

# 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

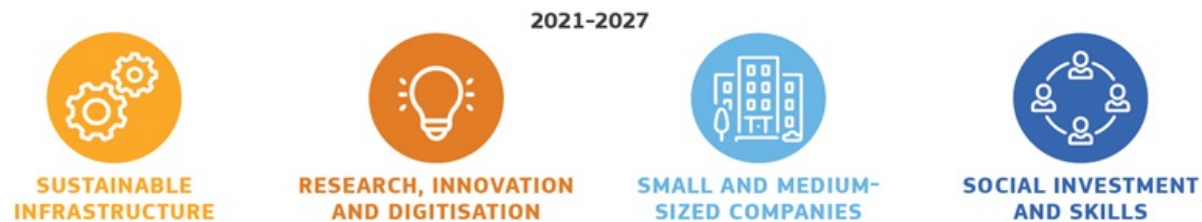
- SOC as part of EU integrated investment toolbox
  - **Microfinance facilities-** self-empowerment through entrepreneurship
  - **Social enterprise finance** – new business models and social innovation support
  - **Social Impact Partnerships** and **Social Outcomes Contracting**– new way of organising 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 Programme (2021-2027)

## 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:

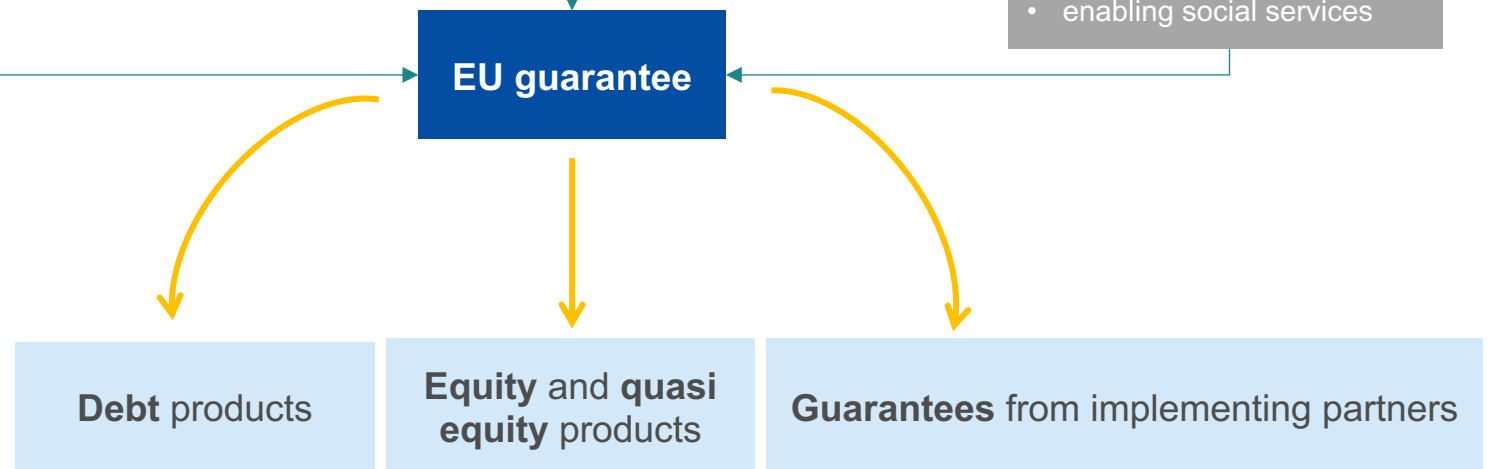
Microfinance and Social Enterprises, Social Impact and Innovation

Education, Training and Skills

Social Infrastructure and Services\*

- 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

Delivery mechanisms



\* 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**

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

Judith Rodin

# Thank you



## Questions ?

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