a growth capital platform where innovators, entrepreneurs and blended financing combine to create economic, environmental and social dividends in partnership with:
How can all sectors collaborate to finance the new Sustainable Development Goals that were recently adopted by the United Nations?
Blended financing through Social Impact Investments.
UNSIF – Investment Strategy and Positioning

- Established in January 2015 by the UN Multi-Partner Trust Fund Office (NY, USA) as a unique Social Impact investment platform.

- Demonstrates a practical transition from a ‘project-based’ to a ‘market-based’ development approach

- A partnership between UN Development Programme (UNDP), UN Environmental Programme (UNEP), UN Population Fund (UNFPA) and the UN Capital Development Fund (UNCDF) together with selected public, civic and private sector investors.

- Establishes a new investing architecture that leverages the traditional development funding pathways of pooled grants with the private Social Impact debt, equity and quasi-equity investments.
**Goal:** To maximize every dollar being invested in the developing world, UNSIF brings together philanthropists, foundations, corporations, private investors and governments to chart a new course towards a collaborative financing model.

By aligning capital across the full spectrum of development financing needs, UNSIF will accelerate and enable the scale-up of successful social business models, attract follow-on and additional investment capital, and lead to greater social impact while providing the potential for sustainable and inclusive economic returns.

**Objectives:** UNSIF seeks to accelerate understanding and implementation of a pioneering approach to development finance. Specific aims include:

1. Extending the reach and efficiency of official development assistance (ODA) through the complementary deployment of private investment
2. Boosting government and private sector understanding, support and involvement in inclusive financing and social business models
3. Expanding the amount of foreign and domestic capital available for social and economic development
UNSF – Investment Strategy and Positioning

Selected SEs will receive a combination of financial and technical assistance up to USD5 million:

- Grants
- Debt
- Equity
- Technical, incubation and acceleration support
- Business development expertise for socially-minded corporations, small and medium size enterprises (SMEs) and dedicated Social Enterprises (SEs)

Unique Value Proposition:

- By leveraging our UN partner network, UNSIF has unparalleled reach with ‘eyes and ears’ on the ground in 190+ countries.
- Access to a wide-range of UN development experts that is unmatched by any organization.
- A politically neutral investment environment that depoliticizes funds and promotes transparency
- Both downstream implementation and upstream policy impact that can enable optimal investment conditions, legal and policy options
- UNSIF opens regional and global expansion opportunities to scale social and economic impacts
UNSIF – Investment Strategy and Positioning

UNSIF has a unique multi-sector private and public partnership network to ensure the rapid growth of both social and economic returns – a blended approach that enables a true ‘blended return’.

Growth Capital

Unique ability to offer grants, loans, equity and quasi-equity in one financial complete package

Policy & Decision-Makers

Governments, foundations, influencers, business and development leaders

Operational Partner

UNSIF partners including participating UN agencies, technical experts, grantors and investors

Business Accelerator

Investment team, business development specialists, market makers and UN mentors
Stage: Social-minded businesses with a 2-3 year track record of financial and social impact

Investment Size: Up to US $5 m initially using a combination of grant, debt and equity.

Grantors/Investing Partners: Corporate CSR, Venture philanthropists, Social Impact investors, Foundations, Governments (national and local)

Geographic Focus: Global, South-South focus

Investment Area of Interest: include but are not limited to the following:

- Asset recovery including reuse and recycling
- Energy efficiency, demand reduction automation, smart grid technologies, supply chain greening
- Technologies improving the sustainability of aging electricity, water and infrastructure
- Sustainable agriculture and food safety
- Distributed and Clean energy - solar, wind, geothermal
- Next generation sensors, wearables, bionics, robotics, drones, material science and other IoT technologies including inclusive Healthcare, Education, Finance technologies
**UNSIF – Financial Architecture**

**Debt**
- Parallel Investments
  - Bilateral agreement between UNSIF partner and selected SE to directly provide debt, equity and/or quasi-equity investment under the umbrella of UNSIF. As the United Nations cannot financially profit, UNSIF is not a legal party to these agreements.

**Equity**

**Quasi-equity**

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**Pooled Grants**
- In conjunction with parallel investments, UNSIF offers grants directly to selected SEs to support a tailored incubation/acceleration program. UNSIF partners are committed to participate by offering their experts, mentors and trainers on a full-cost recovery basis.

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**UNSIF – Governance Architecture**

**GLOBAL**

- **Administrative Agent**
  - Partnership Risk Assessment
  - Due Diligence
  - UN MPTF Office
  - New York, USA

- **Global Office**
  - Global Portfolio Manager
  - Global Coordination Team
  - UNSIF Global
  - Bangkok, Thailand

**NATIONAL (Optional)**

- **Board**
  - May include representation from:
    - National and UN Partners
    - Country Based

- **Technical Committee**
  - May include representation from:
    - National Partners, UN Partners and external experts
    - Country Based

- **Local Support Staff (Implementing PUNO)**
  - May include:
    - National Coordinator
    - Local SE Specialist
  - Country Based
UNSIF - PSPP Operational Structure (Large Project)

PSPP Structure

Phase 1
Strategic Planning + design
Project Pre-feasibility
PSPP sustainability testing
Internal Clearance

Phase 2
Full feasibility design
Social impact design
PSPP Finance partners Clearance

Phase 3
Finance Architecture
Procurement Processes
Implementation planning
Milestones. M+E design

Phase 4
Implementation
Contract management
M+E
ROI/SROI

PSPP Financial Pipeline

PSPP Operations
Example: PSPP Operational Structure (Large Project)

- **Investors Lenders**
- **Government**
- **Special Purpose Vehicle (SPV)**
- **Contractors**
- **Operators**
- **Social Enterprise**
- **UNSIF**
- **Board Technical Committee Independent Advisors**

**PSPP Structure**
- **Phase 1**
  - Strategic Planning + design
  - Project Pre-feasibility
  - PSPP sustainability testing
  - Internal Clearance

**PSPP Financial Pipeline**
- **Phase 2**
  - Full feasibility design
  - Social impact design
  - PSPP Finance partners Clearance

**PSPP Operations**
- **Phase 3**
  - Finance Architecture
  - Procurement Processes
  - Implementation planning
  - Milestones. M+E design

- **Phase 4**
  - Implementation
  - Contract management
  - M+E
  - ROI/SROI
Example: PSPP General Financial Structure

Government

Investors
Lenders

Nominated Fund
Management (optional)

UNSIF

Board
Technical Committee
Independent Advisors

% of donated funds for UNSIF operations and programming

Grants for capacity building and technical assistance initiatives

subFund 1

... subFund 2

... subFund X

LP

LP/GP

GP

Phase 1
Strategic Planning + design
Project Pre-feasibility
PSPP sustainability testing
Internal Clearance

Phase 2
Full feasibility design
Social impact design
PSPP Finance partners
Clearance

Phase 3
Finance Architecture
Procurement Processes
Implementation planning
Milestones. M+E design

Phase 4
Implementation
Contract management
M+E
ROI/SROI

PSPP Structure
PSPP Financial Pipeline
PSPP Operations
**Technical Assistance/Capacity Building Programme**

- **Lead:** National/regional UN implementing agency
- **Curriculum:**
  - UN thematic development experts
  - Social impact/SROI M+E specialists
  - Social business model experts
  - Business management and investment experts
- **Contractor:** Local/Regional Incubator/Accelerator
- **Duration:** 8-14 months

*UNSIF programming is tailored to accommodate for varied financial structure requirements. Timing and durations in this model are for illustration.*
UNSIF Global instructs the UN Administrative Agent in NY to release grant portion to national UN agency for the procurement of incubation/acceleration and other associated expenses.

UNSIF debt/equity partners complete bilateral legal agreements directly with investee.

Forward Application to National UNSIF Technical Committee:
National Technical Committee reviews the application, suggests modifications and recommends a technical and financing package that includes an expertise/capacity gap analysis, incubation/acceleration curriculum, funding milestones, graduation criteria and exit strategy.

M+E/SROI indicators are defined inline with social impact and business sustainability requirements.

Technical Committee interviews and assesses SE management team to discuss financial and capacity requirements, business development plan and all other details of the ‘investment package’. Once the Technical Committee and application team come to an agreement, the Technical Committee reviews complete offering, draws up legal agreements/term sheets and recommends to UNSIF Board for approval.

Application to UNSIF:
Social Enterprise application are solicited by UNSIF. This can be achieved by utilizing different approaches, for example organizing UNSIF sponsored Entrepreneur Challenges, stakeholder referral, or receiving direct applications as a result of networking, advocacy, roadshow and other awareness initiatives.

UNSIF Solicitation, Filter and Selection:
National UNSIF office manages the initial solicitation process and vets for primary criteria.

UNSIF National Board Approval:
Board reviews proposal and approves or returns with comments with decision to allocate financial resources following final revisions.

Watchlist:
Place on watchlist for future consideration or referral.

Expected graduation/exit targets
Incubation/acceleration program initiated with by contracted partner, UN and business partner expertise
Monitoring and Evaluation, SROI, milestone workflow initiated

UNSIF - Strictly Confidential
Traditionally, scaling up social impacts refers to local impact – district, province and sometimes nationally. UNSIF is positioned, through its global reach and international partnerships, to enable regional and global scale that spreads social impacts transnationally, across borders.

This facilitates and supports Regional as well as South-South Cooperation and social entrepreneur exchange programmes that support the creation of financial, expertise and policy frameworks, value-chain and ecosystems necessary to enable the next-generation of SEs.
**UNSIF – Stakeholder Benefits**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Social Enterprise</th>
<th>Grant Contributors</th>
<th>Capital Investors</th>
<th>UN Partners</th>
<th>Beneficiary/End Users</th>
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<tbody>
<tr>
<td>UNSIF is a unique and innovative funding platform that pools multi-sector Social Impact Investment (SII) funds</td>
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<td>UN MPTFO is a trusted and transparent financial Institution that will build confidence and attract high-potential SEs</td>
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<td>UNSIF offers ‘blended returns’ by focusing on delivering quantifiable social impact across the complete value-chain</td>
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<td>Prioritize cross-border scaling of social impacts and financial returns increasing opportunities for SEs and SII</td>
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<td>Multi-Partner model integrates experts resources from both the social development and business sectors</td>
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<td>Clear graduation/exit strategy that ensures SE resilience/sustainability over the long-term</td>
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<td>Access to top global development experts that understand future challenges and barriers to scale</td>
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<td>Access to top local private sector business/financial advisors with domain expertise</td>
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<td>Ability to provide policy options to reduce barriers for SME/micro-SME creation and expansion</td>
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<td>Capacity building in social impact assessments, market-based development, social business</td>
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<td>Application of best-in-class and inclusive M+E and Risk/Return models at the investment and portfolio levels to minimize risk</td>
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<td>Cross-border expansion of social impacts in a new model that furthers Regional Integration and South-South Cooperation</td>
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UNSIF - Measuring Economic and Social Dividends

• UNSIF will employ the latest social impact and SROI frameworks to assess social impact and financial results to ensure that all risks are appropriately mitigated and managed.

• UNSIF will employ an agile Monitoring + Evaluation approach to ensure issues and challenges are quickly identified and solutions are administered.

• UNSIF will work with leading academic and research institutions to develop more comprehensive M+E/SROI models that support the monetization of social impact investments.
United Nations Social Impact Fund

a growth capital platform where innovators, entrepreneurs and blended financing combine to create economic, environmental and social dividends in partnership with:

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