



भारत 2023 INDIA

Stocktake of Financial Instruments for Social SDGs

G20 Sustainable Finance Working Group
2023 Priority 2: Enabling finance for the Sustainable Development Goals

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Approach

- **Deliverable:** Stocktaking analysis of financial instruments in use for impact investments targeting Social SDGs, including examples and improvements needed regarding impact measurement, disclosure and government incentive. The stocktaking analysis identifies instruments used in Social Impact Investing, defined as “investment that provides finance to organizations addressing social and/or environmental needs with the explicit expectation of a measurable social, as well as financial, return”¹.
- **Acknowledgements:** This stocktake is based on findings from desk research and was possible due to the direct input received from the following international organizations, associations and networks:



¹ OECD, 2019. *Social Impact Investment 2019: The impact imperative for sustainable development*.
https://read.oecd-ilibrary.org/development/social-impact-investment-2019_9789264311299-en#page1








Approach

The following framework structure was used for tracking financial instruments and relevant examples and developing the gap analysis.

Figure 1: Illustrative Framework for tracking financial instruments

Financial Instrument / SDGs		1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES
BONDS	Link to SDG							
	Examples							
	Gap and Need Analysis							
LOANS	Link to SDG							
	Examples							
	Gap and Need Analysis							
IMPACT BONDS	Link to SDG							
	Examples							
	Gap and Need Analysis							
IMPACT INVESTMENT FUNDS	Link to SDG							
	Examples							
	Gap and Need Analysis							
GUARANTEES	Link to SDG							
	Examples							
	Gap and Need Analysis							
CATALYTIC FIRST LOSS CAPITAL	Link to SDG							
	Examples							
	Gap and Need Analysis							
MICROFINANCE	Link to SDG							
	Examples							
	Gap and Need Analysis							
IMPACT CROWDFUNDING PLATFORMS	Link to SDG							
	Examples							
	Gap and Need Analysis							

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FINANCIAL INSTRUMENT / SDG								
BONDS	Link to SDG	<ul style="list-style-type: none"> Support social projects related to skills development for employability and entrepreneurship, youth employment, social/affordable housing, access to essential services and affordable infrastructure. These bonds usually target populations living below the poverty line, excluded and/or marginalized populations and/or communities, people with disabilities, migrants and/or displaced persons, underserved, unemployed, ageing populations, vulnerable youth and other vulnerable groups. 	<ul style="list-style-type: none"> Support social projects aimed at food security and sustainable food systems (e.g. physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers). 	<ul style="list-style-type: none"> Support social projects addressing the fundamental gaps in accessibility, affordability, and quality of healthcare, health systems development, construction and/or rehabilitation of hospitals and healthcare centres, among others. 	<ul style="list-style-type: none"> Support projects that enhance quality education by targeting school infrastructures, providing services or devices such as training, and laptops, providing educational opportunities for students, and expanding access to primary, secondary, adult and vocational education through the construction of public schools and student housing, and the financing of educational loans. 	<ul style="list-style-type: none"> Support gender-related projects such as specific training efforts, sex-disaggregated loan portfolios, customized products and services, and infrastructure improvement to better accommodate women. Bonds that adhere to the SBP or SLBP and which focus exclusively on gender equality, are often referred to as gender bonds. These involve gender-related use of proceeds, key performance indicators and sustainability performance targets in the case of sustainability-linked bonds. 	<ul style="list-style-type: none"> Support social projects aimed at supporting productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of MSMEs, including through access to financial services. 	<ul style="list-style-type: none"> Support social projects aimed at aiding refugees, migrants, and low-income and displaced persons. Projects usually target social housing, education and vocational training, health and social care and employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance.










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BONDS	Case Studies	<ul style="list-style-type: none"> • Mexico Sovereign SDG Bond (Mexico, 2020): To finance projects located in the most vulnerable municipalities in Mexico, selected because of illiteracy rates, level of health services deprivation, lack of toilets, etc. • Government Savings Bank (Thailand, 2022): To eradicate extreme poverty and reduce inequality. 	<ul style="list-style-type: none"> • Danone (France, 2018): Issued a social bond to increase the supply of food products, expand access to adequate food for low-income populations, and provide access to financing for SMEs with core business in healthy food and microbiome research in the health and nutrition sectors. • International Fund for Agricultural Development (2022): Issued sustainable development bond to scale up investments to help small-scale farmers adapt to climate change, access supply chains and markets, and produce more diverse foods. 	<ul style="list-style-type: none"> • Boston Medical Center (United States, 2023): Sustainability bond to fund expansion project's goal to become carbon net zero by 2030 while increasing access to patient care and wraparound social supports to historically underserved populations. • SFIL Group Social Bond (France, 2020): SFIL, a French public development bank established for the country's public sector, issued two social bonds to finance French public hospital systems. 	<ul style="list-style-type: none"> • Pearson (United Kingdom, 2020): To support the provision of online learning services, further education and vocational qualifications. • "EYE" Bond of IADB (2022): focused on a "life cycle" approach to build human capital from early childhood care and education through formal primary and secondary education, as well as programs that facilitate labour market placement by improving the transition from school to work through vocational training. 	<ul style="list-style-type: none"> • Trust Funds for Rural Development (Mexico, 2020): To expand the resources available to finance women-led projects in rural areas. • Women's Livelihood Bond 5 (IIX, 2022): As the first bond issued in compliance with the Orange Bond Principles, the WLB5 blends "orange" and "green" themes together to empower women and girls across Asia and Africa to build sustainable, climate-resilient livelihoods 	<ul style="list-style-type: none"> • Hong Kong Mortgage Corporation (China, 2022): Funds are used for loans to small and medium-sized enterprises (SMEs) and to promote inclusive and sustainable economic growth, full and productive employment and decent work. • EU SURE social bond (EU, 2020): To fund the EU SURE programme, aimed at financing short-term employment schemes across the EU and keeping people in jobs during the coronavirus pandemic. Between October 2020 and December 2022, the EU Commission issued €98.4 billion of social bonds in 9 issuances. 	<ul style="list-style-type: none"> • Banco del Estado de Chile (Chile, 2018): Issued social bonds to finance expenditures related to reducing social inequalities in Chile. • Council of Europe Development Bank (EU, 2022): Social inclusion bond to bolster response to the social crisis unfolding due to the war in Ukraine and help its member states assist millions of refugees seeking safety.










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FINANCIAL INSTRUMENT / SDG							
BONDS	<p>Gap and Need Analysis</p> <ul style="list-style-type: none"> Investment-ready projects: Lack of resources and expertise to identify and prepare social projects; need to build a robust and SDG-oriented pipeline of suitable projects and provide guidance for issuers through dedicated technical assistance programs; a weak regulatory environment can aggravate project risks; support in the aggregation of small-scale projects. <i>Enablers:</i> SDG Investor Map; GISD; NDC Implementation Roadmaps (e.g., GGGI's Guidelines for NDC Implementation Roadmap Development); INFFs; Project Preparation Technical Assistance Facilities (e.g., The Sustainable Housing Initiative). International standards and definitions: Appetite for high-yield and ESG investments could create incentives for social washing; the high-level nature of industry standards requires translation to local contexts; need for taxonomies and other forms of classification that aim to improve and standardize social definitions. <i>Enablers:</i> Social Bonds Principles (ICMA); Sustainability-Linked Bond Principles (ICMA); IXX Orange Bond Principles; SDG Finance Taxonomy (e.g., Mongolia, China); Social Taxonomy (EU PSF, IISD); Local Guidelines for the emission of Social and SDG Bonds (e.g., Paraguay, Morocco); Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (IFC, UN Women and ICMA); Emerging Markets Investors Alliance's (EMIA) Enhanced Labelled Bond Principles; UNDP's upcoming gender equality taxonomy for bonds; SDG Impact Standards for Bond Issuers; TIFD. Impact Measurement: Need to define clear eligibility criteria and selection process and provide transparency for bonds which conditioned coupon payments on reaching specific targets; need for a harmonized framework for impact reporting for social Bonds (identification of indicators for managing proceeds and determining project eligibility and objective metrics to value the impact achieved); need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse effects. <i>Enablers:</i> WEPs Transparency and Accountability Framework guide; GISD; GIIN IRIS+; Impact Lab by GIIN. Awareness and Technical Assistance: Lack of networks to target investors with preferences for social debt; weak demand of investments towards gender equality only; need for further guidance for governments or public authorities, and corporate and financial institutions looking to issue social bonds to highlight best practices to match investors' expectations; need to access to contextual data on the enabling environment and other financial flows, as well as data about social needs. <i>Enablers:</i> IFC's Banking on Women business; SBFN; SDG Impact Investor Convenings and Policy Dialogues; Refugee Investment Network; 2X Collaborative. Government Incentives: Need for a conducive ecosystem for social bonds by introducing a policy framework targeting incentives for increasing social impact investment transactions (such as tax and investment relief). Risk mitigation strategies and instruments: Need to promote the use of credit enhancement mechanisms to improve credit quality and attract more private financing for the project. <i>Enablers:</i> IFC's Social Bond Program. 						



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FINANCIAL INSTRUMENT / SDG								
LOANS	Link to SDG	<ul style="list-style-type: none"> Support social projects related to employment generation and programs designed to prevent and/or alleviate unemployment stemming, affordable housing, access to essential services and affordable infrastructure. These loans usually target populations living below the poverty line, excluded and/or marginalized populations and/or communities, people with disabilities, migrants and/or displaced persons, underserved, unemployed, ageing populations, vulnerable youth, and other vulnerable groups. 	<ul style="list-style-type: none"> Loans that support social enterprises and small farmers working to help build a more equitable, sustainable, and resilient food and agricultural system, increasing access to healthy food, cultivating equitable local food systems, developing regenerative agricultural practices, strengthening fair trade supply chains, providing equitable access to farmland, and helping fight food insecurity. 	<ul style="list-style-type: none"> Loans are used to fund, for instance, emergency responses and improvement of healthcare sector resilience, strengthening of infrastructure and equipment of the health sector and support to health service providers such as hospitals, clinics and nursing homes. 	<ul style="list-style-type: none"> Loans supporting social projects are used to fund, for instance, the development of education projects and activities to offer better learning, the development of training programs that provide better access to employment opportunities, public and private educational infrastructure facilities, student housing to contribute to students' tertiary education retention rates, student loans; among others. 	<ul style="list-style-type: none"> Loans that significantly benefit women and promote financial inclusion, such as home loans and study loans for women, commercial financing for projects led by female entrepreneurs wishing to develop innovative projects and women-led/women-owned small and medium enterprises. 	<ul style="list-style-type: none"> Loans that help reduce the financing gap for MSMEs, encourage their formalization and growth, expand productive activities, and create employment and economic opportunities for vulnerable segments. 	<ul style="list-style-type: none"> Loans that enable economic and social participation across diverse populations, particularly for people disproportionately affected by systemic inequality and the disparities in access to the opportunity it creates. They usually benefit minorities, migrants and refugees, addressing, for instance, affordable housing, social care facilities, and social migrant integration and employment.










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LOANS	Case Studies	<ul style="list-style-type: none"> • Housing Development Finance Corp (India, 2022): Social Loan to fund affordable housing. 	<ul style="list-style-type: none"> • Amazonia Impact Ventures (United Kingdom): Provides working capital loans for deforestation reduction and sustainable land use targets, incentivizing and enabling smallholders and their communities to overcome the barriers to improving agriculture production and nature protection. 	<ul style="list-style-type: none"> • IFC & Santander (Brazil, 2022): To expand access to finance for smaller healthcare providers, boosting Brazil's health system. • Santander (Argentina, 2020): To fund salary payments, working capital, and medical equipment and supplies in healthcare companies. • BBVA & District of Bogotá (Colombia, 2022): Social loan to strengthen healthcare services. 	<ul style="list-style-type: none"> • Standard Bank & Growthpoint Student Accommodation Holdings (South Africa, 2022): To provide funding for the acquisition of purpose-built student accommodation. • Westpac NZ and Te Pūkenga (New Zealand, 2021): To offer thousands of New Zealanders better learning and employment opportunities. 	<ul style="list-style-type: none"> • ADB & Vietnam Prosperity Joint Stock Commercial Bank (Vietnam, 2022): To expand access to finance for women-owned SMEs. • Women's Enterprise Organizations of Canada (Canada, 2022 - 2023): To provide loans to women entrepreneurs and business owners. 	<ul style="list-style-type: none"> • IFC & Nigeria's Union Bank (Nigeria, 2023): To expand lending to small businesses operating in critical sectors in the country, help harness opportunities, and preserve and create jobs. 	<ul style="list-style-type: none"> • CBA & APM Human Services (Australia, 2022): To support projects and activities that address a social issue or achieve positive social outcomes for specific populations, particularly underserved, marginalized and vulnerable groups.



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LOANS	<p>Gap and Need Analysis</p> <ul style="list-style-type: none"> Investment-ready projects: Lack of resources and expertise to identify and prepare social projects; need to build a robust and SDG-oriented project pipeline and provide guidance for lenders and borrowers through technical assistance programs. <i>Enablers:</i> SDG Investor Map; GISD; UNICEF's Vaccine Independence Initiative International standards and definitions: Appetite for high-yield and ESG investments could create incentives for social washing; the high-level nature of industry standards requires translation to local contexts; need for taxonomies and other forms of classification that aim to improve and standardise social definitions; <i>Enablers:</i> Social Loan Principles (LSTA), Guidance on Social Loan Principles (APLMA/LMA/LSTA), Guidance for Green, Social, and Sustainability-Linked Loans External Reviews (APLMA/LMA/LSTA); SDG Finance Taxonomy (e.g., Mongolia, China); Social Taxonomy (EU PSF); TIFD. Impact Measurement: Need to define clear eligibility criteria and selection process and provide transparency for loans for which the economic characteristics are linked to the borrower's ability to meet social targets; limited track record and lack of institutional knowledge and resources to accurately measure performance against social KPIs; need for a harmonised framework for impact reporting for social loans (identification of indicators for managing proceeds and determining project eligibility and objective metrics to value the impact achieved); need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse effects. <i>Enablers:</i> WEPs Transparency and Accountability Framework guide; Impact Lab by GIIN. Awareness and Technical Assistance: Limited awareness and education among investors, lenders and borrowers of the potential impact of social loans and of the risks and opportunities associated with investing in social loans; social loans are rarely a central product in the portfolio; need for further guidance for corporate and financial institutions looking to provide social loans to highlight best practices; need to access to contextual data on the enabling environment and other financial flows, as well as data about social needs. <i>Enablers:</i> Global Alliance For Social Entrepreneurship; SBFN; IFC's Banking on Women business; SDG Impact Investor Convenings and Policy Dialogues. Government Incentives: Need for a conducive ecosystem for social loans by introducing a policy framework targeting incentives for increasing social impact investment transactions (such as tax and investment relief). Risk mitigation strategies and instruments: Need to promote the use of credit enhancement mechanisms to improve credit quality and attract more private financing for the project. <i>Enablers:</i> SME Access to Finance Initiative (EIB, EU) 						



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IMPACT BONDS	Link to SDG	<ul style="list-style-type: none"> Support interventions and funding social services related to housing, child and family welfare, and social protection, among others. These bonds usually target vulnerable groups, such as youth and young adults, women, and migrants. 	<ul style="list-style-type: none"> Expand funding from the private and non-profit sectors to support projects aimed at improving food security and sustainable food systems, including access to nutritious and sufficient food; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers. 	<ul style="list-style-type: none"> Target specific diseases or behavioural change related to health concerns and health promotion programs, long-term condition management, service design improvement to reduce emergency admissions, medical supplies and equipment, construction and/or expansion of medical centres, research and development for medicines, vaccines and treatments, pilot projects for disease prevention, among others. 	<ul style="list-style-type: none"> Expand funding from the private and non-profit sectors to improve education through incentives and greater accountability. For instance, they have been targeted at increasing access to quality early childhood, education services incentivizing private-sector service provision, increasing enrolment of marginalized children and children's progress in literacy and numeracy outcomes and improving teaching outcomes, delivering an intervention building teaching capacity within kindergarten and primary school settings, and improving the quality of education in low performing basic education schools. 	<ul style="list-style-type: none"> Expand funding from the private and non-profit sectors to improve gender equality. For instance, they have been targeted at enabling individual women entrepreneurs in specific sectors to access affordable loans, employability and professional and vocational skills development for women, improving women's education and health, among others. 	<ul style="list-style-type: none"> Support interventions and funding social services related, for example, to workforce development, improvement of employment opportunities and financing education and training to help unemployed and underemployed people. 	<ul style="list-style-type: none"> Targeted at support to unemployed persons and integration in the labour market, improvement of access to services by specific population groups such as informal workers, chronic homelessness and assistance to secure sustainable housing, employment and other goals, child and family welfare such as family assistance programmes and improvement of parenting skills, re-incarceration, reduction of recidivism and social inclusion of convicts, among others.

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IMPACT BONDS	Case Studies	<ul style="list-style-type: none"> • Cambodia Rural Sanitation Development Impact Bond (Cambodia, 2019): To bring safe sanitation to some of Cambodia's poorest and most vulnerable households. • Village Enterprise DIB (Africa, 2017): development impact bond for poverty alleviation in Sub-Saharan Africa. 	<ul style="list-style-type: none"> • Asháninka impact bond (Perú, 2015): To support sustainable cocoa and coffee production within the Asháninka community, an indigenous community living in the Peruvian Amazon. 	<ul style="list-style-type: none"> • Asthma Impact Model for Fresno (United States, 2013): To fund home-based programs to reduce asthma attacks. • Region Stockholm (Sweden, 2021): To fund a programme for prediabetic individuals in Stockholm County. • In Their Hands (Kenya, 2020): Development of Impact Bond with a focus on adolescent sexual and reproductive health. 	<ul style="list-style-type: none"> • Social Impact Bond for Early Childhood Education (United States, 2013): To provide high-quality preschool education for low-income children in Utah. • Educate Girls (India, 2015): First international development project aimed to help improve education for more than 7,000 children aged 6–14 in Rajasthan. • Side by Side (Australia, 2020): To improve students' engagement and learning outcomes in Years 1 to 4. 	<ul style="list-style-type: none"> • Women's livelihood Impact Bond (UN Women, WB, SIDBI; 2019): connected impact investors with women entrepreneurs at the bottom of the pyramid and helped rural women in some of India's poorest states to set up or scale up their enterprises. • Menstrual health and hygiene Impact Bond (Ethiopia, 2022): To sensitize healthy MHH practices and advocacy to support women and girls from institutions and communities. 	<ul style="list-style-type: none"> • Empleando Futuro (Colombia, 2017): To provide skills training and employment support to vulnerable, unemployed individuals in Bogotá, Cali, and Pereira. 	<ul style="list-style-type: none"> • Epiqus Kotouttaminen (Finland, 2018): To provide fast-track integration training and employment for immigrants seeking international protection in Finland. • Vínculo de Impacto Social (Argentina, 2018): To achieve job placement in formal jobs for young people classified as highly vulnerable in five communes in the south of Buenos Aires.










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IMPACT BONDS	Gap and Need Analysis	<ul style="list-style-type: none"> Investment-ready projects: Lack of resources and expertise to identify and prepare social projects; need to build a robust and SDG-oriented project pipeline and provide guidance for lenders and borrowers through technical assistance programs. <i>Enablers:</i> SDG Investor Map; GISD; NDC Implementation Roadmaps (e.g., GGGI's Guidelines for NDC Implementation Roadmap Development); INFFs; Project Preparation Technical Assistance Facilities (e.g., The Sustainable Housing Initiative). International standards and definitions: Appetite for high-yield and ESG investments could create incentives for social washing; the need for taxonomies and other forms of classification that aim to improve and standardise social definitions; <i>Enablers:</i> SDG Finance Taxonomy (e.g., Mongolia, China); Social Taxonomy (EU PSF); TIFD. Impact Measurement: need to define clear eligibility criteria and selection process and provide transparency of economic characteristics linked to the borrower's ability to meet social targets.; lack of precedent in SIBs development and implementation and institutional knowledge and resources to accurately measure performance against social KPIs; absence of data on costs and the relative benefits compared with alternative financing mechanisms; need for a harmonised framework for impact reporting for social loans (identification of indicators for managing proceeds and determining project eligibility and objective metrics to value the impact achieved); need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse effects. <i>Enablers:</i> Impact Lab by GIIN Awareness and Technical Assistance: limited awareness and education among governments or public authorities, investors and service providers of the potential impact of SIBs and of the risks and opportunities associated with investing in SIBs; need to access to contextual data on the enabling environment and other financial flows, as well as data about social needs. <i>Enablers:</i> Advisory Platform for Social Outcomes Contracting (EB and EIB) and An introductory guide to social outcomes contracting in European Union Member States (European Investment Advisory Hub); Refugee Investment Network; 2X Collaborative. Government Incentives: need for a conducive ecosystem and a sound regulatory framework for SIBs by introducing a policy framework targeting incentives for increasing social impact investment transactions (such as tax and investment relief). <i>Enablers:</i> Social Outcomes Funds (Malaysia, UK, Chile, Italy, Portugal); EU Procurement Guide for SOC in Europe Risk mitigation strategies and instruments: need to promote the use of credit enhancement mechanisms to improve the credit quality and attract more private financing for the project; DFIs can play a role acting either as the guarantor or backer of the SIB and ensuring repayment. <i>Enablers:</i> Social Impact Guarantees. 						



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FINANCIAL INSTRUMENT / SDG								
IMPACT INVESTMENT FUNDS	Link to SDG	<ul style="list-style-type: none"> SII Funds make venture capital and seed capital investments into companies with social impact and fund social businesses and organizations that have the potential to create new opportunities for vulnerable people or to develop marginalized local communities, fostering or focusing on financial inclusion, educational and professional re-/training opportunities, recidivism programs, employment programs, affordable housing, eviction prevention, violence prevention, among others. 	<ul style="list-style-type: none"> SII Funds target food value chain and finance businesses and organizations focused on increasing access to healthy food, transforming food systems, and strengthening local production and distribution. They can also address the accessibility and affordability of products among farmers and promote smart agricultural methods, such as enhancing crop resilience and reducing food loss and waste while increasing outputs, yields and incomes. 	<ul style="list-style-type: none"> SII Funds finance businesses and organizations that serve the population with access to affordable health products and services and good quality health workers, medicines, and technologies. They can make venture capital and seed capital investments into high-impact and innovative early-stage health enterprises serving vulnerable communities and providing digital solutions to secure healthcare. Business types include laboratories and pharmaceutical companies, health clinics and health facilities, and tech companies, among others. 	<ul style="list-style-type: none"> SII Funds finance businesses and organizations that ensure equal access to all levels of education and/or vocational training for the population, provide support to teachers and educators or focus on supporting affordable education development. Business types include primary, secondary, and higher educational facilities and schools; organizations that design and deliver vocational and professional training targeting students, educators and general professionals; organizations that mobilize student loans for low-income populations and technology companies. 	<ul style="list-style-type: none"> Gender Lens Investing is "a strategy or approach to investing that considers gender-based factors across the investment process to advance gender equality and better inform investment decisions". Gender Lens Funds invest in addressing gender issues or promoting gender equity by allocating capital, for instance, in women-owned or women-led enterprises, enterprises that encourage equity workplace, or enterprises that offer products or services that substantially improve the lives of women and girls. 	<ul style="list-style-type: none"> SII Funds focus on private sector development and equity financing for small and medium-sized enterprises (SMEs) and innovative small businesses, stimulating growth and helping them expand their operations. 	<ul style="list-style-type: none"> SII Funds finance businesses and organizations that promote social, political, and financial initiatives. These include enterprises supporting asylum, migrations and integration measures, promoting social protection and inclusion, employment and labour market access and mobility, and financial inclusion. For instance, SII Funds can target minority empowerment, providing exposure to companies with strong racial and ethnic diversity policies in place, among others.



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IMPACT INVESTMENT FUNDS	Case Studies	<ul style="list-style-type: none"> • Bamboo Financial Inclusion Fund (Luxembourg, 2007): makes equity and quasi-equity investments in financial institutions that contribute to increased financial inclusion of unbanked populations in Africa, the Middle East, Asia and Latin America. • Vox Impact Investing Fund (Brazil, 2009): invests in innovative, high-potential companies serving the low-income population whose activities contribute to poverty reduction. 	<ul style="list-style-type: none"> • African Food Fund (Luxembourg, 2010): the Silk Private Equity food fund was established to pursue direct equity investments in the African consumer market, focusing mainly on food and beverage. • Phatisa Food Fund II (Africa, 2021): focus on African agriculture and food value chain with a focus on inputs to food production, integrated food production and processing, food manufacturing, and fast-moving consumer goods and food service. 	<ul style="list-style-type: none"> • Healthquad (India, 2016): invests in innovative models which transform healthcare in India and make an inclusive impact on communities. • Investment Funds for Health in Africa (Netherlands, 2007): invests in small to medium size (equity) investments in private healthcare companies in Africa. 	<ul style="list-style-type: none"> • New Harbor Capital (United States, 2017): invests across the education landscape, from K-12 to post-secondary education, to the skills gap and corporate training. • Educapital (France, 2017): seeks to invest in early-stage education and ed-tech companies based in Europe. 	<ul style="list-style-type: none"> • Chloe Capital (United States, 2017): seed-stage venture capital firm investing in women-led innovation companies. • SEAF Women's Opportunity Fund (United States, 2017): applies SEAF's gender lens approach to equity and quasi-equity investments in women-led businesses in the Philippines, Vietnam and Indonesia. 	<ul style="list-style-type: none"> • Kukula Seed (Zambia, 2015): To promote the development of small and medium-scale enterprises in Zambia to support job creation, sustainable economic growth and development. 	<ul style="list-style-type: none"> • Kinyeti Venture Capital (South Sudan, 2012): established in 2012 as a joint venture between Norfund and Swedfund. As part of an investment strategy for fragile states, it makes risk capital investments in profitable enterprises in South Sudan. • The Peace Investment Fund (Switzerland, 2018): invests in global, listed equities targeting multinational companies with an important economic impact in fragile states and that have a net positive impact according to the Peacebuilding Business Index co-developed by PeaceNexus and Covalence.










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IMPACT INVESTMENT FUNDS	Gap and Need Analysis	<ul style="list-style-type: none"> International standards and definitions: the landscape is fragmented with no global methodologies, certifications or standards to identify and assess SII funds; need for taxonomies and other forms of classification that aim to improve and standardise social definitions; need for comparable data, reporting standards on social and governance safeguards and transparency. <i>Enablers:</i> SDG Finance Taxonomy (e.g., Mongolia, China); Social Taxonomy (EU PSF); IFC's ESG Standards; PRI; TIFD; GRI; EU SFDR Articles 8 and 9; UNSSE Guidance Note on Gender Equality; SDG Impact Standards for Private Equity; upcoming UNICEF's Child-Lens Investing Framework. Impact Measurement: need for a harmonised framework for impact reporting for SII Funds and standardised impact metrics linked to transaction data ; need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse impacts. <i>Enablers:</i> Impact Management Project facilitated by Bridges Impact, the GIIN's Navigating Impact project, WEF's Shaping the Future of Sustainable and Impact Investing initiative; WEPs Transparency and Accountability Framework guide; PRI's Five-Part Framework, Impact Management Platform; GISD; GIIN IRIS+; Impact Lab by GIIN. Awareness and Technical Assistance: limited awareness and education among investors of the potential impact of SII Funds and of the risks and opportunities associated with investing in them; need access to contextual data on the enabling environment and other financial flows, as well as data about social needs. <i>Enablers:</i> Invest2Equal; Women Entrepreneurs Finance Initiative (We-Fi); She WINS; Startup Catalyst; G-SEARCH; Refugee Investment Network; 2X Collaborative; O-Remit (IOM). Government Incentives: need for a conducive ecosystem and a sound financial and fiscal regulatory framework for SII Funds (such as legislation on social enterprises definition, fiduciary responsibility and pensions); need for a policy framework targeting incentives for increasing social impact investment transactions (fiscal incentives such as tax and investment relief). <i>Enablers:</i> Global Steering Group on Impact Investing (GSG) NABs, OECD Social Impact Investment Initiative; EU SFDR; Legal Framework for Impact (RI, UNEP FI, the Generation Foundation, and Freshfields Bruckhaus Deringer); Gender Lens Investment Initiatives (GIIN; SFGeneva). Risk mitigation strategies and instruments: need to promote the use of credit enhancement mechanisms to improve the credit quality and attract more private financing for the project. 						



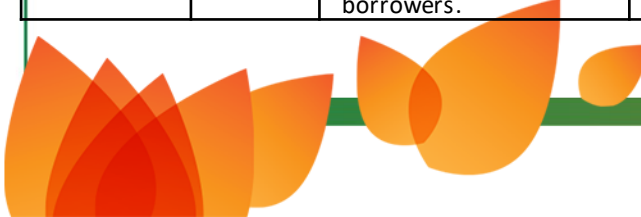
Stocktake of Financial Instruments for Social SDGs

FINANCIAL INSTRUMENT / SDG								
GUARANTEE S	Link to SDG	<ul style="list-style-type: none"> Used in deals targeting social objectives, such as affordable housing, economic revitalization or development, job creation and other activities designed to drive place-based development. Guarantees have also been used to finance real estate projects such as fire stations, homeless shelters, and parks. 	<ul style="list-style-type: none"> Used to support access to capital funding and reduce costs for the agricultural sector and farmers to provide a secure supply of safe, nutritious, and affordable food and finance food systems projects. 	<ul style="list-style-type: none"> Used to support access to capital funding and reduce costs for private and small- and medium-enterprise (SME) health providers. For instance, guarantees can be provided for the construction, renovation and modernization of medical facilities operated by health centres. 	<ul style="list-style-type: none"> Used to support access to capital funding and reduce costs for businesses and organizations that ensure equal access to all levels of education and/or vocational training for the population. For instance, guarantees can be provided for the construction, renovation and modernization of education facilities. 	<ul style="list-style-type: none"> Guarantees with gender equality and women's empowerment as a significant or principal objective encourage banks and other investors to invest in women-led/women-owned businesses and entrepreneurs, allowing easier access to capital. 	<ul style="list-style-type: none"> Used to unlock finance for small and medium enterprises to support their expansion, exports and imports, contributing to economic growth, job creation and economic restructuring. 	<ul style="list-style-type: none"> Development guarantees are used to mobilize local financing in developing countries, encourage financial institutions to lend to private sector companies and improve economic and social conditions in developing countries.










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GUARANTEES	Case Studies	<ul style="list-style-type: none"> • The EaSI Guarantee Instrument (EU, 2019) is dedicated to microfinance and social entrepreneurship. Its key objective is to increase the availability of and access to finance for vulnerable groups wishing to launch their enterprises, both in their start-up and development phases. • Shared Interest (United States, 1994): utilizes capital from investors as collateral to guarantee loans to low-income communities and their local financial institutions to create businesses, jobs, affordable homes, and services made by Southern African financial institutions to underwrite traditionally high-risk borrowers. 	<ul style="list-style-type: none"> • Agricultural Credit Guarantee Scheme Fund (Nigeria, 2019): to provide a guarantee in respect of loans granted by lending banks for agricultural purposes to increase bank credit to the agricultural sector and lower the cost of agricultural production. • Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (Ghana, 2018): guarantee scheme that supports small farmer groups up to large corporates for agro-value chain and renewable projects and provides capacity building for borrowers. 	<ul style="list-style-type: none"> • Health Finance Coalition loan guarantee facility (Africa, 2021): enable over USD\$30 million in loans to private, small- and medium enterprise (SME) health providers in five high malaria burden African countries. 	<ul style="list-style-type: none"> • Singapore Social Impact Guarantee (Singapore, 2021): a money-back guarantee for social impact in connection with Singapore's Vocational and Soft Skills Program (VaSSP), that will increase employment and education among youth-at-risk in Singapore. • The Abell Foundation's Program-related investments (United States): provides guarantees to various organizations whose work supports their mission, resulting in access to bank financing for charter schools, companies that enhance job opportunities for low-skilled workers, and other organizations. 	<ul style="list-style-type: none"> • Women Entrepreneurs Guarantee Scheme (Cambodia, 2022): guarantee scheme offered by the Credit Guarantee Corporation of Cambodia specifically designed for women and women-owned SMEs. 	<ul style="list-style-type: none"> • Credit guarantee scheme for COVID-19 for SMEs (Ireland, 2020): encouraged additional lending to SMEs by offering a partial Government guarantee to banks against losses on qualifying loans to eligible SMEs. Used to obtain loans to support changes SMEs needed to make to their business in response to COVID-19. • Philippine Guarantee Corporation (Philippines, 2018): credit guarantees in support of trade and investment, exports, infrastructure, energy, tourism, agricultural business/modernization, housing, MSMEs, and other priority sectors of the economy. 	<ul style="list-style-type: none"> • Swedish International Development Cooperation Agency partial guarantee (Sweden, 2021): provided a partial guarantee for a responsibility Investments' social bond that bundled loans to innovative capital-constrained companies in developing countries which operate in the financial inclusion, healthcare and WASH (water, sanitation, hygiene) sectors, and that have a measurable, positive social impact.










Stocktake of Financial Instruments for Social SDGs

FINANCIAL INSTRUMENT / SDG								
GUARANTEES	Gap and Need Analysis	<ul style="list-style-type: none"> • Investment-ready projects: the complexity of structuring guarantees, which leads to a time- and resource-intensive deal process; the lack of standardization can also lead to high legal fees and other transaction costs. • International standards and definitions: need for taxonomies and other forms of classification that aim to improve and standardize social definitions. • Impact Measurement: need for a harmonized framework for impact reporting (identification of indicators for managing proceeds and determining project eligibility and objective metrics to value the impact achieved); need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse impacts. <i>Enablers: ILO's impact monitoring system for guarantee instrument.</i> • Awareness and Technical Assistance: internal and external stakeholders may lack experience with guarantees, requiring education about why and how they would be useful. • Risk mitigation strategies and instruments: a limited number of organizations are willing and able to provide third-party guarantees at the scale and with the structure and coverage levels needed. <i>Enablers: Advance Market Commitments (GAVI's AMC)</i> 						



Stocktake of Financial Instruments for Social SDGs

FINANCIAL INSTRUMENT / SDG								
CATALYTIC FIRST LOSS CAPITAL	Link to SDG	<ul style="list-style-type: none"> It bears first losses, catalyzes the participation of investors that otherwise would not have participated and channels commercial capital towards the achievement of social outcomes, such as affordable housing, economic revitalization or development, job creation and other activities designed to drive place-based development. 	<ul style="list-style-type: none"> It bears first losses, catalyzes the participation of investors that otherwise would not have participated and channels commercial capital towards the food sector. It has been used, for example, to increase access to nutritious, affordable food in underserved communities, drive innovation in healthy food retailing and strengthen fair trade supply chains. 	<ul style="list-style-type: none"> It bears first losses, catalyzes the participation of investors that otherwise would not have participated and channels commercial capital towards the healthcare sector. It has been used, for example, to support access to capital funding for private and small- and medium-enterprise (SME) health providers to increase access to better healthcare services for low-income patients. 	<ul style="list-style-type: none"> It bears first losses, catalyzes the participation of investors that otherwise would not have participated and channels commercial capital towards the education sector. It has been used, for example, to support schools by building appropriate facilities for students and teachers while ensuring the affordability and sustainability of a permanent school facility. 	<ul style="list-style-type: none"> It bears first losses, catalyzes the participation of investors that otherwise would not have participated and channels commercial capital towards gender equality. It has been used, for example, to facilitate access to credit for small and medium-sized enterprises owned by women taking on the "first loss" risk of women's credit portfolios. 	<ul style="list-style-type: none"> It bears first losses, catalyzes the participation of investors that otherwise would not have participated and helps to channel commercial capital, for example, to facilitate access to credit for micro, small and medium-sized enterprises. 	



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CATALYTIC FIRST LOSS CAPITAL	Case Studies	<ul style="list-style-type: none"> Community Finance Fund For Social Entrepreneurs (Australia, 2011): the Australian Government's Social Enterprise Development and Investment Fund (SEDIF) provided USD 4.2 million for CFLC to Christian Super, a not-for-profit superannuation fund, which allowed to provide investors with exposure to a diversified finance portfolio devoted to the social enterprise sector and finance for low-income populations. 	<ul style="list-style-type: none"> California Freshworks Fund (United States, 2011): The California Endowment (TCE), JPMorgan Chase Foundation, and the U.S. Treasury's Community Development Financial Institutions Fund provided USD 7.5 million as grants to increase access to healthy, affordable food in underserved communities, spur economic development, and drive innovation in healthy food retailing. 	<ul style="list-style-type: none"> Medical Credit Fund (Regional - Africa, 2009): The Fund's capital base of first loss is funded by grants from public and private parties. This serves as a risk cushion for investors, comprising a mix of private investors and semi-public development finance institutions. 	<ul style="list-style-type: none"> Democracy Prep Charter School (United States, 2011): Civic Builders provided USD 7.5 million for CFLC to The Low Income Investment Fund (LIIF). This allowed to support a high-quality charter school by transforming a dilapidated church vestry into an appropriate facility for students and teachers while ensuring the affordability and sustainability of a permanent school facility. 	<ul style="list-style-type: none"> WWBCP II (EU, 2022): the European Union and the German Federal Ministry for Economic Cooperation and Development ("BMZ"), facilitated by the German development bank KfW, provided critical funding to the Women's World Banking Asset Management for the first loss tranche. 	<ul style="list-style-type: none"> IFC's IDA Private Sector Window & Union Bank (Nigeria, 2021): pooled first-loss guarantees to support new working capital loans, products and services to SMEs and to expand the bank's lending portfolio, with a particular focus on the harder-to-reach smaller SMEs. 	










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CATALYTIC FIRST LOSS CAPITAL	Gap and Need Analysis	<ul style="list-style-type: none"> • Investment-ready projects: complexity of structuring deals involving CFLC, which leads to a time- and resource-intensive deal process; the lack of standardization can also lead to high legal fees and other transaction costs. • International standards and definitions: need for taxonomies and other forms of classification that aim to improve and standardize social definitions. • Impact Measurement: need for a harmonized framework for impact reporting (identification of indicators for managing proceeds and determining project eligibility and objective metrics to value the impact achieved); need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse impacts. • Awareness and Technical Assistance: internal and external stakeholders may lack experience with deals involving CFLC, requiring education about why and how they would be useful. • Risk mitigation strategies and instruments: a limited number of organizations are willing and able to provide deals involving CFLC at the scale and with the structure and coverage levels needed. 						



Stocktake of Financial Instruments for Social SDGs

FINANCIAL INSTRUMENT / SDG								
MICROFINANCE	Link to SDG	<ul style="list-style-type: none"> Microcredits help low-income households to stabilize their income flows and save for future needs. Microfinance Institutions (MFIs) can provide microcredit to ensure funds for low-income borrowers, improve financial planning skills and literacy and better access to credit, improve living conditions and help rebuild communities, etc. Microinsurance plays a role in reducing vulnerability, contributing to poverty alleviation, and allowing risk-taking activities that would increase income or assets and thus help lift people out of poverty. 	<ul style="list-style-type: none"> Microcredits provide clients, especially smallholder farmers, access to credit, helping to purchase improved inputs and agricultural equipment and supporting household food security, while agricultural microinsurance can protect smallholder farmers from climate-related shocks. 	<ul style="list-style-type: none"> The benefit payment trigger can define different types of health microinsurance products and whether the payment is a predefined sum of money or whether it is indemnity insurance. Types of health microinsurance products include hospital cash (pays out a predefined lump sum for either each night of stay in hospital or per hospital episode), a package of outpatient and/or inpatient cover (focuses on one set of procedures), and lump sum pay-outs on the diagnosis of a particular disease. 	<ul style="list-style-type: none"> Microcredits provide financing for students at all stages of their academic or vocational education, used to cover educational expenses and tuition at all levels of learning, from vocational and training courses to graduate and postgraduate degrees. 	<ul style="list-style-type: none"> Microcredits help women to establish or start a project to earn an income and support themselves and their families. Provide women leading micro, small, and medium-sized enterprises access to finance. Usually supported through a network of programs and activities, including individual entrepreneur support and financial education. Microinsurance includes life/disability coverage for women and maternity cover to address women's health needs and innovative health insurance policies and basic health assistance, to help women entrepreneurs mitigate hardships and boost their well-being. 	<ul style="list-style-type: none"> Microfinance paired with financial education or entrepreneurship training, awareness-raising campaigns together with business development services on formalization, the introduction of new loan products, training on productivity, and provision of microinsurance serve to increase the formality of enterprises, enhancing business performance and creating incentives to improve working conditions. 	<ul style="list-style-type: none"> Microfinance can provide access to financial services having a positive impact on reducing inequalities of minorities or segments of LDC populations. They give excluded populations, such as women, migrants and refugees, access to affordable financial services. They can be intended to benefit the most vulnerable people as they move into productive economic activities, providing small loans to micro-entrepreneurs and assisting them with finding employment.










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MICROFINANCE	Case Studies	<ul style="list-style-type: none"> • CD Finance Management (China, 2008): provides microcredit to poor rural households, targeting women borrowers and includes measures to improve their financial planning skills and literacy. • AXA and Lead Foundation (Egypt, 2017): AXA offers life insurance to LEAD foundation's borrowers, with policies that repay the microloan in the event of the borrower's death or disability or disburse double the loan amount to the borrower's family. AXA also seeks to add value for LEAD by conducting training sessions. 	<ul style="list-style-type: none"> • FINCA (Canada, 2021): created a number of products to support small-scale farmers, increasing food security for their families and community with a particular focus on women. 	<ul style="list-style-type: none"> • Al amana (Morocco, 2012/2015): the insurance product provides an ambulance service, cash pay-out in cases of childbirth, critical illness, disability and death and was bundled with clients' loans. 	<ul style="list-style-type: none"> • Finance Trust Bank (Uganda, 2013): enables parents/guardians/borrowers to pay school fees on time as they pay back in monthly manageable instalments. • Trustco Finance (Namibia, 2005): microfinance institution that offers student loans. 	<ul style="list-style-type: none"> • Caja Arequipa (Peru, 2022): the IFC provided a loan of US\$50 million to Caja Arequipa to promote the generation of credits for MSMEs in the country, with a special focus on the segment of companies led by women. • Microfund for Women (Jordan): The Afiyatuna Microinsurance Program is designed to cover medical expenses that require medical supervision under a legally authorized facility operating as a hospital. 	<ul style="list-style-type: none"> • Compartamos Banco (Mexico, 2006): offers group and individual financial services to people with businesses at the bottom of the pyramid. Many of their services are targeted towards women and offer microfinance credit schemes that can be packaged with microinsurance. 	<ul style="list-style-type: none"> • ASA Philippines Foundation (Philippines, 2004): financing for women borrowers from poor communities in lagging and conflict-impacted provinces in the Philippines, most of whom own and manage microenterprises. • Microfinance and Development Onlus Association - "Microfinanza" (Italy, 2018): aims to provide financial education to vulnerable populations and to support entrepreneurial activities through microfinance. It offers financial education training to financially vulnerable population groups, notably those with migrant experience (e.g. PIANI project in 2018).










Stocktake of Financial Instruments for Social SDGs

FINANCIAL INSTRUMENT / SDG								
MICROFINANCE	Gap and Need Analysis	<ul style="list-style-type: none"> • International standards and definitions: need for taxonomies and other forms of classification that aim to improve and standardise social definitions. • Impact Measurement: need to define clear eligibility criteria and selection process and provide transparency for microcredits and microinsurance; lack of institutional knowledge and resources to accurately measure impact; need for a harmonised framework for impact reporting (identification of indicators for managing proceeds and determining project eligibility and objective metrics to value the impact achieved); need for a clear framework to assess microfinance contribution to the SDGs and interlinkages between SDGs to report on the potential adverse impacts. <i>Enablers: Impact Assessment product (MicroFinanza Rating).</i> • Awareness and Technical Assistance: limited awareness and education among investors of the potential impact of microfinance and of the risks and opportunities as associated with investing in microfinance; need for assessing the particular needs of countries and regions to ensure that microfinance schemes are relevant for the specific financial and social inclusion needs; need for technical support to MFIs to boost the quality of support that accompanies microfinance and improve the alignment of products and services with the needs of under-represented and disadvantaged groups. <i>Enablers: EaSI Technical Assistance for microfinance; World Bank Programmatic Technical Assistance for MFIs.</i> • Government Incentives: need for a conducive ecosystem for microfinance by introducing a policy framework targeting incentives for increasing social impact investment transactions; the need to inject more liquidity into the microfinance market; fragmented nature of the regulatory environment for microcredit provision; restrictive regulations and supervision may lead to increased operating costs for MFIs with unintended consequences; need to widen regulatory perimeter, strengthen regulatory, resolution, and consumer protection frameworks; and improve supervisory capacity and data collection systems. <i>Enablers: European Code of Good Conduct for Microcredit Provision; Specific microcredit legislation (e.g., France, Romania, Portugal, Greece).</i> • Risk mitigation strategies and instruments: increase the supply of guaranteed and funded debt instruments that are targeted at micro-entrepreneurs; scaling-up the available funds through the creation of guarantee and revenue-based instruments. 						



Stocktake of Financial Instruments for Social SDGs

FINANCIAL INSTRUMENT / SDG								
IMPACT CROWDFUNDING PLATFORMS	Link to SDG	<ul style="list-style-type: none"> Pool and manage resources to make venture capital and seed capital investments into companies with social impact and fund social businesses and organizations that have the potential to create new opportunities for vulnerable people or to develop marginalized local communities, fostering or focusing on financial inclusion, education, health, food, agriculture, among others. 	<ul style="list-style-type: none"> Pool and manage resources to fund businesses and organizations that promote food security and sustainable food systems, including access to nutritious and sufficient food; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers 	<ul style="list-style-type: none"> Pool and manage resources to fund businesses and organizations that serve the population with access to affordable health products and services and good quality health workers, medicines, and technologies. They can make venture capital and seed capital investments targeting healthcare innovation. Business types usually include start-ups and early-stage healthcare entities. 	<ul style="list-style-type: none"> Pool and manage resources to fund businesses and organizations that ensure equal access to all levels of education and/or vocational training for the population, provide support to teachers and educators at all levels of education or focus on supporting affordable education development. Project types include primary, secondary, and higher educational facilities and schools; organizations that design and deliver vocational and professional training, educators and general professionals; organizations that mobilize student loans for low-income populations and technology companies. 	<ul style="list-style-type: none"> Pool and manage resources with the intent to address gender issues or promote gender equity by financing, for instance, women-owned or women-led enterprises, enterprises that promote workplace equity (in staffing, management, boardroom representation, and along their supply chains); or enterprises that offer products or services that substantially improve the lives of women and girls. 	<ul style="list-style-type: none"> Pool and manage resources to fund small and medium enterprises helping to create more productive employment and decent work for all. 	<ul style="list-style-type: none"> Pool and manage resources to fund businesses and organizations that promote social, political, and financial initiatives. Crowdfunding platforms have aimed to mobilize the diaspora's financial resources to attract and use them in local development. These include initiatives created to support asylum, migrations and integration measures, promotion of social protection and inclusion, employment and labor market access and mobility, and financial inclusion.










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IMPACT CROWDFUNDING PLATFORMS	Case Studies	<ul style="list-style-type: none"> • Kiva (United States, 2005): crowdfunding loans for the underserved, improving the quality and cost of financial services and addressing the underlying barriers to financial access around the world. Through Kiva's work, students can pay for tuition, women can start businesses, farmers are able to invest in equipment, and families can afford needed emergency care. • Bolsa Social (Spain, 2014): a social investment crowdfunding platform that supports early-stage social enterprises. 	<ul style="list-style-type: none"> • Wefunder (United States, 2021/2022): a crowd investing platform offering investment in AfricaEats, a holding company with a diverse set of African food/ag companies supporting hundreds of thousands of smallholder farmers, feeding millions of Africans 	<ul style="list-style-type: none"> • MedStartr (United States, 2012): started as a crowdfunding platform specifically targeted to healthcare innovation and allows users to set up profiles for their healthcare innovations and for donors to support fundraising campaigns. • Ketto (India, 2012): offers online medical crowdfunding as an alternative method for individuals and organizations to generate funds required for costly medical treatments like open-heart surgeries, NICU care, bone marrow transplant, cancer treatments and any other disease. 	<ul style="list-style-type: none"> • Splendit (Switzerland, 2014): Switzerland's first crowdfunding platform for student loans that connect students in need of money with private investors who wish to invest in education. 	<ul style="list-style-type: none"> • IFund Women (United States, 2016): a start-up funding platform for women entrepreneurs providing access to capital through crowdfunding, small business grants, expert business coaching, and a network of business owners to connect with. 	<ul style="list-style-type: none"> • Lendahand (Netherlands, 2013): a web-based crowdfunding platform for SMEs in emerging markets to grow their businesses, working to fight poverty through sustainable job creation. 	<ul style="list-style-type: none"> • Homestrings (United States, 2012): a web-based crowdfunding platform for overseas diasporas to link financially with their home countries and with exclusive access to vetted opportunities in Frontier and Emerging markets.



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FINANCIAL INSTRUMENT / SDG								
IMPACT CROWDFUNDING PLATFORMS	Gap and Need Analysis	<ul style="list-style-type: none"> • International standards and definitions: the landscape is fragmented with no global methodologies, certifications or standards to identify and assess crowdfunding platforms; need for taxonomies and other forms of classification that aim to improve and standardize social definitions. • Impact Measurement: lack of post-transaction monitoring; need for a harmonized framework for impact reporting for crowdfunding platforms and standardized impact metrics linked to transaction data; need for a clear framework to assess their contribution to the SDGs and interlinkages between SDGs to report on the potential adverse impacts. • Awareness and Technical Assistance: limited awareness and education among investors and public authorities of the potential impact of crowdfunding platforms, and of the risks and opportunities associated with investing with them; questions over the long-term success and scalability of crowdfunding; need for technical support for beneficiaries. <i>Enablers: European Crowdfunding Network</i> • Government Incentives: need for a conducive ecosystem and a sound financial framework for crowdfunding platforms; need for a policy framework targeting incentives for increasing social impact investment transactions (fiscal incentives such as tax and investment relief); lack of clear regulatory framework for crowdfunding limits its growth; need for a framework for crowdfunding investing to ensure transparency and investor protection, encourage investment in start-ups and small businesses and attract diaspora remittances. <i>Enablers: African Crowdfunding Association (ACfA); Regulation on European Crowdfunding Service Providers.</i> • Risk mitigation strategies and instruments: lack of access to guarantee schemes; need to promote the use of credit enhancement mechanisms to improve the credit quality and attract more private financing for the project. 						



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This stocktake has been prepared in April 2023 by UNDP, on behalf of India's G20 Presidency, as a contribution to the SFWG but has not been endorsed by it nor does it represent the official views or position of the Group or any of its members.

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