



# SOCIAL FINANCE

## INNOVATING SOCIAL SERVICE DELIVERY

### WHAT IS SOCIAL FINANCE?

While social safety nets and services consume large amounts of public expenditure, sections of society remain vulnerable.

Social Finance seeks to 'invest' in social impact that fulfill desired national outcomes.

### PUBLIC-PRIVATE PARTNERSHIP FOR SOCIAL GOOD

People empower themselves as social volunteers to address social issues, where government can't or don't. Can government, social organisations and impact investors, collaborate for better outcomes and get ahead of social problems?

### WHY A PUBLIC-PRIVATE PARTNERSHIP?

- Private sector incentivised to invest in social outcomes
- Burden and risk of social impact shared between government, social organisations and the private sector
- Build positive public perception of government as enabler, rather than adversary, of social organisations
- Leverage on society's collective skills, enthusiasm and innovation capacity to help solve social issues



(Similar drivers needed to spur Malaysia forward in a competitive global environment)

### SOCIAL FINANCE AS A CATALYST FOR NATIONAL WELLBEING

SMEs = engine of economic growth  
Social NGOs = engine of social progress

### HOW WILL THE NEW MODEL WORK?

#### 1. Raising a sum for investment

Finance from investors (could be commercial or philanthropic)

#### 2. A programme of actions

Implemented by one or more social intervention providers

#### 3. A commitment to repay

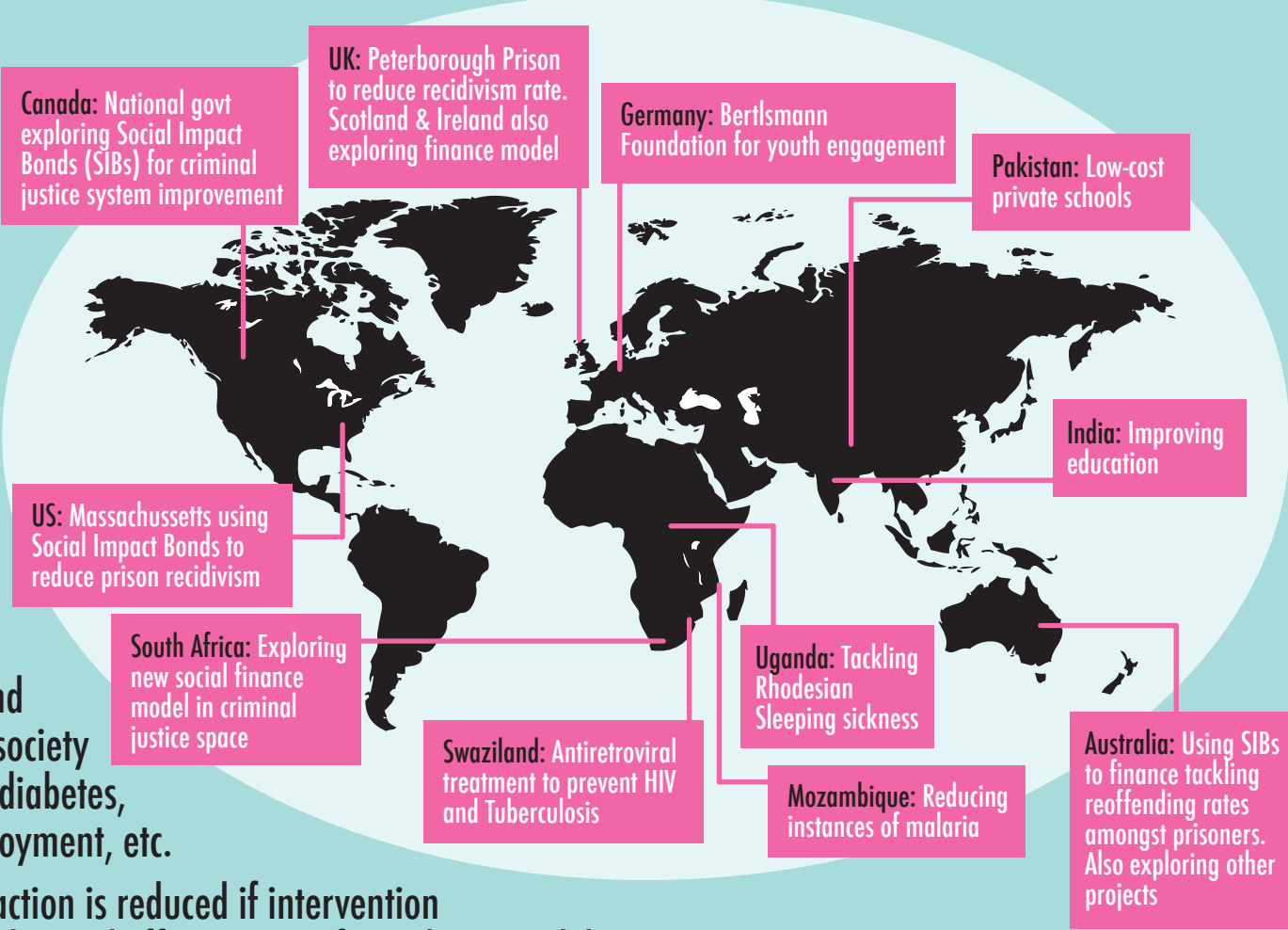
- Commitment to pay on achieving outcomes
- Tested for whether results can properly be attributed to the set of actions

### WHOLE-SOCIETY APPROACH

Social Finance is especially useful for preventive and early intervention programmes that need a whole-society approach. Examples: controlling dengue, reducing diabetes, prisoner reoffending, homelessness, youth unemployment, etc.

Government spending on treatment and remedial action is reduced if intervention outcomes are achieved, while improving accountability and effectiveness of social service delivery.

### VARIOUS SOCIAL FINANCE MODEL PROJECTS



Canada: National govt exploring Social Impact Bonds (SIBs) for criminal justice system improvement

UK: Peterborough Prison to reduce recidivism rate. Scotland & Ireland also exploring finance model

Germany: Bertlmann Foundation for youth engagement

Pakistan: Low-cost private schools

India: Improving education

Australia: Using SIBs to finance tackling reoffending rates amongst prisoners. Also exploring other projects

Mozambique: Reducing instances of malaria

Uganda: Tackling Rhodesian Sleeping sickness

Swaziland: Antiretroviral treatment to prevent HIV and Tuberculosis

South Africa: Exploring new social finance model in criminal justice space

US: Massachusetts using Social Impact Bonds to reduce prison recidivism