Financial instruments for social innovation and impact

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Investing for impact in Health

• The role of financial instruments – market-based policy tools mobilizing *private* finance, and complementarity to EU grant programmes
  ▪ working with Financial Intermediaries
  ▪ part of Public long-term investment strategies

□ Helping to meet the complex needs of the health sector
  ▪ Infrastructure – hospitals, primary and community care
  ▪ Innovative technologies – digital tools, data collection/sharing
  ▪ Human capital – patient empowerment, health workers training
  ▪ New services and products, medical devices
EU Social Finance tools

• SOC as part of EU integrated investment toolbox
  • Microfinance facilities - self-empowerment through entrepreneurship
  • Social enterprise finance – new business models and social innovation support
  • Social Impact Partnerships and Social Outcomes Contracting – new way of organising partnerships between the public sector and the social economy
    ▪ additional & flexible funding for social organisations
    ▪ Preventative focus and effective long term solutions
    ▪ Innovation and cross-sectoral collaboration

• Growing interest in deploying SOC to address public challenges across Europe:
  • navigating and orchestrating internal change management processes of government.
InvestEU Fund:

- Single fund bringing together the many different EU-level financial instruments, provisioned at 40%.

- EUR 26.2 bn EU budgetary guarantee (EU compartment).

- Mobilise EUR 370 billion in additional investment across Europe, of which 30% to contribute to climate objectives.

- Strategic EU investment under four thematic policy windows.

- 75% implemented by the EIB Group, 25% by other Implementing Partners.
Social investment and skills window (SISW)

Three main policy priority areas:

- Microfinance and Social Enterprises, Social Impact and Innovation
- Education, Training and Skills
- Social Infrastructure and Services*

Delivery mechanisms

- inclusive education and training infrastructure and services
- affordable social housing
- health and long-term care
- network of modernised prevention and healthcare infrastructure
- enabling social services

EU guarantee

Debt products

Equity and quasi equity products

Guarantees from implementing partners

* Includes education infrastructure and health
Social Investments and Skills Window

- **Eur 2.8 bn** Guarantee expected to mobilise over Eur 30 bn of investment into the social sector (health, education, housing, employment etc.)

- **Integrated investments** in social infrastructure, social services, human capital & skills, innovation, microfinance, social economy

- Strategic EC Partnership with **Foundations and Philanthropic Actors**

- **Social innovation & experimental pocket**: focus on developing the social outcomes market and social impact partnership models

- Supported by **Advisory Hub- Capacity building** and market development actions – for social finance intermediaries; social organisations (investment readiness); and public authorities (impact readiness)

- Contributions of resources by Member States possible under **MS Compartments**
Highlights & Looking ahead

• Addressing health challenges through financial instruments
  • Integrated approach to investments - Away from traditional hospital-centred models: ‘soft’ investments; Combination of funding tools, look beyond national budgets and EU grants; Blend financing – different sources of capital; Learn to manage new financial instruments, such as Social Impact Bonds; Bundling of small projects; and of different investments
  • Capacity of Public authorities - Working with public and private investors – investment platforms; Working closer with national procurement bodies – PPPs; Capacity to use alternative financial instruments (social impact investments)

• European Social Outcomes Contracting Platform launched under EIB’s European Investment Advisory Hub - capacity building of public sector & social stakeholders

• The Commission keeps innovating and experimenting in policy
  • EC direct piloting for inclusion – HERO (Housing and Empowerment for Roma) and
  • BIG (Basic Income Guarantee) pilots in BG, RO, SK

• EU Ambition of an “Economy that Works for People”:
  EU Social Economy Action Plan December 2021
Thank you

"Without impact, innovation is just an idea with promise."

Judith Rodin

Questions?

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