

STARTING POINT

FINANCIAL RETURN TARGETED

SOCIAL & FINANCIAL RISKS

FINANCIAL INSTRUMENTS USED

IMPACT MEASUREMENT AND MANAGEMENT

SOCIAL PURPOSE ORGANISATIONS (SPOs) SUPPORTED

## Investing *for* impact



What financial and non-financial support does the **investee need** to maximise its social impact?



- **Financial risk** is a secondary or **no decision-making factor**
- Achieving net positive social impact is the main decision-making factor
- Accepting **high financial risk** if the potential social impact is high



Grant



Debt / Loan



Equity



Hybrid financial instruments



- Focus on the **process**
- Adopt a **high engagement** approach
- Put emphasis on **Theory of Change**
- Start with **customised indicators co-designed** with the grantee/investee

SPOs with a business model that **will never be financially / self-sustainable**

SPOs with a potentially **financially / self-sustainable business model**

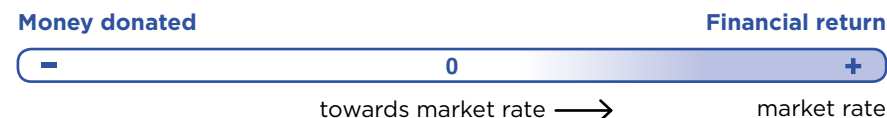
SPOs with a **proven financially sustainable business model**

**For-profit** businesses with intentional **social impact**

## Investing *with* impact



How to put **money to good cause**?



- Financial risk is the main decision-making factor and focus on **de-risking the financial component**
- Focus on social impact as long as the investment is also **financially sustainable** or it does not entail a higher financial risk



Debt / Loan



Equity



Hybrid financial instruments



Investee's **data and evidence** and/or **available standardised metrics** of social impact are (re-)used to make investment decisions