

For immediate release

Social Impact Bonds reach global mass: 108 projects launched in 24 countries

- Nearly \$400m raised to tackle social issues globally
- Nine countries launched first programs in 2017
- US market sees largest market growth in 2016-7
- First Social Impact Bond in Peterborough reduced reoffending by 9% and returned investor capital with a 3% annualized return in 2017
- 10 Social Impact Bonds have reported a full capital return following successful positive outcomes for vulnerable adolescents, homeless youth and ex-offenders

30 January 2018 – Today, the Social Finance Global Network announced that there are now over 100 Social Impact Bonds (SIBs) launched worldwide. The [Social Finance Impact Bond Global Database](#) provides information on all 108 launched projects, which have collectively mobilized \$392M in capital to reach up to 738,000 people in 24 countries.

The field has seen impressive growth since the first project was pioneered by Social Finance UK in 2010 in Peterborough, with a goal of reducing reoffending among short-sentenced prisoners, a chronic challenge in the UK criminal justice system. This summer it was announced that the Peterborough Social Impact Bond reduced reoffending by 9% and investors were repaid in full, with a 3% annualized return.

Social Impact Bonds build on key movements, including effective philanthropy, impact investing, and evidence-based policymaking. The goal is to drive systems change in how governments fund social services and how funders invest, in pursuit of measurable and lasting impact for communities. In 2017 alone, 33 Social Impact Bonds launched addressing health disparities, homelessness, child and family welfare, education, workforce development, and recidivism.

David Hutchison, CEO, Social Finance UK, commented: *“I am delighted that the model we developed in Peterborough has gained so much traction. We are now seeing it adapted to support migrants in Finland, cancer survivors in the Netherlands, and new-borns in South Carolina and India. Social Impact Bonds draw in expertise and resources from the private, social, and public sectors to find high-quality solutions to challenges we face. This market is at an important juncture.”*

To date, ten projects have reported that they have returned initial investor capital, with a return on investment. An additional eight Social Impact Bonds have reported that they have begun making payments to investors based on successful social outcomes.

The US market saw particularly strong growth in 2016-2017, with twelve deals launched that are collectively mobilizing over \$130 million in capital. They include workforce development opportunities for refugees and immigrants and innovative in-home treatment for families struggling with substance use disorders.

The field has also seen widespread bipartisan support. Supporting legislation has been introduced or passed in over 20 states, and federal agencies, from the Department of



Veterans Affairs to the Department of Education, have offered support for local governments to explore the model.

Tracy Palandjian, co-founder and CEO of Social Finance US said: *"Social Impact Bonds are about delivering enduring results for our communities. The model brings together several key ideas whose time has come: government accountability, impact investing, and data-driven policy making. We are energized by the growth of Social Impact Bonds and are evolving our approach to catalyze meaningful progress on the entrenched social challenges we face."*

Yaron Neudorfer, co-founder and CEO of Social Finance Israel said: *"As we enter 2018, we continue to grapple with immense challenges: economic inequality, aging populations, preventive medicine and more. We must unlock innovation and investment to design and deliver person-centric services to meet these challenges. By investing in prevention and early intervention, Social Impact Bonds give us an important tool in our toolkit."*

Social Impact Bonds are also gaining traction in low-income and developing countries. In recent months, there have been significant developments in Africa and Asia with the announcement of the \$27M ICRC bond in Congo, Mali and Nigeria, the \$2M OPIC program in Cameroon; and the \$3.5M USAID project in Rajasthan. Social Impact Bonds are taking root in Latin America with the support of the Inter-American Development Bank, where 15 programs are in development. Mexico, Brazil and Argentina will each see the launch of new Impact Bonds in 2018.

As the field grows, it is also evolving. Tools like outcomes funds and outcomes rate cards will allow Social Finance and others to expand the model and reach more individuals in need.

David Blood, Brace Young and Sir Ronald Cohen (chairs of Social Finance UK, US and Israel respectively) said: *"The growth of the Impact Bond market shows how capital can be mobilised to deliver impact to those in need across the globe. But we should not tackle social issues one project at a time. We must test new ways to scale the model so as to deliver multiple interventions at the same time, to support what works at scale."*

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For the Social Impact Bond database, please visit: <http://sibdatabase.socialfinance.org.uk/>

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Notes to Editors

- 1) Social Impact Bonds provide investment to address social problems and look to fund preventative interventions. They link financial success to the delivery of measured social outcomes. If, and only if, the social outcome improves, the outcome payor repays the investors for their initial investment plus a return for the financial risks they took.
- 2) Social Impact Bonds are designed to overcome the challenges governments have in investing in prevention and early intervention. They mitigate the risks of failure and bring in impact investors, who want to test innovation and scale successful



programmes. Investors provide flexible funding to programmes that are designed to be responsive to the needs of vulnerable groups to improve their lives.

- 3) In the last six months, 14 Social Impact Bonds have launched in 10 countries covering a diverse set of social issues. Three programs have launched globally to tackle homelessness: 'The Single Homeless Prevention Service' will provide support to adults at-risk of homelessness in the London Borough of Brent, and two Australian programs in Queensland and Victoria will focus on chronic and youth homelessness.
- 4) In children's services, there are two new Social Impact Bonds in the UK working with children at the edge of care; the first in Bradford has helped launch a 'Positive Behavioural Support' (PBS) service to prevent children with learning disabilities from being put in residential care and the second in London is working with vulnerable families through a 'Positive Families Partnership' to prevent young people from being taken into care. In Germany, the district of Osnabrück is using a Social Impact Bonds for preventive family assistance programmes, supporting parents in need at an early stage to better respond to the demands of parenting.
- 5) In the area of recidivism, the United States has launched three SIBs to address the issue since September 2017. In Los Angeles, CA, 'Just In Reach,' a health-based housing program, will reduce recidivism and help end homelessness among people experiencing repeat jail stays. The 'Ventura County Project to Support Reentry' also seeks to reduce recidivism but focuses on improving public safety and promoting family stability and economic opportunity for those on formal probation. The Alameda County Justice Project, spearheaded by the Alameda County District Attorney's Office, is designed to tackle recidivism by young adults.
- 6) A number of Social Impact Bonds are looking at various health issues worldwide – in Congo, Mali and Nigeria, an International Committee of the Red Cross program seeks to transform the way vital services for people with disabilities are financed in conflict-hit countries. The Overseas Private Investment Corporation, a self-sustaining U.S. Government agency, will invest \$2M in preventing blindness in Cameroon by providing up to 18,000 cataract operations. The Cancer and Work Health Impact Bond in the Netherlands will help return employees who are recovering or have recovered from cancer back to work in a faster and more successful way. In India, the Utkrisht Impact Bond aims to reduce maternal and neonatal mortality. In the UK, the Elton John AIDS Foundation has designed a Social Impact Bond to dramatically reduce HIV transmission in South London.