SOCIAL IMPACT BONDS

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An exploration of the possibilities of an innovative funding arrangement
CREDITS

Authors
Raymond Lunes
Renee Frissen en Freija Vermeer
(Society Impact Platform)
Anton Revenboer (Ernst&Young)

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The Netherlands is in a transitional phase. The ongoing economic crisis and fundamental changes in our economic system have intensified discussion about the sustainability of our welfare system. This discussion concerns nothing less than solidarity, one of society's fundamental binding agents.

Until now, solidarity has been shaped through formal organisation within the framework of the welfare state: a large number of formal arrangements are in place with respect to income, education and training, work, health, old age, welfare and so on. This indirect solidarity has resulted in anonymity and citizens have come to see these social achievements as rights to which everyone is entitled. Although the welfare state has therefore expanded, an ageing population and other circumstances are now threatening to make it unaffordable. Civil society organisations have operated for too long on the basis of a one-sided focus on the government. This narrow focus has undermined their legitimacy. At the same time, one can see a high degree of self-organisation based on citizen networks and groups. In addition, new initiatives in the form of, for example, a tremendous amount of volunteer work, enterprising neighbourhoods that manage property with a social function, philanthropists and donor-advised funds that work to strengthen the social fabric are being taken to give shape to direct solidarity.

Although the welfare state and the traditionally structured economy are under pressure and citizens are increasingly being asked to take personal responsibility, this state of affairs cannot be defined solely as negative. The pressure referred to is driving a need to do things differently. Awareness of this need and the idea of creating a new form of solidarity is prompting the philanthropic sector, social organisations, banks and the government to review existing institutional approaches to social issues. In other words, the need for new solutions is evidently increasing. The phenomenon of social entrepreneurship – making an impact through entrepreneurship while earning a livelihood at the same time – can also be placed within this context, the idea being more meaning, more value, more togetherness and therefore more impact.

I am convinced that we can accelerate the achievement of this aim and link it in a more meaningful way to current and urgent social issues that ultimately concern society as a whole. It must be noted in this context that enlightened self-interest is a major motive for direct solidarity. Social entrepreneurship is a matter of general interest if it is used in an innovative way to solve urgent social issues. The entrepreneurial risks are of course high for many reasons and it is therefore necessary to design innovative funding arrangements that involve the use of ‘patient’ capital and are based on a different relationship between the government, the market and society.
Social Impact Bonds (SIBs) make such innovative funding arrangements possible. A considerable amount of research and experimentation concerning this form of funding is currently taking place in many parts of the world. Although the expected results are very promising, a lot remains to be learned. The primary purpose of a SIB is to secure the commitment of investors, banks, government authorities and social entrepreneurs to a social goal like establishing a preventive approach to social problems on the part of citizens, for example. Based on an underlying performance contract, cost savings are achieved for the public sector that are (partly) paid to the parties involved at a later stage. SIBs make it possible for implementers, usually social entrepreneurs who perform the actual activities, to scale up their successful local approaches on the basis of funding made available in advance. In short, a SIB is an impetus for raising funds from the private market, limiting the financial risk of the government and achieving measurable social effects and cost savings for the government.

So far, no SIBs have been used in the Netherlands. Exploratory studies of projects are being carried out, however, such as in the municipality of Rotterdam. The Society Impact Platform is working to place this form of funding on the agendas of banks, philanthropists, the government and social entrepreneurs. Many discussions that were positive about the feasibility of this arrangement have taken place. The platform will intensify its role of driver and broker in the coming time. A considerable amount of relevant knowledge must still be made accessible in this quest. For this reason, the Society Impact Platform and Ernst & Young decided to publish this work on Social Impact Bonds. This publication provides insight into the operation of SIBs and the way in which they were introduced abroad. Based on this insight, points of reference are provided for setting out a successful course for SIBs at several locations in the Netherlands.

Sadik Harchaoui
Chief of Mission, Society Impact Platform, JUNE 2013

* The Society Impact Platform is the platform on which government authorities, banks, philanthropists and social entrepreneurs work together to solve urgent social issues in the fields of, among others, labour force participation, quality of life and integration through entrepreneurship and, to this end, study and develop innovative funding arrangements.
“INVEST IN INNOVATIVE FUNDING ARRANGEMENTS TO IMPROVE THE SOCIAL POSITION OF CITIZENS.”
A new phenomenon, Social Impact Bonds (SIBs), also referred to as Pay for Success Bonds, are increasingly being discussed and written about on an international level. These contracts constitute new and innovative funding arrangements under which government authorities only pay for measurable social results after such results have been achieved.

The primary purpose of these projects is to deal preventively with social problems of citizens. To this end, a performance contract is concluded with an intermediate party that makes funds from the private capital market available and engages private or non-profit parties to achieve social results. This ultimately results in cost savings for the public sector that are (partly) paid to the parties involved. SIBs make it possible for the implementers who perform the activities to scale up their successful local approaches on the basis of funding made available in advance. SIBs could be a sound addition to existing financial instruments and programmes and could potentially provide an additional impetus to improving the social position of the target group.

Experiments with SIBs are currently being carried out in Great Britain, the United States, Canada and Australia. In addition, similar experiments are being carried out in the field of development cooperation in African countries and elsewhere. The SIB phenomenon is also starting to gain ground in other countries because it seems to offer many benefits to all of the parties involved.

Although not much is known yet about the effectiveness of SIBs, responses in other countries are mainly positive and the prospects are promising: additional funds from the private market, limiting the financial risk of the government, achieving measurable social effects, cost savings for the government and a focus on outcome rather than input or output. It must be noted in this regard that an actual result cannot as yet be measured because all SIBs are still in the experimental phase.
1.2 PURPOSE OF THIS WORKING PAPER

No SIBs have as yet started in the Netherlands. However, efforts are being made at different locations to initiate a SIB process. The municipality of Rotterdam is leading the way in this regard. This study provides insight into the operation of SIBs and the way in which they were introduced abroad. The possibilities in the Netherlands can be explored in greater detail on the basis of this insight. The SIB field in the Netherlands is still very much in development. This study is therefore a working paper. This means that the content of this study will be modified based on the experiences gained when researching the possibilities of SIBs in terms of addressing pressing social issues in the Netherlands.

The municipality of Rotterdam is a pioneer in the field of SIBs. A SIB process is currently being prepared on the basis of four concrete social projects. The desired results of these projects are being calculated within the municipality of Rotterdam. Partnerships are being entered into with other government authorities for projects that will be beneficial to several levels of government. Investors are being approached.

Attention must be given to the following points to increase the SIB process’s chance of success:

- Determining a baseline: what is normal and as from which improvement will investors be paid back?
- Making savings that concern several partners transparent and thereby involving all partners in the process.
- Determining what investors consider acceptable on the basis of the track record of the implementing party and the size of the investment amount.
- Determining the potential to scale up.
1.3 RESEARCH QUESTION AND SUB-QUESTIONS

The main question of this study is: **What can we learn from the implementation of Social Impact Bonds in other countries?**

The following sub-questions are aimed at providing answers to the main question:
• What are SiBs?
• Which parties are involved?
• What are the possibilities and challenges?
• Which different forms can be distinguished?
• How is implementation being handled abroad (two cases)?

1.4 RESEARCH APPROACH

This document is the outcome of desk research. In other words, it is the product of a literature study based on available online sources. Further below, it first describes what SiBs are. It then explains two cases in detail to provide insight into how SiBs are being implemented abroad and identifies the lessons that can be learned from the cases.

1.5 EXPLANATION

This publication is based on a paper by Raymond Lunes (Ministry of Social Affairs and Employment) written in the context of the Peer to Peer Advies programme1 for Anton Revenboer of Ernst & Young. This publication was made available to the Society Impact Platform by Ernst & Young. The report is seen by Ernst & Young and the Society Impact Platform as a working paper; a first step towards placing SiBs on the Dutch agenda.

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1 Peer to Peer Advies (Peer to Peer Advice) is a programme of The Curious Network in which professionals working in the public sector carry out a consultancy assignment for an organisation operating in the business sector.
“INCREASING THE SOCIAL RETURN BY INVESTING IN PREVENTIVE INTERVENTIONS.”
## 2.1 HISTORY

SiBs were first mentioned in 2000. Ronnie Horesh (Horesh 2000) stated that a new instrument was required to achieve social goals, namely Social Policy Bonds issued by the government. These non-interest bearing bonds would be tradable and would only be convertible if a specific social goal had been achieved.

The term ‘social’ refers to social issues or problems. Examples can be found in the fields of education (vulnerable children), health (alcohol and drug problems, for example), criminality (detention, for example) and social security (poverty and unemployment, including youth unemployment, for example). SiBs are outcome-based and focus on social impact. In other words, SiBs focus on achieving measurable effects that deal with social problems.

The SIB concept originated from a wider study into social innovation within the UK government, which needed innovative ways to control costs and develop new services for social issues in a time of budget cutbacks. The Council on Social Action (CoSA) was set up in 2007 as an independent advisory group to generate initiatives. One of the recommendations made by this advisory group was an alternative funding model, the Social Impact Bond (SIB), aimed at increasing social return by investing in preventive and early interventions (CoSA 2009).

**First Social Impact Bonds project**

The first project to use SiBs is being implemented in the UK. The UK Ministry of Justice launched a pilot project in Peterborough prison. Prior to and after their release, 3,000 prisoners are supervised by specialised organisations for six years. If the recidivism rate is more favourable than normal, a large longer-term saving is achieved (costs of police and legal services) that is partly paid out. For the former prisoners and their communities, this approach makes successful social rehabilitation more likely (better prospects, less nuisance to the community). The project is discussed in greater detail in Chapter 3.

### Social Impact Bonds worldwide

The pilot project in Peterborough prison is widely appreciated and led to efforts to emulate it in other fields. Fourteen SiBs are currently being developed in the UK (Instiglio 2013). In addition to the SIB in the judicial system referred to, the other 13 SiBs focus on unemployment, including youth unemployment, vulnerable children and the homeless. SiBs are part of Prime Minister Cameron’s policy programme.

Interest is not limited to the UK, however. Experiments with SiBs are currently being carried out in the US, Canada and Australia. Possibilities for SiBs in the form of Development Impact Bonds (DiBs) are also being explored in Sub-Saharan Africa in the context of development assistance programmes. These DiBs (Social Finance UK, z.j.l) are intended to enable more direct control of the effects of projects in developing

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2 For a comprehensive description of SiBs, please see the website of the New Zealand economist: http://socialgoals.com/ en zijn blog op http://socialgoals.blogspot.nl/

3 In February 2013, Prime Minister Cameron announced that he intended to use the UK’s presidency of the G8 this year to promote SiBs in other developed countries. http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9859906/Cameron-to-push-G8-on-finance-bonds-for-new-social-investment.html

4 For a current overview of SiBs in development, see http://www.instiglio.org/publications/sibs-worldwide/
countries by, as is the case with SIBs, securing private investments on the basis of results contracts.

In the US, President Obama announced at the beginning of 2011 that USD 100 million was being made available for seven pilot programmes (White House 2011), including one of the US Department of Labor for workforce development (US department of Labor, n.d.). A project of USD 9.6 million aimed at reducing the recidivism rate among young male prisoners from Rikers Island prison was started in New York City in the middle of 2012 (Preston 2012). The internationally operating investment bank Goldman Sachs is the investor in this project (Chen 2012). In January 2013, the State of New York announced that USD 100 million was being made available for SIBs in the fields of health, education, youth detention and safety (Nonprofit Finance Fund 2013). SIBs have also been announced in other states like Massachusetts (Commonwealth of Massachusetts 2012) and Minnesota (Busse 2011). The most recent example in the US is the launch of a SIB project in Utah. The aim of the Utah High Quality Preschool Program is to achieve cost savings by reducing the use of education programmes provided by the state. Moreover, an amount of almost USD 500 million has been reserved for Pay for Success programmes in the White House budget for 2014 (Shah en Costa 2013).

2.2 WHAT ARE SOCIAL IMPACT BONDS?

Social Impact Bonds (SIBs) are social investments. Although SIBs have been receiving considerable international attention in recent years, social investments are not a new phenomenon. In 2006, the Dutch Council for Social Development (RMO) described social investments as interventions in the social infrastructure^7 aimed at the long term, an entire population, sustainable effects, preventing problems and achieving changes in structures (Doorten en Rouw 2006). In the UK, the market for social investments was worth GBP 165 million in 2011, whereas, according to estimates, this market will be worth GBP 1 billion in 2016 (Brown en Swersky 2012).

Another emerging phenomenon is impact investing, which is investing in activities of companies or organisations that aim to achieve social and/or sustainable goals that, in addition, generate a financial return. While making a profit is important in this context, it is not the most important aim. With its investment, the investor seeks above all to generate a social impact. Banks in the Netherlands are already engaging in impact investing. SIBs are seen as a form of social impact investing (Rothschild, 2013).

The rise of social return in the Netherlands^10 is another phenomenon that has to do with social investments. Social return means that when invitations to tender are issued, the agreement is made to help people who are in a vulnerable labour market position to acquire work experience. The central government, for example, has included social return as a contract condition in invitations to tender for contracts worth in excess of EUR 250,000 since the middle of 2011. Many municipalities are also working to incorporate social return into their procurement policies. When performing a contract, a contractor must also deploy people who are at a greater distance from the labour market.

According to the Dutch Council for Social Development, a key characteristic of social investments is that they differ distinctly from what is referred to as recovery policy.

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^5 The Development Impact Bonds Working Group (a partnership between the Center for Global Development and the UK’s Social Finance organisation) is studying possibilities of using DIBs to secure advance funding from private investors for development assistance programmes. The investors would receive a financial return if outcomes agreed in advance are achieved. http://www.cgdev.org/page/development-impact-bonds-working-group

Recovery policy, a prevention term used in the healthcare sector, focuses on interventions that detect problems at the earliest possible stage in order to retain the possibility of effective treatment and make it possible to prevent the situation from getting worse or the occurrence of complications. Examples in this regard include provisions for dropouts in education or for the homeless. The harm has already been done and the government implements measures after the event to recover the situation. Social investments differ from recovery policy because they are aimed at primary interventions: they seek to remove the causes of problems and thereby ensure that these problems do not occur at all. Examples in this regard include interventions at schools aimed at preventing early school leaving or interventions aimed at preventing people from becoming homeless.

SIBs can be seen as social investments because they are first and foremost aimed at interventions in the social infrastructure. Projects carried out in the context of a SIB are aimed at dealing with social problems in a sustainable and preventive way. Furthermore, the intervention programmes implemented are not aimed only at a selection (only the group that is likely to succeed, for example) but at the entire population of a certain target group (all 3,000 current and former prisoners of Peterborough prison, for example).

One of the greatest challenges is determining the effectiveness of social investments. This is a complex matter because effects often manifest themselves only after some time has passed, the causation of the interventions is difficult to demonstrate and effects often transcend what are referred to as the policy communities. As will be seen below, all of these elements are also present in SIBs.

**Definition**

Different definitions are used. According to Social Finance UK, ‘Social Impact Bonds are a form of outcomes-based contract in which public sector commissioners commit to pay for significant improvement in social outcomes (such as a reduction in offending rates, or in the number of people being admitted to hospital) for a defined population’ (Social Finance UK, z.j.a).

SIBs have also been defined as ‘an innovative form of cross-sector cooperation that can help the government to reduce investment in repressive measures and adopt a more preventive approach to social problems through intervention solutions that have greater impact and cost less’ (McKinsey & Company 2012).

Finally, the Center for American Progress defines SIBs as an ‘arrangement between one or more government agencies and an external organization where the government specifies an outcome (or outcomes) and promises to pay the external organization a pre-agreed sum (or sums) if it is able to accomplish the outcome(s)’ (Costa et al. 2012).

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7 The Dutch Council for Social Development defines the social infrastructure as the totality of organisations, services, provisions and relations that make it possible for people to reasonably live in a socially connected way (neighbourhoods, groups, networks, households) and participate in society (RMO, 2006).

8 http://impactinvestingnews.blogspot.nl/p/wat-is-impact-investing.html


10 See, among other sources, the Pianoo website for more information about and concrete applications of social return in the Netherlands http://www.pianoo.nl/themas/duurzaam-inkopen/sociale-aspecten-van-duurzaam-inkopen/social-return
In this section, the most important characteristics of SiBs are described and a new definition is formulated.

No cure, no pay
SiBs are also referred to as Pay for Success contracts. The idea behind these Pay for Success contracts is that government resources, certainly in a time of spending cuts, should be spent on projects that achieve the intended results. The government concludes a Pay for Success contract and pays for successful projects. Private parties fund the setting up and implementation of a programme aimed at lessening the risk position of a given population group (improving health, for example) and therefore achieving social savings. The government pays these private investors back only if the social results have been achieved by converting the future savings (because the population group makes less use of government provisions, for example) into cash. Depending on the performance agreements made in advance, the investors receive a return in relation to the programme’s effectiveness. The better the result, the higher the amount paid. If the intended savings are not achieved by the programme, the government does not pay back the money invested or pays it back to a lesser extent.

Contracts, not bonds
In spite of the name, SiBs are not bonds. When government bonds are issued, the state takes out loans to raise money. Private individuals and companies that subscribe to these bonds lend money to the government for a fixed term and a fixed interest rate. Although funding from the market also applies to SiBs, repayment is conditional and no interest is paid. What SiBs and bonds have in common are long terms and results that can be better monitored. The risks associated with SiBs are actually much greater for the external part than is the case with government bonds, where there is a financial risk only if the state goes bankrupt. In the case of SiBs, it is clearly stated in advance that the government will not make payment if the social result agreed is not achieved. A bond does not actually apply in this process. Rather, contracts are concluded. In the case of SiBs, or Pay for Success contracts, it is therefore better to speak of social performance contracts. The government and the external party conclude a contract that contains a clearly defined social goal that must be achieved (such as reducing recidivism following detention).

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11 In Essex County, for example, it is possible for individual investors (therefore also private individuals) to invest in a SiB aimed at preventing the placement of children in institutions. The minimum investment amount is GBP 15,000 and investors are promised a minimum of 100% of their investment: http://www.probonoaustralia.com.au/news/2013/02/retail-investors-offered-uk-social-investment-bonds

12 An exception is the Human capital performance (HUcap) Bond, which is a bond and in respect of which interest is also paid to investors. See Chapter 3 for a further analysis of the HUcap bond.
Focus on prevention

SiB programmes differ from those aimed at dealing with social problems that have already occurred. As stated above, social investments, and therefore also SiBs, are not aimed at recovery policy. Under the motto ‘prevention is better than cure’, SiBs focus on preventive measures to meet social needs before such needs become problematic. A successful preventive programme that assists delinquents by finding work for them while they are still in prison and providing personal supervision after they are released so that they do not reoffend is an example in this regard. Although preventive programmes of this kind have been successful locally, the implementers do not have sufficient resources to scale up and thereby increase the social impact.

Outcome based

In the context of SiBs, the focus of the government and implementers is on achieving programme objectives and performance improvements in a transparent manner. Implementers are additionally motivated to apply innovative solutions in practice because their payment is completely dependent on performance. Because results are clearly agreed in advance and are actually measured, it is less likely that the government will invest in ineffective implementation programmes.

Scaling up solutions that work

SiB programmes focus on preventing social problems and, in addition to savings for government authorities, can result in other social benefits. Although numerous programmes have been successfully implemented in practice at a local level, the implementers of these programmes (such as foundations and non-profit organisations) often lack the financial resources or expertise required to scale up their approach. There is also no existing formal structure in which they can transfer these proven local solutions to the government. External investors are engaged to provide the funding required to scale up local approaches.

Private funding through external investors

A key part of SiBs is that they make it possible to raise additional funds from the market. The private financiers, for example a philanthropist, a donor-advised fund that supports good causes, social funds of banks, insurers or pension funds and so on, can agree to a lower return (though with a higher risk) and possibly a longer term with respect to their investment. The social entrepreneur is therefore supported in setting up or expanding his business. At the same time, the money provided is not a loan; the external financier expects to recover his investment and expects a return on this investment.

New definition

We may formulate a new definition based on the key characteristics of SiBs described above.

A Social Impact Bond is a social performance contract between a government organisation and an intermediary organisation aimed at implementing intervention programmes to deal preventively with social problems. For these programmes, the intermediary engages implementers and the funding required is made available in advance by external investors. The government organisation only pays the intermediary if a social result agreed in advance is achieved. The social result leads to cost savings for the government in the future. The intermediary repays the investment made by the investor. This repayment includes the return on the investment.

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14 It is of course even better to preventively ensure that people are not sent to prison in the first place.
2.3 | PARTIES INVOLVED

Different parties are involved in SIBs. They are specified in the figure below.

**Figure 1: Schematic representation of the parties involved in a SIB**

**Target group: citizens**

The ultimate purpose of a SIB is to improve the social position of the target group. The government and an external party contractually establish the social outcomes that must improve the lives of citizens. The focus is not on repressive measures designed to deal with social problems that already exist, since such measures are already in place and are funded by tax money. The target group of a programme supported by a SIB is determined in precise terms. A range of preventive measures is available for this target group.

*The intermediary organisation is an external organisation that engages investors and may itself also be the investor or one of the investors. The intermediary may also be the implementer of an intervention programme.*
They may use the programmes to prevent certain social problems from occurring in their lives (homelessness, unemployment, health problems or a prison sentence).

**Implementers**

In the SIB model, implementation is carried out by implementers who are hired, funded, supported and directed by the intermediary. The implementers have experience in dealing with social problems and, ideally, have achieved proven successes in the past and/or evaluations or measurements of effects are already available. These factors help in making the desired effects in the SIB measurable. The structure of the SIB is such that intermediaries can only withdraw money from the financial market if investors are convinced that the implementers can also deliver the intended results. Implementers can be hired because investors make the financial resources available in advance. They receive the resources required (working capital) to implement programmes. The implementers may be non-profit organisations or private parties, including entrepreneurs, for example.

**Government**

A SIB’s success depends mainly on the involvement of the government. The government, often in the form of local authorities, can identify issues in respect of which prevention programmes are needed, must determine the social and financial outcomes (which social problems must be dealt with and which cost savings will be achieved for the government) and must commit to the entire process. The results to be achieved must be laid down in a results contract concluded with an investor or an intermediary organisation. The government must also be prepared to provide information about the target group in different areas. This information is necessary to determine whether a change is occurring in the lives of members of the target group. This information must also be supplied to the party that carries out the evaluations.

Since it often takes years before the social outcomes of preventive programmes manifest themselves and therefore become measurable, the government organisation must remain closely involved during those years, not to determine the substantive course but to supply the necessary information, for example. In contrast to regular programmes funded by the government, in the case of SIBs the government must place as few control mechanisms as possible regarding the way in which the external party achieves the result. The government pays on the basis of the future cost savings for the government that the programmes achieve. The government pays less or does not pay if the result agreed in advance is not achieved.

**Intermediary**

The intermediary is an external organisation that connects all of the parties involved. It can have different roles in the SIB model. First, the intermediary acts as the contracting party for the government and must therefore be knowledgeable about the policy area concerned. Agreements are made with the government party about social results to be achieved and the financial resources that the government will ultimately make available for those results. Second, the intermediary must secure funding from investors. This funding is required to engage implementers to implement the programmes. Third, the intermediary identifies and selects the implementers based on the programmes and projects that they can implement and the contribution that this capability makes to the whole. During the term of the SIB, the intermediary directs these implementers, supports them and may also opt to engage different intermediaries if results are not being achieved.

**Investors**

SIBs are about using capital from the capital market. Private investments provide the initial capital for the projects. When supporting a social enterprise, investors must accept that they will receive a lower return and that it may take longer to receive this return. The risk is also greater. In addition, investors may achieve a higher return on their investment if the outcomes exceed the level that was initially agreed. This strengthens the focus on outcome and the action taken in this context.
Potential investors include, for example, socially oriented or socially engaged providers of capital (philanthropists, foundations, non-profit organisations and charities). Examples are the Bloomberg Foundation in the US and the Big Lottery Fund in the UK. Pension funds, insurers and banks may also invest. Goldman Sachs is involved as an investor in a SIB in Rikers Island prison in New York City (Bloomberg 2012), for example, and Triodos Bank is investing in a SIB of the UK Department for Work and Pensions (Holt 2012).

Independent assessor
A programme’s success is determined on the basis of a measurable improvement that has occurred in the lives of members of the target group. To determine this success, unequivocal agreements regarding results that can be measured at the end of the programme must be made in advance. This measuring is done by an independent party that has access to empirical data of the both the government and the parties contracted to implement a programme.

An example of such an independent assessor can be seen in the SIB in Peterborough aimed at reducing the recidivism rate, in the context of which the UK Ministry of Justice instructed technology company Qinetiq and the University of Leicester to measure the outcomes of the SIB as independent parties (Cave et al.). For this purpose, they developed a method and, following its validation, will measure the outcomes of the SIB during its term.

Optional: evaluation adviser
In addition to the independent assessor that focuses mainly on the measuring method and on measuring the outcomes, an evaluation adviser may be engaged. The evaluation adviser can monitor the performance of all the implementers to ensure that the activities as a whole continue to meet the requirements of the assignment agreed with the government.

The evaluation adviser assists in determining the evaluation method and social outcomes that must be achieved, monitors general progress and advises on possible actions (such as terminating cooperation with an implementer if the implementer concerned is making insufficient progress).

Engaging an evaluation adviser is optional because the role can also be fulfilled by the intermediary organisation itself if it has the expertise and capacity required (Center for American Progress, 2012).

An example of an evaluation adviser is the non-profit research agency RAND Europe, which was engaged by the UK Ministry of Justice to evaluate the SIB in Peterborough at an early stage (Disley et al. 2011). Precisely because the outcome concerns social issues, it is essential to guard against distorting effects of the financial incentives that are associated with the result. Improving the social position of citizens remains the goal. An adviser can ensure, for example, that not only the ‘easy’ cases are helped simply to achieve the quantitative objectives.

2.4 OPPORTUNITIES AND CHALLENGES
SIBs constitute an innovative financial instrument to deal with social problems. There are opportunities and challenges for all of the parties involved (Roth, 2011; Nora Sobolov Consulting en Jagelewski 2010). The opportunities and challenges for the four key parties (government, investors, implementers and target group) are discussed below.

Opportunities
There are different opportunities for the government. The greatest opportunity of a SIB is the possibility for the government to scale up social impact and thereby bring major parties in civil society, the market and the government together on the basis of a

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15 Although the role of independent assessor and that of evaluation adviser are closely related and may in practice be fulfilled by the same organisation, they are nevertheless specified as distinct roles (Center for American Progress, 2012).
common social goal. In addition, one of the greatest opportunities of SIBs is that they transfer the financial risk normally borne by the government for poor performance to intermediaries and private investors. The government does not pay if what has been agreed is not achieved. The government can therefore spend the limited budget available on solutions that effectively generate a social return. The focus on success in a SIB also has consequences for regular funding arrangements that the government normally uses (Liebman 2011). Because of the transparent way in which results in a SIB are made visible, projects that are not achieving results may no longer automatically receive funding in the future. Because of the working method in a SIB, government authorities will be more inclined to invest in preventive projects since the risk of wasting tax money is transferred to the private sector (the investors). SIBs can save the government money (Mulgan et al 2012) because they make new sources of funding for dealing with social problems possible and encourage activities that have proven to be successful (evidence-based), and because resources are used for approaches that have a greater, positive impact on the lives of members of the target group. Moreover, the government does not have to manage the implementers directly, since this management is conducted by the intermediary. Instead of concluding contracts with every implementer, the government only concludes one contract with an intermediary. The intermediary reports and manages the implementers. The government in this context may be the central government or municipal or provincial authorities.

The performance-oriented approach is beneficial to the government’s target group (the citizen). During the term of a SIB, citizens receive intensive services from different implementers that are cooperating or providing complementary services. The services provided are often tailored to the SIB’s goal. Moreover, the services are provided by parties that have achieved demonstrable results or by parties that can demonstrably make a difference. These parties are often closer to the target group than the more traditional and institutionalised service providers. Finally, a SIB is favourable because the results achieved are comprehensively measured and evaluated based on the question as to whether the SIB achieved the intended social results and therefore made a genuine difference to the target group.

SIBs make it possible for implementers of intervention programmes to receive funding in advance for a sustained period, which provides economic security and ensures operational reliability (Mulgan et al 2012). In addition, a SIB makes it possible for implementers to apply a locally successful approach on a larger scale.

In addition to offering a potential financial gain, SIBs make it possible for investors to show their social side by contributing to social improvement. SIBs are promising for private investors because they provide access to new investment aims that were previously inaccessible. SIBs provide opportunities to investors in the non-profit sector such as charities, for example, because the investment sources are close to their own social objectives and because, due to the focus on success, they can recoup the investment amount and reinvest in other good causes, which could in turn lead to an increase in donations.
Perhaps the greatest opportunity is that all of the parties involved are focused on dealing with social problems in a demonstrable and measureable way and, to this end, cooperate intensively for a longer period of time. Much attention is given to determining whether there is a genuine difference in the social situation of members of the target group (evidence-based) because the payment to investors is based on making a genuine difference.

Challenges
One of the key challenges of a SIB is that it is difficult to prove that the implementer’s intervention directly led to the achievement of the desired social effect. It is often a combination of factors that ensures that someone does not get into trouble with the law again, for example. Other government programmes aimed at the same target group may already be in place. This makes it difficult to determine whether results are solely the consequence of the programmes in a SIB. Measuring the intended outcomes can be complicated and there is no generally accepted method for doing so. In addition, parties often have different opinions on this matter. Moreover, it can be difficult to predict the potential government cost savings, while these are needed to cover the costs incurred/investments made. It is important to involve an independent assessor that can measure the outcomes independently. In the UK, the independent assessor is developing a measuring method for the SIB in Peterborough aimed at reducing recidivism (Cave et al. 2012). Use is being made of, among other things, control groups (see Chapter 3.1 in this regard).

Another important challenge is political responsibility. The fact that the government remains at a distance by using an intermediary that manages the implementers does not discharge the government from its responsibility to ensure that undesirable effects do not occur with respect to the target group.

There is also a challenge in relation to the implementers that are engaged. Because investors are only paid if the agreed result is achieved, it is important to work with implementers that are deemed capable of achieving the result. This means a risk of new or more experimental implementers being excluded from a SIB. Regarding implementation in the Netherlands, it is therefore important to consider the possibility of providing opportunities to both more experienced implementers and newcomers. Such newcomers may develop an innovative method precisely because they are not yet a part of the usual infrastructure.

Finally, it is difficult to control external factors because undesirable distorting effects may occur as a result of interventions or new legislation and regulations that have a disrupting effect. Such undesirable effects may occur if, for example, implementers focus only on the target group that is easiest to assist or if certain wishes of the government regarding form or substance are given higher priority than helping the target group (refusing certain services from a child who would benefit from them, for example). In the context of SIBs, the government focuses only on the ‘what’ and refrains from getting involved in the ‘how’ to the greatest extent possible. The design of a SIB must therefore include sufficient safeguards against such involvement.
Little is as yet known about SIBs and much must still be learned. Earlier SIBs have shown that they only work in the case of interventions that meet the following criteria: (Liebman 2011; Mulgan et al 2010)

1. Preventive interventions. The programmes and projects concerned must be preventive in nature. Moreover, the interventions must result in an improved social situation for the target group and prevent social problems from occurring or from becoming more acute.

2. Savings must be greater than the costs. The cost savings for the government party concerned must be noticeable and measurable and must be greater than the costs of implementing the programmes and the costs associated with setting up and implementing the SIB. Moreover, the government organisation that is involved must be committed to using the SIB instrument and must be convinced that cost savings will occur if social results are achieved. These future cost savings must (in part) be paid to the intermediary, which uses the resources made available to pay back the investors.

3. Measurable outcomes. The social outcomes must be noticeable and measurable. Investors will not make financial resources available if results cannot be measured in a reliable way. The causal effect between the preventive measures taken and the results achieved must be clearly visible. In addition, evidence showing that the preventive measures have an effect, for example because previous successes have been achieved at local level, must be available in advance to attract investors. It is also necessary to assess and determine what the outcomes would be if the programmes were not implemented in the context of the SIB. Control groups (groups that do not receive services from the SIB parties) or baseline measurements established in advance can be used to determine the impact of the SIB.

4. Safeguarding against harmful effects with respect to the target group. There must be no or only limited negative effects for the target group if the implementer decides that it cannot achieve the agreed outcomes and discontinues its services. Intermediary organisations must have the flexibility that enables them to gradually adjust, for example by changing an implementer if the approach opted for proves to be ineffective. Such action may not have adverse effects for the target groups in terms of, for example, being temporarily unable to make use of products or services.

5. A well-defined target group. The target group must be defined in such a way as to ensure that it is not possible for the implementers to manipulate the definition. It must not be possible for implementers to opt only for the target group that is the easiest to assist and disregard high-risk citizens who are more difficult to help. Such exclusion can be prevented by including the total population group that meets certain criteria rather than only the individuals served by the implementer when measuring the outcomes. Properly defining the target group ensures that implementers’ activities are aimed at benefiting the entire group.

Determining opportunity domains
Not all policy areas are suitable for the application of SIBs. Different areas of special attention such as the preconditions specified above must be considered and elaborated to determine whether a given policy topic is suitable for a SIB and therefore constitutes an opportunity domain.

In international terms, different checklists are used to assess whether a policy topic is suitable for the application of a SIB. Such a checklist would have to be further developed for the Netherlands.
There are also technical guides for specific domains (vulnerable children, criminal law system). A good, properly elaborated example in this regard is the costs and benefits analysis and SIB feasibility study of the Be Active programme in Birmingham, UK (Marsh et al. 2011), because this analysis and study thoroughly go through the different steps involved and provide an answer to the question as to whether it is economically feasible to fund the programme by means of a SIB.

**Figure 2: Example of an international checklist (source: technical guide of Social Finance UK, 2013)**


2.6 TYPES OF SOCIAL IMPACT BONDS

Nonprofit Finance Fund distinguishes between four different SIB types in respect of which the risk distribution differs depending on the type of SIB. (Nonprofit Finance Fund 2012)

**Type 1: SIB (Peterborough)**
The first type of SIB is the original one as introduced in the UK. The funding structure is the same as the one used in the Peterborough prison project in the UK. Investors invest in a specific SIB, in the context of which contracts are concluded with the government, through an intermediary organisation. The budget required for implementers to fund their activities (interventions) is provided by private investors. Implementers do not incur costs themselves. All financial risks are borne by the investors. The government does not bear a financial risk. (See Chapter H.3)

**Type 2: Human Capital Performance Bond (Minnesota, V.S.)**
The second type of SIB is the Human Capital Performance Bond. Funding takes place through *annual appropriation bonds* issued by the government in the bond market. Private investors purchase these annual appropriation bonds. They lend the budget that implementers require in advance from a *working capital pool* and the implementers are paid later on from a *performance pool* on the basis of their performance. All financial risks are borne by the implementers in terms of performance and outcome. The government bears a limited financial risk because of negative arbitration that occurs. (See Chapter H.3)

**Type 3: Social Impact Bond with a full or partial guarantee**
The funding structure required is the same as a SIB’s with the addition that investors have a full or partial guarantee of payment by a private party. In the case of a *full* guarantee, all financial risks are borne by the private party that guarantees payment. The investor therefore does not bear a financial risk. In the case of a *partial* guarantee, the investors and the private party share the financial risks. The way in which the risks are shared is contractually established in advance. The budget (working capital) required for the interventions is made available by the investors to the implementers. The implementers do not incur costs themselves. All financial risks are borne by the investors. The government does not bear a financial risk. (See Chapter H.3)

**Type 4: Hybrid form between a HUCAP bond and a SIB with a guarantee by the private market**
Finally, a hybrid variant that is a mix between a HUCAP bond and a SIB with a guarantee is possible. In this case, implementers receive

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16 According to a different form of classification (Mulgan et al. 2010), reference is made to philanthropic SIBs, public sector SIBs, commercial SIBs and hybrid SIBs.
the budget required to implement their intervention programmes from private investors in advance. This budget is funded by the issue of HUCAP bonds. Although the implementers bear all the financial risks, a private party acts as guarantor. The government has a limited financial risk because of arbitration.

**Risks of the four SIB types**

From the perspective of the different parties involved (government, investors, implementers), the risk that each party bears differs according to SIB type.

Type 1 SIBs (Peterborough) are the least risky for the **government** because the government only pays for what works. Second in terms of lowest risk for the government are SIBs with a full or partial guarantee (type 3), since the private party always pays either part or all of the amount back to investors regardless of whether or not the implementers have been successful. Although hybrid forms (type 4) and HUCAP bonds (type 2) entail a greater risk for government organisations, the risk remains limited.

The opposite is true for **investors**. HUCAP bonds and hybrid SIBs entail a lower risk because the government pays back the bond value plus interest after the HUCAP bond’s term has ended. The return to be achieved is therefore lower than is the case with SIBs, with or without a guarantee, because there is a risk in the case of SIBs of investors not recouping their investment or recouping only a part of their investment.

Whether or not in hybrid form, HUCAP bonds entail a greater number of risks for **implementers** because payment is made at a later stage based on the success achieved. The payment may therefore be disappointing or may not even be made at all. Moreover, the implementers must borrow the working capital required to fund activities in advance from investors. An additional risk for implementers is therefore that of them being unable to repay the loan in the event of disappointing results. Risks of implementers are far less in the case of SIBs (with or without guarantees). The working capital required is provided in advance and the intermediary or the private party that is acting as guarantor rather than the implementers bears the risk of the government not paying because of a failure to perform. The risk distribution for the different parties is shown in the figure below.
Figure 3: Risk distribution of the four types of SiBs (source: Nonprofit Finance Fund, 2012)
“THERE IS NO SIB HOLY GRAIL. EACH SOCIAL ISSUE REQUIRES ITS OWN SOLUTION.”
In this chapter, two cases are discussed based on experiences with SIBs in other countries. Given that an example of a completed SIB project is as yet unavailable (SIBs have a term of a few years and the first was launched in 2010) and empirical figures on the effectiveness of SIBs are therefore not yet available, this chapter focuses mainly on the structure and operation of the SIB in question and the lessons learned up to now. As explained in the previous chapter, there are different SIB types in respect of which the risks for the parties involved vary.

The two SIB types discussed are the Social Impact Bond as used in the Peterborough prison project in the UK and the Human Capital Performance Bond that is being tested in the State of Minnesota in the US. The approach taken, the parties involved, the outcomes of the project, the success factors that contributed to these outcomes and the lessons that can be learned are discussed for each case. An analysis of both cases, in the context of which key similarities and differences are also considered, is then provided.

3.1 PETERBOROUGH PRISON SOCIAL IMPACT BOND (UK)

Approach
The SIB in Peterborough was initiated by the UK Ministry of Justice and started in September 2010. The ministry concluded a contract with the intermediary organisation Social Finance. Social Finance successfully raised GBP 15 million from 17 social investors.

The target group consists of 3,000 adult males (above the age of 18) who are serving a sentence in Peterborough prison of less than a year. They are the subjects of intensive interventions both while serving their prison sentence and after their release. This provision of services is referred to as One Service\(^7\) and consists of the provision of advice and support to the current and former prisoners as well as assistance to family members. This SIB is a six-year programme aimed at preventing former prisoners from ending up in prison again.

Investors are paid back if the number of former prisoners who reoffend decreases in comparison with a group of former prisoners released from other UK prisons. A method referred to as propensity score matching was developed according to a statistical technique to measure progress for the duration of the programme (Cave et al., 2012). To make it possible to repay investors during the term of the SIB rather than only at the end of it in 2019, the SIB has been divided into three cohorts of approximately 1,000 prisoners.\(^8\) Following release, each prisoner is monitored to ascertain how often he is again convicted of a crime in the subsequent period of 12 months. The recidivism rate is determined on the basis of the data obtained through this monitoring. Each cohort is granted a maximum of two years and work concerning the first cohort started in September 2010.

Investors will be paid back by the intermediary organisation Social Finance at the end of each cohort term if a reduction of at least 10% in the number of new convictions is measured in each separate cohort. If a 10% decrease in the recidivism rate is not observed in any of the cohorts, a measurement will be taken at the end of the SIB based on all cohorts together; in other words, based on the entire population of 3,000 (this being the fourth cohort). The investors will be paid back if this measurement reveals a 7.5% decrease. If the

\(^7\) http://www.onesib.org/

\(^8\) The term of a cohort is determined on the basis of the period of time in which 1,000 prisoners are released from Peterborough prison. A cohort may have less than 1,000 prisoners.
number of new convictions has been further reduced (a decrease of more than 10% per cohort or a decrease of more than 7.5% based on the total), the investors will be paid a bonus ranging from 2.5% to a maximum of 13% a year. The investors will not receive any payment if the number of new convictions has been reduced by less than 7.5% as based on the total term of the SiB. The amount that the government will pay is subject to a maximum of GBP 8 million. Control groups have been defined in 30 similar UK prisons to determine whether the intervention programme in Peterborough is having direct effect on reducing recidivism. (Strickland 2010)

It took two years to organise the pilot programme and One Service started in August 2010.

The investors are parties that focus primarily on social projects and are mainly charitable trusts and foundations. Most of the investors have a strong focus on the social problem in question. For some of the investors, investing in this SiB is in keeping with the social goals that they are working to achieve. The investors include Barrow Cadbury Charitable Trust, Esmée Fairbairn Foundation, Friends Provident Foundation, Henry Smith Charity, Johansson Family Foundation, LankelleyChase Foundation, Monument Trust, Panahpur Charitable Trust, Paul Hamlyn Foundation en Tudor Trust. (Ministry of Justice en Social Finance 2010)

Parties involved
The UK Ministry of Justice is the government party that commissioned the pilot project. The ministry will pay investors back using costs savings in the future at the time at which the agreed results are achieved. In addition, the Big Lottery Fund has a role in making payments to investors. The Big Lottery Fund has reserved GBP 11 million for both the SiB and the further development of the SiB instrument. The Big Lottery Fund is responsible for distributing a large part of the funds raised by the UK’s National Lottery for good causes.

FIGUUR 4: Schematic representation of the parties involved in the Peterborough SiB (source: Social Finance UK)
The intermediary organisation is Social Finance, an organisation that is working to develop a social investment market in the UK. There has been a US sister organisation, Social Finance Inc., since the beginning of 2011. This organisation concluded the contracts with the Ministry of Justice. In the Peterborough pilot project, Social Finance is the ‘spider in the web’ that engages external consultants, manages the implementers and raises funds from private investors. Furthermore, it negotiated with the ministry and provides the monitoring information regarding progress.

The One Service is provided by four implementers: St Giles Trust, the YMCA, Sova and Ormiston Children and Families Trust. Ormiston is the largest charity in the East of England and focuses on children. St Giles Trust is also a charity and focuses mainly on former offenders and their families. YMCA is a non-profit organisation that focuses on communities in the fields of youth care, healthy living and social control. Sova is likewise a charity and works in communities in England and Wales to help people stay clear of crime.

St Giles Trust and Ormiston focus on the short-term needs of the prisoner and his family prior to and immediately after his release from prison. They help with issues like accommodation, medical assistance, supporting the family, employment and training and financial support. Sova and the YMCA focus mainly on long-term goals like a good reference for a new job or a new network of friends and entering into and maintaining long-lasting relationships.

Results

The interim results of the SIB project in Peterborough are expected in 2014. The first payments to investors will also be made at that time. The actual social effects in terms of reducing recidivism rates are therefore not yet known. A method was developed (the PSM method) to measure the results, however, and the first validation of this method was carried out based on a data set of Peterborough and other prisons (the control group) from 2008. The validation showed that the method was suitable for comparing former prisoners of Peterborough prison with those of other prisons. It was also shown that the number of new convictions among former prisoners of Peterborough during the first year following release was the same as the number among former prisoners of other prisons (Cave et al., 2012).

A report of Social Finance based on interviews conducted with a number of the parties involved a year after the start of the project (Social Finance UK, 2011) reveals that former prisoners, as they indicated themselves, experience more control over their own lives and reoffend less frequently. The local police also report fewer incidents involving former prisoners (Mair, 2011). In addition, the project has made clear what the primary needs of former prisoners are upon release. These primary needs are accommodation (a place to sleep for the first night following release), employment (finding employment or registering for training), financial affairs (a bank account), addiction problems (drugs, alcohol) and behavioural problems (aggressive behaviour). Different social workers are now working together in these areas to provide the best possible assistance to the former prisoners at the earliest possible stage.

Critical success factors and lessons learned


20 A report containing the initial interim results of the Peterborough pilot project was published in June 2013. During the first two years of the pilot project, the recidivism rate in Peterborough decreased by 6% relative to the two preceding years, whereas the recidivism rate increased by 13% on a national level. The initial results are considered positive by the parties involved. For more information, see: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206686/re-conviction-results.pdf
Although the Peterborough prison pilot project is still in progress, it is seen as good example of the potential of a SIB. Different success factors contributed to the positive outcomes achieved so far (Von Glahn en Whistler 2011).

• A defined and relevant method for measuring impact was available. The measuring method had already been tested because the recidivism rate had been measured and compared with the rates at similar prisons.
• There was a specific target group that could participate in the intervention programme. The interventions are designed and carried out for all prisoners who leave Peterborough prison. An advantage of this approach is that this population can be compared with a population at another prison. This helps to prevent the parties from focusing only on the most promising groups.
• Investors could be confident that a result would be achieved. Interventions that were evaluated and showed promising results had already been carried out at Peterborough prison. This meant that there was a favourable business case for investors because the programmes operated had already demonstrated their success.
• One of the key elements of the approach is that information about current and former prisoners is exchanged between Peterborough prison and the service providers. The service providers also exchange information among themselves. All parties can enter information into a case management system, which makes it possible for One Service to subsequently determine the follow-up action that would be best for the former prisoner concerned.

An evaluation (Disley et al. 2011) of the initial experiences with the SIB in the UK contains lessons for future SIBs. The most important of them are as follows:

• Whether a combination of interventions can achieve the social outcomes desired for the target group must be determined in advance. The zero option (what happens if we do not use a SIB?) must also be considered.
• A thorough analysis of the investor market must be carried out in advance to identify potential financiers for SIBs. In this connection, tax barriers that prevent investors from funding SIBs must first be removed. In the case of the SIB in Peterborough, the investors referred to tax rules that could constitute thresholds for charities that wanted to invest. Social Finance (the intermediary organisation) developed a specific instrument (charity feeder instrument) to deal with this issue. This instrument makes it possible for charities to invest and receive performance-based payments in the form of donations. Whether the savings for the government can be paid out at an earlier stage so that investors can invest this money in other promising approaches must also be investigated. The SIB in Peterborough is based on cohorts to which a maximum of two years applies and investors can already be repaid following the end of the first cohort (four years after start of the SIB rather than nine years after the start).
• The intermediary organisation requires a range of skills to be successful: technical skills (negotiating contracts), financial expertise (selling a financial product), knowledge of policy (becoming familiar with relevant policy areas) and relational skills.
• Where possible, there must be interdepartmental and inter-administrative commitment to facilitate payment to investors. The social outcomes of a SIB can be beneficial in several policy areas. Other ministries/government agencies can also achieve savings, not only the government organisation that initiates the SIB. In the case of the SIB in Peterborough, only the Ministry of Justice makes payments based on the result. There is a need on the part of many of the parties involved, however, to involve other government agencies as well (both local and national).
3.2 MINNESOTA HUMAN CAPITAL PERFORMANCE BONDS (US)

In contrast with a SIB, Human Capital Performance Bonds, also referred to as HUCAP Bonds, are bonds issued by the government in the local bond market. The HUCAP Bond is a distinctive kind of SIB.

The HUCAP Bond was conceived of by Steve Rothschild, a former Executive Vice President of General Mills, Inc., a US food company. Rothschild describes how non-profit organisations can use the business principles of the best organisations in the world in his book *the Non Nonprofit: For-Profit Thinking for Nonprofit Success*. Rothschild is the founder of Twin Cities RISE!, a non profit organisation based in the city of Minneapolis that has been providing job training for unemployed individuals (mainly Afro-American) who are difficult to employ since 1993 and helps such individuals to find a job. This initiative was funded from the budget of the State of Minnesota, not by means of bonds. The total investment was USD 4.6 million. According to Rothschild, the return on investment (ROI) has been exceptionally high in recent years, namely a total of USD 34 million in economic value (Gilbert 2012). Although this economic value consists mainly of tax revenue (because formerly unemployed individuals have jobs and pay tax), it also includes cost savings of the State in terms of social security benefits, legal proceedings, costs of incarceration and so on.

**Approach**

To test the HUCAP Bond in practice, Rothschild formed the non-profit organisation Invest in Outcomes (IIo). The purpose of this organisation is to supervise the implementation of the HUCAP Bond.

Private investors purchase the HUCAP Bonds at a certain interest rate. The cash that this raises is deposited by the government party into a *performance pool* managed by the State from which cash is paid to (non-profit) organisations certified in advance. These implementers are paid from the performance pool at the time at which they deliver the results agreed in advance. The implementers borrow the budget that they require to fund their activities from a *working capital pool*. An *oversight committee*, an advisory committee, determines the value of the results (ROI) for the government. As is the case with regular bonds, investors receive interest from the government on the HUCAP Bonds and are paid the *principal value* of the bonds when they reach maturity.

In this model, implementers bear all of the financial risks with respect to the social effects to be achieved. The government bears a minor financial risk because of the arbitration that occurs in the context of investing in HUCAP Bonds. The core idea is that the economic value delivered by the projects is greater than the costs associated with the issue of bonds by the government. The economic value generated by the implementers of the intervention programmes is defined as an increase in income tax and sales tax and government expenditure that is not required in terms of social security benefits, subsidies and so on.

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21 http://investinoutcomes.org
Figure 5 gives a schematic representation of a HUCAP Bond’s operation. Each part of the HUCAP model is explained below:

1) The external investor purchases state appropriation bonds that are linked to specific economic criteria established by the government. The investor receives a bond in exchange for cash.

2) The government deposits the cash received from investors into a performance pool, where the cash is held until an implementer certified in advance meets the payment conditions, i.e. delivers the performance agreed in advance.

3) The implementer borrows the working capital required to fund activities from a working capital pool. Although this working capital pool is funded by investors that are willing to provide loans to implementers, they are not the investors that purchase the bonds.

4) Contingent cash performance payments are made to implementers from the performance budget if they achieve the performance targets set by the government.

5) An oversight committee, an advisory committee, validates the performance value (ROI) for the government each year (‘ongoing reporting to demonstrate economic value’ in the figure).

6) If the performance targets are achieved, the government receives a higher ROI and higher income (portion of cash return) to pay investors both the nominal amount of the bond (the amount originally invested) and interest on the bond. If the performance targets are not achieved or are achieved only to a lesser extent, the government must repay the investors using other resources/funds until the end of the bond’s term.
Parties involved

**Government**

In the HUCAP model, the government is the party that issues the SIBs and manages the budgets. The government party, the State of Minnesota, raises funds from external investors and deposits the resources into a performance pool, i.e. a performance budget. This performance budget is managed by the State and used to pay implementers at the time at which they generate economic value. The State receives its ROI by converting the additional economic value – consisting of future savings and income – generated into cash. The State can use the cash released as a result to repay investors and pay interest or reinvest in the performance budget.

Crucial in this regard is that the government determines which services (education, law enforcement and so on) must achieve savings and the extent of the savings that must be achieved, since the HUCAP model assumes that savings in the future will be used to pay the costs of issuing bonds. To make the HUCAP model work, the savings must of course be greater than the costs incurred by the government.

In the worst case, i.e. none of the implementers deliver performance, the government therefore does not pay the implementers and the implementers are in turn unable to repay their loans. In such a case, the government terminates the bond before the end of its term and the costs incurred by the government consist of interest payments to investors over the period that has elapsed and a number of administrative costs.

**Investors**

The investors are private investors, financial institutions like banks and social investors. They purchase the annual appropriation bonds (bonds intended for a specific purpose) from the government party at a market rate of interest. The risk for investors is limited in the HUCAP model. Even if the programme proves unsuccessful and implementers are not paid for their efforts, for example, investors do receive the interest on the bonds that was agreed in advance. Nevertheless, this model entails a degree of risk because of the nature of the bonds.

The appropriation bonds, also referred to as moral obligation bonds, do not oblige the government party to make repayments because they are not deemed to be a government debt. They are seen more as payments for the use of facilities (the government uses the money of investors for different purposes). The risk for investors is that they are not formally creditors if the State proves incapable of meeting its obligations (the HUCAP Bond is a moral obligation).

In addition to the investors that purchase the HUCAP Bonds from the government, there are investors that provide loans to implementers. These loans are provided through the working capital budget (the working capital pool). To fund their activities, the implementers must first borrow money from the working capital budget. This budget consists of what are referred to as programme-related investments (PRLs), loans issued by foundations for specific project purposes, bank community corporations (CDCs), bank loans for social purposes, and loans provided by other investors.

**Uitvoerders**

Implementers in the HUCAP model are non-profit organisations that are paid from the performance pool at the time at which they generate a certain social effect. The implementers must first be certified by an independent party to ensure that they can deliver economic value. The amount paid to the implementers is equal to the net cash

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22 Although Invest in Outcomes refers only to high ROI non-profit parties in terms of implementers, implementers could in practice also be other parties like private parties and/or social entrepreneurs.

23 The return on investment (ROI) consists of the net cash value of, on the one hand, future savings with respect to subsidies, social security benefits, overhead expenses of prisons and hospitals and, on the other, additional revenue in the future as a result of an increase in the income tax or turnover tax received.

24 For more information about the annual appropriation bond, see the website of the Municipal Securities Rulemaking Board at http://www.msrb.org/msrb1/glossary/view_def.asp?param=annualappropriation
value of the financial benefits generated by the social effect. The implementers can use this amount either to repay the loans received from the working capital budget or to invest in scaling up their programmes.

Although the implementers in the HUCAP model are defined exclusively as non-profit organisations, other kinds of implementers, such as private parties, including social entrepreneurs, could in principle also take part, since there is a certification process through which implementers are selected on the basis of criteria that do not relate exclusively to non-profit parties. According to Invest in Outcomes, the criteria are: the willingness of the implementer to participate, the degree to which the implementer is capable of generating the right information about the performance delivered, the likelihood that the implementer will generate more economic value than the necessary minimum (economic hurdle rate) and geographical spread.

The implementers bear the greatest risk in this model because they are paid on the basis of performance actually delivered. This risk is reduced by the certification process. This process ensures that only implementers that have successfully generated economic value in the past are involved. The risk for the implementers is also reduced because they can borrow the working capital required from the working capital budget. Risks are therefore also borne by the parties that provide the loans (banks, foundations and so on) because an implementer may be unable to repay a loan.

Oversight committee
The oversight committee, an advisory committee, establishes the criteria to select implementers that can be involved in the pilot project and certifies the implementers. This committee also sets the conditions that apply to the results to be achieved and, in this context, negotiates with the State regarding payments to implementers. Finally, the committee establishes criteria for evaluating the results, it reports to the State and it evaluates the entire process. In Minnesota, the oversight committee consists of representatives of the Department of Human Services, the Department of Employment and Economic Development and the Department of Administration (therefore a total of three public employees of the State), and a representative of a non-profit organisation. The oversight committee’s role can also be fulfilled by an independent third party. In addition to the duties referred to above, this party would also be responsible for managing the performance budget, assessing whether an implementer has met the agreed performance criteria and paying the implementers from the performance budget. An independent third party was not opted for in Minnesota and the State therefore performs the duties referred to.

Results
The HUCAP Bond was laid down in the Minnesota Pay for Performance Act in the middle of 2011. Legislation was required to make it possible for HUCAP Bonds to be issued. This process was delayed because Minnesota’s Supreme Court was engaged in a legal process against another appropriation bond. The Supreme Court finally approved the issue of HUCAP Bonds in November 2012. This approval concerned a pilot project of USD 10 million involving HUCAP Bonds. The State of Minnesota is now authorised to issue appropriation bonds each year. Although a pilot project is on the verge of being launched, a choice has not yet been made regarding the social goals to be achieved. A study into possible applications and potential implementers

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25 The economic hurdle rate is a financial term that is explained at http://www.investopedia.com/terms/h/hurdlerate.asp
has been carried out, however (Chase et al. 2011). The expectation is that the HUCAP Bonds will be issued in 2013. So far, the State of Minnesota is the only one that has passed legislation in the field of SIBs. A small group of implementers will initially be involved in the pilot project. If the pilot project proves successful, a private organisation rather than the State will issue the bonds.

Critical success factors and lessons learned

Up to the present time, Minnesota’s approach can be classified as a legal process because the initial investment concerned making it legally possible to issue HUCAP Bonds.

The success of the HUCAP pilot project will determined mainly by the ability to cover the costs of the State of Minnesota for issuing the bonds with the economic value generated by the implementers. The proceeds must be greater than the costs. In addition, it is important that the investors are willing to purchase the bonds, mainly because it may become apparent during the process that no or only limited economic value is being generated and the State therefore does not have sufficient resources to repay investors. It is also important that the State is capable of gathering the information required to calculate the economic value generated by the programmes of the implementers. This calculation must be carried out on the basis of, among other things, the social security numbers of the citizens concerned. The resources that the government will have to use to repay investors if none of the implementers deliver performance is still unclear. According to Invest in Outcomes, the government will have to use other funds if performance is not delivered.

Although approval for the issue of HUCAP Bonds amounting to USD 10 million has been obtained by virtue of a legal foundation, the pilot project in Minnesota has not yet formally started and an initial evaluation is therefore not yet available. For this reason, no lessons have as yet been learned.

3.3 ANALYSIS OF DIFFERENCES AND SIMILARITIES

Differences

In terms of structure and operation, the Social Impact Bond as used in the UK differs significantly from the Human Capital Performance Bond in the US (Schmidt 2011).

• The SIB is not in fact a bond. It is a contract, or actually several contracts, between a government party and an intermediary organisation. The HUCAP Bond is a bond issued to investors in the local bond market.

• The financial models differ to a significant extent. From the viewpoint of an investor, HUCAP Bonds have a lower return, namely the interest on the bonds. The return is lower relative to the SIB because the risk of investors not recouping their investment is more limited than is the case with the SIB. In the context of a SIB, an investor runs the risk of losing the entire amount invested and therefore the potential return is higher. A SIB’s return accrues to investors, not implementers, whereas, in the case of a HUCAP Bond, implementers may receive a higher return if they deliver better performance (implementers also bear all of the risks in the HUCAP model).

• The government does not have a direct relationship with the investors in the case of a SIB. Contact takes place through an intermediary organisation. Contact with implementers also takes place through an intermediary organisation in the case of a SIB. In the HUCAP model, the government issues bonds that are purchased by investors. Contact with the implementers takes place through a performance budget that is managed by the government. In other words, the government does not directly coordinate the implementers and investors in the case of a SIB, whereas it does so, at

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least to a greater extent, in the case of a HUCAP Bond.  
• Relative to the SIB model, the HUCAP one has a stronger focus on economic and financial returns. The HUCAP model also takes additional tax revenue as a result of the target group becoming economically active – in other words, the economic value that the target group generates as a result of the intervention programme – into account.  
• In the case of a SIB, implementers receive all of the funding required in advance. The intermediary makes this funding available from the amount raised from investors. In the HUCAP model, implementers must borrow their working capital and must therefore find investors who are willing to make this working capital available.  
• The SIB model involves far more cooperation between implementers to achieve social goals. Implementers must cooperate to achieve a joint social effect with respect to the target group. In the HUCAP model, implementers are certified and paid in the event of success regardless of the performance of other implementers. Relative to the SIB model, cooperation in the HUCAP model is less necessary because of the nature and structure of the funding.

Similarities
There are also similarities between the SIB and HUCAP models. (Rothschild 2013)

• Both assume future savings for the government as the basis of payment to stakeholders. The underlying thinking in this context is that savings will be achieved because the target group will make less use of public services and the government will therefore have to spend less on the target group. In the HUCAP model, the economic value of the target group is also a factor (the target group becomes economically active and therefore generates more income and turnover tax revenue for the government).  
• Having transparent and objective measurement data concerning the results achieved is a core element of both models. This measurement data constitutes the foundation of payment (in the case of SIBs to investors through the intermediary and in the case of HUCAP Bonds to implementers through the performance pool). The government party involved must make future savings measurable and must be willing to pay these savings if a positive result is achieved.  
• The parties involved are largely similar. In both cases there are programme implementers, investors that make funding available and a government party that pays in the event of success. The HUCAP model focuses on a larger group of investors (commercial investors in addition to social investors), however.  
• Although a choice regarding the social problems that will be addressed in the context of HUCAP Bonds has not yet been made, the programmes launched will concern preventive interventions; in other words, the programmes will include specific interventions aimed at preventing the occurrence of social problems. The same kind of programmes are implemented in the context of SIBs.
Summary
The most important differences and similarities between Social Impact Bonds and Human Capital Performance Bonds are summarised below.

<table>
<thead>
<tr>
<th></th>
<th>Case 1 SIB (UK)</th>
<th>Case 2 HuCaP (US)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of bond</strong></td>
<td>Contract</td>
<td>Bond</td>
</tr>
<tr>
<td><strong>Return for investors</strong></td>
<td>Low (less or no return in the event of poor performance; higher return in the event of better performance)</td>
<td>High (nominal value of bond and interest)</td>
</tr>
<tr>
<td><strong>Return for the government</strong></td>
<td>Social effect means cost savings for the government</td>
<td>Social effect generates economic value</td>
</tr>
<tr>
<td><strong>Return for implementers</strong></td>
<td>Only investors receive a return, implementers do not</td>
<td>Better performance results in a higher return for an implementer</td>
</tr>
<tr>
<td><strong>Nature of the projects</strong></td>
<td>Preventive interventions</td>
<td>Preventive interventions</td>
</tr>
<tr>
<td><strong>Risk for the government</strong></td>
<td>None</td>
<td>Limited</td>
</tr>
<tr>
<td><strong>Risk for an investor</strong></td>
<td>High</td>
<td>Limited</td>
</tr>
<tr>
<td><strong>Risk for an implementer</strong></td>
<td>Limited</td>
<td>High</td>
</tr>
<tr>
<td><strong>Cooperation between implementers</strong></td>
<td>Necessary</td>
<td>Not necessary</td>
</tr>
<tr>
<td><strong>Coordination</strong></td>
<td>Intermediary</td>
<td>Government</td>
</tr>
<tr>
<td><strong>Working capital for implementers</strong></td>
<td>In advance (annually)</td>
<td>Through borrowing (annually)</td>
</tr>
<tr>
<td><strong>Payments to implementers in the event of success</strong></td>
<td>In advance by the intermediary</td>
<td>Afterwards from the performance pool</td>
</tr>
<tr>
<td><strong>Investors</strong></td>
<td>Charities and foundations</td>
<td>Private (bonds), banks, foundations (loans)</td>
</tr>
<tr>
<td><strong>Project size</strong></td>
<td>GBP 8 million (EUR 9.5 million)</td>
<td>USD 10 million (EUR 7.5 million)</td>
</tr>
<tr>
<td><strong>Expected term</strong></td>
<td>6 years</td>
<td>10 years</td>
</tr>
</tbody>
</table>

Table 1: SiB and HUCAP Bond differences and similarities
“SIBS RAISE EXTERNAL FUNDING IN AN INNOVATIVE WAY FOR A PROMISING APPROACH TO SOCIAL ISSUES.”
Social Impact Bonds are one of the possible innovative funding arrangements that can be used to address social issues. Although SIBs do not in themselves constitute a solution to social problems, they can provide a greater impetus to improving the target group’s social position because of the intensive cooperation between the parties involved and the focus on results.

SIBs can raise external funding from the market in an innovative way for promising programmes in respect of which the government is unable or unwilling to make a budget available. For government authorities, the no cure, no pay approach of SIBs is attractive because it means that the government does not bear a financial risk (this risk is transferred to other parties; investors in the SIB model and implementers in the HUCAP model) and binding agreements are made regarding the performance to be delivered. SIBs are attractive to investors because investments can be made in social improvement in combination with the prospect of a financial return and, if applicable, guaranteed partial repayment (guarantee by a private party). SIBs are attractive to implementers because they make a new source of funding possible and, in the classic SIB model, make funding available in advance. A SIB also makes it possible for an implementer to scale up a local, successful approach from the past (the Twin Cities Rise! project in Minneapolis, for example).

The international interest in and emulation of what started as a local UK pilot project indicate that many parties believe in the need for and usefulness of an innovative approach of this kind. In addition to government organisations (national, regional and local), many investors (from foundations and charities to major international investment banks) are participating.

SIBs must not be seen as a quick fix for a tight government budget or as a miracle cure that can be used to achieve a rapid and unqualified result, however. Applying SIBs requires careful preparation, thorough analysis of the social problem and the desired social effects in this context, and intensive cooperation between the parties involved. The primary purpose of a SIB must be to achieve better social outcomes. Achieving a financial return is only a secondary aim.

In this context, it must be borne in mind that Anglo-Saxon thought in terms of private and public domains differs from that in mainland Europe (Rhine capitalism). It is no coincidence, for example, that attracting private financiers is in keeping with the Anglo-Saxon tradition. Nevertheless, the SIB is a promising method for mainland Europe and therefore certainly also for the Netherlands. The European Commission is currently considering the operation of this method, for example.
Conclusions

Conclusion 1: SiBs are in keeping with the trend of investing in social improvement with a profit motive
SiBs do not constitute a phenomenon on their own. They are in keeping with a current development in the context of which organisations are becoming increasingly aware that giving back to society is an enrichment relative to acting solely on the basis of a profit motive. Corporate social responsibility (CSR) and people, planet and profit have been on the agendas of companies for some time already. Organisations and citizens are not only trying to minimise damage to society by conducting business in a sustainable way, however, they also wish to actively invest in social projects or even set up their own social enterprises. These social enterprises are organisations and entrepreneurs that use commercial strategies to improve society rather than seek to maximise profit for shareholders. There is also a trend of impact investing, which involves parties investing in the activities of companies that are working to achieve social and/or sustainable goals while making profit. Another related development is the rise of social return in the Netherlands. In this context, contractors that are awarded projects are obliged to engage individuals who are at a greater distance from the labour market when implementing the project. The primary motive for starting a SiB must not solely be cost savings or a financial return. The primary motive must be to achieve a social return. Social impact is of central importance in addition to the social return and, secondarily, the financial return.

Conclusion 2: SiBs require the patience and commitment of all the parties involved
Because of the long terms of SiBs, not much is as yet known about the actual effectiveness of SiBs. It usually takes a number of years before effects become visible in the personal living conditions of members of the target group (an individual who is not sent to prison again in a period of five years, for example). The key party that must be fully committed is the government organisation because, first, it is the commissioning authority and, second, and above all, the government organisation must be willing to pay savings that it has achieved in terms of its own budget to external parties at the time at which these parties achieve demonstrable social improvements. Depending on the SiB type opted for, the risks may be borne largely by one party. If this is the case, the type opted for must offer sufficient prospect of a financial or other kind of return.

Conclusion 3: SiBs must have sufficient scope to be beneficial
The SiB construction is not suitable for small projects, i.e. projects in the lower hundred thousand range in terms of money. Too many preparations must be made by all of the parties involved to organise and successfully implement the SiB for a term of several years. In addition, other funding can usually be found for small projects. There must therefore be a financial hole that the government is unable or unwilling to fill and in respect of which it is clear that external funding must be provided. For the internal investors, it is financially less attractive and more risky to provide money to SiBs in the context of which they do not have a guarantee of any kind whatsoever of being repaid other than in the event of positive results achieved by implementers. A partial guarantee by a private party is therefore expedient in terms of securing the commitment of investors. Another SiB variant that was not studied is one that the government co-funds. In this case, the total budget consists of a government part and a part that must be raised from the capital market. Private investors are more inclined to participate because the government is also an investor.
Conclusion 4: The crux of the matter is making social effects measurable, demonstrating that the interventions were the cause of these effects and paying government costs savings based on these effects.

SiBs are social investments and it is difficult to measure the effectiveness of these investments in preventive interventions. The characteristics of social investments also apply to SiBs. First, effects often become visible in the lives of members of the target group of the SIB only after several years have passed. Second, the causality of the interventions is difficult to demonstrate. This is a major challenge for SiBs because the definitive payment is based on this causality. Third, the effects of the interventions transcend the policy communities, which makes it difficult to identify all of the government cost savings in advance and ensure that the budget holders involved within the government pay these savings.

For the successful implementation of a SiB, the greatest challenge therefore concerns properly explaining the desired social effects in advance, measuring these effects and demonstrating the causality of the projects implemented in the context of the SIB. Future savings in terms of the government budget are based on this causality and must also be paid.

Answer to the research question

The main question of this study focuses on learning lessons from the implementation of SiBs in other countries. In addition to the general conclusions set out above, which are mainly based on literature and foreign online sources, a number of lessons have been learned with respect to the implementation of the SiB in Peterborough and the HUCAP Bond in Minnesota.

Conclusion 5: Risk distribution differs strongly depending on the SIB type

It was stated in Chapter 2 that risks for the parties involved vary depending on the SIB type. In the HUCAP model, risks are mainly borne by the implementer and in a limited form by the government, and investors virtually always recoup their investment. In the SIB model, the risks are borne entirely by investors and the government and implementers do not bear any financial risk. This consideration plays an important part in the SIB type opted for, since all parties are crucial to a successful implementation. The parties must be convinced of the importance of participating at the preliminary stage. Investors must be given the prospect of a return (lower in the HUCAP model than in the SIB model), the implementers require working capital and may also want a return, and the government only wants to pay in the event of success. Because of the choice regarding SIB type, there is no blueprint for how a SIB should be structured. The structure depends on the specific social problem that has to be addressed and the participating parties.

Conclusion 6: Start-up period usually a minimum of two years.

The start-up period prior to the actual start of the interventions was relatively long in both the Peterborough SIB project and the Minnesota HUCAP project. In the case of the SIB project, it took two years to organise the pilot programme, only after which the provision of services to the target group started. In the case of the HUCAP project, the legal process for the approval of HUCAP Bonds started in 2011 and, to date, implementation has not yet started. The start-up period will probably become shorter as the parties involved acquire more experience and expertise. Beginner errors can be avoided by using lessons learned from SiBs in other countries. There are many organisations that monitor the implementation of SiBs and actively share information in this context. Furthermore, the more complex the funding structure and the greater the number of parties involved, the longer it takes to set up a SIB. Time can be
saved by the availability of effect measurements of previous projects aimed at the target group. Finally, implementers that have previously achieved local success with their activities can more easily scale up than implementers that must develop a product or service for the first time.

**Conclusion 7: Social Impact Bond seems to be more favourable than the Human Capital Performance Bond**

In terms of method, HUCAP Bonds seem to be considerably more complex than SIBs. They are a further development of the original SIBs and, as stated in Chapter 3, a HUCAP Bond differs substantially from a SIB in terms of structure and operation. This has to do with the fact that, in the HUCAP model, bonds are issued and different budgets are available for implementers (working capital budget and performance budget). Moreover, in the context of the working capital budget, investors that are willing to lend money must be found. In practice, a legal foundation first had to be created for the HUCAP Bonds in Minnesota, something that increases implementation time and entails more political risks. In addition, at the preliminary stage, attention and efforts in the HUCAP model seem to focus more on the funding structure (making it possible to issue bonds, among other things) than on defining the desired social effect in concrete terms. This may of course be the result of the specific situation in the State of Minnesota. An additional complicating factor for the government in the HUCAP construction is that there is no intermediary that acts as a coordinator, which means that the government must perform all coordinating duties. Moreover, it may be asked whether investors see enough advantages in HUCAP Bonds relative to more traditional bonds on which interest is also paid and in respect of which the investment amount is paid back by the government at the end of the term. Although the risks associated with SIBs are higher for investors, the potential return is also higher, especially when a private party like the Bloomberg Foundation is prepared to offer guarantees to investors. The HUCAP option is possibly more attractive to implementers because, the better the performance, the higher the return paid to implementers from the performance budget, whereas the return achieved in the SIB model is paid to investors.
4.2 | RECOMMENDATIONS

This study focused on describing SiBs as an innovative and promising funding instrument and describing a number of developments and actual projects in other countries. An outline of the situation in the Netherlands did not form an explicit part of the study. Comparisons with the situation in the Netherlands were made where possible, however. The key recommendation is therefore to further investigate the opportunities and possibilities for SiBs in the Netherlands. In this context, in addition to a more theoretical analysis, this study requires a practical dimension based on pilot projects. Much is already known about experiences in other countries and it would be interesting to see which parties in the Netherlands would be willing to shape a SiB model. At the same time, lessons could be learned immediately from such pilot projects for the dual purpose of introducing improvements and scaling up successes. In addition, an instrument for starting a SiB in the Netherlands that takes the specific situation in the Netherlands and, moreover, the specific social issue that it could address into account could be developed.

A number of questions relevant to the implementation of SiBs in the Netherlands will therefore have to be answered in the next phase. Examples include:

- Which social problems in the Netherlands lend themselves to a solution or mitigation through the use of a SiB?
- To what extent are hybrid SiB models possible based on shared funding – existing or newly provided government funding augmented by funding, through a SiB construction, from the capital market, for example?
- What is the position of the social entrepreneur in the SiB model and in what form can a SiB be attractive to social entrepreneurs in the Netherlands?
- In what way can government authorities, investors, intermediary organisations and implementers in the Netherlands make binding agreements?
- What additional opportunities do SiBs offer to all of the parties involved relative to the current situation in the Netherlands?
- Which investors and social enterprises (implementers) would be willing to conclude a SiB and on what terms and conditions?
- Which organisation could fulfil the role of intermediary?
- What pilot projects could be set up to answer these questions on the basis of practical experience?

As stated, this report is a working paper. This means that the content of this study will be modified based on the experiences gained when researching the possibilities and challenges of SiBs in terms of addressing pressing social issues in the Netherlands.

As the Society Impact Platform, we consider it important to cooperate with you. We are basing the research that we are carrying out into SiBs on both theory and practice. We therefore invite you to contribute your thoughts and opinions. All additions to and comments about this working paper would be most welcome. You can send them to info@societyimpact.nl or express your views in our ‘Society Impact’ LinkedIn Group.

If you have become interested in the possibilities of a SiB as a social entrepreneur, investor, philanthropist, researcher, public employee or other party, please do not hesitate to contact us via info@societyimpact.nl.
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