



For immediate release

India's Impact Investment leaders launch Social Finance India in New Delhi

A marquee board and advisory council to oversee creation and launch of twin \$1bn Outcome Funds

New Delhi, May 14, 2018: Social Finance Global Network (SFGN) and The Global Steering Group for Impact Investment (GSG) today announced the launch of **Social Finance India (SF-IND)** and first three of its Directors- Rajiv Lall, Ashish Dhawan, and, Vikram Gandhi. Rajiv Lall will Chair the initiative. SF-IND will be a new Section 8 non-profit intermediary which will galvanize the Indian impact investment space. Social Finance India's first two products- India Impact Fund of Funds (IIFF) and India Education Outcomes Fund (IEOF) will launch in 2018. SF-IND also launched its website, www.socialfinance.org.in

Social Finance India joins the global network of Social Finance UK, Social Finance US, and Social Finance Israel to mobilize investment capital at scale to drive social change. SF-IND will collaborate with governments, nonprofits, for-profit impact enterprises, philanthropic foundations, and impact investors to scale up outcome focused and SDG-aligned impact programs.

The **SF-IND Board** will comprise Rajiv Lall, MD and CEO, IDFC Bank; Ashish Dhawan, Founder, Central Square Foundation; and Vikram Gandhi, Founder, ASHA Impact and a Senior Lecturer at the Harvard Business School. The **SF-IND Advisory Council** will include Sir Ronald Cohen, Chairman, Global Steering Group (GSG); David Hutchison, CEO, Social Finance UK; Tracy Palandjian, CEO and Co-Founder, Social Finance USA; Yaron Neudorfer, CEO of Social Finance Israel, Vivek Pandit, Senior Partner, McKinsey & Company; and Nishith Desai, Founder and Managing Partner, Nishith Desai Associates.

Its first task will be to build large outcome funds and fund of funds, including two high-profile \$1 billion funds to be launched this year at the GSG's 2018 Impact Summit in Delhi on 8-9 October. These funds will give a huge fillip to India's Impact Investment market, which according to McKinsey & Company¹ attracts \$1.1 billion annually. According to McKinsey study, between 2010-2016, India attracted \$5.2 billion, growing at 14% CAGR and delivering 11% weighted average IRR while improving the lives of 60-80 million beneficiaries.

The India Education Outcomes Fund (IEOF) is looking to attract \$700m of investment to improve educational outcomes by supporting initiatives across India. It is the first fund of its kind in education. The India Impact Fund of Funds (IIFF) will unlock long-term affordable debt to finance intermediaries and impact enterprises in a variety of sectors, including renewable energy, financial inclusion, and

¹ Impact Investing: Purpose-driven finance finds its place in India (September 2017)

healthcare. The fund is being incubated by SF-IND, the GSG and UNSIF (United Nations SDG Impact Finance).

Today, SF-IND also welcomes David Hutchison, CEO, Social Finance UK to New Delhi to discuss its plans. David will meet the new board members, welcome SF-IND to SFGN and learn more about SF-IND's business plans at its second of three stakeholder consultations for IIFF and IEOF.

¶ **David Hutchison, CEO, Social Finance UK**, said, "I am very excited by the launch of Social Finance India today. We look forward to working closely with our Indian partners and welcoming them to the Social Finance Global Network. The bold agenda in education, affordable housing, skill development and other critical sectors that India is currently addressing will require innovative collaboration with the private sector. I hope that some of the learning of our work in the UK and other countries, which has driven significant impact, will support the growth of a vibrant new intermediary in the Indian ecosystem."

¶ **Ashish Dhawan, Board Member, SF-IND** said, "Social impact bonds are an innovative instrument to drive pay for performance in the social sector. Already 100+ bonds have been issued globally and we can learn from the nuances in making this asset class effective. SF-IND's primary objective is to eventually get the Indian Government to adopt an outcomes based approach to funding programs."

¶ **Vikram Gandhi, Board Member, SF-IND** commented, "**Vikram Gandhi, Board Member, SF-IND commented**, "I am delighted to partner the Social Finance Global Network (SFGN), Sir Ronald Cohen, the GSG, and my colleagues, to help India build a catalytic new non-profit intermediary which will unlock impact capital at scale with vehicles like IIFF and IEOF. I hope my investment banking, impact investing and now academic background will help me contribute to this excellent and unique initiative envisioned to address the social and environmental challenges in India, by ultimately funding talented impact entrepreneurs who are motivated to solve these problems."

¶ **Amit Bhatia, CEO, GSG** said, "GSG is thrilled to bring together the pioneering, Social Finance Global Network (SFGN) and Indian Impact Investment leaders, to catalyze the formation of Social Finance India and its two \$1 billion inaugural Funds- IIFF and IEOF- to finance social and environmental outcomes. Social Finance India's strategy to focus on building wholesale funds to deliver sustainable funding for asset managers and impact entrepreneurs will make it a truly unique institution to serve the nation."

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Notes to Editors:

- ¶ **Social Finance** is a global network of not-for profit organizations that partner with governments, the social sector and impact investors to find better ways of tackling social problems and improving the lives of people in need. Its offices in the UK, the US and Israel structure and manage innovative investments, including Social Impact Bonds, which mobilize capital to drive social progress. Social Finance UK was founded in 2007.
- ¶ **Social Finance India**, part of the pioneering global Social Finance network, is a new catalytic impact investment intermediary creating products for positive social and environmental outcomes in India. Social Finance India's first two products - India Impact Fund of Funds (IIFF) and India Education Outcomes Fund (IEOF) will launch in 2018. Social Finance India launches today in New Delhi. It's website is www.socialfinance.org.in
- ¶ SF-IND will work closely with **The Global Steering Group on Impact Investment** to establish the two Outcomes Funds in India. The GSG is an independent global steering group, with 16 National Advisory Boards, with 16 countries plus the EU as members. Chaired by Sir Ronald Cohen, the GSG brings together leaders from the worlds of finance, business and philanthropy.
- ¶ The **India Education Outcomes Fund (IEOF)** will support improved learning and educational outcomes across India with focus on poor and low-income students in government and affordable schools, including early childhood interventions, literacy & numeracy in primary school, and, employability of students after high school. Investors providing risk-bearing impact capital in these projects will be repaid by the IEOF on accomplishment of pre-contracted outcomes. The \$1 billion IEOF, raised from philanthropists, international aid organizations and CSR contributions, makes it possible to attract \$700 million of impact capital for impact enterprises and non-profits, through professional fund managers and Development Impact Bonds (DIBs).
- ¶ The **India Impact Fund of Funds (IIFF)** is a "wholesaler" of impact debt capital to catalyze India's Impact Investment sector, in a way inspired by the UK's Big Society Capital. A GSG initiative in partnership with UNSIF, its aim is to unlock long-term, affordable debt to finance intermediaries and impact enterprises. IIFF will help achieve UN SDG Goals and Indian government's priorities. Its funders will include development finance institutions, institutional investors, Indian diaspora, family offices and high net worth individuals in India. IIFF aims to use its USD 1 billion of debt finance to "leverage in" matching finance with impact intermediaries.

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