# Social Impact Bond













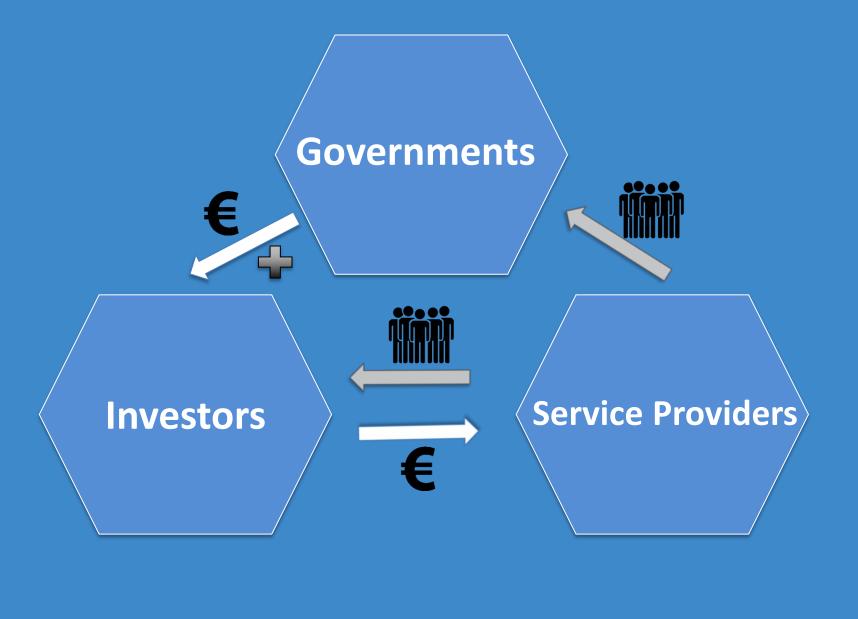






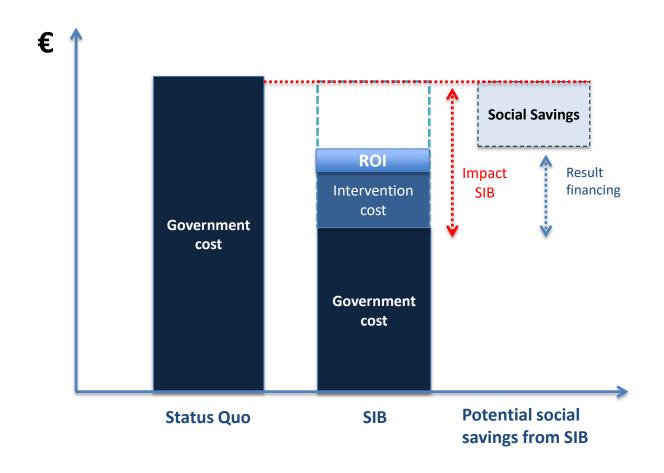
## Social Impact Bond

- 1 New Public Private Partnerships
- 2 Pre-financing from private investors Risk and task outsourcing
  - Investing in alternative, innovative methodologies and risk holding projects
- 3 Strong partnership between investor and service provider



# The SIB mechanism provides a Value-For-Money way to finance labor integration





#### SIB's as an added value





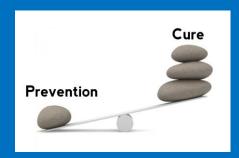
Flexibility



Goal oriented



**Result-oriented** 



Intervention & prevention



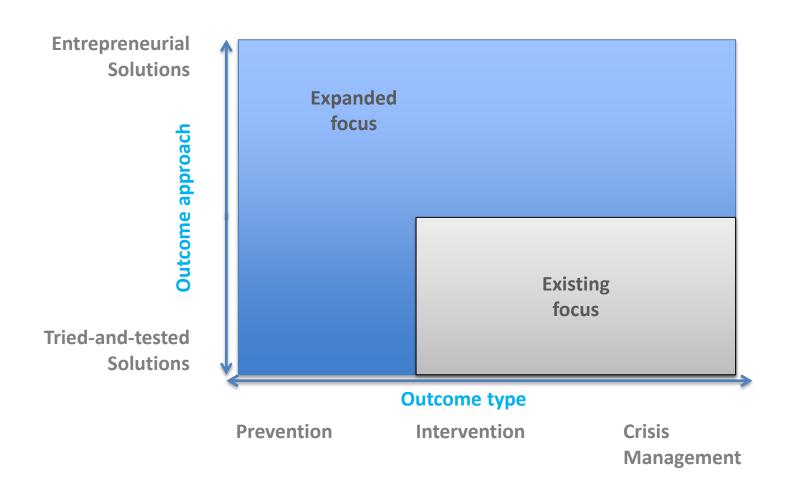
Partnership



Innovation

# Outcomes-based commissioning unlocks an expanded focus





#### SIB's must be attractive enough for investors





- Operational risk must be reasonable



- **Risico-return ratio** must be in line with other products in innovative financing

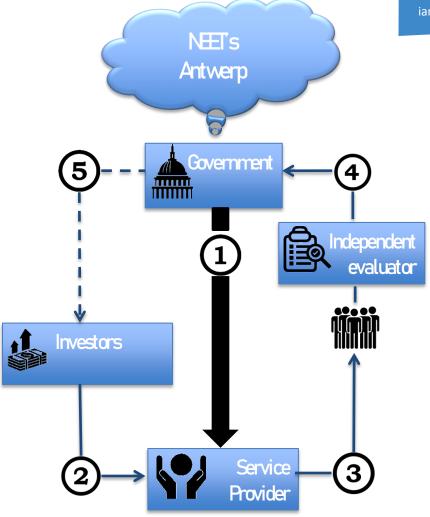


- **De scale of the SIB** must be large enough to keep the transaction costs relatively low

# Investor type: Social investors who are looking for financial returns, but who also have social motives

**Social Impact Bond** 

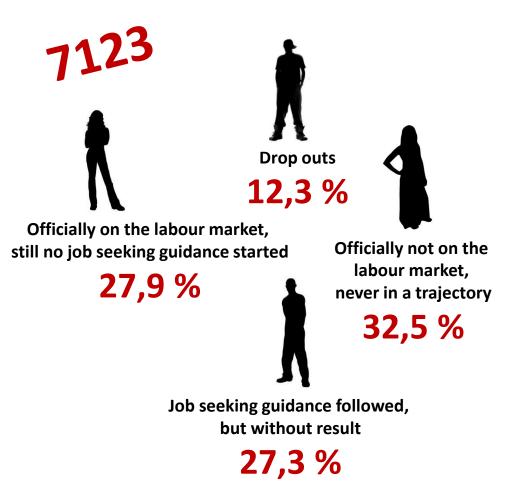


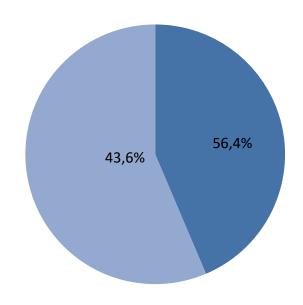


#### The project target group: NEET's in Antwerp



Number of NEET's in Antwerp: more than 30% higher than in the rest of Flanders





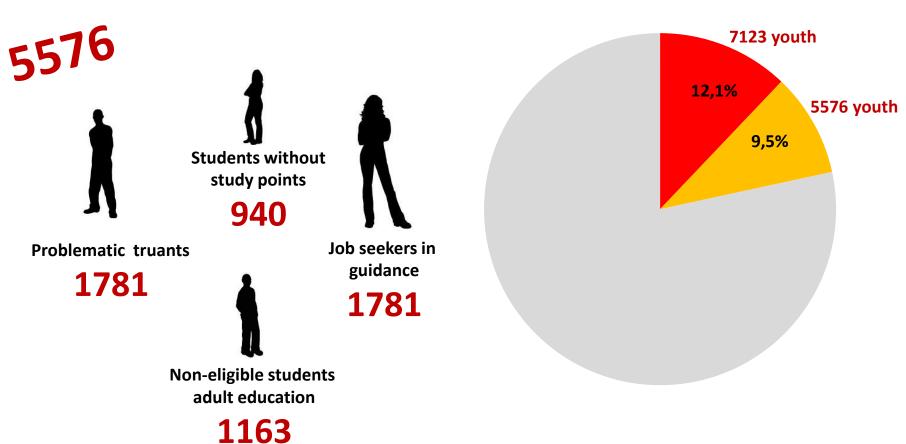
- Not officially looking for work
- Officially looking for work

1/3 completely off the radar

#### The project target group: NEET's in Antwerp



Some youth are no NEET, but still...

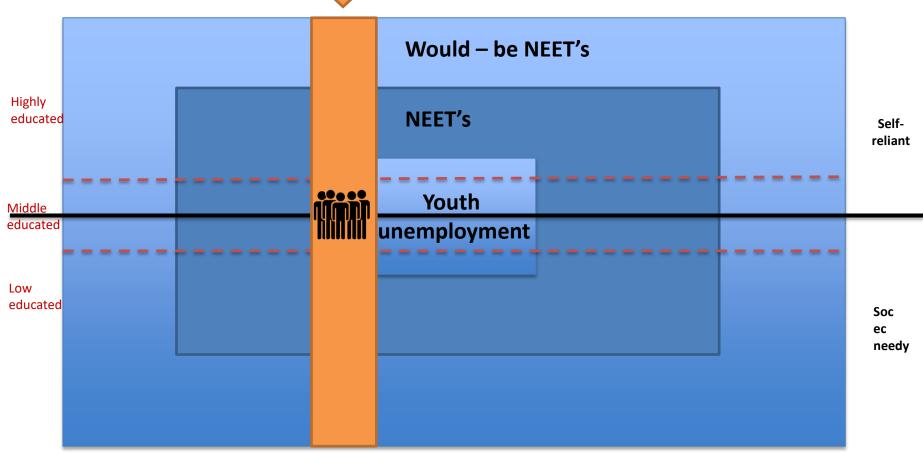


## The project target group: NEET's

Provision of services towards N.E.E.T.'s







### The project target group: NEET's



## **Objectives**

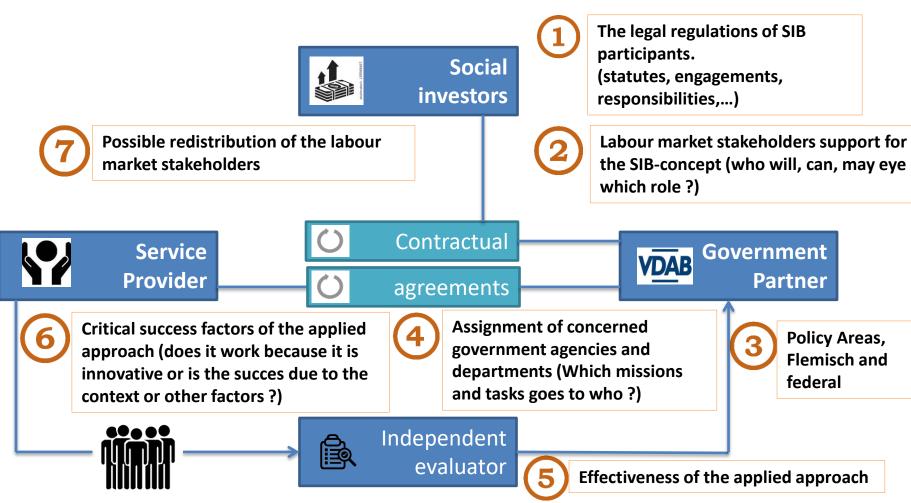
- 270 training and matches of NEETs/5 years
- outflow to long-term solutions & aftercare for rest Group
- reduction of the cost of living wages/benefits
- agile young people with correct work attitude & future perspective
- social savings on edge problems NEET youth
- Filling vacancies by NEET youth



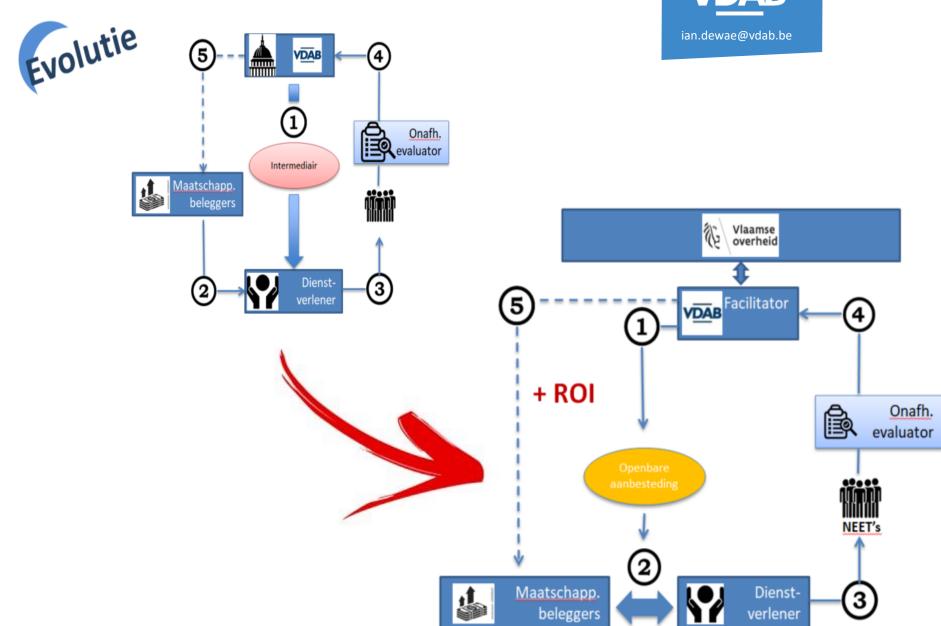
#### SIB in context of the Flemisch Labour Market



#### Scanning limits:

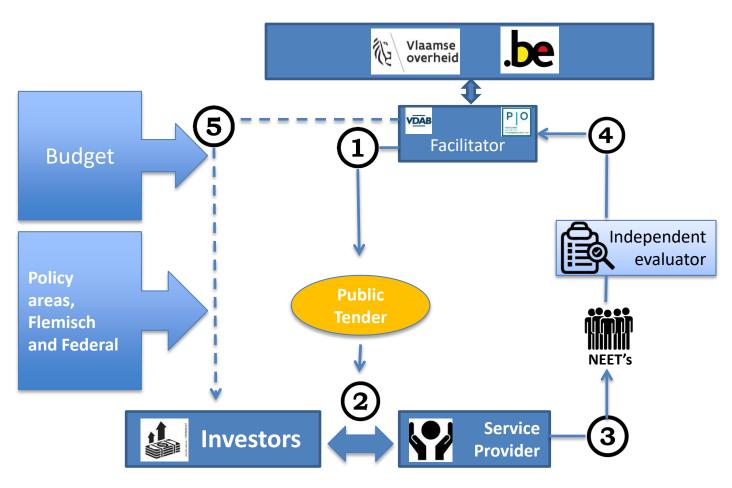






## First SIB project in Flanders: Target group: N.E.E.T.'s Antwerp Integrate the potential of people into the labour marker





### **Perspectives intern**



INTEGRATE MECHANISM, COMPLEMENTARY TO THE ALREADY EXISTING FORMS OF FINANCING





Fase 2: Integrate



Fase 1: Pilot

- Test the mechanism in practice with a pilot project
- Rapp. / Evaluation
- Blueprint/ Modeling
- With a significant impact on employment, integrate the mechanism into the test phase in the current operation
- Institutionalize the mechanism on a large scale for multiple use

## First SIB project in Flanders: Target group: N.E.E.T.'s Antwerp Integrate the potential of people into the labour marker



### **Lessons learned / Lessons to learn:**

Service provider -> Provision of Services



Evolved from a search for a Service Provider to a search for a Provision of Services

SIB is a new financing mechanism, complementary to the traditional forms of financing



SIB is not merely a financial model, It creates bridges between the investment world and the social service providers sector



The right procurement form to choose a Service Provider or preferably a Provisoin of Services? When and how involve/integrate intermediary and independent evaluator and their role?

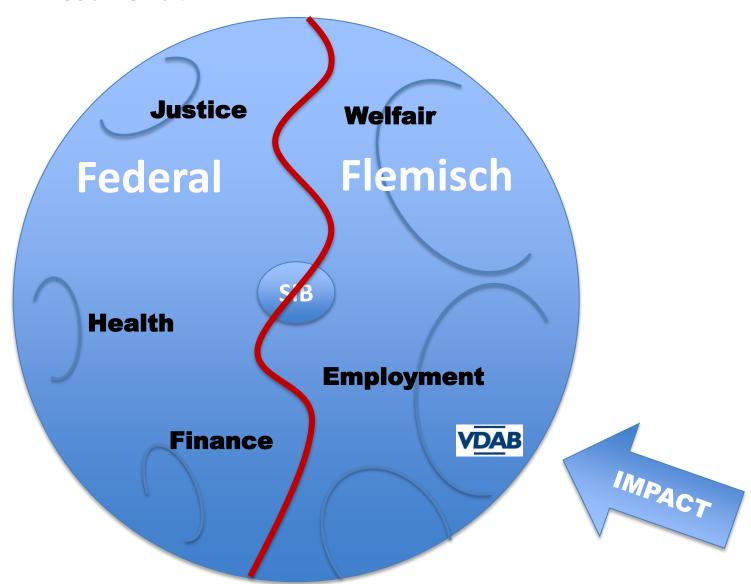




### **Budget - Operating costs?**

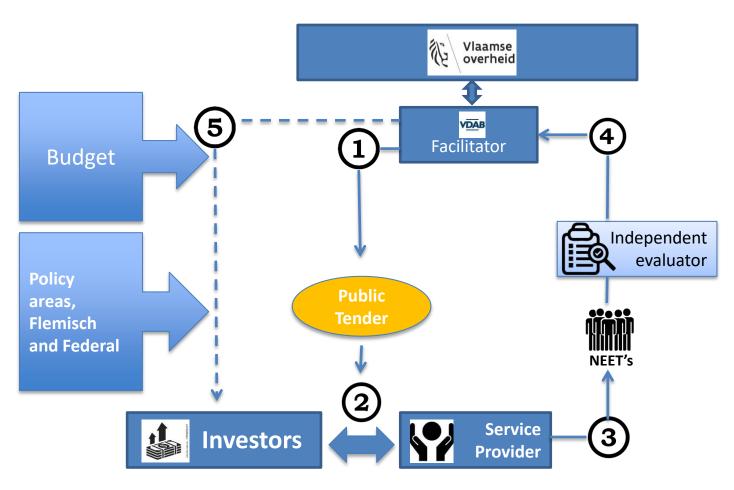
# VDAB ian.dewae@vdab.be

**Return on investment?** 



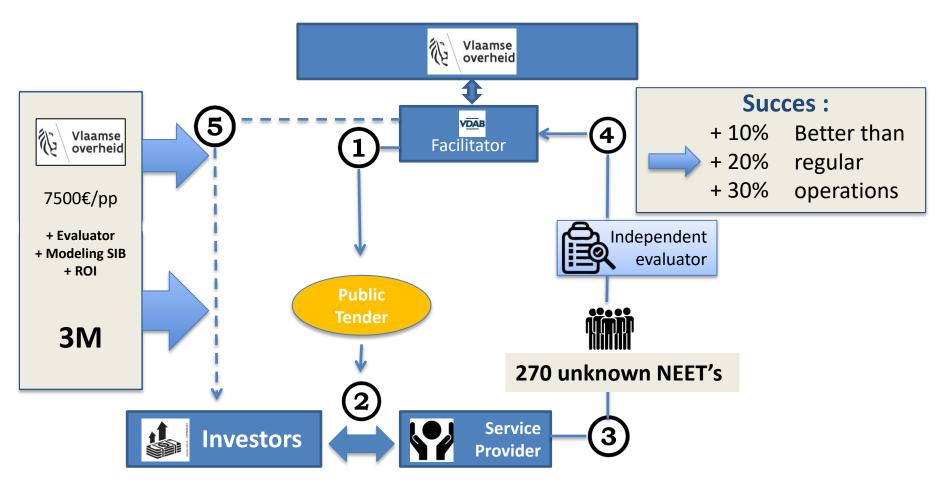
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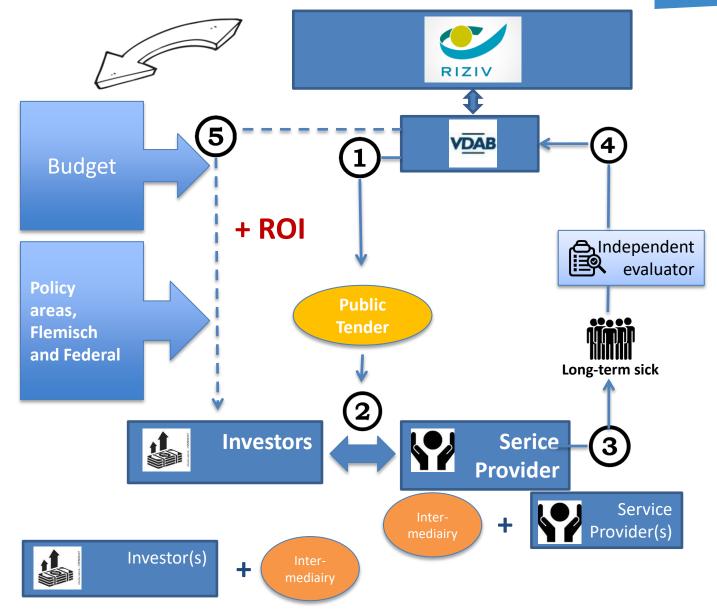




## Second SIB project in Flanders: Target group: Long-Term sick Activation labor RESERVE into the labour marker



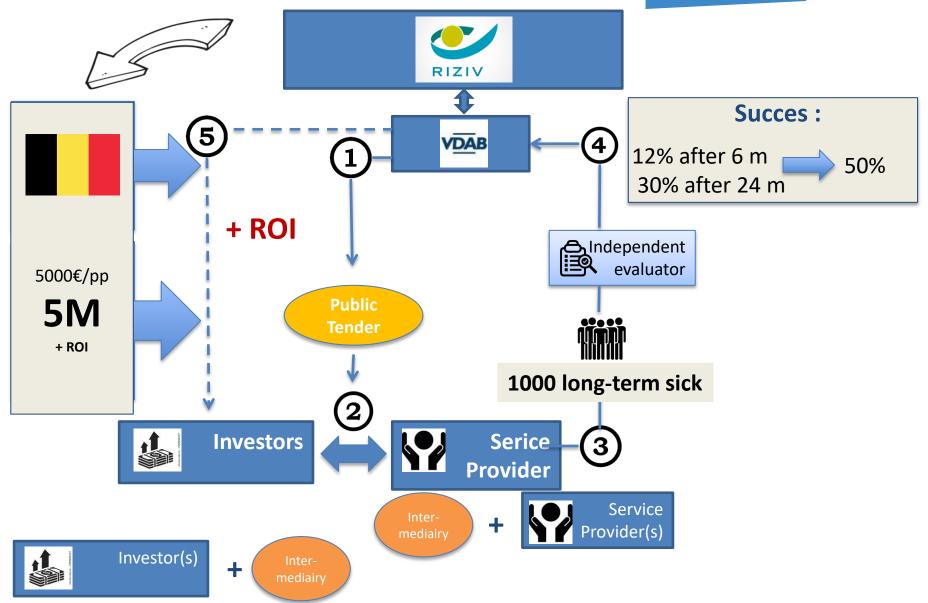
SIB RE-INTEGRATION - NIHDI (National institute for health and disability insurance)



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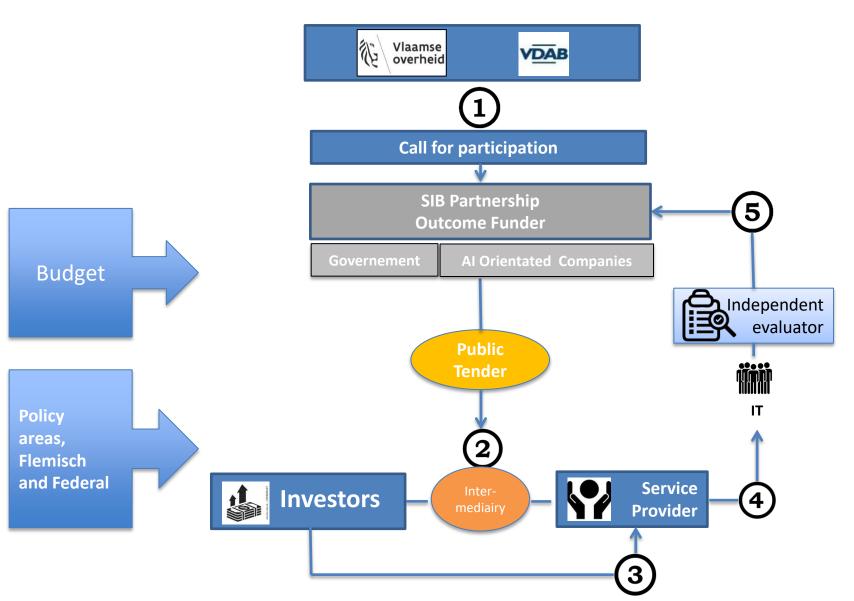
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#### Thirt SIB project in Flanders: SIB Artificial Intelligence training

#### INCREASE AI TRAINING CAPACITY AND RECRUITMENT SOURCES

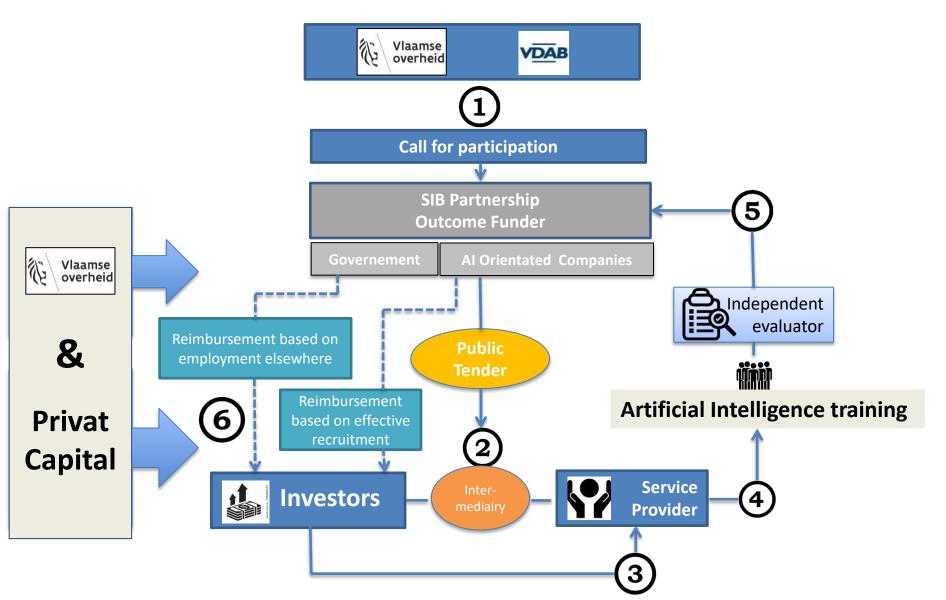




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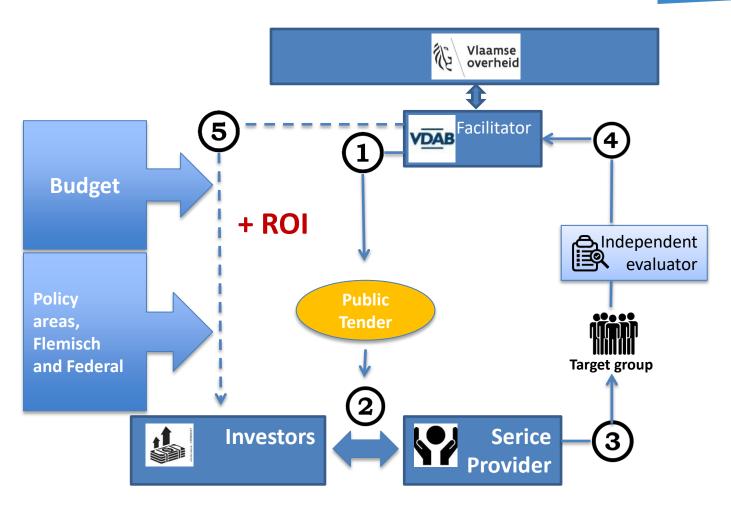




#### **SIB Structuration**

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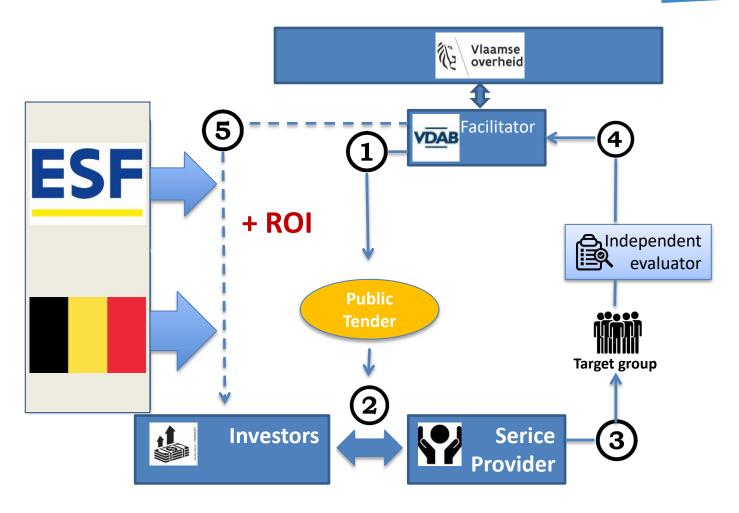
#### VDAB SIB – ESF OUTCOME FUNDER STRUCTURE



#### **SIB Structuration**



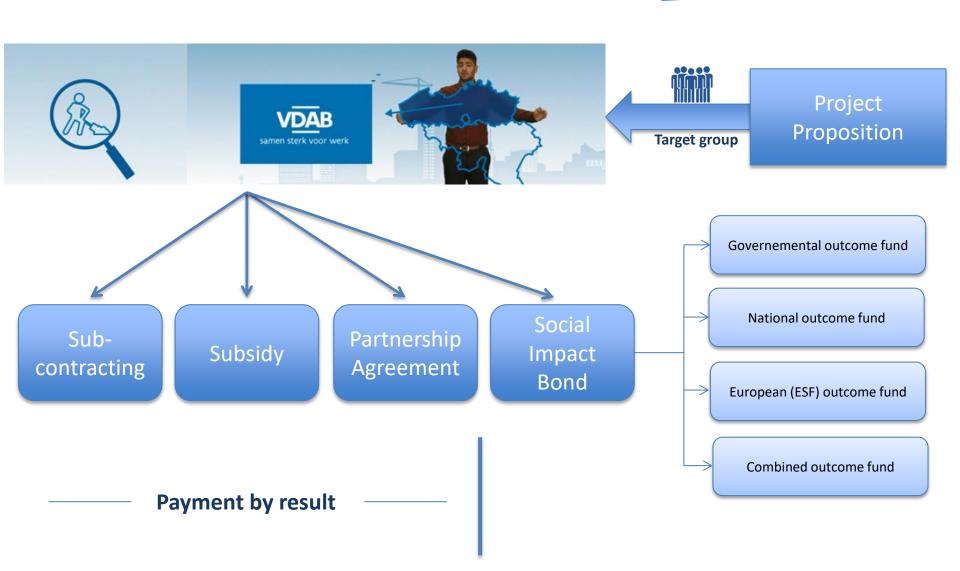
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#### **SIB Structuration**



VDAB SIB – DECISION TREE – DETERMINING LIST



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