



Introducing the Social Impact Accelerator

Financial instruments under the European Social Fund (ESF) 2014-2020
Brussels, 2 February 2016

EIF: A few key figures

// We are the prime provider of SME financing in Europe //



Equity

2014 commitments:
EUR 1.7bn
which mobilised
EUR 8.2bn

Guarantees & securitisation

2014 commitments:
EUR 1.6bn
which mobilised
EUR 5.6bn

Microfinance

2014 commitments
EUR 51m
which mobilised
EUR 135m

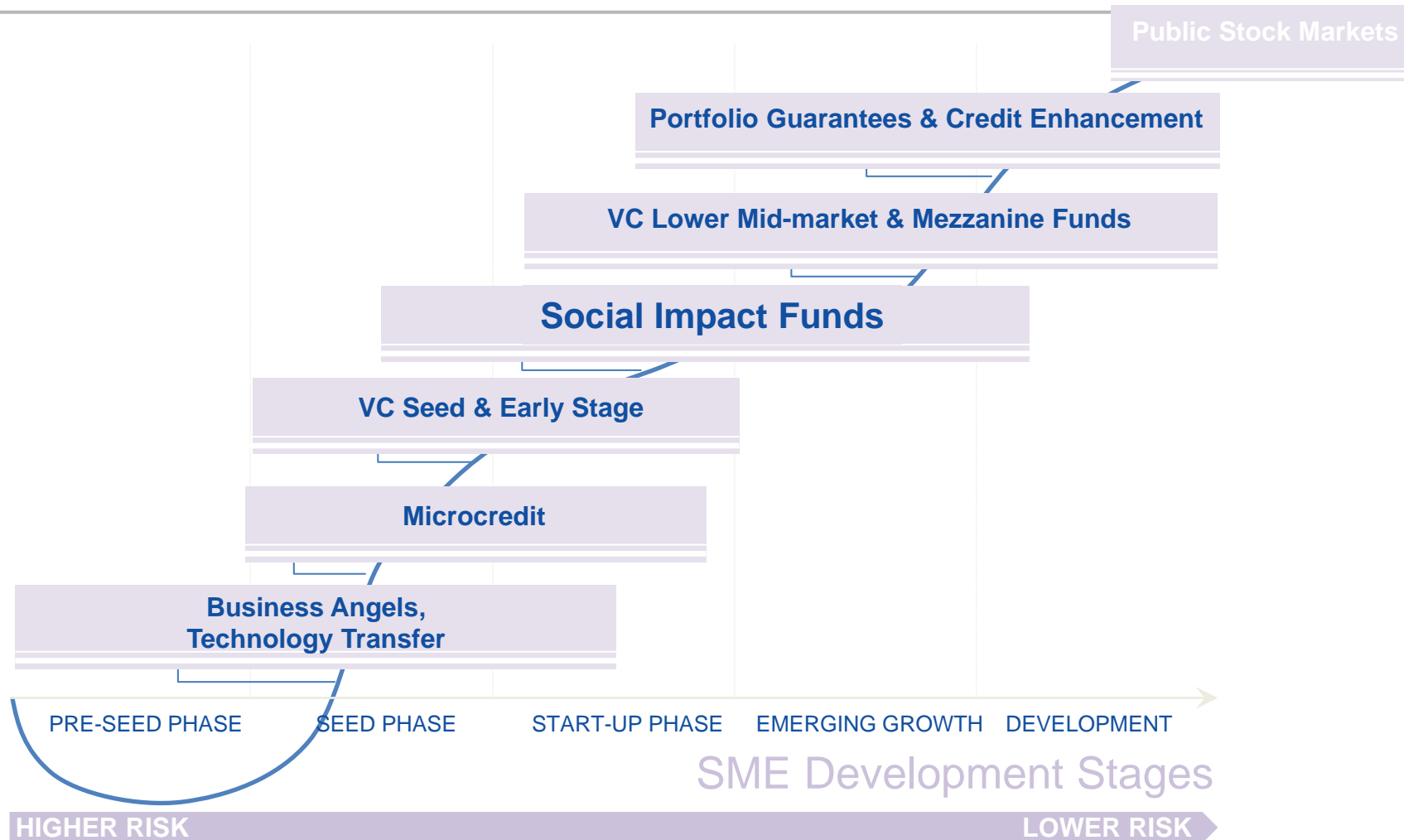
500 venture and growth funds

400 banks, guarantee and promotional institutions

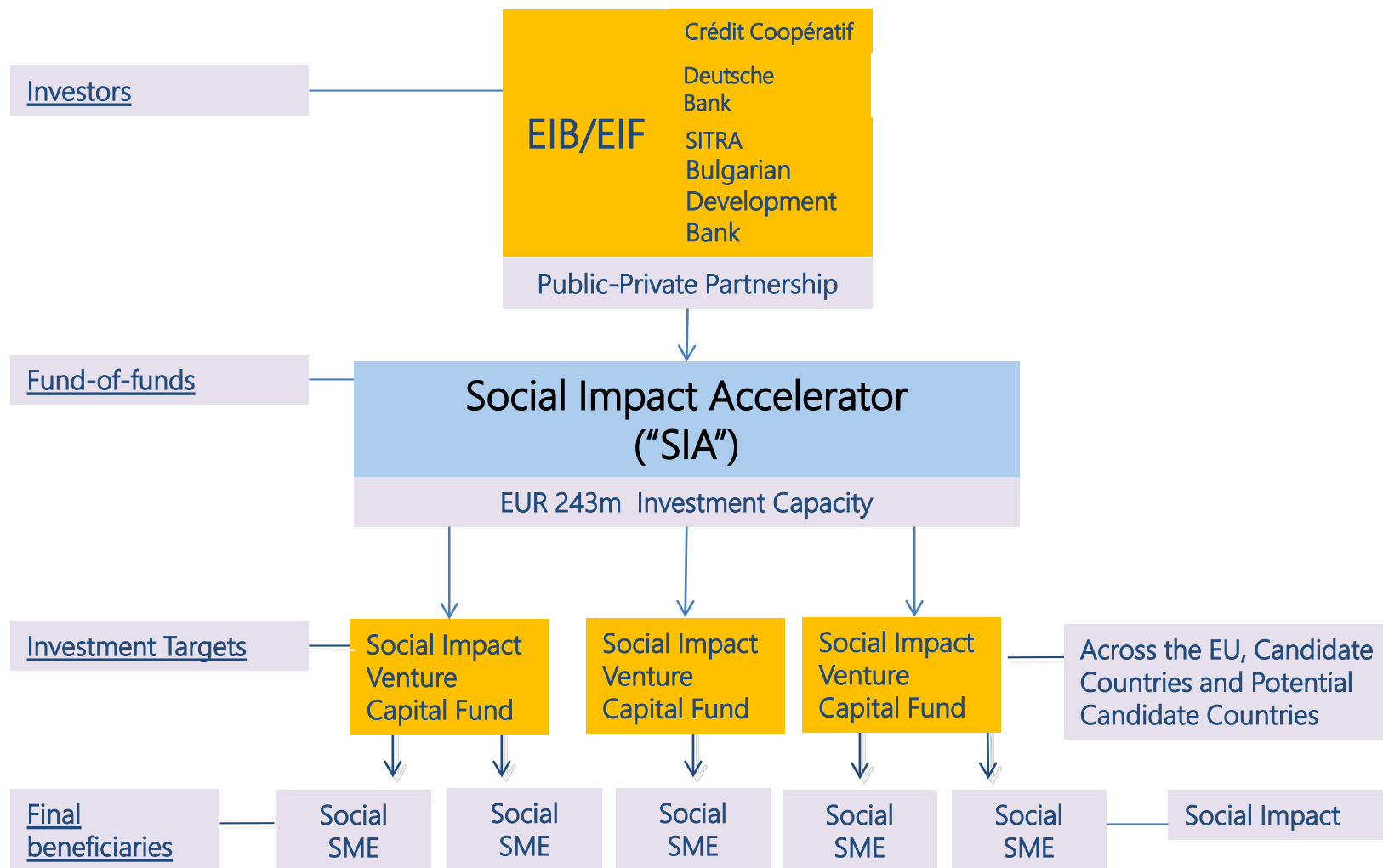
1.5 million SME / midcaps supported

EUR **14bn** in total outstanding commitments mobilise over EUR **77bn**

Supporting SMEs across the value chain



SIA – Social Impact Accelerator



EIF Social Impact Strategy

Social Business Models

A business model that seeks to resolve a recurring and sizeable social issue through the supply of a specific service or product. The resolution of the social issue has to be measurable and converted into a social impact metrics.

Traditional business models run in a social way

A business model that is not focusing on providing a service or product that resolves a social issue but which is implemented in a way that enables positive social impact. Such positive social impact shall be measurable and part of the company's statutes.

Geographically-focused business models

A business model that is implemented either in a social manner or in a traditional manner, but which operates in a socially deprived area. The impact of such a company shall be defined *ex ante* and measurable.



Example Social Business Model



Lucy is 3 and has speech delay. She is using MyChoicePad at her nursery to work on her signing, build up her vocabulary and ultimately increase her level of communication so she can learn to speak words and catch up with her peers.

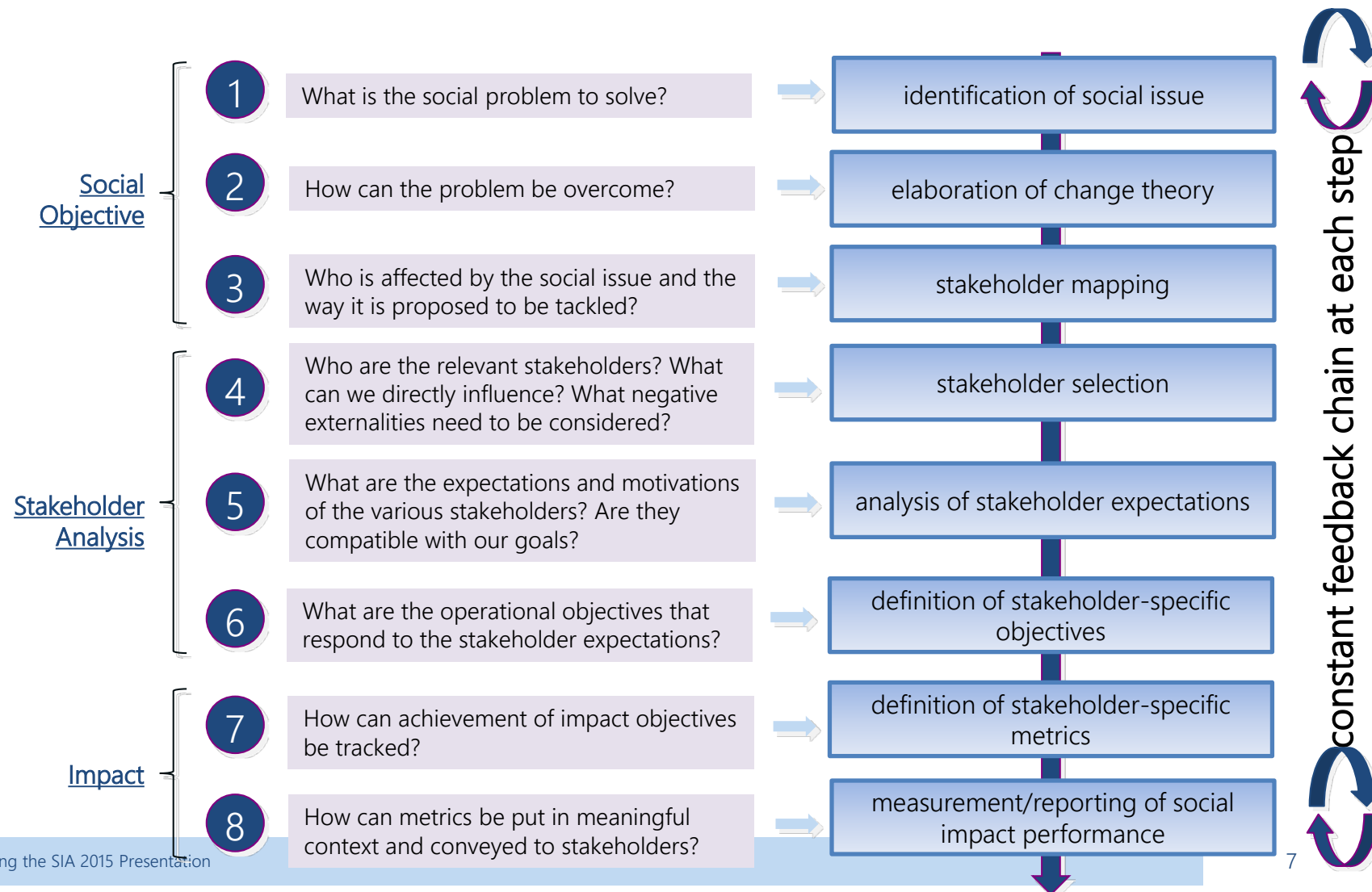
Charmaine is 7 with a chromosome disorder which affects her ability to understand and communicate. MyChoicePad helps her get a sense of control with communication grids created around her daily routines so she can express what she wants and needs.

Richard is 19 with Down's Syndrome and had very little communication. Before using MyChoicePad everyone around him thought he was at a one word language level ("cake"), but through using the app it was discovered he could communicate at a 2 and sometimes 3 word language level ("I like cake"). His family are overjoyed and are beginning to discover a new side of Richard as he can communicate more clearly his wants and feelings.

// At Insane Logic we want to unlock voices around the world. We believe everyone has the right to communication. //

Insane Logic is an example from the portfolio of SVF II. It has created the award winning language development programme 'MyChoicePad'. It brings together proven speech and language therapy techniques and market leading technology to deliver language development via tablet computers. MyChoicePad helps children, young people and adults who have speech, language or communication needs.

Impact metrics: Connecting social issues to stakeholders and metrics



Eight funds in SIA's current portfolio



Fund:	Social Venture Fund II
Manager:	Ananda Ventures GmbH
Fund size:	EUR 22.3m
EIF's invt:	EUR 10m
Vintage:	2013
Sector:	Technology-enabled social enterprises
Stage:	Growth capital
Geography:	Germany and German-speaking geographies

Portfolio composition:

- **Insane Logic:** an education technology social enterprise that creates mobile tools to improve language development and communication skills for children and adults with learning and communication difficulties
- **Ordermed:** supports people with chronic illnesses, as well as their carers, in procuring and using medication in a simple and secure manner. Ordermed helps patients to maintain a centralised overview of their medication with the help of an internet portal and a mobile app, in order to avoid severe drug interactions and to improve medication therapy
- **Little Bird :** a specialised web-based application in the efficient allocation of daycare center places

Fund:	Bridges Social Impact Bond Fund
Manager:	Bridges Ventures LLP
Fund size:	GBP 22.5m
EIF's invt:	GBP 5m
Vintage:	2013
Sector:	Early intervention service providers
Stage:	No stage, service providers will be Social Sector Organisations
Geography:	UK

Portfolio composition:

- **T&T Innovation:** deals with the provision of supportive programmes to vulnerable young people in Manchester, in order to improve education and behaviour outcomes
- **IAAM:** a programme developed by 18 voluntary adoption agencies that will support local authorities' adoption services by finding, training and supporting families to adopt children who are recognised as harder-to-place
- **MTFC Innovation:** first SIB helping young people with challenging emotional and behavioural difficulties move back into family settings
- **Foster Care Support :** designed to provide a therapeutic fostering programme for children living in residential care homes in Birmingham

Fund:	Impact Ventures UK
Manager:	LGT Venture Philanthropy
Fund size:	GBP 36.0m
EIF's invt:	GBP 7.5m
Vintage:	2013
Sector:	Generalist
Stage:	Growth capital
Geography:	UK

Portfolio composition:

- **K10:** specialises in connecting the unemployed to apprenticeships with reputable construction companies in London
- **Buddy:** digital toll supporting mental health services and continuity of care
- **Big White Wall:** 24/7 safe space for mental health support
- **Homes for Good:** ensures sustainable housing for underserved in Scotland

Fund:	Oltre II
Manager:	Oltre Ventures
1 st closing:	EUR 15.4m
EIF invt:	EUR 10.0m
Vintage:	2015
Sector:	Generalist
Stage:	Early stage
Geography:	Italy

Fund:	BAC Impact Partenaires III
Manager:	Impact Partenaires
Fund size:	EUR 44.0m
EIF invt:	EUR 10.0m
Vintage:	2015
Sector:	Generalist
Stage:	Early stage
Geography:	France

PhiTrust Partenaires

Citizen
CAPITAL



Fund:	PhiTrust Partenaires II
Manager:	PhiTrust Partenaires
Fund size:	EUR 22.5m
EIF invt:	EUR 10.0m
Vintage:	2015
Sector:	Generalist
Stage:	Early stage
Geography:	France

Fund:	Citizen Capital II
Manager:	Citizen Capital Partenaires
Fund size:	EUR 35.5m
EIF invt:	EUR 15.0m
Vintage:	2015
Sector:	Generalist
Stage:	Expansion stage
Geography:	France

Fund:	BonVenture III
Manager:	BonVenture Management GmbH
1 st closing:	EUR 13.6m
Target	EUR 20m
EIF invt:	EUR 10.0m
Vintage:	2015
Sector:	Generalist
Stage:	Early stage
Geography:	France

SIA's Next 12 Months

// Building the market infrastructure for this emerging asset class to achieve long term sustainability //

Diversify

geographically through technical assistance on the set up of investment proposals from geographies not represented in SIA's portfolio

Provide

advice on the set-up of funds incl. structuring and legal input, helping impact investors to establish institutional investors' standards and best practice

SIA's Value Added for Investors

Knowledge	Network	Value
<p data-bbox="175 401 683 539">Platform of knowledge sharing on impact investing related issues</p> <ul data-bbox="175 622 683 1272" style="list-style-type: none">• Investors participate in SIA's governance through a seat on the Advisory Board• Market watch / Learn on best market practices on impact related issues in Europe• Exchanges with different investors and European social impact PE funds• Regular analysis of a specific current topic related to social impact investing• Sharing of knowledge at the transactional level	<p data-bbox="738 401 1215 589">European platform representing the different social impact European markets</p> <ul data-bbox="738 622 1306 1186" style="list-style-type: none">• Geographical diversification of the SIA's portfolio• Access to the EIF' European network (links with the EIB and the European Commission)• Visibility on policy action of the EIF and on new financial instruments in the social impact space in Europe (e.g., social impact bond platform)• Association with group of thought leaders in impact investing in Europe	<p data-bbox="1338 401 1702 494">Interesting financial proposition</p> <ul data-bbox="1338 622 1827 1051" style="list-style-type: none">• Net IRR target: 7% (hurdle at 5%) – carried interest: 95/5%• Virtual fund 'structure enabling to reduce the overall costs• Quality standards of the EIF (selection and investment process, monitoring)

Contact



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