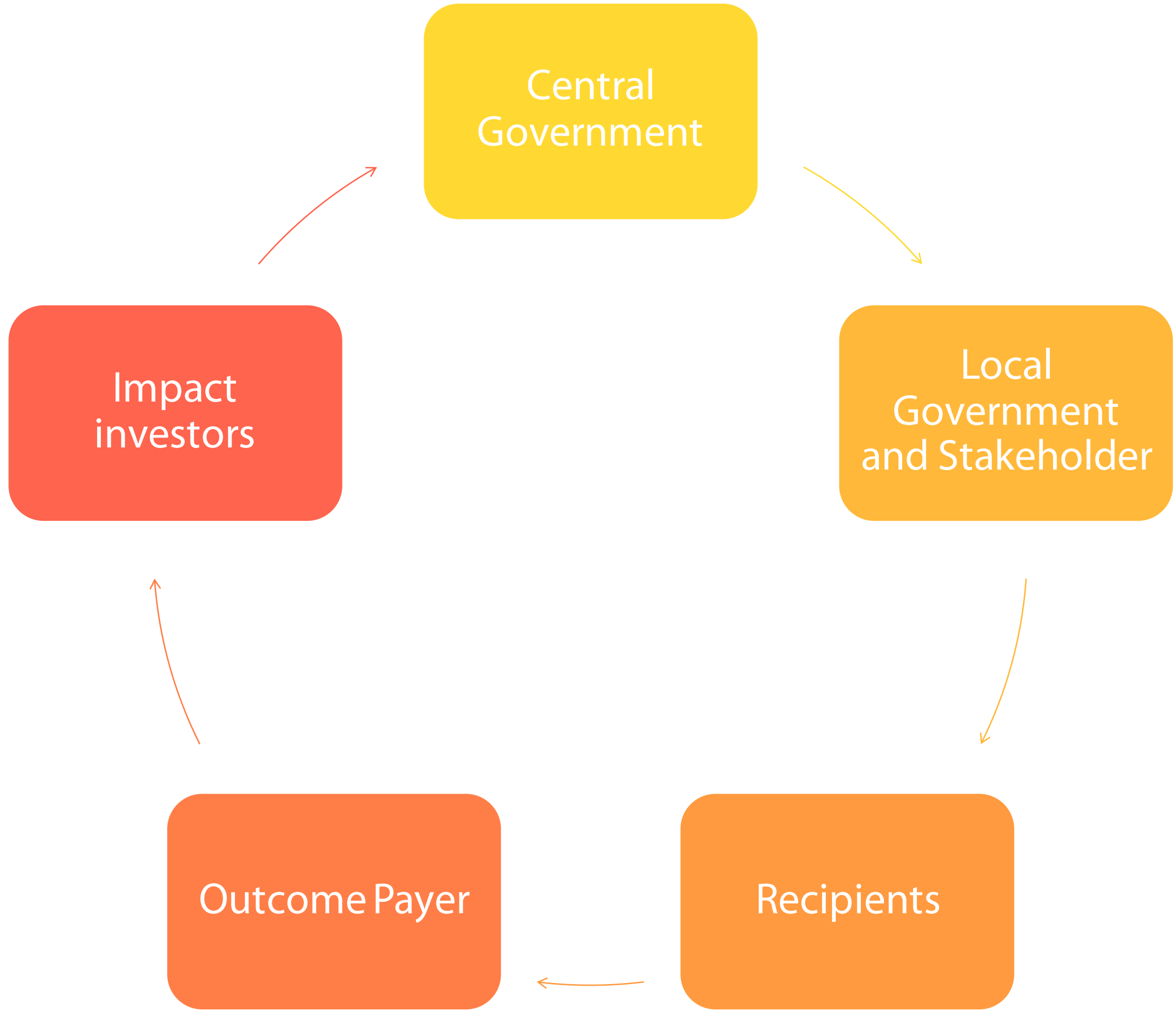
- Within the public policy making process it seems we confuse the absence of evidences wit the evidence of absence
- Social impact represents an absence of evidence that blocks the potential of public value generation
- How can we bridge this gap?
- «Please, don't do new laws»
- Can social innovation shape a new public governance paradigm?





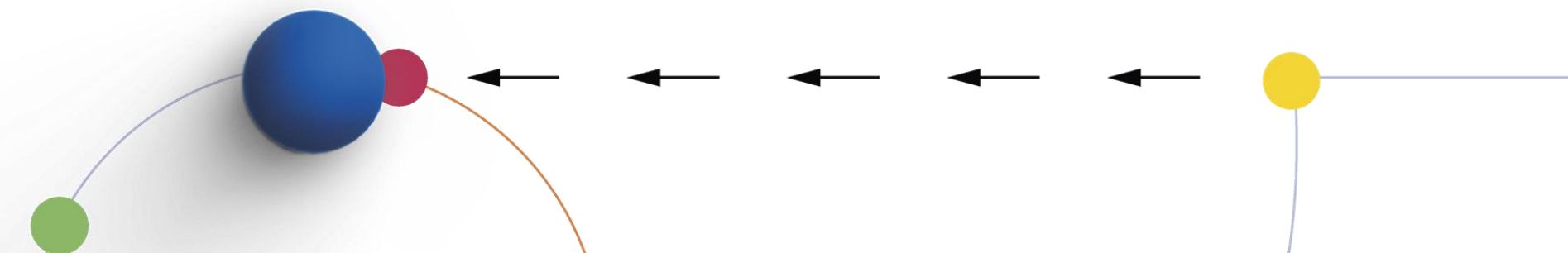


# The impact policy cycle



# Slides to be written

- Assumptions cannot be conclusions
- FIS is an experimental policy. What happens if the test works?
- Measurability is not only a technical matter
- Social innovation, social justice, legality: a controversial relation
- Towards the Instituting Institutions





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## Thank you

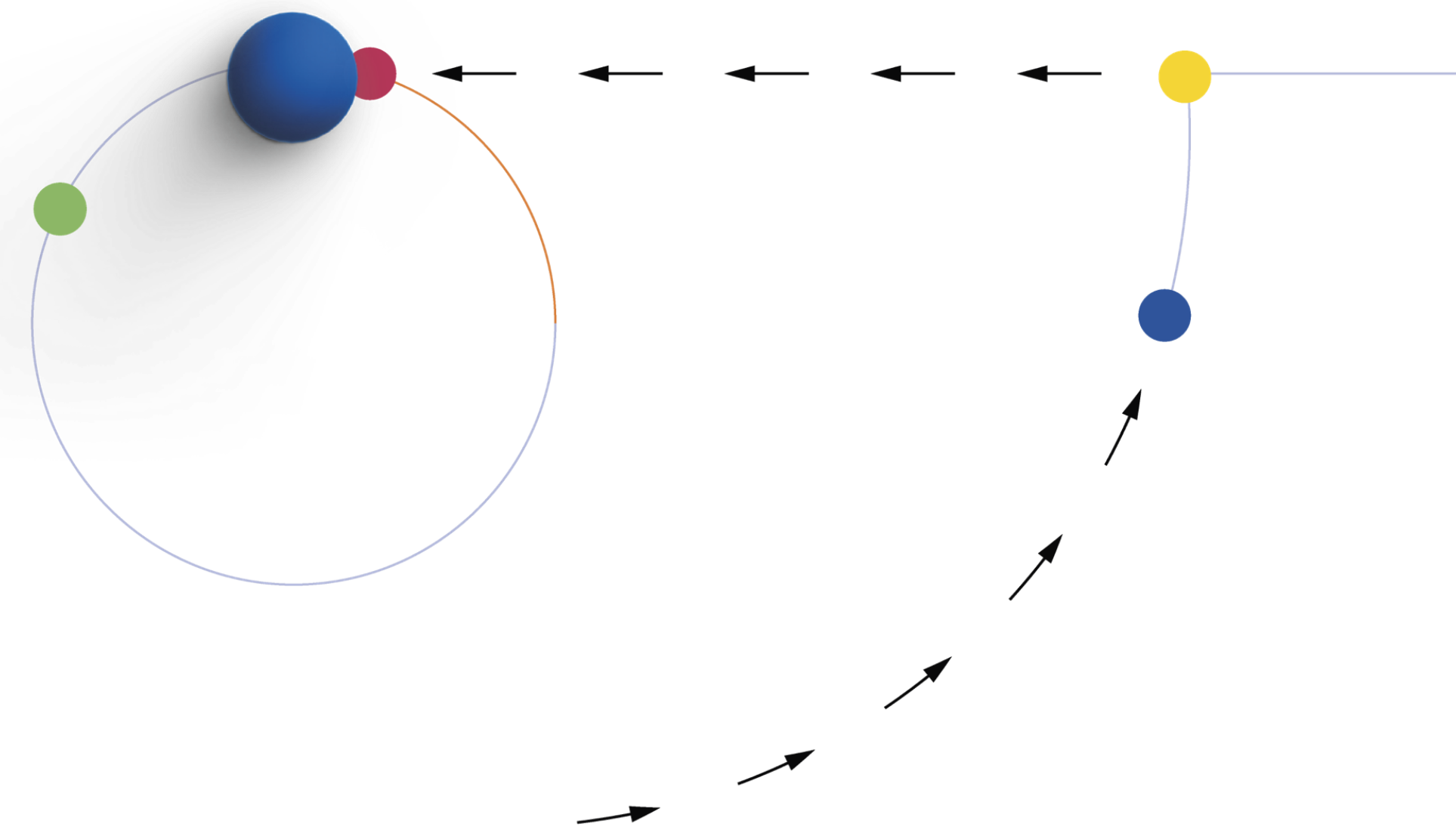
*Luigi.corvo@unimib.it*  
*www.openimpact.it/en/.*



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## *Getting financial markets to work for society: the case of Arca's Social Leader ESG Fund*

**Filippo Addarii**, CEO and Founder, PlusValue, Italy



# A partnership between impact & finance

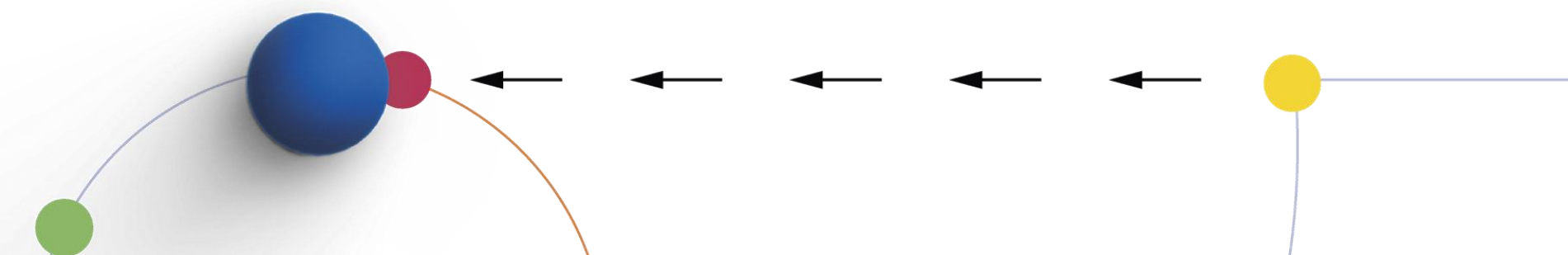
ARCA's Social Leader ESG Fund invests in shares and bonds of publicly-listed companies excelling for **health & safety**, **equal opportunities** and **training & education** practices and performance

## + PLUSVALUE

Boutique advisory firm operating at the crossroad of **innovation**, **social impact** and **finance**.



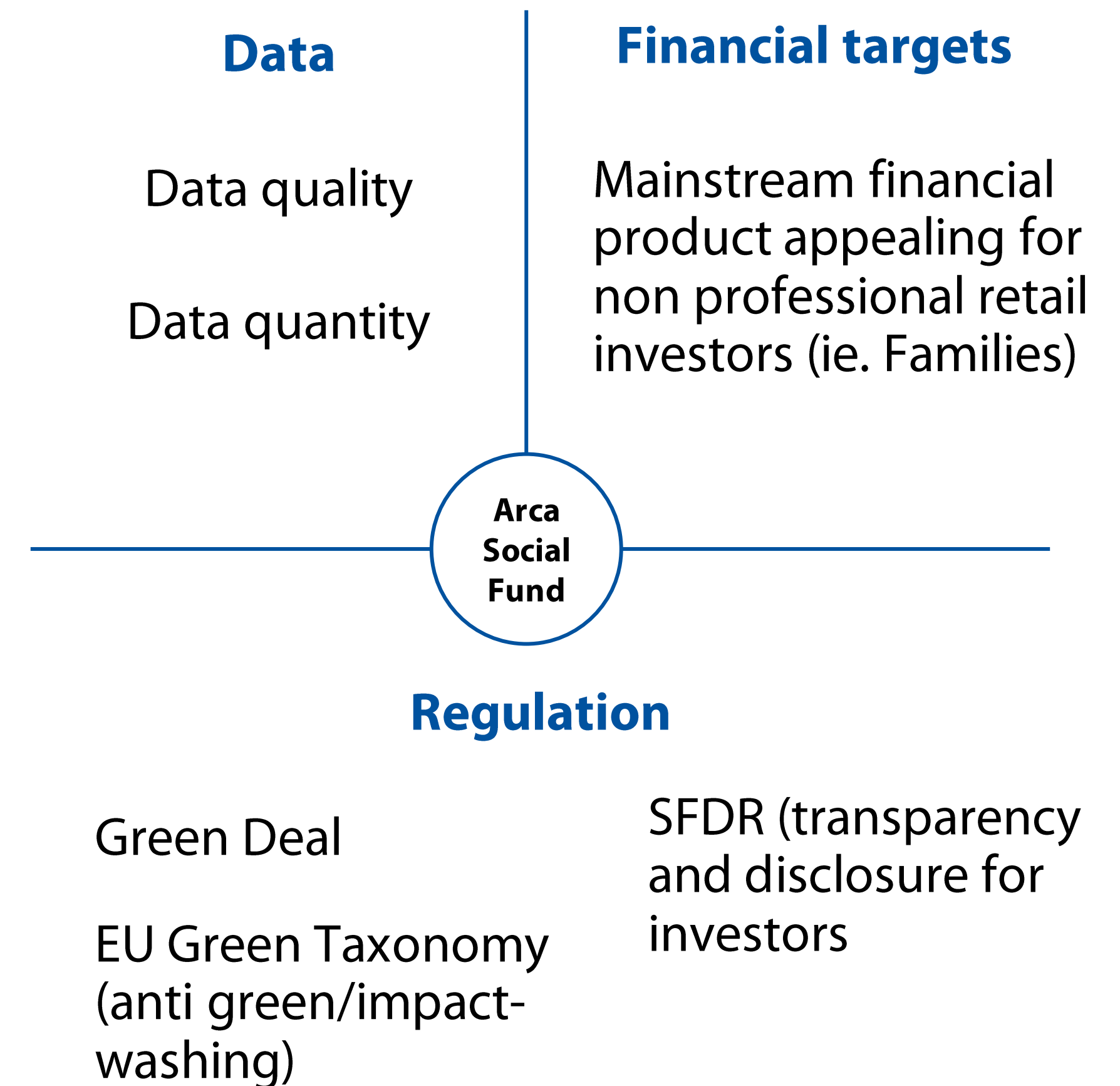
Asset management firm with over **€35 billion** AUM and **860.000 underwriters**.



# What's the challenge | Impact + Finance?

## Goals

- **Scale** social impact in the mainstream
- Square the circle between **regulation** on sustainable finance, **data** quality on target companies and **financial** target
- Open the black box for **transparency** and **accountability** in investment decisions



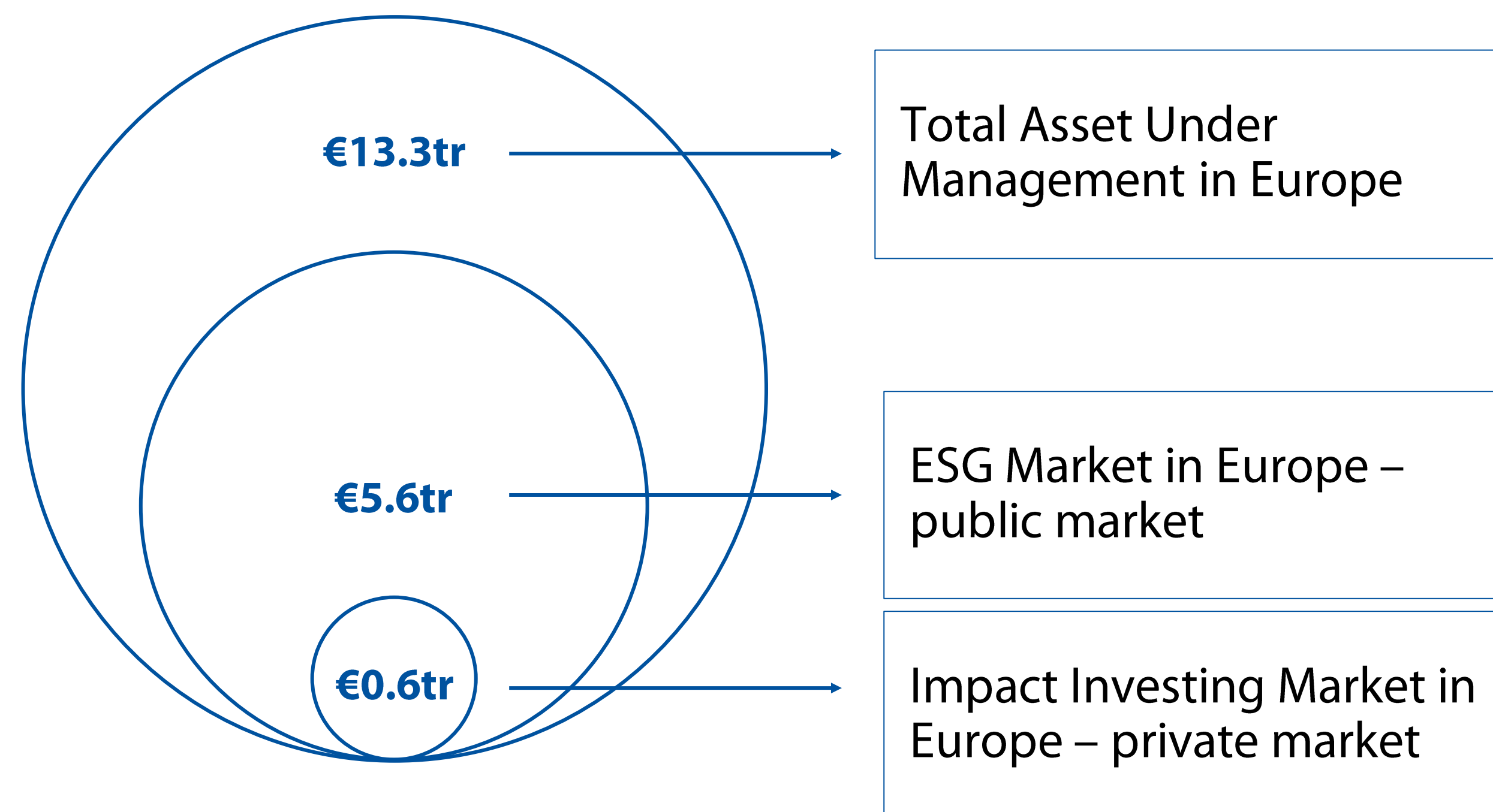
# ESG investments almost 10 times more than impact investing

## ESG vs Impact

- ESG is a framework used to assess the performances of financial instruments/firms from a **sustainability standpoint** while **maximising returns**
- Impact investing is an investment strategy with a **trade-off** between social/environmental **impact** and **returns**

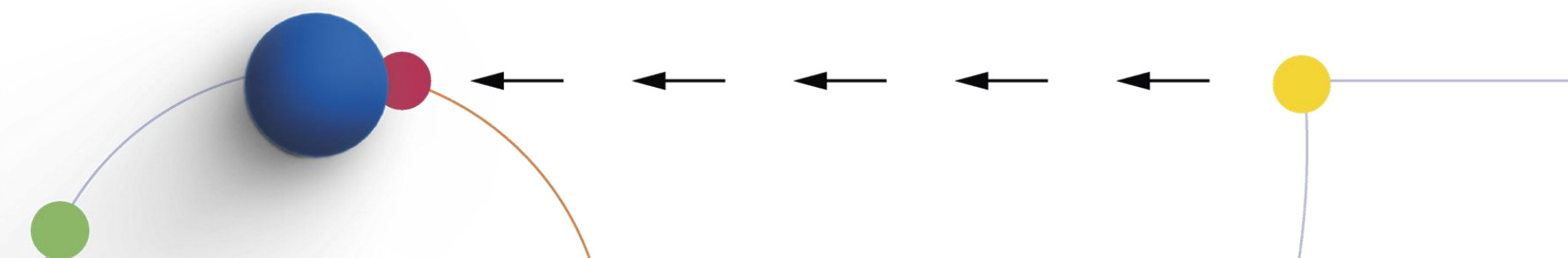
## Market shift in 2022

- 83% of ESG fund worldwide are in **Europe**
- In Q4, ESG had €19.9 bn **inflows** vs. non-ESG €11.27 bn **outflows**



### Sources:

Asset under management and ESG market data from [Refinitiv](#) (2022)  
Impact investing data from [GIIN](#) (2022)  
Market shift data from [Morningstar](#) (2022)





# 3 social themes to analyse

## Equal opportunities



- Parental leave
- Gender and ethnic diversity
- Inclusivity

## Healthcare & Safety



- Safety and insurances
- Psychological support
- Healthcare programs

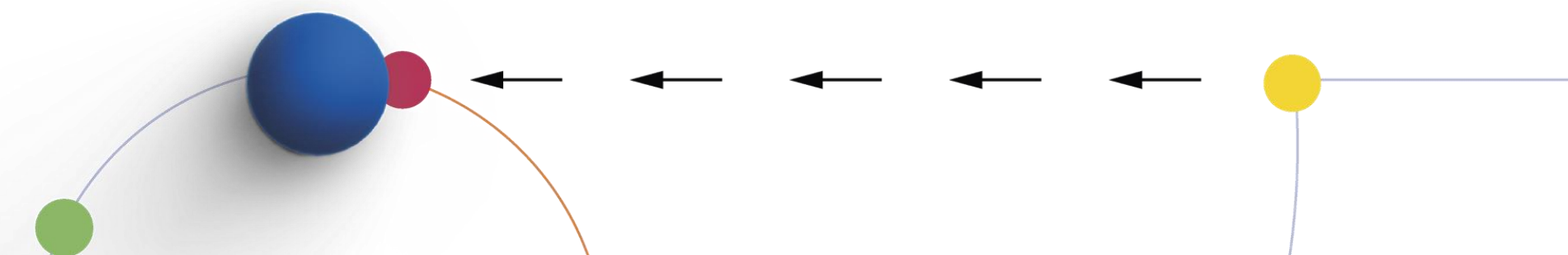
## Training & Education



- Upskilling programs
- Digital literacy
- Graduate programs

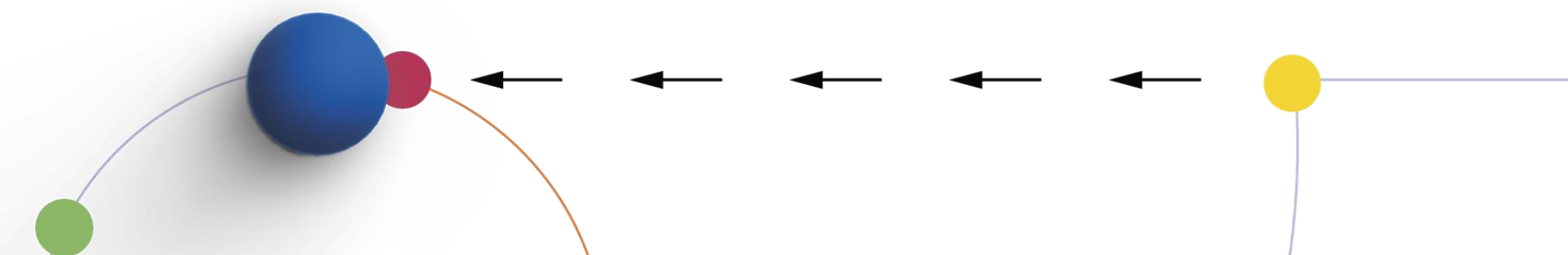
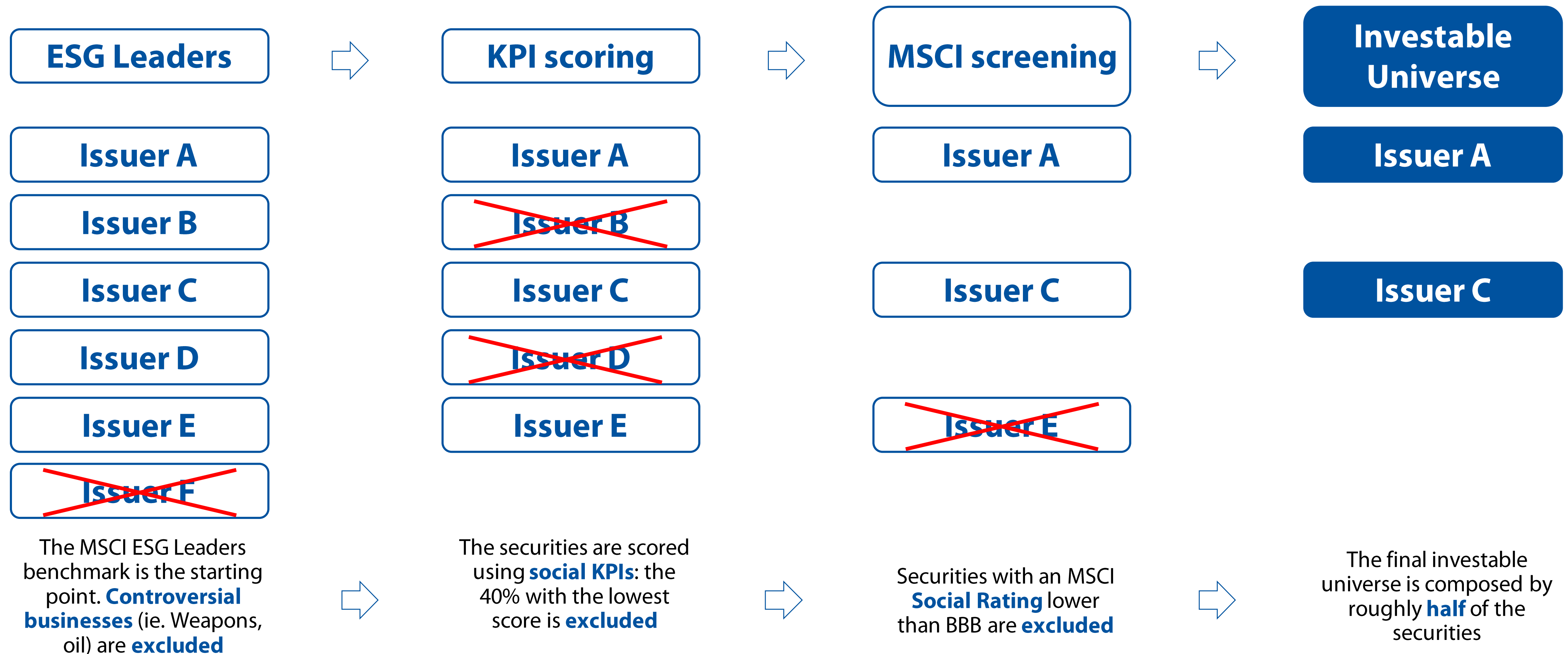
## Regulatory frameworks:

- European Pillars of Social Rights
- EIB Environmental & Social Standards
- UN SDGs
- ILO's Declaration on Principles concerning Multinational Enterprises and Social Policy
- OECD's Guidelines for Multinational Enterprises



# The investment selection process

Investable issuers are identified through a **process of exclusion** the goes far beyond minimum standards.



# Arca Social Fund factsheet

## Time horizon

6 years

## Risk profile

RSI 3

## SFDR

Article 8+

## Size target

€200 mln

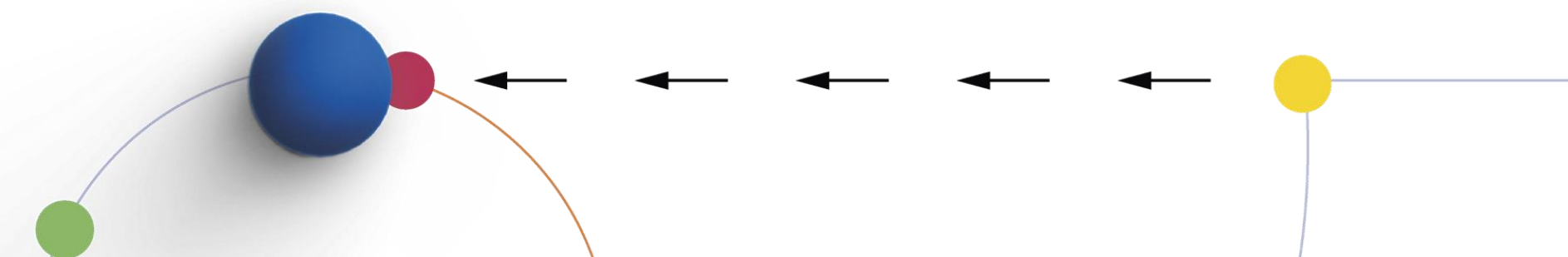
## Expected return

5%\* (net of costs)

## Benchmark

30% MSCI World ESG Leaders  
70% MSCI EUR IG ESG Leaders  
Corp. Bond

\*based on the last 5-year performance of related market

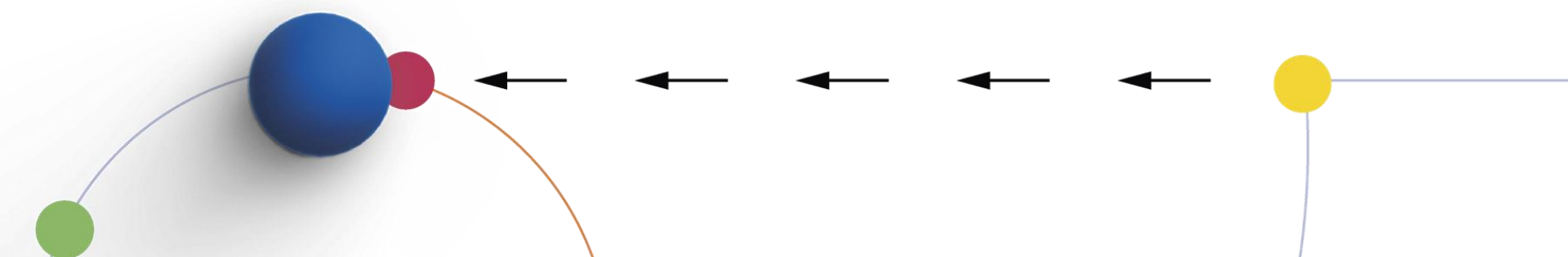
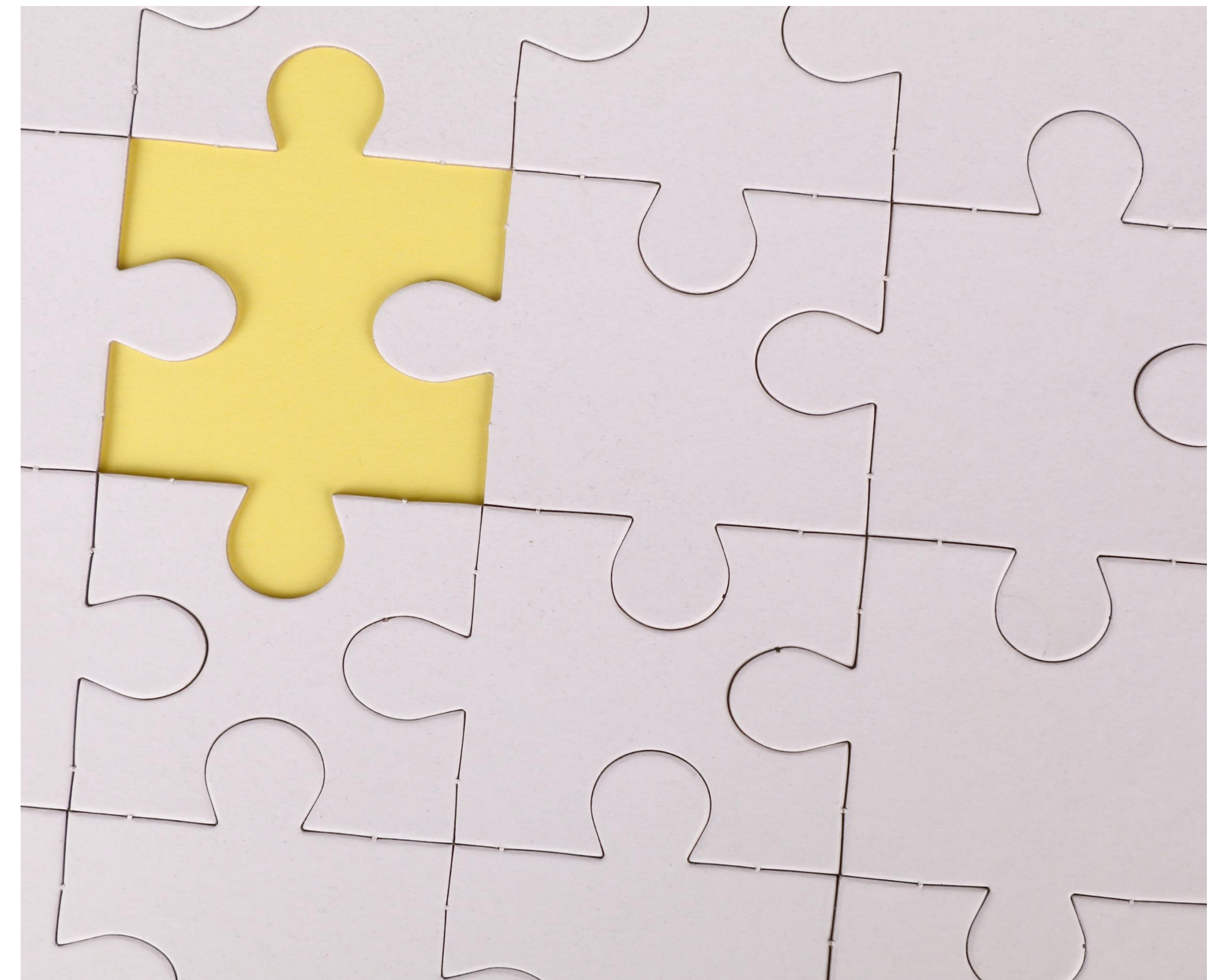


# What shortcomings in the ESG market to deliver on social outcomes?

EU social outcome **standards** (a social taxonomy for economic activities) or social impact **assessment** solutions for finance

Data **transparency, consistency,** and **accessibility**: open data vs. data enclosures (see ESAP)

Sustainable finance **literacy**: market operators, public sector and customers

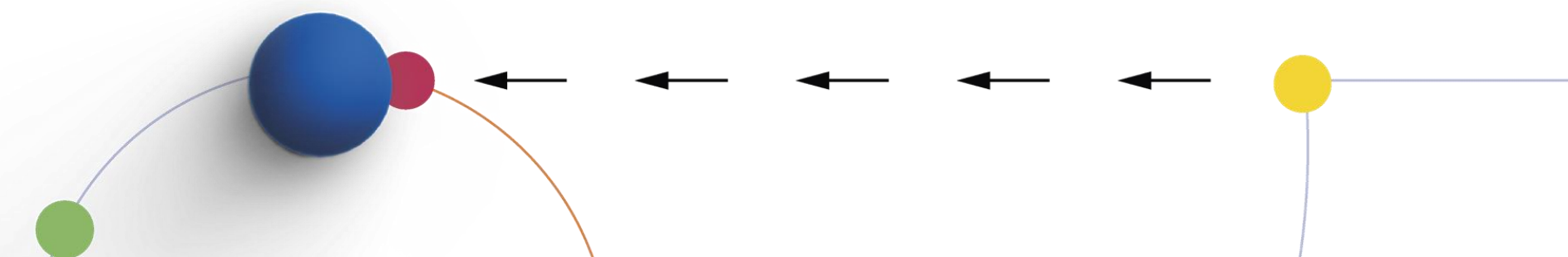


# What next?

From a mainstream ESG fund to a **sustainability-first** financial product

From black-box ESG data to **transparent** methodology for data collection and validation

ESG-driven retail finance to support the real economy: allow people to **select** what ESG key performance indicator to invest in and **monitor** them



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## Thank you

*Filippo.addarii@plusvalue.org*  
*www.openimpact.it/en/.*

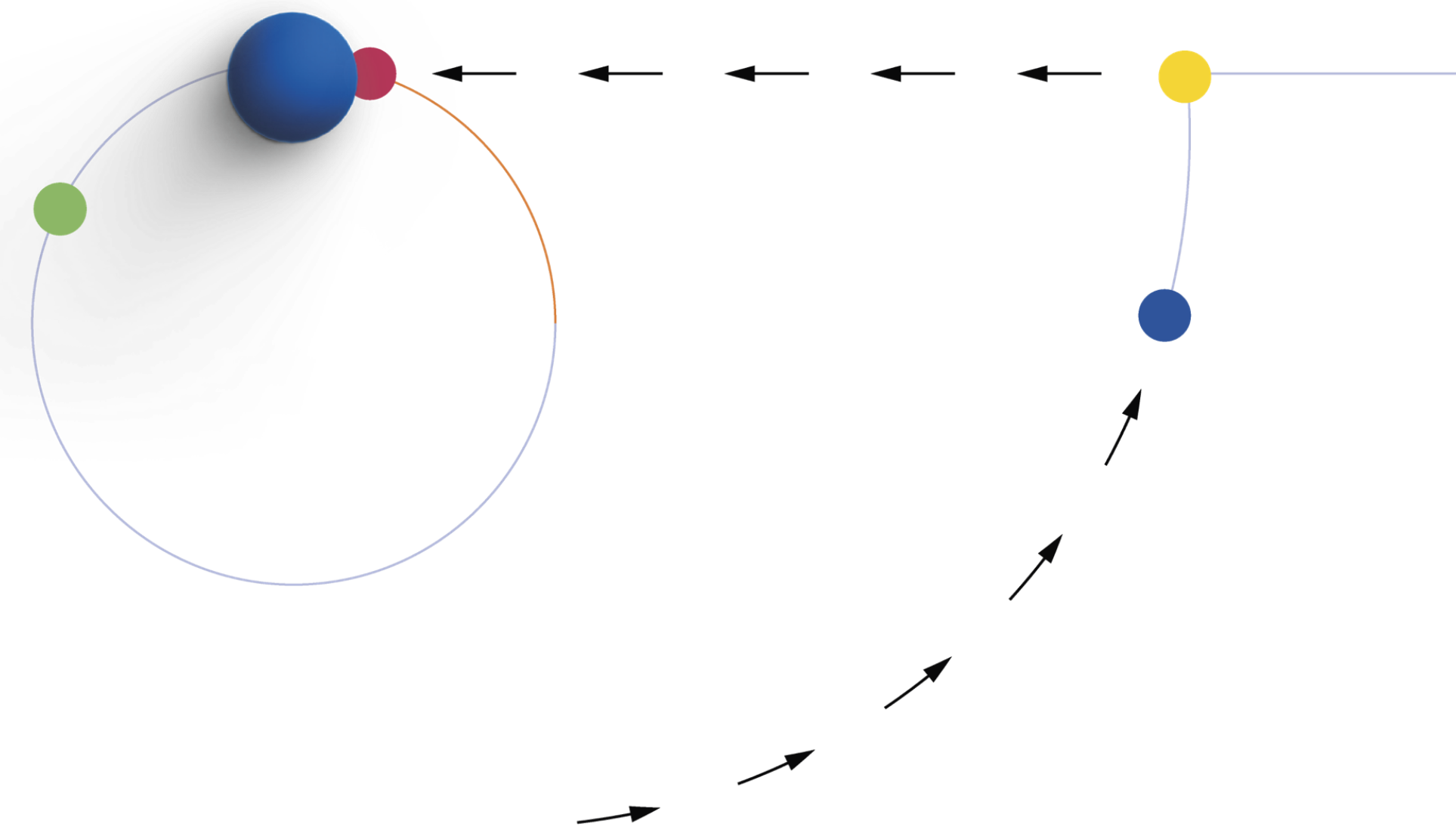




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## *Race to the top*

**Julian Frede**, Co-founder and Managing Director, Evolutiq,  
Germany





**EVOLUTIQ**  
impact advisory

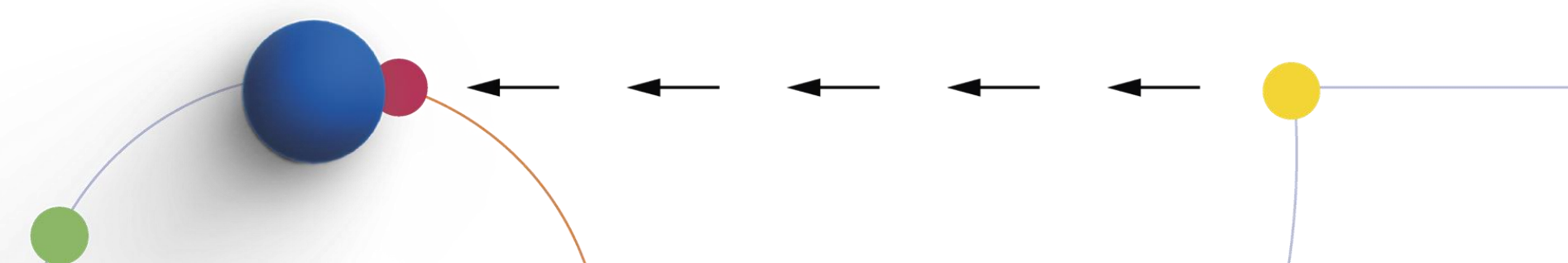
Be at ease with your questions on sustainability and impact.

**Our expertise**

- *Impact Management*
- *Impact Investing*
- *Research*
- *Sustainability*
- *“Out of the box”*

**Our partners**

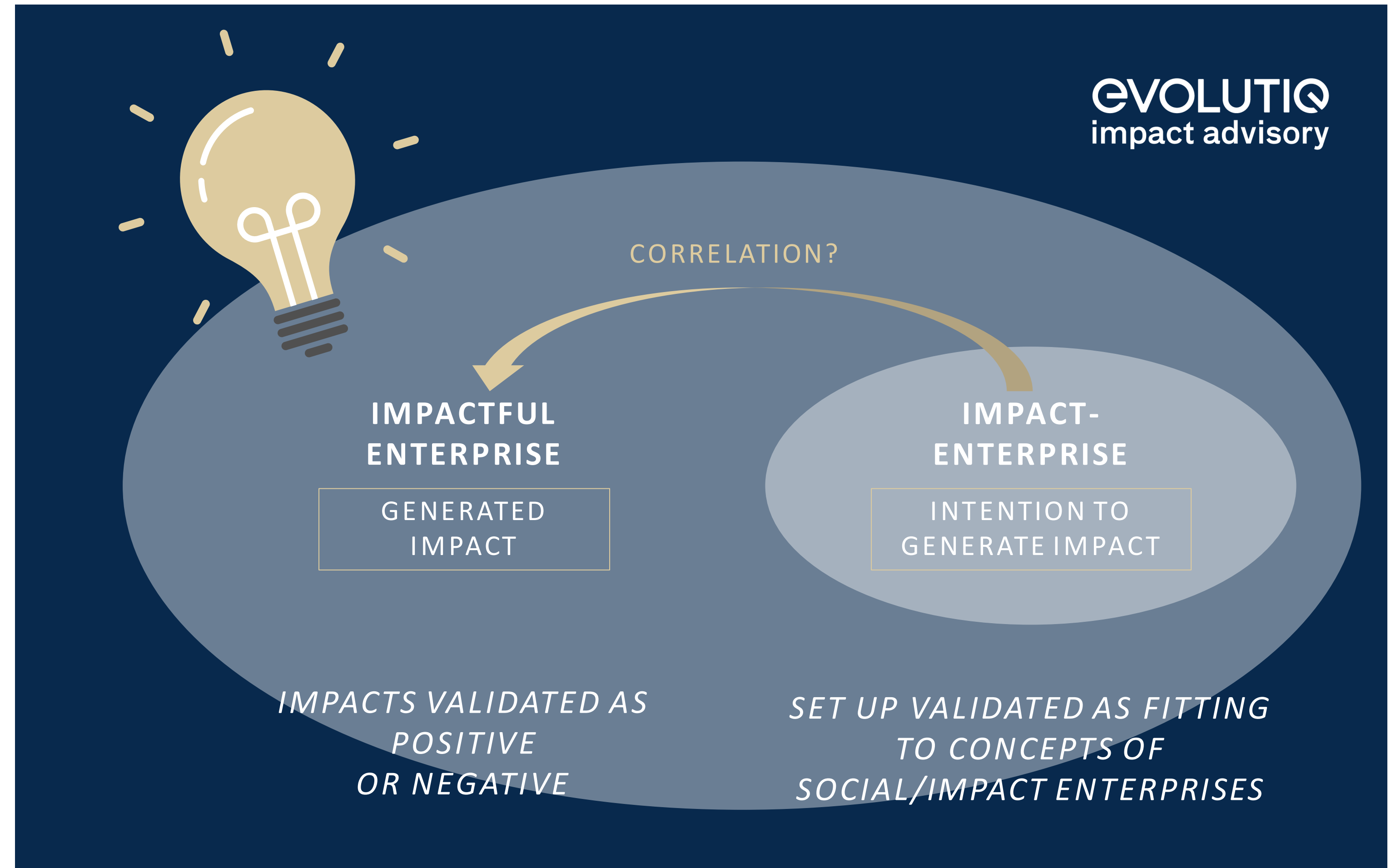
- *Banking*
- *Investing*
- *Real Estate*
- *Policy advisors*
- *You?*



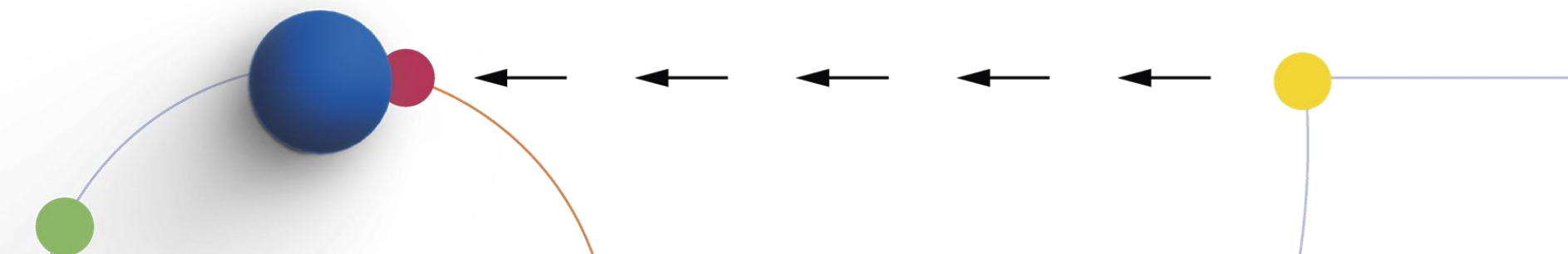


# Impact-enterprise and impactful enterprise

***We need to define, what we want to promote.***



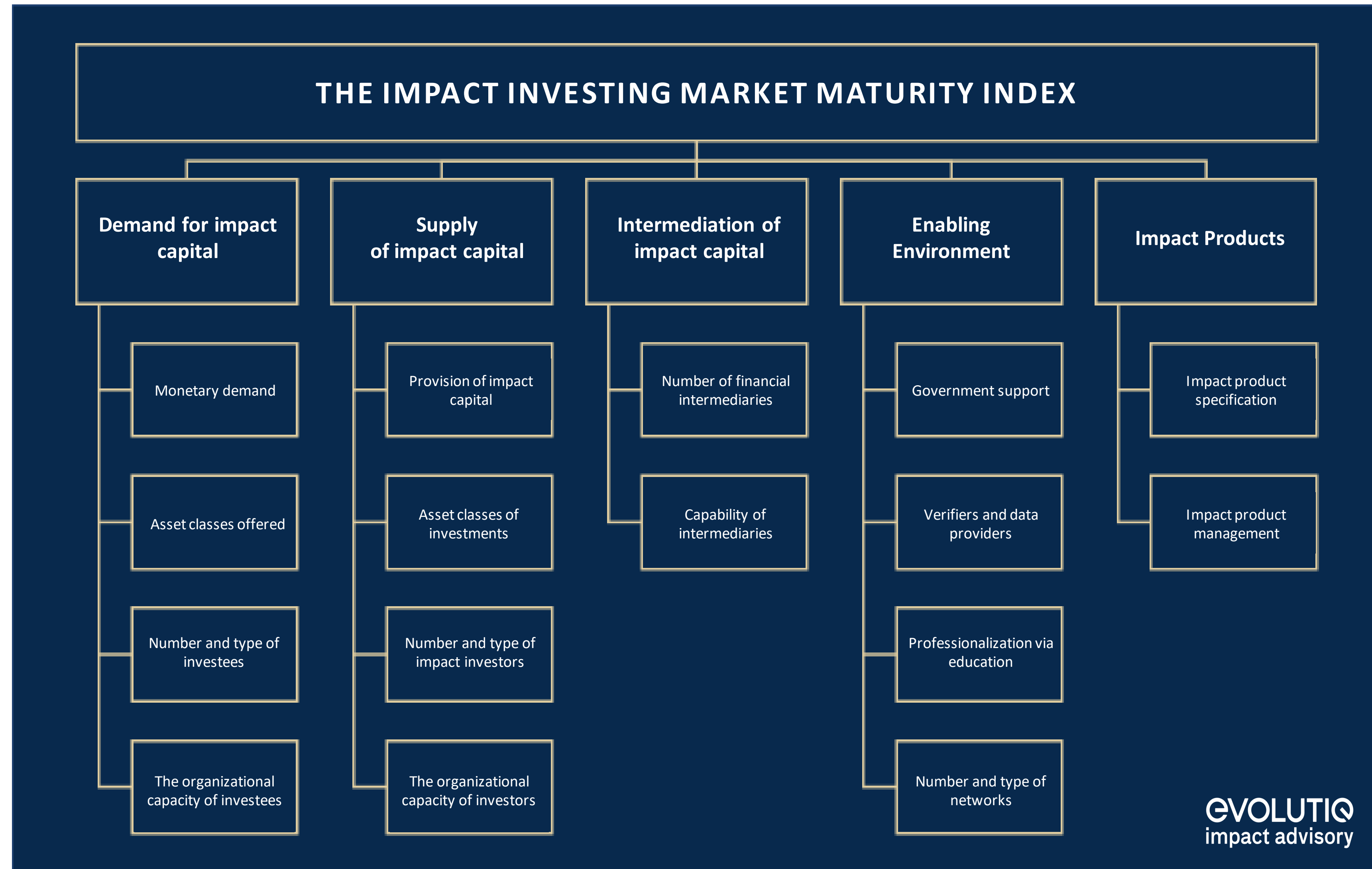
Source: own graph



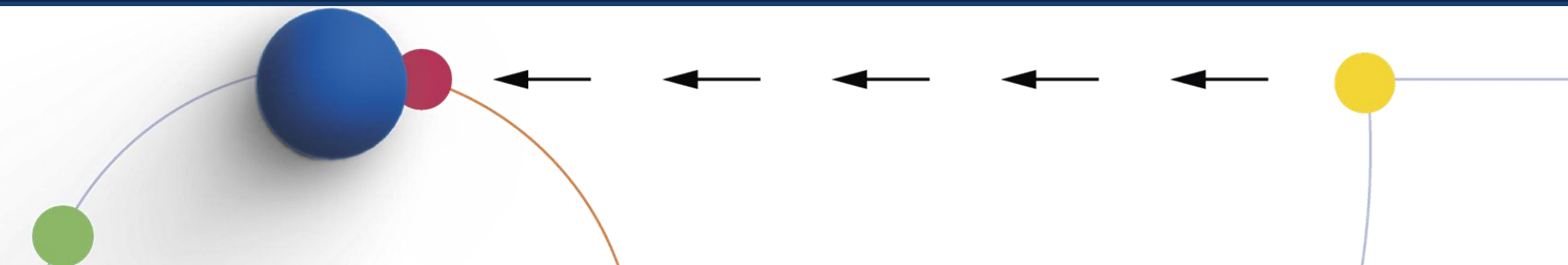
# Initiating a race to the top: markets

## Macro: The Impact Investing Market Maturity Index

Compare the performance of (European) markets and identify learning potential

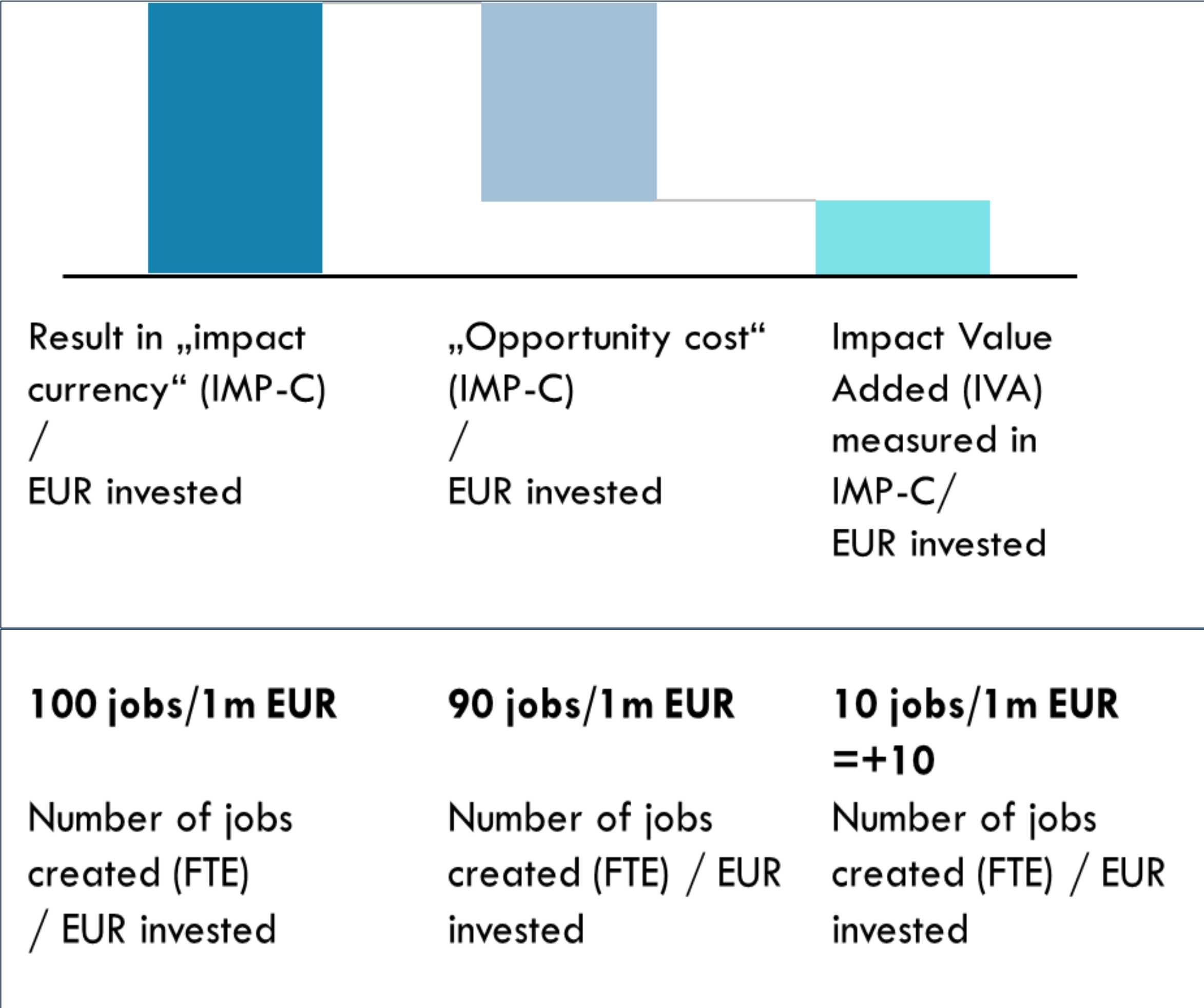


Source: Research presentation to the GSG, excerpt of JRC research project, to be published

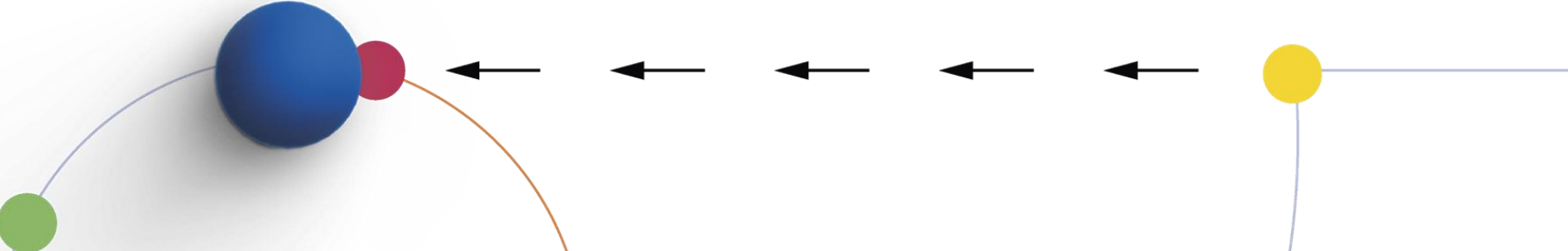


**Micro: The Impact-Value-Added**

*Compare the performance of generating specific impacts*



Source: Impact Value Added (IVA)



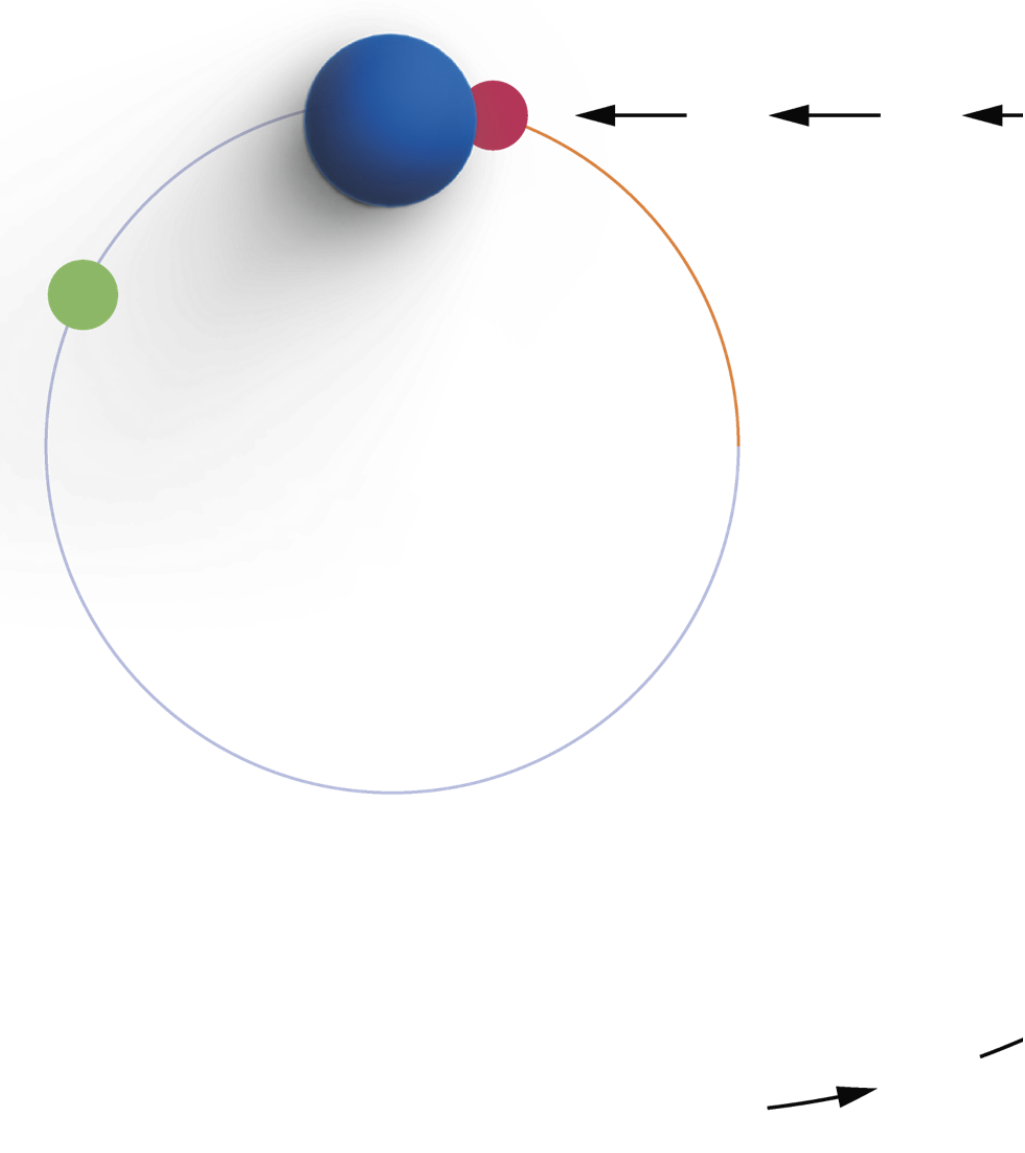


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## Thank you

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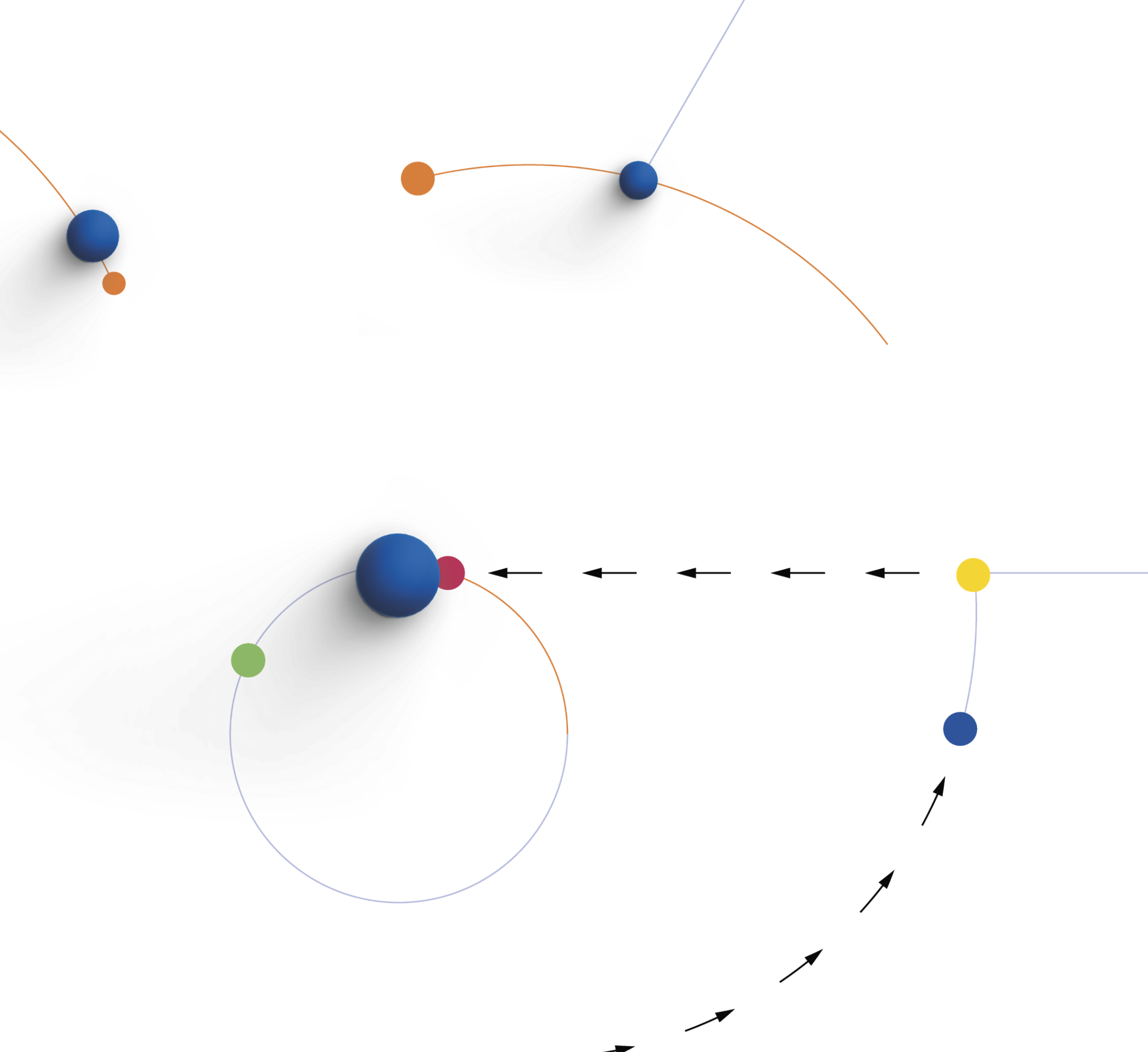




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## *Delivering Financial Instruments for Social Impact Investing*

**Mario Vottero**, Impact Director, Rethink Ireland



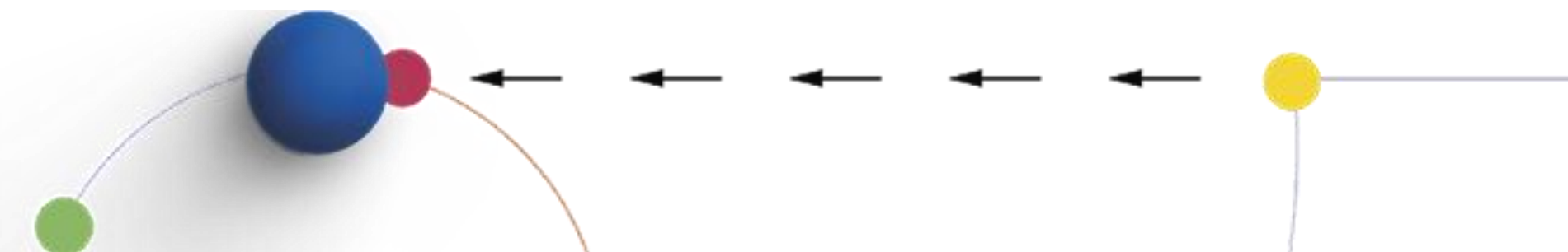
A **93 Million Fund** - public & private funding

A **Venture Philanthropy model** to scale and maximize impact

**385 social innovations** supported:

- Health
- Education
- Equality
- Green Transition
- Social Enterprises

**829,425 people reached**



# *Developing the Ecosystem*

# A Hybrid social finance instrument

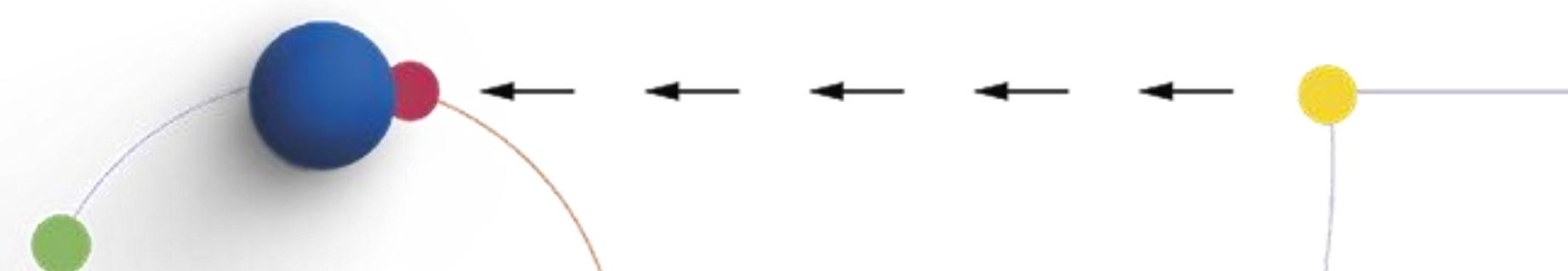
**The product**, a blended social finance model which includes:

- A repayable loan
- A non-repayable loan
- Non-financial business supports

The result of this product would be to increase the sustainability of start up social enterprises in Ireland.

**For Who?** Social enterprises Start-Up

In 2023 piloting with the support of the Irish Government & the private sector





# Developing a Social Outcome Contracts (SOC) in Ireland

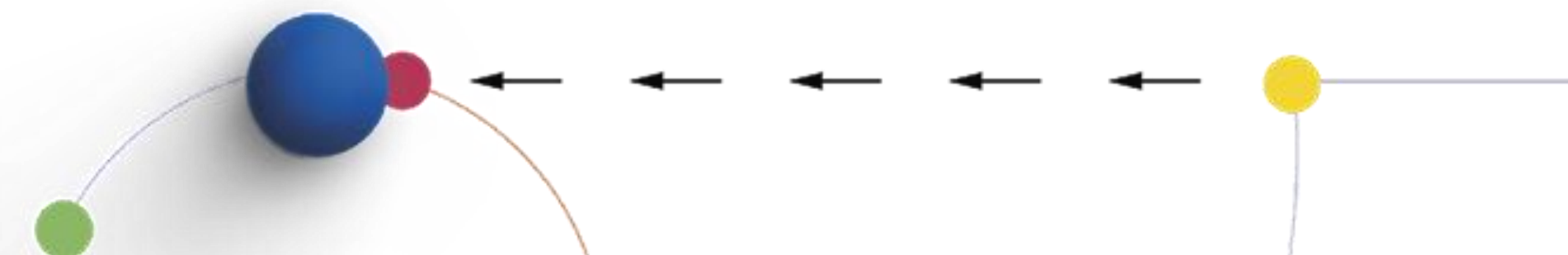
SOC Feasibility Study with the European Investment Bank, the Irish Government and Rethink Ireland

## *Key findings*

- Need to **build knowledge and raise awareness** on outcomes-based models
- Ireland has a strong grants-based culture
- **Interest in evidence-informed service delivery** for government agencies, service providers and investors
- Sector of philanthropy and impact investment is quite small:
  - **Limited public-private collaboration**

## *Next steps*

Developing a pilot



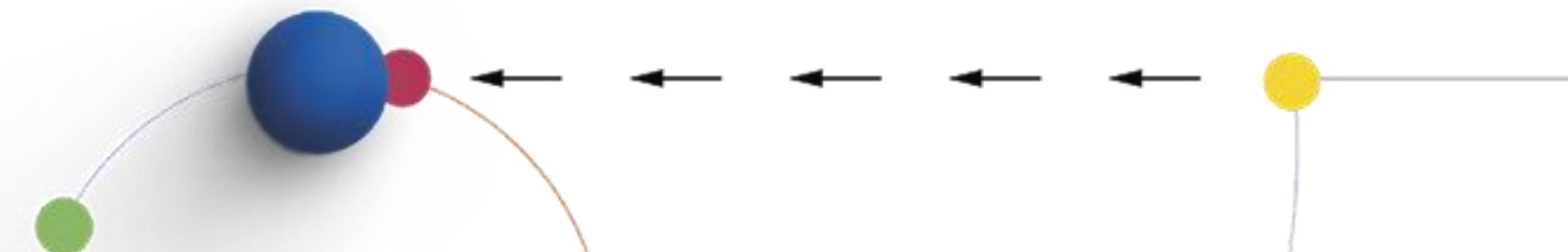
# Building the Ecosystem

1. Transnational cooperation and shared learning

1. Raise awareness and capacity building

1. Impact Measurement and Management

1. Collaborative cross-sector approach to address complex social challenges



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## Thank you

*mario@rethinkireland.com*



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